Walker Chandiok &Co LLP

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Independent Auditor's Report

To the Members of HCC Infrastructure Company Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of **HCC Infrastructure Company Limited** ('the Company'), which comprise the Balance Sheet as at **31 March 2022**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the 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 standalone 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 Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit (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 Standalone 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.

Material Uncertainty Related to Going Concern

4. We draw attention to Note 29 to the accompanying standalone financial statements, which indicate that the Company's accumulated losses amounts to INR 1,16,241.62 lakhs as on 31 March 2022 and current liabilities exceeded its current assets by INR 52,157.06 lakhs as of that date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, based on the factors mentioned in aforesaid note, management is of the view that the going concern basis of accounting is appropriate. Our opinion is not modified in respect of this matter.

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Emphasis of Matter

5. We draw attention to Note 31 to the accompanying standalone financial statements, regarding Company's non-current investment in HCC Concessions Limited('HCON'), a subsidiary company of the Company, aggregating INR 85,946.56 lakhs as at 31 March 2022 (31 March 2021: INR 85,946.56 Lakhs). The consolidated net-worth of the subsidiary is substantially eroded, however, based on the valuation report from an independent valuer, expected sale of shareholding in Baharampore Farakka Highways Limited (BFHL) a subsidiary of HCON, and expected outcome of negotiation/ arbitration/ litigations based on legal advice obtained in respect of certain claims and awards of RDHL, another subsidiary of HCON, as described in the aforesaid note, the management is of the view that the realisable amount of the aforesaid investment is higher than its carrying value and thus, the investment in HCON is considered as good and recoverable as at 31 March 2022. Our opinion is not modified in respect of this matter.

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

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

   Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   The Director's Report, is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. 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.

8. In preparing the financial statements, the Board of Directors 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 the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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Auditor's Responsibilities for the Audit of the Standalone Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the standalone 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.

11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system 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 Board of Directors' 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;

12. 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

13. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.

14. As required by the Companies (Auditor's Report) Order, 2020 ('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, to the extent applicable.

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15. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

    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) The matters described in paragraph 5 under the Emphasis of Matter section and paragraph 4 of Material uncertainty related to Going concern section, in our opinion, may have an adverse effect on the functioning of the Company;

    f) 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 2022 from being appointed as a director in terms of section 164(2) of the Act;

    g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2022 and the operating effectiveness of such controls, refer to our separate Report in Annexure B wherein we have expressed an unmodified opinion; and

    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 standalone financial statements disclose the impact of pending litigation on its financial position as at 31 March 2022;

       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 2022;

       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 2022;

       iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 33(e) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

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b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 33(f) to the standalone financial statements, no funds have been received by the Company from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the year ended 31 March 2022.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No:001076N/N500013

Shashi Tadwalkar
Partner
Membership No:117961

UDIN:22101797AITZCS9093

Place: Mumbai
Date: 11 May 2022

Annexure A referred to in Paragraph 14 of the Independent Auditor's Report of even date to the members of HCC Infrastructure Company Limited on the standalone financial statements for the year ended 31 March 2022

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The Company does not have any intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.

(b) The property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification program adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not own any immovable property (including investment properties) (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not revalued its Property, Plant and Equipment during the year. Further, the Company does not hold any intangible assets.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.

(ii) (a) The Company does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets during any point of time of the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) The Company has provided loans , or guarantee, or security to Subsidiaries as per details given below:

(INR in lakhs)

Particulars	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount during the year - Subsidiaries - Fellow subsidiaries	-	- -	332.34 189.73	-
Balance outstanding as at balance sheet date - Subsidiaries - Fellow subsidiaries	- -	- -	4,651.02 189.73	-

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Annexure A (Contd)

(a) In our opinion, and according to the information and explanations given to us, the investments made, guarantees provided, security given and terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are, prima facie, not prejudicial to the interest of the Company.

(b) In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and the payment of the interest has not been stipulated and accordingly, we are unable to comment as to whether the repayments/receipts of principal interest are regular.

(c) In the absence of stipulated schedule of repayment of principal and payment of interest, we are unable to comment as to whether there is any amount which is overdue for more than 90 days. Reasonable steps have not been taken by the Company for recovery of such principal amounts and interest.

(d) The Company has granted loans or advances in the nature of loan which had fallen due during the year but such loans or advances has/have not been renewed or extended nor has the Company granted fresh loans to settle the overdue amounts of existing loans or advances given to the same parties.

(e) The Company has granted loans which are to be repaid based on liquidity position, as per details below:

Particulars	All Parties	Promoters	Related Parties
Aggregate of loans			
- Repayable on demand	4,840.75	-	4,840.75
Total	**4,840.75**	**-**	**4,840.75**
Percentage of loans/advances in nature of loan to the total loans	100%	-	100%

(iv) The Company has not entered into any transaction covered under section 185 of the Act. as the Company is engaged in providing infrastructural facilities as specified in Schedule VI of the Act, provisions of section 186 except sub-section (1) of the Act are not applicable to the Company. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sub-section (1) of section 186 in respect of investments, as applicable.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

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Annexure A (Contd)

(vii)(a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues, as applicable, have not been regularly deposited with the appropriate authorities and there have been significant delays in a large number of cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and there has been no utilisation during the current year of the term loans obtained by the Company during any previous years. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year or in any previous year. Accordingly, reporting under clause 3(ix) (d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

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Annexure A (Contd)

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.

(b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements etc., as required Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act.

(xiv) (a) According to the information and explanations given to us, the Company is not required to have an internal audit system under section 138 of the Act. However, the Company has an internal audit system which, in our opinion, is commensurate with the size and nature of its business.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act 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, reporting under clause 3(xvi) of the Order is not applicable to the Company.

(xvii) The Company has incurred cash losses in the current financial year and in the immediately preceding financial years amounting to INR 3,994.36 lakhs and INR 3,867.87 lakhs respectively.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions and the reasons mentioned in the note 29 to the accompanying standalone financial statement, in our opinion, material uncertainty exists as on the date of the audit report with respect to Company's capability of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. Also refer paragraph 4 under section 'Material uncertainty related to going concern' in our audit report.

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Annexure A (Contd)

We, further, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due

(xx) According to the information and explanations given to us, the Company does not fulfill the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No:001076N/N500013

Shashi Tadwalkar
Partner
Membership No:101797

UDIN:22101797AITZCS9093

Place: Mumbai
Date: 11 May 2022

Annexure B to the Independent Auditor's Report of even date to the members of HCC Infrastructure Company Limited on the standalone financial statements for the year ended 31 March 2022

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of HCC Infrastructure Company Limited ('the Company') as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

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

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements

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 Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') 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 were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Standalone 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 include those policies and procedures that

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Annexure B (Contd)

(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 Standalone 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 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, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No:001076N/N500013

Shashi Tadwalkar
Partner
Membership No:117961

UDIN: 22101797AITZCS9093

Place: Mumbai
Date: 11 May 2022

HCC Infrastructure Company Limited
Standalone balance sheet as at 31 March 2022
(All amounts are in ₹ lakhs, unless stated otherwise)

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	-	-
Investments in subsidiaries	3(b)	86,413.61	467.05
Investments in joint venture	3(c)	-	85,946.56
Financial assets			
Loans	4	4,840.75	3,044.08
Other financial assets	5	2,641.12	2,300.62
Income-tax assets (net)	6	153.58	317.49
Deferred tax assets(net)	6.1	-	-
Total non-current assets		**94,049.06**	**92,075.80**
Current assets			
Financial assets			
Trade receivables	7	757.19	-
Cash and cash equivalents	8	48.34	13.80
Bank balances other than cash and cash equivalents	8.1	-	20.00
Other financial assets	6	1,502.02	1,580.29
Other current assets	9	51.41	10.00
Total current assets		**2,358.96**	**1,624.09**
TOTAL ASSETS		**96,408.02**	**93,699.89**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	25.00	25.00
Other equity		41,866.00	38,507.82
Total equity		**41,891.00**	**38,532.82**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	11	1.00	1.00
Other financial liabilities	12	-	42.15
Total non-current liabilities		**1.00**	**43.15**
Current Liabilities			
Financial liabilities			
Short term borrowings	13	38,159.37	35,520.07
Trade payables	14		
i) total outstanding dues of micro and small enterprises		-	-
ii) total outstanding dues other than (i) above		11.24	9.50
Other financial liabilities	12	15,919.85	19,228.18
Other current liabilities	15	425.56	366.17
Total current liabilities		**54,516.02**	**55,123.92**
TOTAL EQUITY AND LIABILITIES		**96,408.02**	**93,699.89**

Summary of significant accounting policies and other explanatory information 2

The accompanying notes forms an integral part of the standalone financial statements

This is the standalone balance sheet referred to in our audit report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N / N500013

Tadwalkar

Shashi Tadwalkar
Partner
Membership No.: 101797

WALKER CHANDIOK & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 11 May 2022

For and on behalf of the Board of Directors

Mr. Santosh Kumar Rai
Director
DIN No. : 08766113

Place: Mumbai
Date: 11 May 2022

Mr Aniruddha Singh
Director
DIN No. : 06505479

HCC Infrastructure Company Limited

HCC Infrastructure Company Limited
Standalone statement of profit and loss for the year ended 31 March 2022
(All amounts are in ₹ lakhs, unless stated otherwise)

Particulars	Note No.	Year ended 31 March 2022	Year ended 31 March 2021
Income			
Revenue from operations	16	2,344.81	216.00
Other income	17	3,600.00	459.71
Total Income		**5,944.81**	**675.71**
Expenses			
Cost of good sold	18	600.09	-
Finance costs	19	4,197.62	4,421.31
Other expenses	20	76.32	1,497.69
Total expenses		**4,874.03**	**5,919.00**
Profit / (loss) before exceptional item and tax		**1,070.78**	**(5,243.29)**
Exceptional item - gain	21	2,293.21	-
Profit / (Loss) before tax		**3,363.99**	**(5,243.29)**
Tax expenses	6		
Current income tax		2.66	-
Tax pertaining to earlier years		3.15	0.04
Profit / (loss) for the year (A)		**3,358.18**	**(5,243.33)**
Other Comprehensive Income (OCI)			
(a) Items not to be reclassified subsequently to profit or loss			
(b) Items to be reclassified subsequently to profit or loss		-	-
Other Comprehensive Income/ (loss) for the year, net of tax (B)		**-**	**-**
Total comprehensive Income/(loss) for the year, net of tax (A+B)		**3,358.18**	**(5,243.33)**
Earning/(Loss) per equity share of each having face value of ₹10 each			
Basic (in ₹)	24	1,343.27	(2,097.33)
Diluted (in ₹)		1,343.27	(2,097.33)
Summary of significant accounting policies and other explanatory information	2		

The accompanying notes forms an integral part of the standalone financial statements

This is the standalone statement of profit and loss referred to in our audit report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N / N500013

Sadwalkar

Shashi Tadwalkar
Partner
Membership No.: 101797

WALKER CHANDIOK & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 11 May 2022

For and on behalf of the Board of Directors

Mr. Santosh Kumar Rai
Director
DIN No. : 08766113

Place: Mumbai
Date: 11 May 2022

Mr Aniruddha Singh
Director
DIN No. : 06505479

HCC Infrastructure Company Limited

HCC Infrastructure Company Limited
Standalone statement of cash flow for the year ended 31 March 2022
(All amounts are in ₹ lakhs, unless stated otherwise)

	Year ended 31 March 2022	Year ended 31 March 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	3,363.99	(5,243.29)
Adjustment for		
Finance costs	4,197.62	4,421.31
Interest income on inter corporate deposit (ICD)	(75.54)	(191.50)
Interest income on fixed deposits	(1.02)	-
Interest on compensation	(155.62)	(156.04)
Unwinding on corporate guarantees	(126.65)	(102.08)
Reversal of loss on ICD interest	(3,208.96)	(2.00)
Liability no longer payable written back	(1,703.70)	-
Reversal of impairement provision	(20.01)	-
Gain on derecognition of financial liability	(2,293.21)	-
Loss Allowance		
- ICD receivables including interest	-	1,479.54
Operating loss before working capital changes	(23.11)	205.94
Adjustments for changes in working capital:		
(Increase) / decrease in trade receivables	(757.19)	270.00
Decrease in other financial assets	20.02	-
(Increase) in other current assets	(41.41)	4.86
Increase / (decrease) in other current financial liabilities	(2,690.57)	1,035.26
Increase / (decrease) in other current liabilities	59.39	(241.92)
Increase / (decrease) in trade payables	1.75	(3.75)
Cash generated / (used in) from operations	(3,431.12)	1,270.39
Direct taxes paid (net of refund)	158.11	(117.66)
Net cash generated / (used in) from operating activities (A)	(3,273.01)	1,152.73
B. CASH FLOW FROM INVESTING ACTIVITIES		
Intercorporate deposit given to related parties	(522.57)	(52.25)
Refund of intercorporate deposit given to related parties	1,755.46	307.33
Interest received	169.38	675.07
Investments in bank deposits (having original maturity of more than three months)	-	(20.00)
Net cash generated from investing activities (B)	1,402.27	910.15
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term debt	(604.34)	(1,188.97)
Inter-corporate deposit taken from related parties	28,404.63	682.00
Repayment of Inter-corporate deposits taken from related parties	(25,161.00)	(929.61)
Interest paid on borrowings	(467.12)	(1,048.37)
Interest paid on other	(266.89)	(574.32)
Net cash generated / (used in) from financing activities (C)	1,905.28	(3,059.27)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	34.54	(996.39)
Cash and cash equivalents at the beginning of the year	13.80	1,010.19
Cash and cash equivalents at the end of the year (Refer note 8)	48.34	13.80

The statement of cash flow has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows. Effective 1 April 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. [Refer note 11.1(c)]

Summary of significant accounting policies and other explanatory information 2

The accompanying notes forms an integral part of the standalone financial statements

This is the standalone statement of cash flow referred to in our audit report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N / N500013

Shashi Tadwalkar
Partner
Membership No.: 101797

Place: Mumbai
Date: 11 May 2022

WALKER CHANDIOK & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Mr. Santosh Kumar Rai
Director
DIN No. : 08766113

Place: Mumbai
Date: 11 May 2022

Mr Aniruddha Singh
Director
DIN No. : 06505479

HCC Infrastructure Company Limited

HCC Infrastructure Company Limited
Standalone statement of changes in equity for the year ended 31 March 2022
(All amounts are in ₹ lakhs, unless stated otherwise)

A) Equity share capital (Refer note 10)

Particulars	Number	₹ lakhs
Equity shares of ₹ 10 each issued, subscribed and paid up		
As at 31 March 2020	**2,50,000**	**25.00**
Movement during the year	-	-
As at 31 March 2021	**2,50,000**	**25.00**
Movement during the year	-	-
As at 31 March 2022	**2,50,000**	**25.00**

B) Other equity (₹ lakhs)

Particulars	Deemed capital contribution	Reserves and surplus		Total equity attributable to equity holders
		Capital reserve on merger	Retained earnings	
As at 1 April 2020	**1,57,503.62**	**604.00**	**(1,14,356.47)**	**43,751.15**
Loss for the year	-	-	(5,243.33)	(5,243.33)
Additions during the year	-	-	-	-
Other comprehensive income	-	-	-	-
As at 31 March 2021	**1,57,503.62**	**604.00**	**(1,19,599.80)**	**38,507.82**
Profit for the year	-	-	3,358.18	3,358.18
Additions during the year	-	-	-	-
Other comprehensive income	-	-	-	-
As at 31 March 2022	**1,57,503.62**	**604.00**	**(1,16,241.62)**	**41,866.00**

Nature and purpose of reserves

i. Deemed capital contribution
Deemed capital contribution represents contribution from holding company, that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

ii. Capital reserve on merger
Capital Reserve was created on acquisition of an entity in the earlier years.

iii. Retained earnings
Retained earnings represent profits / losses that the Company has earned / incurred till date as reduced by dividends or other distribution paid by to the equity shareholders.

Summary of significant accounting policies and other explanatory information

The accompanying notes forms an integral part of the standalone financial statements

This is the standalone statement of changes in equity referred to in our audit report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N / N500013

Shashi Tadwalkar
Partner
Membership No.: 101797

Place: Mumbai
Date: 11 May 2022

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Mr. Santosh Kumar Rai
Director
DIN No. : 08766113

Place: Mumbai
Date: 11 May 2022

Mr Aniruddha Singh
Director
DIN No. : 06505479

HCC Infrastructure Company Limited

Note 1 Corporate Information

HCC Infrastructure Company Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the erstwhile Companies Act, 1956 (CIN : U45400MH2010PLC210944). It is a 100% subsidiary of "Hindustan Construction Company Limited (HCC)". Shares of Its holding company are listed on two stock exchanges in India. The purpose of incorporation of this Company is to carry on all types of infrastructure activities whether on its own or through subsidiaries or SPV's.

The financial statements of the Company for the year ended 31 March 2022 were authorised for issue in accordance with resolution of the Board of Director on 11 May 2022

Note 2 Significant accounting policies

i Basis of preparation

The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Accounting Standards) Rules, 2015.

The financial statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities which have been measured at fair value, on an accrual basis of accounting.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Current/non-current classification:
All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per the guidance set out in Schedule III to the Companies Act, 2013 ("the Act"). Operating cycle for the business activities of the Company covers the duration of the project/ contract/ service including the defect liability period, wherever applicable, and extends upto the realisation of receivables (including retention monies) within the credit period normally applicable to the respective project.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest lakhs (₹ 00,000), except when otherwise indicated.

ii Accounting estimates
The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes 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.

Valuation of investment in/ loans to subsidiaries and other group companies
The Company performs evaluation of its equity investments in subsidiaries to assess if there is any indication of impairment. Equity investments are tested for impairment whenever events, or changes in circumstances indicate that the carrying amount is higher than the recoverable amount. The recoverable amount is the higher of the asset's fair value less cost of disposal and value in use. When the fair value of investments in subsidiaries cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. Similar assessment is carried for exposure of the nature of loans and interest receivable thereon. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as expected earnings in future years, liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of these investments.

Deferred tax assets
In assessing the realisability of deferred income tax assets including Minimum Alternate Tax, management considers whether some portion or all of the deferred income tax assets will not be realised. The ultimate realisation of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realise the benefits of those deductible differences. The amount of the deferred income tax assets considered realisable, however, could be reduced in the near term, if estimates of future taxable income during the carry forward period are reduced.

Defined benefit plans
The cost and present value of the gratuity obligation and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

HCC Infrastructure Company Limited

iii Property, plant and equipment (Tangible assets)

Property, plant and equipment are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

iv Depreciation

The useful lives have been determined by management and are aligned with useful lives of assets as provided in Schedule II of Companies Act, 2013. Depreciation/ amortisation is provided as per the useful lives of the assets as per Schedule II of Companies Act, 2013 using Straight Line Method (SLM). The asset's useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

On transition to IndAS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April, 2016 measured as per the previous GAAP and use the carrying value as the deemed cost of the property, plant and equipment.

The estimated useful lives are as below:
Computers : 3 years
Office Equipment : 5 years

An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gain and losses on disposal are determined by comparing proceeds with carrying value and these are included in statement of profit and loss.

v Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a Financial assets

Initial recognition

In the case of financial assets, not recorded at fair value through profit or loss (FVPL), financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

Subsequent measurement of financial instruments depend on the Company's business model for managing the asset and contractual cash flow characteristic of the financial instrument. The financial assets are classified and subsequently measured in the following categories:

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

Financial assets measured at fair value OCI

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

In respect of equity investments (other than for investment in subsidiaries, Joint ventures and associates) which are not held for trading, the Company has made an irrevocable election to present subsequent changes in `the fair value of such instruments in OCI. Such an election is made by the Company on an instrument by instrument basis at the time of transition for existing equity instruments/ initial recognition for new equity instruments.

Financial assets measured at fair value through P&L

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVPL.

Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices, dealer quote.

For equity instruments of unlisted companies, in limited circumstances, insufficient more recent information is available to measure fair value, or if there are a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. The Company recognises such equity instruments at cost, which is considered as appropriate estimate of fair value.

All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. Refer to the table on financial instruments by category below for the disclosure on carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

HCC Infrastructure Company Limited

Investment in subsidiaries

Investment in subsidiaries are carried at cost. In case if the investment in subsidiaries, associates or joint venture is acquired in stages, the investments is measured at cost using accumulated cost approach. Under this approach, the cost of investment is determined as the consideration paid for the initial interest (original consideration), plus any consideration paid for the additional interest.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies the Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss.

De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

b Equity instruments and financial liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

Financial liabilities

1) Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

2) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation. Amortisation is recognised as finance income in the Statement of Profit and Loss.

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

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CHARTERED ACCOUNTANTS

HCC Infrastructure Company Limited

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Where the Company issues optionally convertible debenture, the fair value of the liability portion of such debentures is determined using a market interest rate for an equivalent non-convertible debenture. This value is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the debentures. The remainder of the proceeds is attributable to the equity portion of the instrument. This is recognised and included in shareholders' equity (net of income tax) and are not subsequently re-measured.

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of the debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

Where the terms of a financial liability is re-negotiated and the Company issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in the Statement of Profit and Loss; measured as a difference between the carrying amount of the financial liability and the fair value of equity instrument issued.

3) De-recognition of financial liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

c Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

vi Employee benefits

a Defined contribution plan

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare fund and superannuation scheme are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.

b Defined benefit plan

The Company also provides for gratuity which is a defined benefit plans, the liabilities of which is determined based on valuations, as at the balance sheet date, made by an independent actuary using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur. Re-measurement recognised in OCI are not reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the period of plan amendment or curtailment. The classification of the Company's obligation into current and non-current is as per the actuarial valuation report.

c Leave entitlement and compensated absences

Accumulated leave which is expected to be utilised within next twelve months, is treated as short-term employee benefit. Leave entitlement, other than short term compensated absences, are provided based on a actuarial valuation, similar to that of gratuity benefit. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the Statement of Profit and Loss in the period in which they occur.

d Short-term benefits

Short-term employee benefits such as salaries, wages, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

vii Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand, which are subject to an insignificant risk of changes in value.

viii Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole Company as one segment of "Infrastructure development". Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this single operational segment.

ix Borrowing costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Also, the EIR amortisation is included in finance costs.

Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are expensed in the Statement of Profit and Loss in the period in which they occur.

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HCC Infrastructure Company Limited ★

x Revenue recognition

Effective 1 April 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of 1 April 2018. In accordance with the cumulative catch-up transition method , the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognised on satisfaction of performance obligation as and when services promised services are delivered to customers in an amount that reflects the consideration we expect to receive in exchange for those services. Revenue from services is accounted net of taxes.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The impact on account of applying the erstwhile Ind AS 18 Revenue instead of Ind AS 115 Revenue from contract with customers on the financials statements of the Company for the year ended and as at 31 March 2019 is insignificant.

Accounting for claims

Claims are accounted as income in the period of receipt of arbitration award or acceptance by client or evidence of acceptance received. Interest awarded, being in the nature of additional compensation under the terms of the contract, is accounted as other income on receipt of favourable arbitration award.

Other income

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

xi Interest in joint arrangements

As per Ind AS 111 - Joint Arrangements, investment in Joint Arrangement is classified as either Joint Operation or Joint Venture. The classification depends on the contractual rights and obligations of each investor rather than legal structure of the Joint Arrangement. The Company classifies its Joint Arrangements as Joint Ventures.

The Company recognises its direct right to assets, liabilities, revenue and expenses of Joint Operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

xii Income tax

Income tax comprises of current and deferred income tax. Income tax is recognised as an expense or income in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in equity or in OCI.

a Current income tax

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

b Deferred income tax

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.

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

xiii Impairment of non-financial assets

As at each Balance Sheet date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:
- In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and
- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transaction are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

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When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.

xiv Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

xv Trade payables

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using the EIR method.

xvi Earnings Per Share

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

xvii Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

Contingent assets are disclosed where an inflow of economic benefits is probable.

xviii Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1 April 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired, and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognize such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any material impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification, and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

The new standard listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods

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(All amounts are in ₹ lakhs, unless stated otherwise)

Note 3(a) Property, plant and equipment

Particulars	Computers	Office equipment	Total
Gross carrying value (Deemed cost)			
As at 01 April 2020	2.19	0.49	2.68
Additions	-	-	-
Deductions/ disposals	-	-	-
As at 31 March 2021	2.19	0.49	2.68
Additions	-	-	-
Deductions/ disposals	-	-	-
As at 31 March 2022	2.19	0.49	2.68
Accumulated Depreciation			
As at 01 April 2020	2.19	0.49	2.68
Charge for the year	-	-	-
Accumulated depreciation on disposals	-	-	-
As at 31 March 2021	2.19	0.49	2.68
Charge for the year	-	-	-
Accumulated depreciation on disposals	-	-	-
As at 31 March 2022	2.19	0.49	2.68
Net carrying value			
As at 31 March 2021	-	-	-
As at 31 March 2022	-	-	-

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(All amounts are in ₹ lakhs, unless stated otherwise)

	As at 31 March 2022	As at 31 March 2021
3(b) Investments in Subsidiaries		
Non-current		
(Face value of ₹ 10 each, unless otherwise stated, fully paid up)		
I. Investments in Subsidiaries		
(i) Investments in equity shares at deemed cost (Refer note 3.1(I))		
In subsidiary companies	57,403.02	55.00
	57,403.02	**55.00**
(ii) Deemed investment (Refer note 3.1)		
(a) Deemed investment on inter-corporate deposits (Refer note 3.1(IIa))	-	-
(b) Deemed investment of corporate guarantee (Refer note 3.1(IIb))	412.05	412.05
	412.05	**412.05**
(iii) Investments in preference shares at amortised cost (Refer note 3.2(II))		
In Subsidiary company	28,598.54	-
	28,598.54	**-**
Total Investments in Subsidiaries (i + ii)	**86,413.61**	**467.05**
Total Investments in Subsidiaries	**86,413.61**	**467.05**

Note 3.1 Detailed list of Investments in Subsidiaries

I. Investments in equity shares at deemed cost		
In subsidiary companies		
-HCC Concessions Limited 2,917,151 (31 March 2021 - 2,917,151) equity shares	57,348.02	-
- HCC Power Limited (Refer note 3A below) 500,000 (31 March 2021 - 500,000) equity shares	50.00	50.00
- Dhule Palesner Operations & Maintenance Limited 500,000 (31 March 2021 - 500,000) equity shares	50.00	50.00
Less: Impairment provision	(50.00)	(50.00)
	-	-
- HCC Operations & Maintenance Limited 50,000 (31 March 2021 - 50,000) equity shares	5.00	5.00
	57,403.02	**55.00**
II. Deemed investment in subsidiary companies		
(a) Deemed investment on corporate guarantees		
HCC Power Limited	412.05	412.05
HCC Operations and Maintenance Limited	259.55	259.55
Sub-total (a)	**671.60**	**671.60**
Less: Impairment provision	(259.55)	(259.55)
	412.05	**412.05**

	As at 31 March 2022	As at 31 March 2021
III. Investments in preference shares at deemed cost		
In Subsidiary Company		
HCC Concessions Limited (Refer note 3A below) 285,985,361 (31 March 2021: 285,985,361) 0.001% Compulsorily Convertible Cumulative Preference Shares (CCCPS)	28,598.54	-
	28,598.54	**-**

Conversion terms, rights and restrictions attached to CCCPS :
The CCCPS are compulsorily convertible as per following terms and conditions :-
(a) CCCPS shall be compulsorily convertible at the earlier of: -
i) Qualified IPO or
ii) 15 years from date of their issuance; or
iii) Subject to adjustments as defined under consolidation condition, pertaining to sale of Hindustan Construction Company Limited entire equity shareholding to the Company in certain subsidiaries of the Company.

(b) CCCPS shall be convertible at any time after the Closing date, as specified in the Securities Subscription Agreement at the sole option of the Investor in the defined Conversion ratio.

(c) Each 200 CCCPS shall be converted into 1 equity share.

HCC Concessions Limited was a joint venture between the Company and Xander Investment Holding XXVI Limited. The Board of Directors of the HCC Concessions Limited at its meeting held on July 28, 2021 have approved the buyback of fully paid-up Equity Shares of Xander Investment Holding XXVI Limited; followed with the approval of the shareholders of the Company by way of special resolution and approvals of statutory, regulatory or governmental authorities as may be required under applicable laws; this has resulted in HCC Infrastructure Company gaining full control over HCC Concessions Limited. Thus HCC Concessions limited became subsidiary of the Company w.e.f. 20 August 2021.

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Note 3A

The Company has pledged the following shares in favour of the Yes Bank Limited as part of the financing agreements for facilities taken by the Company and by its subsidiaries HCC Power Limited, HCC Operations and Maintenance Limited and Baharampore Farakka Highways Limited (step down Subsidiary), as indicated below:

Name of the Company	Number of shares pledged	
Equity Shares:		
HCC Concessions Limited	-	6,88,637
HCC Power Limited	-	1,50,000
Preference Share		
HCC Concessions Limited	-	6,71,33,349

3(c) Investments in Joint venture

Non-current		
(i) Investments in equity shares at deemed cost		
In joint venture company		57,348.02
	-	57,348.02
(ii) Investments in preference shares at amortised cost		
In joint venture company		28,598.54
		28,598.54
Total Investments in Joint Venture (i + ii)	-	**85,946.56**
Details:		
(i) Market value of investments - quoted		-
(ii) Carrying value of investments - unquoted		85,946.56
(iii) Investments carried at deemed cost		85,946.56
(iii) Impairment of investments recognised		

4 Loans

Non-Current		
Inter corporate deposit to related parties (Refer note 23)	6,404.81	7,637.71
Less: Loss allowance (Refer note 23)	(1,564.06)	(4,593.63)
Total non-current loans	**4,840.75**	**3,044.08**
Break-up of security details		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	4,840.75	3,044.08
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	1,564.06	4,593.63
Total	**6,404.81**	**7,637.71**
Loss allowance (Refer note 23)	(1,564.06)	(4,593.63)
Total loans	**4,840.75**	**3,044.08**

Note - There are no loan due from any director or any officer of the Company, either severally or jointly with any other person, or from any firms or private companies in which any director is a partner or a member.

Nature and Purpose of non current loans

Name of Company	Interest rate	Repayment	As at 31 March 2022	As at 31 March 2021
HCC Concessions Limited	11.00%	To be repaid based on liquidity position	-	1,611.96
HCC Power Limited	Interest free	To be repaid based on liquidity position	4,461.69	4,461.69
HCC Operations & Maintenances Limited	11.00%	To be repaid based on liquidity position	189.34	-
HCC Real Estate Limited (HREL)*	12.50%	To be repaid based on liquidity position	1,564.06	1,564.06
Steiner India Limited	Interest free	To be repaid based on liquidity position	189.72	-
			6,404.81	**7,637.71**

* The above receivables are secured by way of creation of pledge on 70000 shares of HRL(Thane) Real Estate Limited held by HREL and also charge is created on ICDs provided by HREL to HRL (Thane) Real Estate Limited.

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5 Other financial assets

Non-current		
Compensation receivable in lieu of termination (Refer note below (a))	2,456.23	2,300.62
Interest receivable on ICD from related party (Refer note 23)	184.89	179.39
Less: Loss allowance (Refer notes 17 and 23)	-	(179.39)
Receivable from related parties (Refer note 23)	0.25	20.26
Less: Loss allowance (Refer note 23)	(0.25)	(20.26)
Other receivables	7.99	7.99
Less: Loss allowance	(7.99)	(7.99)
Total non-current financial assets	**2,641.12**	**2,300.62**
Current		
Compensation receivable in lieu of termination (Refer note below)	1,502.00	1,502.00
Other advances	105.28	105.26
Less: Loss allowance (Refer note 20)	(105.26)	(105.26)
Interest receivable on ICD from related party (Refer note 23)	-	78.29
Total current financial assets	**1,502.02**	**1,580.29**
Total other financial assets	**4,143.14**	**3,880.91**

Note (a):

i) The compensation receivable is being charged and hypothecated by the Company as first pari passu security interest in favour of Debenture Trustee for debentures issued by Lavasa Corporation Limited.

ii) The above compensation receivable is under arbitration/litigation at district and session court, pune and the hearings are in progress

	As at 31 March 2022	As at 31 March 2021
Break-up of security details		
Interest receivable on ICD from related party		
Interest receivable considered good - Secured	-	-
Interest receivable considered good - Unsecured	184.89	78.29
Interest receivable which have significant increase in credit risk	-	-
Interest receivable - credit impaired	-	179.39
Total	**184.89**	**257.69**
Less: Loss allowance (Refer note 23)	-	(179.39)
Total loans	**184.89**	**78.30**

6 Income-tax assets (net)

i. The following table provides the details of income tax assets and liabilities:		
Income tax assets	153.58	317.49
Total income tax assets (net)	**153.58**	**317.49**
ii. The gross movement in the current tax asset/ (liability):		
Net current income tax assets/ (liabilities) at the beginning	**317.49**	**199.88**
Add: Tax deducted at source	7.77	180.56
Less: Income tax refund	(165.87)	(62.91)
Less: Current income taxes	(5.81)	(0.04)
Net non-current income tax assets/ (liabilities) at the end	**153.58**	**317.49**
iii. Income tax expense in the statement of profit and loss comprises:		
Current income taxes (represents prior year losses)	2.66	-
Tax pertaining to earlier years	3.15	-
Deferred income taxes	-	-
Income tax expenses/ (income) (net)	**5.81**	-

Total brought forward losses upto assessment year 2021-22, amounts to ₹ 62,715.84 lakhs (31 March 2021: ₹ 71,120.63 lakhs) which can be carried forward between A.Y. 2022-23 to A.Y. 2029-30)

	As at 31 March 2022	As at 31 March 2021
6.1 Deferred tax liabilities (net)		
A. Deferred tax liabilities	-	-
Total deferred tax liabilities (A)	-	-
B. Deferred tax assets		
Carry forward business loss and capital loss	15,776.47	15,773.19
Depreciation on property, plant and equipment	0.08	0.09
Total deferred tax assets (B)	15,776.55	15,773.28
Net deferred tax liabilities/(assets) (C = A - B)*	-	-

* The Company has not recognised deferred tax assets, in view of absence of reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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7 Trade receivables

Receivables from related parties (Refer note 23)	770.65	13.46
Receivables from Others	-	-
Less: Loss allowance (Refer note 23)	(13.46)	(13.46)
Total trade receivables	**757.19**	**-**
Break-up of security details		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	757.19	-
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	13.46	13.46
Total	**770.65**	**13.46**
Loss allowance	(13.46)	(13.46)
Total trade receivables	**757.19**	**-**

Note - There are no receivables due from any director or any officer of the Company, either severally or jointly with any other person, or from any firms or private companies in which any director is a partner or a member.

Trade Receivable Ageing Schedule
As at 31 March 2022

Ageing	**Considered Good**		**Significant increase in credit risk**		**Credit impaired**		**Total**
	Undisputed	**Disputed**	**Undisputed**	**Disputed**	**Undisputed**	**Disputed**	
Less than 6 months	757.19	-	-	-	-	-	757.19
> 3 years	-	-	-	-	13.46	-	13.46
Total	**757.19**	**-**	**-**	**-**	**13.46**	**-**	**770.65**

Trade Receivable Ageing Schedule
As at 31 March 2021

Ageing	**Considered Good**		**Significant increase in credit risk**		**Credit impaired**		**Total**
	Undisputed	**Disputed**	**Undisputed**	**Disputed**	**Undisputed**	**Disputed**	
> 3 years		-		-	13.46	-	13.46
Total	**-**	**-**	**-**	**-**	**13.46**	**-**	**13.46**

8 Cash and cash equivalents

Balances with banks		
In current accounts	48.34	13.80
Total cash and cash equivalents	**48.34**	**13.80**

8.1 Other bank balances

Fixed deposits with original maturity of more than three months but less than 12 months (refer note (a) below)	-	20.00
Total other bank balances	**-**	**20.00**

(a) During the previous year, fixed deposit of ₹ 20 lakhs was liened marked in favour of SREI Equipment Finance Limited. However, debt fully repaid during the current year.

	As at 31 March 2022	**As at 31 March 2021**
9 Other current assets		
Receivable from related parties (Refer note 23)	51.12	9.71
Prepaid expenses	0.29	0.29
Total other current assets	**51.41**	**10.00**

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(All amounts are in ₹ lakhs, unless stated otherwise)

	As at 31 March 2022	As at 31 March 2021
10 Equity share capital		
Authorised share capital		
14,990,000 (31 March 2021: 14,990,000) equity shares of ₹10 each	1,499.00	1,499.00
10,000 (31 March 2021: 10,000) 0.1% Non - Cumulative Redeemable Preference Shares of ₹10 each	1.00	1.00
Total authorised share capital	1,500.00	1,500.00
Equity shares issued, subscribed and paid up share capital:		
250,000 (31 March 2021: 250,000) equity shares of ₹10 each	25.00	25.00
Total issued, subscribed and paid up share capital	**25.00**	**25.00**

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	₹ In lakhs	No. of shares	₹ In lakhs
At the beginning of the year	2,50,000	25.00	2,50,000	25.00
Movement during the year	-	-	-	-
At the end of the year	**2,50,000**	**25.00**	**2,50,000**	**25.00**

b) Details of shareholders holding more than 5% of equity shares and shares held by Holding Company:

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	%holding	No. of shares	%holding
Equity shares of ₹10 each fully paid				
Promoter				
Hindustan Construction Company Limited, holding company	2,50,000	100%	2,50,000	100%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

c) Details of allotment of shares for consideration other than cash, allotments of bonus shares and shares bought back during past five years:

(i) Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash - Nil

(ii) Aggregate number and class of shares allotted as fully paid up by way of bonus shares - Nil

(iii) Aggregate number and class of shares bought back - Nil

d) Rights and restriction attached to equity shareholders:

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. During the year ended 31 March 2021, the amount of per share dividend recognized as distributions to equity shareholders was ₹ Nil (31 March 2021: ₹ Nil). 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.

e) Non cumulative redeemable preference shares

i) Reconciliation of 0.1% Non-cumulative redeemable preference shares outstanding at the beginning and at the end of the year

	As at 31 March 2022		As at 31 March 2021	
	No. of shares	₹ In lakhs	No. of shares	₹ In lakhs
At the beginning of the year	**10,000**	**1.00**	**10,000**	**1.00**
Movement during the year	-	-	-	-
At the end of the year	**10,000**	**1.00**	**10,000**	**1.00**

ii) Details of shareholders holding more than 5% of 0.1% Non-cumulative redeemable preference shares of the Company:

	As at 31 March 2022		As at 31 March 2021	
	No. of shares	%holding	No. of shares	%holding
HCC Real Estate Limited	10,000	100%	10,000	100%

f) Shareholding of Promoters

Shares held by promoters as at 31 March 2022

Sr No	Name of the Promoter	Number of shares	% of total shares	% change in
1	Hindustan Construction Company Limited, holding company	2,50,000	100.00	-
	Total	**2,50,000**		
	Total number of shares issued and subscribed	**2,50,000**		

Shares held by promoters as at 31 March 2021

Sr No	Name of the Promoter	Number of shares	% of total shares	% change in
1	Hindustan Construction Company Limited, holding company	2,50,000	100.00	-
	Total	**2,50,000**		
	Total number of shares issued and subscribed	**2,50,000**		

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	As at 31 March 2022	As at 31 March 2021
11 Borrowings (Non-current)		
Term Loan		
A) Secured		
From Financial Institution	-	604.34
Less: Classified under other financial liabilities [Refer note 12]	-	(604.34)
Subtotal (A)	-	-

From Financial Institution :

a) Subservient charge on proceed from arbitration award in favour of Pune-Paud Toll Road Co Ltd to the extent of ₹700 lakhs.

b) An subservient charge on the claim receivables to the extent of loan outstanding under the Deed of Hypothecation.

c) Fixed deposit of ₹ 20 lakhs has been liened marked in favour of SREI Equipment Finance Limited.

Interest rate and terms of repayment

Carrying interest rate of 12.5% p.a. (31 March 2021: 12.5%) repayable in 3 years commencing from 15 June 2019 in equated monthly installments.

	As at 31 March 2022	As at 31 March 2021
B) Liability component of financial instruments [Refer notes 10(e) and 23]		
Non - Cumulative Redeemable Preference Shares		
10,000 0.1% Non - Cumulative Redeemable Preference Shares of `10 each	1.00	1.00
Subtotal (B)	1.00	1.00
Total long term borrowings (A+B)	**1.00**	**1.00**

Conversion terms, rights and restrictions attached to non-cumulative redeemable preference shares:

i) The preference shares shall carry a dividend of 0.1% per annum. These are non cumulative and non convertible.

ii) Redemption of preference shares would be done as decided by the Board of Directors of the Company at any time after the period of 6 (six) months and prior to the period of 20 (twenty) years from the date of issue of preference shares.

iii) The preference shares shall have no voting rights.

iv) The Preference Shares will not be listed on any Stock Exchanges unless required by any extant regulations.

v) In the event of liquidation of the Company before conversion/ redemption of 0.1% Non-cumulative redeemable preference shares, the holders of 0.1% Non-cumulative redeemable preference shares will have priority over equity shares in the payment of dividend and repayment of capital.

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HCC Infrastructure Company Limited

(All amounts are in ₹ lakhs, unless stated otherwise)

11.1 Notes on borrowings:

(a) **Net debt reconciliation**

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents	48.34	13.80	1,010.19
Short term borrowings (including interest on borrowing)	(53,797.30)	(47,090.06)	(44,539.06)
Non-current borrowings (including current maturities of long-term debt)	(1.00)	(605.34)	(1,794.31)
Net debt	**(53,749.96)**	**(47,681.60)**	**(45,323.18)**

Particulars	Other assets	Liabilities from financing activities		
	Cash and cash equivalents	Non-current borrowings (including current maturities of long-term debt)	Short borrowings (including interest on borrowing)	Total
Net debt as at 31 March 2020	**1,010.19**	**(1,794.31)**	**(44,539.06)**	**(45,323.18)**
Cash flows	(996.39)	-	-	(996.39)
Inter-corporate deposit taken from related parties	-	-	(682.00)	(682.00)
Inter-corporate deposit repaid to related parties	-	-	929.61	929.61
Repayment of Term Loan	-	1,188.97	-	1,188.97
Interest expense	-	-	(3,846.99)	(3,846.99)
Interest paid	-	-	1,048.38	1,048.38
Net debt as at 31 March 2021	**13.80**	**(605.34)**	**(47,090.06)**	**(47,681.60)**
Cash flows	34.54	-	-	34.54
Inter-corporate deposit taken from related parties	-	-	(28,404.63)	(28,404.63)
Inter-corporate deposit repaid to related parties	-	-	25,161.00	25,161.00
Repayment of term loan	-	604.34	-	604.34
Interest expense	-	-	(3,930.73)	(3,930.73)
Interest paid	-	-	467.12	467.12
Net debt as at 31 March 2022	**48.34**	**(1.00)**	**(53,797.30)**	**(53,749.96)**

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HCC Infrastructure Company Limited ★

(All amounts are in ₹ lakhs, unless stated otherwise)

12 Other financial liabilities

	As at 31 March 2022	As at 31 March 2021
Non-current		
Financial guarantee contracts (Refer note 23)	-	42.15
Total non-current financial liabilities	**-**	**42.15**
Current		
Interest accrued and not due on borrowings	-	3.36
Interest on Inter corporate deposits from related parties (Refer note 23)	15,637.93	12,170.97
Interest on other payables to related parties (Refer note 23)	-	890.07
Others		
Due to related parties (Refer note 23)	281.59	4,375.06
Other liabilities	0.33	1,704.22
Financial guarantee contracts (Refer note 23)	-	84.50
Total current financial liabilities	**15,919.85**	**19,228.18**
Total financial liabilities	**15,919.85**	**19,270.33**

13 Short Term Borrowings

	As at 31 March 2022	As at 31 March 2021
Current maturities of long-term debt	-	604.34
Inter corporate deposits from related parties* (Refer note 23)	38,159.37	34,845.73
Short Term Borrowings from related parties (Refer note 23)	-	70.00
Total current borrowings	**38,159.37**	**35,520.07**

*Inter corporate deposits taken from related parties at an effective interest rate of 11.00% p.a. repayable on demand.

14 Trade payables

	As at 31 March 2022	As at 31 March 2021
Current		
Trade payables : micro and small enterprises (Refer note below)	-	-
Trade payables : others	11.24	9.50
Total trade payables	**11.24**	**9.50**

Note:
The Company has not received any intimation from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/ payable as required under the said Act have been on the basis of information available with the Company.

Trade Payable Ageing Schedule

As at 31 March 2022

Ageing	Others		MSME		Total
	Undisputed	Disputed	Undisputed	Disputed	
Less than 1 year	11.24	-	-	-	11.24
Total	**11.24**	**-**	**-**	**-**	**11.24**

As at 31 March 2021

Ageing	Others		MSME		Total
	Undisputed	Disputed	Undisputed	Disputed	
Less than 1 year	9.50	-	-	-	9.50
Total	**9.50**	**-**	**-**	**-**	**9.50**

15 Other current liabilities

	As at 31 March 2022	As at 31 March 2021
Statutory dues	425.56	366.17
Total other current liabilities	**425.56**	**366.17**

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	Year ended 31 March 2022	Year ended 31 March 2021
16 Revenue from operations		
Other operating revenue		
Sale of goods (Refer note 23)	641.11	-
Consultancy fees	-	216.00
Liability no longer payable written back (Refer note 32)	1,703.70	-
Total revenue from operations	**2,344.81**	**216.00**
18 Cost of goods sold		
Purchase of goods	600.09	-
	600.09	**-**
17 Other income		
Interest income		
-on inter corporate deposit (ICD) (Refer note 23)	75.54	191.50
-on compensation	155.62	156.04
-on unwinding on corporate guarantees (Refer note 23)	126.65	102.08
-on income tax refund	12.20	8.09
-on fixed deposit	1.02	-
-reversal of loss on ICD allowance (Refer note 23)	3,208.96	2.00
-reversal of impairement provision	20.01	
Total other income	**3,600.00**	**459.71**
19 Finance costs		
Interest expense on		
- term loans	51.95	221.40
- inter corporate deposits (Refer note 23)	3,878.78	3,625.59
Other borrowing costs		
-Interest on other payable (Refer note 23)	239.65	481.12
-Interest on delayed payment of statutory dues and others	27.24	93.20
Total finance costs	**4,197.62**	**4,421.31**
20 Other expenses		
Legal and professional	61.77	2.80
Travelling	-	-
Postage, telephone and fax	2.07	2.39
Loss allowances		
- ICD receivables including interest (Refer note 23)	-	1,479.54
Payment to auditors (excluding GST)		
- Statutory audit fees	5.50	5.50
- Limited review fess	4.50	4.50
- Others	2.16	1.86
Miscellaneous	0.32	1.10
Total other expenses	**76.32**	**1,497.69**

Note: (a) The Company is not liable to incur any expenses on CSR as per section 135 of the Companies Act, 2013.

21 Exceptional Items

Gain on Derecognition of Financial Liability (Refer note below)	(2,293.21)	-
Total exceptional expenses	**(2,293.21)**	**-**

Note :

The subsidiary of the Company, Dhule Palesner Operations & Maintenance Limited (DPOML) has assumed term liability of Charosa Wineries Ltd on behalf the Company as per the arrangement letter signed between the parties and the same will be repaid by HCC Infrastructure Company Limited to Dhule Palesner Operations & Maintenance Limited (DPOML).

The Company on behalf of its subsidiaries has entered into One-time-Settlement (OTS) with the lender bank i.e. Yes bank vide agreement dated 29 September 2021 and the same has been settled as under:

Outstanding principal amount of ₹ 3,773.49 lakhs and outstanding interest amount ₹ 1,142.58 Lakhs Total Outstanding of ₹ 4,916.07 Lakhs. Amount settled by HCC Infrastructure Limited on behalf of the Company amounts to ₹ 2,610.00 Lakhs. Thus correspondingly balance principal amount of ₹.1,163.49 lakhs and interest of ₹ 1,129.72 lakhs (aggregating to Rs 2,293.21 Lakhs) is written back to the income

Thus the resulting gain is due to write back of ICD amounting to ₹ 1,163.49 lakhs and interest receivable amounting to ₹ 1,129.72 lakhs from Dhule Palesner Operations & Maintenance Limited.

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HCC Infrastructure Company Limited ★

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2022
(All amounts are in ₹ lakhs, unless stated otherwise)

21.1 Ratio Analysis

Sr. No.	Ratio	Numerator/ Denominator	Ratio (%) 31 March 2022	Ratio (%) 31 March 2021	Variation in %	Remarks
1	Current ratio	Current Asset / Current Liabilities	4.33	2.95	46.87	Increase in current assets due to increase in trade receivable and decrease in current liabilities due to repayment of entire debt including current maturities of debt resulting into positive impact in the current ratio.
2	Debt-Equity ratio	Total Debts / Shareholders Equity	91.09	92.18	1.18	*
3	Debt Service Coverage ratio	Earnings available for debt service / Net Debt Service	0.34	0.95	64.33	Earnings available for debt service for current year ₹ (57.82) lakhs compared to previous year of ₹ (20.84) Lakhs Increase in net borrowings in current year as compared to previous year, Company has serviced it's secured debt entirely in the current year. There is no outstanding secured debt as on 31 March 2022.
4	Return on Equity ratio (ROE)	Net Profits after taxes / Average Shareholder's Equity	8.35	(12.74)	165.55	Net profit after tax in FY 2021-22 amounting to ₹ 3,358.18 Lakhs compared to loss previous year amounting to ₹ (5,243.33) Lakhs) resulted into improved return on equity in the current year
5	Inventory Turnover Ratio	Cost of goods sold / sales / Average Inventory				Not Applicable
6	Trade Receivables turnover ratio	Net Credit Sales / Average Trade Receivable	169.34	160.00	(5.84)	*
7	Trade payables turnover ratio	Net Credit Purchases / Average Trade Payables	Not Applicable	Not Applicable		
8	Net capital turnover ratio	Net Sales / Average working capital	(1.21)	(0.42)	(188.02)	Revenue from operation has been increased as compared to previous year on account of sale of goods:- ₹ 641.11 lakhs and liability no longer required written back ₹ 1703.71 lakhs. Average working capital is negative as current liabilities exceeds current assets in both the financial years. However there is increase in average working capital in the current year by ₹ 1,564.23 Lakhs Thus, resulted into change in ratio of the current year.
9	Net profit ratio	Net Profit after Tax / Net Sales	523.81	(2,427.47)	121.58	Net profit after tax for the current year amounting to ₹ 3,358.18 lakhs compared to loss in the previous year amounting to ₹ 5,243.33 lakhs and hence resulted in significant change ratio of the current year.
10	Return on Capital employed (ROCE)	Earning before interest and taxes / Capital Employed	9.41	(1.24)	861.59	Net profit after tax for the current year amounting to ₹ 3,358.18 lakhs compared to loss in the previous year amounting to ₹ 5,243.33 lakhs and hence resulted in significant change ratio of the current year.
11	Return on Investment (ROI)	Net Income / Cost of Investment	2.13	(3.33)	164.05	Net profit after tax for the current year amounting to ₹ 3,358.18 lakhs compared to loss in the previous year amounting to ₹ 5,243.33 lakhs and hence resulted in significant change ratio of the current year.

* As per amendment to Schedule III reasons for variances to be given only if variance is greater than 25%

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HCC Infrastructure Company Limited

22 Contingent liabilities and commitments

	As at 31 March 2022	As at 31 March 2021
(A) Contingent liabilities		
(i) Corporate guarantees given on behalf of subsidiary companies [Refer notes 12 and 23]	-	20,800.00
(ii) Counter indemnities given to banks in respect of contracts executed by subsidiaries	-	29,742.27

(B) Capital Commitments

(i) The Company has given a comfort letter to the Asset Care & Reconstruction Enterprises Limited (ACRE) on behalf of its ultimate holding company – Hindustan Construction Company Limited where the Company has agreed to pay the third party if there is any shortfall in payments of HCC's liability. Total HCC's liability payable to ACRE amounts to ₹12,283.64 lakhs. The Company has also agreed to pay the shortfall amount from proceeds of arbitration of its project in downstream joint ventures - Farakka Raiganj Highways Limited and Raiganj Dalkhola Highways Limited.

23 Disclosure in accordance with Ind AS 24 Related Party Transactions

I) Names of related parties and nature of relationship

A) Holding Company
Hindustan Construction Company Limited (HCC)

	Country of Incorporation	Company's holding as at (%) ^ 31 March 2022	Company's holding as at (%) ^ 31 March 2021
B) Subsidiaries			
HCC Power Limited	India	100%	100%
Dhule Palesner Operations & Maintenance Limited	India	100%	100%
HCC Operation and Maintenance Limited	India	100%	100%
HCC Concessions Limited (with effect from 20 August 2021)	India	99%	-
C) Subsidiaries of Joint Ventures (upto 20 August 2021)			
Narmada Bridge Tollway Limited	India	-	85.45%
Badarpur Faridabad Tollway Limited	India	-	85.45%
Baharampore-Farakka Highways Limited	India	-	85.45%
Farakka-Raiganj Highways Limited (upto 22 September 2020)	India	-	85.45%
Raiganj-Dalkhola Highways Limited	India	-	76.91%
D) Fellow subsidiaries (with whom transactions have taken place during the year)			
HCC Real Estate Limited	India	-	-
Western Securities Limited	India	-	-
Steiner India Limited	India	-	-
E) Other Related Parties			
Joint ventures			
HCC Concessions Limited^^ (upto 20 August 2021)	India	100.00%	85.45%
Joint Operations			
HCC - MMS (MMRCL) Joint Venture^^^	India	-	-
Step down subsidiary			
HCC Energy Limited	India	100.00%	100.00%
Narmada Bridge Tollway Limited (with effect from 20 August 2021)	India	100.00%	-
Badarpur Faridabad Tollway Limited (with effect from 20 August 2021)	India	100.00%	-
Baharampore-Farakka Highways Limited (with effect from 20 August 2021)	India	100.00%	-
Raiganj-Dalkhola Highways Limited (with effect from 20 August 2021)	India	90.00%	-

B) Key Management Personnel

Mr. Arjun Dhawan (with effect from 9 November 2021)	Director
Mr. Santosh Kumar Rai	Director
Mr. Aditya Pratap Jain	Director
Mr Aniruddha Singh (with effect from 1 February 2022)	Director
Mr. Venkata Ramana Kishore Repaka (upto 10 November 2021)	Director

^ including through subsidiary companies
^^ Subsidiary as per the Act; however, classified as a Joint Venture under Ind AS
^^^ Joint Operations of Holding Company

II) Transactions with related parties :

		Year ended 31 March 2022	Year ended 31 March 2021
Revenue From Operation		**641.11**	-
Baharampore-Farakka Highways Limited	Step down subsidiary	641.11	-
Expenditure incurred on behalf of the Company		**439.11**	**23.43**
HCC Operations and Maintenance Limited	Subsidiary	8.64	3.26
HCC Concessions Limited	Subsidiary	426.68	20.17
HCC Power Limited	Subsidiary	3.79	-
Expenditure incurred on behalf of related parties		**42.18**	-
HCC Concessions Limited	Subsidiary	42.18	-
Inter corporate deposit taken		**28,404.63**	**612.00**
HCC Concessions Limited	Subsidiary	28,393.30	-
Dhule Palesner Operations & Maintenance Limited	Subsidiary	9.00	-
HCC Operations and Maintenance Limited	Subsidiary	0.33	600.00
HCC Energy Limited	Step down subsidiary	2.00	12.00

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(All amounts are in ₹ lakhs, unless stated otherwise)

		Year ended 31 March 2022	Year ended 31 March 2021
Interest free short term borrowings taken		**-**	**70.00**
Western Securities Limited	Fellow Subsidiary	-	70.00
Repayment of Inter corporate deposit received		**25,091.00**	**929.61**
Hindustan Construction Company Limited	Holding Company	700.00	325.00
HCC Operations and Maintenance Limited	Subsidiary	786.70	333.00
HCC Energy Limited	Step down subsidiary	22,725.30	178.66
Dhule Palesner Operations & Maintenance Limited	Subsidiary	879.00	92.95
Interest expenses on inter corporate deposit		**3,878.78**	**3,625.59**
HCC Energy Limited	Step down subsidiary	1,152.74	2,656.92
Dhule Palesner Operations & Maintenance Limited	Subsidiary	872.00	928.94
HCC Concessions Limited	Subsidiary	1,811.14	-
HCC Operations and Maintenance Limited	Subsidiary	42.90	39.73
Interest expenses on Other Payable		**239.65**	**481.12**
Dhule Palesner Operations & Maintenance Limited	Subsidiary	239.65	481.12
Interest income on inter corporate deposit given		**75.54**	**191.50**
HCC Operations and Maintenance Limited	Subsidiary	6.11	-
HCC Concessions Limited	Subsidiary	69.43	191.50
Steiner India Limited	Fellow Subsidiary		
Interest received on intercorporate deposits given		**-**	**660.72**
HCC Concessions Limited	Subsidiary	-	658.72
HCC Power Limited	Subsidiary	-	2.00
Reversal of Loss on ICD Interest		**3,208.96**	**2.00**
HCC Power Limited	Subsidiary	3,208.96	2.00
Loss Allowance			
- ICD receivables including interest		**-**	**1,479.54**
HCC Power Limited^^	Subsidiary	-	1,479.54
Inter corporate deposit given		**522.57**	**52.25**
HCC Operations and Maintenance Limited	Subsidiary	189.34	-
Steiner India Limited	Fellow Subsidiary	189.73	-
HCC Concessions Limited	Subsidiary	143.50	52.25
Inter corporate deposit given received back		**1,755.46**	**307.33**
HCC Concessions Limited	Subsidiary	1,755.46	307.33
Interest income on unwinding on corporate guarantees		**126.65**	**102.08**
HCC Operations and Maintenance Limited	Subsidiary	25.74	43.24
HCC Power Limited	Subsidiary	100.91	58.84
Advance taken		**-**	**600.00**
HCC - MMS (MMRCL) Joint Venture	Joint Operations of Holding Company	-	600.00
Interest writeback		**1,129.72**	**-**
Dhule Palesner Operations & Maintenance Limited	Subsidiary	1,129.72	-
Inter corporate deposit writeback		**1,163.49**	**-**
Dhule Palesner Operations & Maintenance Limited	Subsidiary	1,163.49	-

Refer note 11 for security given by related party

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HCC Infrastructure Company Limited

(All amounts are in ₹ lakhs, unless stated otherwise)

III) Outstanding as at year end		As at 31 March 2022	As at 31 March 2021
Interest accrued and due on intercorporate deposit given		**184.89**	**257.68**
HCC Operations and Maintenance Limited	Subsidiary	5.50	-
HCC Power Limited^	Subsidiary	179.39	179.39
HCC Concessions Limited	Subsidiary	-	78.29
Impairment allowance on interest accrued and due on intercorporate deposit given		**-**	**179.39**
HCC Power Limited^	Subsidiary	-	179.39
Interest accrued and due on intercorporate deposit taken		**15,637.93**	**12,170.97**
HCC Operations and Maintenance Limited	Subsidiary	62.19	23.57
HCC Energy Limited	Step down subsidiary	9,350.66	8,313.21
HCC Concessions Limited	Subsidiary	1,630.06	-
Dhule Palesner Operations & Maintenance Limited	Subsidiary	4,595.02	3,834.19
Interest accrued and due on Other Payable		**-**	**890.07**
Dhule Palesner Operations & Maintenance Limited	Subsidiary	-	890.07
Intercorporate deposit taken		**38,159.37**	**34,845.73**
Hindustan Construction Company Limited	Holding Company	987.13	1,687.13
HCC Operations and Maintenance Limited	Subsidiary	-	786.37
HCC Energy Limited	Step down subsidiary	1,285.57	24,008.87
HCC Concessions Limited	Subsidiary	28,393.31	-
Dhule Palesner Operations & Maintenance Limited	Subsidiary	7,493.36	8,363.36
Short Term Borrowings taken		**-**	**70.00**
Western Securities Limited	Fellow Subsidiary	-	70.00
Intercorporate deposit given		**6,404.81**	**7,637.71**
HCC Power Limited^^	Subsidiary	4,461.68	4,461.69
HCC Concessions Limited	Subsidiary	-	1,611.96
HCC Operations and Maintenance Limited	Subsidiary	189.34	-
HCC Real Estate Limited^	Fellow Subsidiary	1,564.06	1,564.06
Steiner India Limited	Fellow Subsidiary	189.73	
Impairment allowance on intercorporate deposits given		**1,564.06**	**4,593.63**
HCC Power Limited^^	Subsidiary	-	3,029.57
HCC Real Estate Limited^	Fellow Subsidiary	1,564.06	1,564.06
Other payables		**281.59**	**4,375.06**
Dhule Palesner Operations & Maintenance Limited	Subsidiary	-	3,773.49
HCC Operations and Maintenance Limited	Subsidiary	3.04	1.57
HCC - MMS (MMRCL) Joint Venture	Joint Operations of Holding Company	-	600.00
HCC Concessions Limited	Subsidiary	278.55	-
Advance / deposit given		**0.25**	**20.26**
Badarpur Faridabad Tollway Limited^	Step down subsidiary	-	20.01
Baharampore Farakka Highway Limited^	Step down subsidiary	0.25	0.25
Other assets		**51.37**	**9.71**
HCC Concessions Limited	Subsidiary	-	9.71
HCC Operations and Maintenance Limited	Subsidiary	10.11	-
Baharampore Farakka Highway Limited^	Subsidiary	37.47	-
HCC Power Limited	Subsidiary	3.79	-
Impairment allowance on advance/deposit given		**0.25**	**20.26**
Badarpur Faridabad Tollway Limited^	Step down subsidiary	-	20.01
Baharampore Farakka Highway Limited^	Step down subsidiary	0.25	0.25
Corporate guarantees given by the Company		**-**	**126.65**
HCC Operations and Maintenance Limited	Subsidiary	-	25.66
HCC Power Limited	Subsidiary	-	100.99
Debt component of compound financial instruments		**1.00**	**1.00**
HCC Real Estate Limited	Fellow Subsidiary	1.00	1.00
Trade Receivables		**770.65**	**13.46**
Baharampore Farakka Highway Limited^	Step down subsidiary	757.19	
Lavasa Corporation Limited^	Fellow Subsidiary	13.46	13.46
Impairment allowance on trade receivables		**13.46**	**13.46**
Lavasa Corporation Limited^	Fellow Subsidiary	13.46	13.46
Corporate guarantees given		**-**	**20,800.00**
HCC Operations and Maintenance Limited	Subsidiary	-	8,800.00
HCC Power Limited ^	Subsidiary	-	12,000.00

^ The balances have been fully provided for during the year.
^^ The balances have been partially provided for during the year.

Refer note 11 for security given by related party

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24 Profit /(Loss) per share:

Profit /(Loss) computation for basic earnings per share of ₹10 each		Year ended 31 March 2022	Year ended 31 March 2021
A. Profit /(Loss) as per the statement of profit and loss available for equity shareholders	(₹ lakhs)	3,358.18	(5,243.33)
B. Weighted average number of equity shares for earning per share computation	(Nos.)	2,50,000	2,50,000
C. Profit /(Loss) per share - basic	(₹)	1,343.27	(2,097.33)
D. Profit /(Loss) per share - diluted	(₹)	1,343.27	(2,097.33)

25 Financial Instruments

A. Financial Instruments by category

The carrying value and the fair value of financial instruments by each category as at 31 March 2022:

Particulars	Financial assets / liabilities at amortised cost	Financial assets / liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets					
Loans	4,840.75	-	-	4,840.75	4,840.75
Trade receivables	757.19	-	-	757.19	757.19
Cash and cash equivalents	48.34	-	-	48.34	48.34
Other financial assets	4,143.14	-	-	4,143.14	4,143.14
Liabilities					
Borrowings (including current maturities of long-term borrowings)	38,160.37	-	-	38,160.37	38,160.37
Trade payables	11.24	-	-	11.24	11.24
Other financial liabilities	15,919.85	-	-	15,919.85	15,919.85

The carrying value and the fair value of financial instruments by each category as at 31 March 2021:

Particulars	Financial assets / liabilities at amortised cost	Financial assets / liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets					
Loans	3,044.08	-	-	3,044.08	3,044.08
Cash and cash equivalents	13.80	-	-	13.80	13.80
Other financial assets	3,880.91	-	-	3,880.91	3,880.91
Liabilities					
Borrowings (including current maturities of long-term borrowings)	35,521.07	-	-	35,521.07	35,521.07
Trade payables	9.50	-	-	9.50	9.50
Other financial liabilities	19,270.33	-	-	19,270.33	19,270.33

B Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

Particulars	31 March 2022			31 March 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Liabilities						
Financial guarantee contracts	-	-	-	-	-	-

26 Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

I Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Major financial instruments affected by market risk includes loans and borrowings.

a Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's total debt obligations with floating interest rates.

According to the Company's interest rate exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

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Particulars	As at 31 March 2022 (₹ lakhs)	As at 31 March 2021 (₹ lakhs)
Fixed rate borrowings	38,159.37	34,915.72
Variable rate borrowings	-	607.70
Total Borrowings	**38,159.37**	**35,523.42**

Interest rate sensitivity
A change in 50 bps in interest rates would have following impact on profit/(loss) before tax

Particulars	As at 31 March 2022 (₹ lakhs)	As at 31 March 2021 (₹ lakhs)
50 bp increase would increase the loss before tax by	-	(3.02)
50 bp decrease would decrease the loss before tax by	-	3.02

b **Foreign currency risk**
The Company does not have any outstanding balances in foreign currency and consequently the Company is not exposed to foreign exchange risk. Although, the exchange rate between the rupee and foreign currencies has changed substantially in recent years, it has not affected the results of the Company.

c **Equity price risk**
The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions. As at balance date, the Company does not have any exposure in listed securities and consequently the Company is not exposed to price risk.

ii **Credit risk**
Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure of the financial assets are contributed by trade receivables, cash and cash equivalents and receivable from group companies.

a) For other customers, the Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors such as credit ratings from credit rating agencies, financial condition, ageing of accounts receivable and the Company's historical experience for customers.

The following table gives details in respect of percentage of revenues generated from government promoted agencies and others:

Particulars	Year ended 31 March 2022 (%)	Year ended 31 March 2021 (%)
Revenue from government promoted agencies	-	
Revenue from others	100.00	100.00
	100.00	**100.00**

The following table gives details in respect of revenues generated from the top customer and top 5 customers for the year ended:

Particulars	Year ended 31 March 2022 (₹ lakhs)	Year ended 31 March 2021 (₹ lakhs)
Revenue from top customer	641.11	216.00

For the years ended 31 March 2022 and 31 March 2021, only one customer accounted for the 100% of the revenue.

iii **Liquidity risk**
Liquidity is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The table below provides details regarding the contractual maturities of significant financial liabilities:

As at 31 March 2022

Particulars	Contractual Cash flow					
	On demand	0-12 Months	1-3 years	3-5 years	Above 5 years	Total
Borrowings (including current maturities of long-term borrowings)	38,159.37		-	-	1.00	**38,160.37**
Trade payables	-	11.24	-	-	-	**11.24**
Other financial liabilities	15,637.93	281.92	-	-	-	**15,919.85**
Total	53,797.29	293.17	-	-	1.00	54,091.46

As at 31 March 2021

Particulars	Contractual Cash flow					
	On demand	0-12 Months	1-3 years	3-5 years	Above 5 years	Total
Borrowings (including current maturities of long-term borrowings)	34,845.73	674.34	-	-	1.00	**35,521.07**
Trade payables	-	9.50	-	-	-	**9.50**
Other financial liabilities	13,061.04	6,167.14	42.15	-	-	**19,270.33**
Total	47,906.77	6,850.98	42.15	-	1.00	54,800.90

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27 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Company strives to safeguard its ability to continue as a going concern so that they can maximise returns for the shareholders and benefits for other stake holders. The aim to maintain an optimal capital structure and minimise cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or adjust the dividend payment to shareholders (if permitted). Consistent with others in the industry, the Company monitors its capital using the gearing ratio which is net debt divided by total capital.

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Total debt (A)	53,798.30	47,695.40
Less: Cash and cash equivalents (B)	(48.34)	(13.80)
Total net debt C= (A-B)	53,749.96	47,681.60
Total equity (D)	41,891.00	38,532.82
Total debt to equity ratio E= (C/D)	**1.28**	**1.24**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define the capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

28 The Company is principally engaged in a single business segment viz. "Infrastructure development". The Company is primarily operating in India which is considered to be as a single geographical segment. Also, refer note 28 for information on revenue from major customers.

29 The Company has earned profit of ₹ 3,518.18 lakhs during the year ended 31 March 2022 and as at that date, its current liabilities exceeded its current assets by ₹ 52,157.06 lakhs. The Company is holding 99% in HCC Concessions Limited (HCON) having various Build, Operate and Transfer (BOT) SPVs under its fold. While the Company has net profit in current year and has accumulated losses as at 31 March 2022, the underlying projects are expected to achieve adequate profitability on substantial completion. The BOT SPV's have several claim with NHAI in respect of cost- overrun arising due to client caused delays, termination of contracts and change in scope of work including favourable arbitration awards against its customer mainly in respect of cost- overrun arising due to client caused delays, termination of contracts and change in scope of work which are under various stages of negotiation/discussion with client or under arbitration/ litigation wherein management has been legally advised that it has good case on merits. Pursuant to such claims , these BOT SPVs shall be receiving consideration from NHAI and also expected inflow from BFHL stake sales, which in turn would result in cash inflow for HICL in future for its exposure towards HCON. Therefore, based on certain estimates like future business plans, growth prospects as well as considering the contractual tenability, progress of negotiation/ discussion/ arbitration/settlement and legal advise, the management is confident of recovery of these claims and therefore views this Company as a going concern and the financial statements have been prepared accordingly.

30 The Company, as at 31 March 2022, has a non-current investment amounting to ₹ 462.05 lakhs (31 March 2021: ₹462.05 lakhs) and other non-current financial assets ₹ 4461.69 lakhs (31 March 2021: ₹ 1,432.11 lakhs) in its subsidiary, HCC Power Limited (HPL). The Company has also furnished corporate guarantee amounting to ₹ nil (31 March 2021 ₹ 12,000 lakhs) to the lenders of HPL. While this subsidiary has accumulated profit and net-worth is positive, the net-worth of this subsidiary does not represent its true market value as based on certain estimates like future business plans, growth prospects and other factors, the management believes that the realisable amount of this subsidiary is higher than the carrying value of its non-current investments and non-current financial assets due to which these are considered as good and recoverable.Also, the Company does not have any operations or business since incorporation. Based on the future plans and projections of the subsidiary company which have been developed by the management using certain assumptions and estimates, the Company's management believes that there is no decline in the carrying amounts of such non-current investments and the receivables are also fully recoverable.

31 The Company, as at 31 March 2022 , has a non-current investment amounting to ₹ 85,946.56 lakhs (31 March 2021 : ₹ 85,946.56 lakhs) in HCC Concessions Limited ('HCON'), a subsidiary company having various Build, Operate and Transfer (BOT) SPVs under its fold. The underlying projects of HCON are expected to achieve adequate profitability on substantial completion. The net-worth of this subsidiary does not represent its true market value as the value of the underlying investments / assets, based on valuation report of an independent valuer, is higher. The BOT SPV's have several claim with NHAI in respect of cost- overrun arising due to client caused delays, termination of contracts and change in scope of work including favourable arbitration awards against its customer mainly in respect of cost- overrun arising due to client caused delays, termination of contracts and change in scope of work which are under various stages of negotiation/discussion with client or under arbitration/ litigation wherein management has been legally advised that it has good case on merits. Pursuant to such claims, these BOT SPVs shall be receiving consideration from NHAI and also expected inflow from BFHL stake sales, which in turn would result in cash inflow for HICL in future for its exposure towards HCON.Therefore, based on certain estimates like future business plans, growth prospects as well as considering the contractual tenability, progress of negotiation/ discussion/ arbitration and legal advise, the management is confident that the realizable amount of non-current investments in HCON is higher than its carrying value due to which these are considered as good and recoverable.

32 The outstanding payable to the concerned party of ₹ 1,703.71 lakhs is written back on the basis of ' No Dues certificate' & Waiver letter for the said amount available with the Company. Hence it is considered prudent to write back the said amount.

33 Other Statutory Information

a) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
b) The Company do not have any transactions with companies struck off.
c) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period
d) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
e) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
f) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

g) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

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34 Application for Scheme of Merger

The Board of Directors of the Company at its Meeting held on 18 November 2021 , subject to requisite approvals/consents, approved the Scheme of Merger of HCC Concessions Ltd ('First Transferor Company' or 'HCON'), HCC Power Ltd ('Second Transferor Company' or 'HPL'), HCC Energy Limited ('Third Transferor Company' or 'HEL') and Dhule Palesnar Operation & Maintenance Ltd ('Fourth Transferor Company' or ' DPOML') with HCC Infrastructure Company Ltd (('Transferee Company' or ' HCC infra) under section 230 to 232 of the companies act 2013 and other applicable provisions of the Companies Act, 2013.

The Appointed Date of the Scheme would be 1 April, 2021 or such other date as may be directed or approved by the National Company Law Tribunal or any other appropriate authority. However, NCLT has not yet admitted the proposed scheme.

35 Recent Accounting Update

On 23 March 2022, Ministry of Corporate Affairs (MCA) amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 01 April 2022 (Refer note 2 (xviii) of Summary of significant accounting policies)

36 The Company had evaluated all the subsequent events through 11 May 2022 which is the date on which these financial statements were issued. There have been no significant events afftecting the company since year end.

37 Previous years figures have been regrouped/reclassified/recasted wherever necessary including to conform current period classification in order to comply with the requirements of amended schedule III to the companies act 2013 effective 1 April 2021.

This is a summary of significant accounting policies and other explanatory information referred to in our audit report of even date

The accompanying notes forms an integral part of the standalone financial statements

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N / N500013

Shashi Tadwalkar
Partner
Membership No.: 101797

Place: Mumbai
Date: 11 May 2022

WALKER CHANDIOK & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Mr. Santosh Kumar Rai
Director
DIN No. : 08766113

Mr Aniruddha Singh
Director
DIN No. : 06505479

Place: Mumbai
Date: 11 May 2022

HCC Infrastructure Company Limited