Annual Report 2021-22

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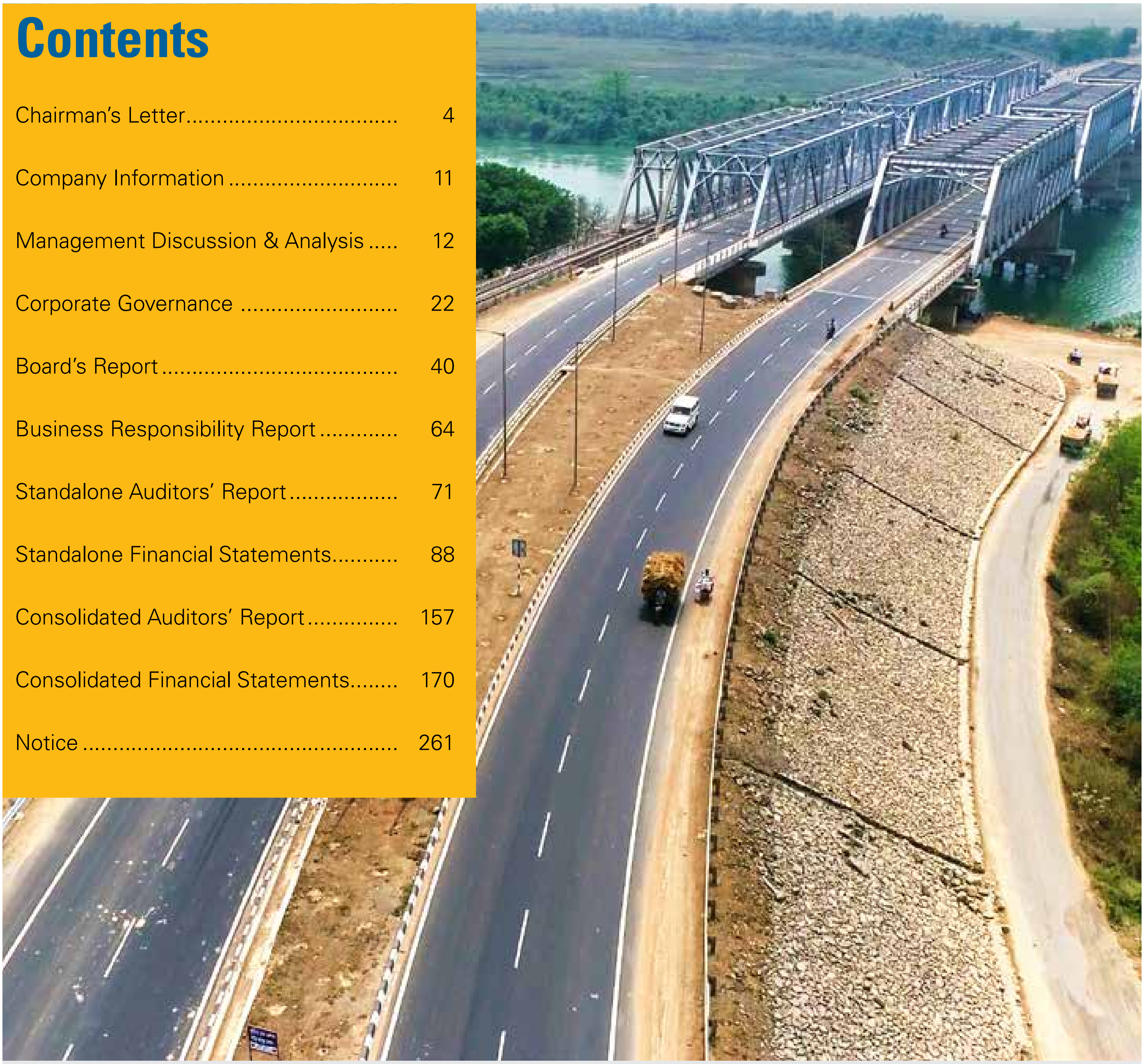


Highlights 2021-22

- Consolidated Group revenue at ₹10,670 crore; standalone revenue of ₹4,666 crore in FY22 vs ₹2,590 crore in FY21
- EBITDA margin (excluding Other Income): 16.9% in FY22 vs. 11.6% in FY21
- Secured three fresh orders worth ₹3,100 crore (HCC share: ₹1,558 crore); Order backlog of ₹15,967 crore
- Two project completion certificates were received, including Bhama Askhed Water Supply Scheme (Maharastra) and Bogibeel Rail-cum-Road Bridge (Assam)
- Three Project's Defects liability period (DLP) completion certificates were received, including Teesta Low Dam (West Bengal), Sawrakuddu HEP (Himachal Pradesh) and Sainj HEP (Himachal Pradesh)
- Debt carve-out resolution plan with lenders is in the final stages
- HCC Concessions Ltd (HCON) executed binding terms to sell Baharampore-Farakka Highways Ltd to Cube Highways and Infrastructure V Pte Ltd, at an enterprise value of ₹1,279 crore.

HCC'S MAJOR PROJECTS

□ Completed projects
● Projects in progress
▲ New projects
✸ BOT projects

ANDHRA PRADESH

□ Cavern for Crude Oil Storage, Vishakhapatnam
□ Godavari Barrage at Rajahmundry
□ Godavari Railway Bridge
□ Polavaram - Right Main Canal
● Tata Memorial Centre, Hospital
□ Vizag Monolith, West Wall Protection

ARUNACHAL PRADESH

□ Pare Hydro Power Project

ASSAM

□ Bogibeel Rail-cum-Road Bridge
□ Brahmaputra Bridge
● NH-37 - Numaligarh to Jorhat Highway
□ NH-54 - Maibang to Nirmbanglo Highway

BIHAR

□ Ganga Bridge at Mokameh
□ Munger Rail-cum-Road Bridge
□ Muzaffarpur Thermal Power Plant
● Sahibganj Manihari Bridge
□ Sone Barrage
□ Sone Bridge

CHATTISGARH

□ Bhilai Steel Plant

DELHI

✸ Delhi Faridabad Elevated Expressway
□ DMRC - Airport Metro Express Line
□ DMRC - Dwarka to Najafgarh
□ DMRC - Janakpuri West to Palam Station
● DMRC - Janakpuri West to RK Ashram Corridor
□ DMRC - Netaji Subhash Place to Shalimar Bagh
□ DMRC - Vishwa Vidyalaya to ISBT
□ Flyover linking existing Munirka flyover to Army RR Hospital

GOA

□ Goa Barge Berth at Marmugoa

GUJARAT

● Bhadbhut Barrage
□ Kachchh Branch Canal
□ Kakrapar Atomic Power Project
□ Kalol Mehsana Gas Pipeline
□ Mehsana to Palanpur Highway
□ Saurashtra Branch Canal
□ Swarnim Gujarat Kutch Water Grid

HARYANA

□ Hathnikund Barrage
□ Panipat Chimney

HIMACHAL PRADESH

□ Chamera Hydro Power Project, Stage I
□ Chamera Hydro Power Project, Stage III
□ Kashang Hydro Power Project
□ Nathpa Jhakri Hydro Power Project
□ Sainj Hydro Power Project
□ Sawra Kuddu HRT

JAMMU & KASHMIR

● Access Road Tunnel to Sawalkote Hydro Power Project
● AnjiKhad Cable Stayed bridge
● Tunnel T13
□ Kishanganga Hydro Power Project
□ Mughal Road
□ Pir Panjal Tunnel
□ Salal Hydro Power Project
● T49A Tunnel - Dharam-Qazigund
□ Uri-II Hydro Power Project

JHARKHAND

□ Chandil Dam
□ Grand Trunk Road Improvement Project

KARNATAKA

□ Bangalore Metro Reach 5, Package 3
□ Cavern for Crude Oil Storage, Padur
● Yettinahole Project

KERALA

□ Brahmapuram Diesel Power Plant
□ Dam across Idamalayar
□ Lower Periyar Hydro Power Project
□ Sebarigiri Dam
□ Wellington Bridge, Cochin

LADAKH

□ Chutak Hydro Power Project
□ Nimoo Bazgo Hydro Power Project

MADHYA PRADESH

● Bistan Lift Irrigation Scheme
□ Road Bridge over River Indravati
□ Satpura Thermal Power Station
□ Tons Hydro Power Project

MAHARASHTRA

□ Bandra-Worli Sea Link
● BARC - Integrated Nuclear Recycle Plant, Tarapur
□ Bhama Askhed Pipeline
□ Bhandup Pipeline
□ Bhandup Water Treatment Complex
□ Bhorghat Tunnel
□ DGNP Dry-Dock and Wharves
□ Factory Civil Works for Premier Automobiles Limited
□ Ghatkopar High Level Tunnel
□ Koyna Hydro Power Project Stage I to IV
□ Middle Vaitarna Water Pipeline
● Mumbai Coastal Road – Pkg II
● Mumbai Metro Line 3: UGC-02
□ Mumbai Metro One

- Mumbai-Pune Expressway
- NH-3 MP/Maharashtra Border - Dhule Highway
- NH-4 - Satara Kolhapur Highway
- Nhava Sheva WTP Works, Raigadh
- Residential Buildings, Anushaktinagar
- Trombay Chimney Works
- Vaitarna Dam
- Water Supply Tunnel from Bhandup to Charkop, Mumbai
- Water Tunnel between E Moses Road and Ruparel College, Mumbai
- Water Tunnel between Sewri and Futka
- Water Tunnel from Maroshi to Ruparel College, Mumbai

MANIPUR

- Imphal Kangchup Tamenglong Road
- Parallel safety tunnel of T-12
- Railway Tunnel No.1 between Jiribam and Tupul
- Railway Tunnel No. 3 between Jiribam and Tupul
- Railway Tunnel No. 10 between Jiribam and Tupul
- Railway Tunnel No. 12 between Jiribam and Tupul
- Railway Tunnel No. 12 between Tupul and Imphal

MIZORAM

- Single Line BG Tunnels Lot 14A and Lot 15A

ORISSA

- Aditya Aluminium Project
- Dam at Upper Kolab
- Naraj Barrage, New Cuttack
- Paradip Port Road

PUNJAB

- 140 m High Chimney at Ropar
- Rail Coach Factory at Kapurthala

RAJASTHAN

- East-West Corridor Project
- Nokha Water Supply project
- Parwan Dam & Tunnel
- Rajasthan Atomic Power Project, Units 1 & 2
- Rajasthan Atomic Power Project, Units 3 & 4
- Rajasthan Atomic Power Project, Units 5 & 6
- Rajasthan Atomic Power Project, Units 7 & 8

TAMIL NADU

- Chennai Bypass
- Chennai Metro Rail - Phase II, Corridor 4 - ECV02
- Chennai Metro Rail – Phase II, Corridor 4 – ECV03
- Ennore Port
- Fast Reactor Fuel Cycle Facility, Kalpakkam
- Residential Buildings, Anupuram
- Kadamparai Pumped Storage Project
- Kudankulam Nuclear Power Project, Units 1 & 2
- Lower Mettur Hydro Power Project
- Navamalai Irrigation Tunnel
- Tirupur Water Supply Project
- Upper Nirar Irrigation Tunnel

TELANGANA

- JCR Devadula Lift Irrigation Scheme Phase I
- JCR Devadula Lift Irrigation Scheme Phase II
- North-South Corridor NHDP Phase II Package AP-8
- Pranahita Chevella Lift Irrigation Scheme
- Ramagundam Thermal Power Project

UTTAR PRADESH

- Allahabad Bypass
- Gomti Aqueduct
- Maneri Bhali Hydroelectric Power Project
- Naini Cable Stayed Bridge
- Narora Atomic Power Project
- NH - 28 - Lucknow Muzaffarpur Highway
- Rihand Dam
- Sai Aqueduct
- Sharda and Ghogra Barrages
- Varanasi Bridge
- Yamuna Hydro Power Project

UTTARAKHAND

- Dhauliganga Hydro Power Project
- Rishikesh-Karnaprayag New BG line - Pkg 9
- Tapovan Vishnugad Hydro Power Project
- Tehri Pumped Storage Project
- Vishnugad Pipalkoti Hydro Power Project

WEST BENGAL

- Elevated Road from Park Circus to E.M. Bypass, Kolkata
- Farakka Barrage
- Golden Quadrilateral Road Project - Kolaghat to Kharagpur
- Haldia Docks Project
- Kalyani Bridge
- Kolkata Metro
- Mahananda Barrage
- NH-34 - Bahrampore - Farakka Highway
- NH-34 - Farakka - Raiganj Highway
- Purulia Pumped Storage Project
- Teesta Barrage
- Teesta Low Dam - Stage IV

BHUTAN

- Dagachhu Hydro Power Project
- Kurichhu Hydro Power Project
- Nikachhu Hydro Power Project
- Punatsangchhu Hydro Power Project
- Tala Hydro Power Project

CHAIRMAN'S LETTER

Dear Shareholder,

India is celebrating 75 years of her Independence. 'Swaraj is my birth right and I shall have it' said Lokmanya Tilak. Independence is that freedom. It is the courage shown by our people to fight for freedom from almost a thousand years of occupation by foreign rulers and invaders. Since independence, the Indian people have used their genius to achieve justice and prosperity and shown their grit and perseverance to overcome unsurmountable difficulties.

Independence comes with a responsibility. A responsibility that requires constant vigilance and sacrifice, so no one can take it away from you again. Freedom as the Gita says gives us the spirit to be 'resolute for the fray.' Prime Minister Modi has led the way in celebrating this independence, so we remain aware of the precious gift that it is and to strengthen our resolve to protect it and teach our young ones to value it.

Let us join this celebration. Jai Hind.

On to matters of business and economy. These past two years, our country and the world have been traumatized by a raging pandemic. Yet, the accomplishments made during these trying times are no less extraordinary. Even as economies are reaching pre-pandemic levels globally, the recurrence of COVID19 waves in many parts of the world continues to be a cause for concern. However, we are better prepared to march through this new normal.

Following a sharp contraction in the first quarter of 2020-21, the economic momentum progressively picked up, before the second wave struck in April-June 2021. Taking the actual growth rate of (-) 6.6% for 2020-21, 8.9% for 2021-22, and assuming a growth rate of 7.2% for 2022-23, and 7.5% beyond that, the Reserve Bank of India has acknowledged that the country would overcome COVID19 related losses by 2034-35.

Meanwhile, a few structural reforms that have been suggested include, 1) Scaling up R&D activities with an emphasis on innovation and technology; 2) Creating an enabling environment for start-ups and unicorns; 3) Rationalisation of subsidies that promote inefficiencies; 4) Encouraging urban agglomerations by improving the housing and physical infrastructure; 5) The development of a modern supply chain infrastructure; 6) Developing numerous small-scale irrigation projects, as well as using wind energy to lift water from borewells in drought-prone areas; and 8) A strategy to meet the financing requirements for the National Infrastructure Pipeline (NIP).

Recognizing the importance of infrastructure in economic recovery, the Union Government is making a policy push with various programmes, such as NIP, GatiShakti, National Monetisation Plan, and housing schemes, to create an enabling environment. The total outlay under NIP (FY20-FY25) is to the tune of $1.4 trillion (₹100 lakh crore). In the Union Budget 2022-23, the proposed infrastructure spend is more than ₹9.75 lakh crore, which is 24.4% higher than FY 2021-22.

The PM GatiShakti National Master Plan encompasses seven engines for economic transformation – roads, railways, airports, ports, mass transport, waterways, and logistics infrastructure. Besides, several programmes have been implemented through various ministries to upgrade infrastructure, such as Bharat Mala, the Regional Connectivity Scheme, Pradhan Mantri Awas Yojana, Atal Mission for Rejuvenation and Urban Transformation, Swachh Bharat, and Jal Jeevan Mission. The National Bank for Financing Infrastructure and Development also helps fund projects.

In a bid to bolster the construction sector and improve contractors' liquidity, MoRTH has extended relief measures offered in 2020 under the Atmanirbhar Bharat Scheme until October 2022. These include monthly payments to contractors for EPC/HAM projects, continuation of performance security at 3%, and release of retention money in proportion to the works executed. The Budget has also proposed allowing the use of surety bonds from insurers as a substitute for bank guarantees in government procurements, which will reduce the margin money/collateral requirement, thereby unshackling the resource constraints in achieving a ₹111 lakh crore infrastructure program in the next 5 years.

Meanwhile, we at HCC have focused on our long-term sustainability initiatives aimed at deleveraging the balance sheet and pruning fixed costs. These include augmenting internal capabilities, managing and mitigating risks, being selective in securing new orders, and resolving contractual issues with clients. Overall, the strategy has focused on innovative cashflow solutions for ongoing projects, contractual closure of closed projects, and liability reduction.

We also focused on the health and security of our employees. We are 100% vaccinated, which has helped us to maintain the operational momentum. Our projects have made additional efforts to remobilize the required workforce and strengthen supply chain management with improved vendor management.

In a year overshadowed by uncertainty, your company registered the highest growth, compared to the last four years, across key performance parameters. The turnover reached ₹4,666.3 crore, with operating profits of ₹788.9 crore. With strategic bidding of around ₹9,000 crore across key sectors, HCC secured three contracts mainly in the transportation and water sectors. Meanwhile, the total order backlog as of March 31, 2022, was ₹15,967 crore.

Your company has completed two projects this year. One is of Bhama Askhed Water Supply Scheme in Maharashtra and the other is Bogibeel Rail-cum-Road Bridge in Assam. The defect liability period of three projects was also completed, i.e. Teesta Low Dam, West Bengal, Sawrakuddu and Sainj HEP's, Himachal Pradesh. Significant progress has been achieved on several projects under construction, including Mumbai Coastal Road Project, Mumbai Metro Line 3, Delhi Metro Rail Corporation's DC06 contract, Railway Tunnel T-49A, T13, T14, Anjikhad Cable-Stayed Bridge in Jammu & Kashmir, Tehri Pumped Storage Plant and Vishnugad Pipalkoti HEP in Uttarakhand, the Fast Reactor Fuel Cycle Facility at Kalpakkam in Tamil Nadu, the Rajasthan Atomic Power Project, the Integrated Nuclear Recycle Plant for Bhabha Atomic Research Centre at Tarapur, Parwan Dam in Rajasthan, and Bistan Lift Irrigation in Madhya Pradesh.

In the meantime, our ongoing reorganization of the debt with lenders has received shareholders' approval at the EGM of June 29, 2021. Certain Covid-related disruptions delayed the plan, which is expected to see implementation in Q2, FY 2022-23. This will significantly deleverage the company, addressing its asset-liability mismatch. Hence, it can focus on the working capital requirements for normalizing operations and securing new orders for growth.

HCC Concessions Ltd., a subsidiary of HCC, has executed binding terms to sell 100% stake of Baharampore-Farakka Highways Limited to Cube Highways at an enterprise value of ₹1,279 crore. The sale when completed in Q2, FY 2022-23 will further strengthen our liquidity and position us for growth.

In terms of sustainability, your company takes a 360-degree view, encompassing its social, economic, governance, and financial aspects. We have been disclosing our sustainability performance through our annual Sustainability Reports, published for the last 12 years, which reflect our progress towards fulfilling our goals of water sustainability, minimizing construction waste, employee health and safety, and promoting community development. These reports adhere to the Global Reporting Initiative framework and are independently verified by a third-party assurance agency.

I thank Team HCC, our customers, vendors, and other stakeholders, for their confidence and trust in these challenging times. I also thank my fellow Board Members for their invaluable contribution and support.

Stay safe. Stay well.

Yours sincerely,

Ajit Gulabchand
Chairman & Managing Director

PROJECTS

1. **Mumbai Coastal Road Project:** Mono Pile for bridges was adopted for the first time in India at the Coastal Road project. Molo piles of 3.5 m diameter, one of the largest in road construction, is being constructed. In this methodology the multi-pile system gets replaced with a single pile of larger diameter pile that has substantial time and cost savings.

2. **Mumbai Metro Line 3 Project:** Overall, 73% of the work has been completed at the Mumbai Metro Line 3 – package UGC02 with the balance work on stations, crossovers,


3

UPDATE

entry and exit are progressing as per the schedule. The project has received National Safety Award – "Vishwakarma Rashtriya Purskar" on 8th March 2022.

3. **DMRC DC-06:** HCC has completed its first tunnel - downline (1.4 km) and the structural work open ramp of DC06 package. TBM works in upline, and station works are progressing as per schedule.

4. **Bangalore Metro:** Construction of Elevated Metro of 6.04 km including viaduct, 5 stations, rail cum road Flyover Bridge and Civil & Architectural Works is nearing completion.


4

5. **T-49 Tunnel Breakthrough:** HCC has achieved daylighting of Railway Tunnel T-49A in J&K in February 2022. The lining of the tunnel is nearing completion, and the structures of Bridges 2 and 3 are also completed.
6. **Tehri Pumped Storage:** One of the most challenging projects - Tehri Pumped Storage Plant in Uttarakhand is progressing well in civil and electro-mechanical works. The powerhouse and tailrace tunnel work is nearing completion while other segments of the project are progressing as per schedule.

7. **Anji Khad Bridge:** The Main pylon construction of India's 1st cable-stayed rail bridge is completed, and 196 m deck slab finished out of 477m. Entire fabrication of approx. 8,000 MT was carried out at workshops in Gujarat and were shifted to the project site in trailers. Around 400 trailers travelled on the shoulders of the Anji gorge to reach the project site.
8. **Tata Memorial Hospital:** Construction of 100 bedded Cancer Hospital Building including Civil, Public Health, HVAC, Fire Fighting, Electrical and associated service is nearing completion.

STEINER AG

1. **ETH GLC, Zurich:** Steiner is building a modern laboratory building for ETH - Zurich's premier science & engineering university. It will supplement existing premises with additional auditoriums, medical technology labs, research platforms and a new catering facility.
2. **Piet, Pieterlen:** Steiner commences construction of two four-storey blocks comprising a total of 42 state-of-the-art apartments for private ownership. The modern 2.5 to 5.5 room units are harmoniously designed, with a high standard of interior fit-out and generous floorplans.

COMPANY INFORMATION

BOARD OF DIRECTORS

Ajit Gulabchand | Chairman & Managing Director

Arjun Dhawan | Vice Chairman & Whole-time Director

Anil C. Singhvi | Independent Director
(upto December 23, 2021)

N. R. Acharyulu | Independent Director
(Non-Executive Director till June 22, 2021 and Independent Director w.e.f. June 23, 2021)

Santosh Janakiram Iyer | Independent Director

Mahendra Singh Mehta | Independent Director

Mukul Sarkar | Nominee Director

Dr. Mita Dixit | Independent Director

Arun Karambelkar | Non-Executive & Non-Independent Director (w.e.f. June 23, 2021)

KEY MANAGERIAL PERSONNEL

U. V. Phani Kumar | Chief Executive Officer - HCC E&C
(upto March 23, 2022)

Jaspreet Bhullar | Chief Executive Officer
(w.e.f. March 23, 2022)

Rahul P Rao | Chief Financial Officer
(w.e.f. August 12, 2021)

Vithal P. Kulkarni | Company Secretary
(upto May 12, 2022)

Nitesh Kumar Jha | Company Secretary
(w.e.f. May 12, 2022)

STATUTORY AUDITORS

Walker Chandiok & Co. LLP, Chartered Accountants

REGISTRAR & SHARE TRANSFER AGENTS

TSR Consultants Private Limited
C-101, 1st Floor, 247 Park,
Lal Bahadur Shastri Marg, Vikhroli (West),
Mumbai – 400083.

REGISTERED OFFICE

Hincon House, Lal Bahadur Shastri Marg, Vikhroli (West),
Mumbai- 400 083.

MANAGEMENT DISCUSSION & ANALYSIS

INTRODUCTION

Hindustan Construction Company Limited ('HCC' or 'Company') is engaged in the engineering and construction of large infrastructure projects, many of which are of national importance. It is one of the oldest infrastructure development companies in India, founded by Seth Walchand Hirachand in 1926. HCC develops and executes technically complex, high-value projects that span across diverse segments such as transportation, power, marine projects, irrigation and water supply, special buildings and industrial plants. HCC's projects are hallmarks of quality, excellence, and precision; the Company has delivered numerous engineering marvels within each of its respective segments.

The HCC Group's principal business areas can be classified into three broad verticals of Engineering and Construction (E&C), Infrastructure Concessions and Real Estate. While the E&C vertical is undertaken by HCC, the rest of the activities are carried out through separate subsidiary companies.

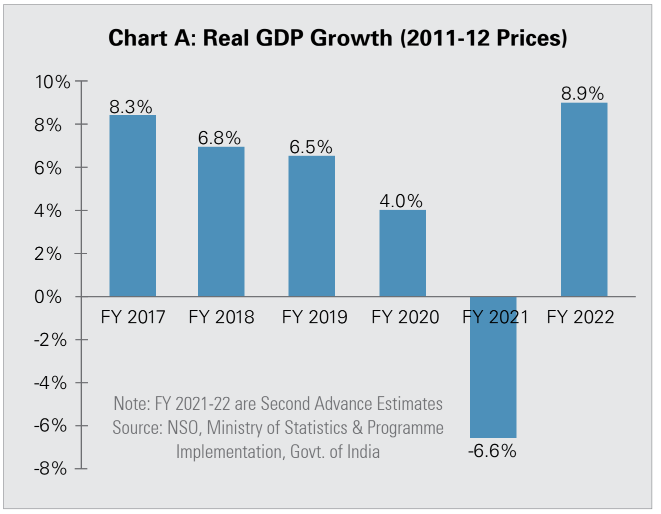
The COVID19 pandemic disrupted how the construction industry does business, from the retention of its workforce to the planning and closing of projects. FY 2021-22 has been a year of re-emergence and growth for the construction industry. Rising construction costs and supply shortages persist, challenging the industry to constantly innovate, while stricter regulations contribute to a reduced margin for error and waste. New technologies continue to improve construction methodologies and evolve tendering strategies to better serve our clients with higher quality and faster services.

In such an environment, HCC has focused on improving its liquidity position by realizing its client receivables and monetizing non-core assets to bolster its balance sheet. The Company also continues to drive organizational change to deliver operational robustness while relying on a leaner structure.

MACROECONOMIC REVIEW

Real GDP growth bounced back in FY 2021-22 after 6.6% contraction in the previous year of pandemic restrictions. The Second Advanced Estimates of the National Income from National Statistical Office, Government of India recorded a robust rebound in real GDP growth of 8.9% for FY 2021-22. The growth estimates for FY 2020-21 were revised to-6.6% from-7.3% reported in earlier estimates. The real GDP growth estimates previous years also received small upward revisions as reported in the Economic Survey 2022.

The growth recovery was broad-based as reflected in sectoral GDP data by economic activity. Mining, manufacturing, construction, and non-finance services posted double digit growth during the FY 2021-22, partly helped by lower statistical base. Real Gross Value Added (at 2011-12 prices) in mining and quarrying increase by 12.6% growth, manufacturing by 10.5% and construction by 10% during FY 2021-22. Real gross value-added growth in trade, hotels, transport, communications, etc.



was 11.6%, whereas the public administration, defence and other services expanded by 12.5% in FY 2021-22. Agriculture sector maintained growth of 3.3% during the year.

Industry growth measured by the index of industrial production (IIP) averaged 12.5% during April 2021 to February 2022 period compared to-11.1% in the same period of FY 2020-21. Mining, manufacturing, and electricity sectors clocked high growth of 13.2%, 12.9% and 8.2% respectively. Again, the robust industrial growth is broad-based. Use-based classification of the IIP reported double-digit growth in all sectors except consumer non-durable goods. Infrastructure/construction goods expanded at 20.4%, capital goods at 18.8%, intermediate goods at 16.8%, consumer durables at 14.4% and primary goods at 10% during the first 11 months of the FY 2021-22.

Strong GDP growth is also driven by demand side support. Components of expenditure in GDP (at 2011-12 prices) in FY 2021-22 have surpassed the pre-COVID19 levels in absolute terms. Private final consumption in real terms reached 56.6% of GDP in FY 2021-22 compared to 57.3% in FY 2020-21. The Government final consumption expenditure was 10.9% of GDP as against 11.3% in the FY 2020-21. Previous year's higher ratio must be seen against the lower GDP base due to 6.6% contraction. Remarkably, the Gross Fixed Capital Formation – an indicator of private investment – recovered to 32% of GDP in FY 2021-22 from 30.5% in FY 2020-21. Trends in both investment demand and consumption demand point to the sustainability of the economic recovery over the FY 2022-23 and beyond.

The government indicated its commitment to economic growth momentum. The Budget for FY 2022-23 provided for effective capital expenditure of ₹10.68 lakh crore or 4.1% of GDP with focus on infrastructure, while providing for ₹7.5 lakh crore outlay, a sharp increase of 35% over the previous year. The NHAI awarded 4,970 km road projects worth ₹1.4 lakh crore in FY 2021-22, surpassing the peak of ₹1.3 lakh crore in FY 2020-21. However, after constructing 13,327 km roads (36.5 km/day) in FY 2020-21, the pace of road construction slowed down to about 10,590 km (29 km/day) in FY 2021-22, mainly due to extended and heavy monsoon.

Banks seem readier to lend after resolving issues concerning bad loans. In absolute terms, bank credit to industry expanded by ₹2.09 lakh crore in FY 2021-22 as against contraction of over ₹11,000 crore in FY 2020-21. Credit to industry rose by 7.1% (year-on-year) in FY 2021-22 versus a contraction of 0.4% in FY 2020-21. The RBI data show that the infrastructure sector saw a good traction with growth scaling to 9.3% in FY 2021-22 from just 1.6% in the previous year. In absolute terms, banks gave ₹1.01 lakh crore in loans for infrastructure in FY 2021-22 against a mere ₹17,787 crore in FY 2020-21. Strong loan demand was reported from roads, airports, renewable power sector. For the FY 2021-22 till February 25, the non-food credit growth accelerated to 6.2% against 3.7% for the same period of the last year. However, demand from large corporates remained sluggish with a growth of 0.5% in February 2022, as against -0.6% in the year-ago period.

India recorded high turnover in foreign trade during FY 2021-22. With service exports reaching a new peak of $250 bn and merchandise exports a record of $419.6 bn, the overall exports grew by 33.9% to $669.6 bn. Total imports recorded growth of $28.9% to $756.7 bn, thereby leaving $87 bn trade deficit during the FY 2021-22, a decline of 19% over the previous year. Forex reserves, however, declined during the second half of FY 2021-22 after peaking at $642 bn on 3rd September 2021 to $600 bn by end April 2022. Indian rupee depreciated by 3.61% against the US dollar during the FY 2021-22. The RBI has so far managed to keep the rupee depreciation within a narrow range, despite the global market uncertainty caused by higher inflationary expectations and the Russia-Ukraine war.

Inflation, however, emerged as a cause of concern. Consumer Price Index (Base 2012=100) rose by 6.95% year-on-year in March 2022 from 5.52% a year ago. Inflation rate measured by the Wholesale Price Index (Base 2011-12=100) remained double-digit for most part of the FY 2021-22, ending at 14.6% y-o-y for March 2022. March 2022 WPI inflation rate was 34.5% y-o-y for the Fuel and Power sub-group, whereas it was 15.5% for Primary Articles and 10.7% for Manufactured Products. Inflationary pressures are likely to prevail during FY 2022-23 with pressures on fuel and commodity imports.

Persistent inflationary pressures moved the RBI Monetary Policy Committee to hike the policy repo rate on 4th May 2022 by 40 basis points, taking it to 4.40%. The MPC also decided to raise the Cash Reserve Ratio by 50 basis points to 4.5% effective 21st May 2022. The RBI is facing the challenge of reigning in inflation without affecting growth momentum. Experts warn of further monetary tightening going forward in FY 2022-23.

The government has done a remarkable job of managing the COVID19 pandemic. From lockdowns to calibrated re-opening of economic activities; from ramping up health infrastructure to massive vaccination drive, the government has responded with determination and sensitivity. During FY 2021-22 the government provided ₹7.1 lakh crores in three COVID19 fiscal packages to industry and society, which helped contain the pandemic fallout. Particularly, the PM Garib Kalyan Anna Yojana has provided 759 lakh metric tonne food grains in five phases since March 2020 to about 80 crore beneficiaries through the public distribution system. The scheme is now extended till September 2022 to provide further 244 lakh metric tonne, aggregating total spend to ₹3.40 lakh crore under the scheme, which is credited with saving millions from sliding under extreme poverty.

While the pandemic concerns are far from over, the economic and business environment must deal with high global inflation and the impact of Russia-Ukraine war, now running into its third month. In view of these uncertainties, the IMF's World Economic Outlook has pared the growth projections for 2022 and 2023. The IMF now expects the world output to grow at 3.6% this year and the next. India's remains the fasted growing economy with projected growth of 8.2% and 6.9%, respectively in 2022 and 2023, while China to grow at 4.4% and 5.1%. The RBI has also lowered its GDP growth expectation for FY 2022-23 from 7.8% earlier to 7.2%. The government cannot take the present growth momentum for granted, given the rising public debt, high fiscal deficit, and spiralling inflation.

INFRASTRUCTURE AND CONSTRUCTION IN INDIA

Creating new and upgrading existing infrastructure will be vital to raising India's competitiveness and achieving the target of a $5 trillion (₹375 lakh crore) economy by 2025. It is especially critical for the success of the 'Make in India' programme as manufacturing competitiveness critically depends on infrastructure. The supply additions through infrastructure development boost short-term as well as the potential rate of GDP growth.

Recognizing the economic benefits of infrastructure development and its employment generation potential (second-largest employment generator after agriculture), the Government of India is making a policy push with various programmes. These include National Infrastructure Pipeline (NIP), GatiShakti, National Monetisation Plan, and housing schemes to create an enabling environment for such development.

The Government of India launched the NIP programme in 2020 to act as an enabler to provide and infuse funds that India would need for infrastructure development. NIP covers FY 2019-20 to FY 2024-25 and comprises economic and social infrastructure projects with a total outlay of ~$1.4 trillion (₹100 lakh crore).

In the Union Budget for FY 2022-23, a year-on-year increase of more than 35% in capital expenditure was announced with a proposed infrastructure spend of more than ₹9.75 lakh crore. In terms of important segments of infrastructure investments, the Budget has factored in a significant increase in capital expenditure in FY 2022-23 to ₹7.5 lakh crore, which is 24.4% higher than FY 2021-22. Over 60% of the capex is towards three key sectors- defence, railways, and roads.

Railways' capital expenditure has been budgeted to increase to ₹2.45 lakh crore in 2022-23, an increase by 14%, Roads and Highways to ₹2.08 lakh crore 4.8% higher, while that of metro and MRTS projects has been kept more or less stagnant at ₹19,100 crore. The Union Budget has also provided ₹5,000 crore towards the National Investment and Infrastructure Fund, which would enable it to acquire infrastructure assets. However, there was no specific allocation to the recently set-up DFI – National Bank for Financing Infrastructure and Development. In FY 2021-22, the Government allocated ₹20,000 crore as equity and ₹5,000 crore as a grant to NaBFID.

India has a logistics cost to GDP of ~14%and was ranked 44th in the 2018 Logistics Performance Index published by the World Bank. The Government of India aims to reduce logistics costs by five percentage points over the next five years (2022-2027). This will enable India to be in the top 25 countries in the World Bank's Logistics Performance Index. One of the key levers to optimize logistics costs is integrated and seamless multimodal transport infrastructure, including the last mile connectivity. The PM GatiShakti initiative, launched in November 2021, is a national master plan for multimodal connectivity. GatiShakti National Master Plan will encompass the seven engines for economic transformation. The seven engines include roads, railways, airports, ports, mass transport, waterways, and logistics infrastructure. It is a digital platform to bring 16 ministries, including railways and roadways, together for the integrated planning and coordinated implementation of infrastructure connectivity projects.

The Foreign Direct Investment (FDI) in infrastructure to the tune of ₹6.13 lakh crore in FY 2020-21 has accounted for 13% of total FDI flow in the country. In addition, an increase in private equity/ venture capital investments in India has resulted in significant investments in infrastructure. Indian venture capital firms have raised ₹1.3 lakh crore in January-July 2021.

The Indian Government has been developing and implementing policies to support the creation of world-class infrastructure within the country. Some of the recent initiatives include:

1. The National Bank for Financing Infrastructure and Development (NBFID) was set up in March 2021 as a development finance institution to fund infrastructure projects in India.
2. Multiple schemes/ programmes have been implemented through various ministries over the past few years for the holistic development and upgrade of infrastructure. These include Bharat Mala, the Regional Connectivity Scheme, Pradhan Mantri Awas Yojana, Atal Mission for Rejuvenation and Urban Transformation (AMRUT), Swachh Bharat, Mass Rapid Transit System (MRTS)/Metro, Jal Jeevan Mission. These constitute a part of the NIP. In addition, the National Monetisation Pipeline (NMP), which is expected to bring in an estimated revenue of ₹6 lakh crore by FY 2024-25, will be used for financing NIP.
3. Providing long-term interest-free loans (50 years) to states as part of the scheme for financial assistance for capital investment. The scheme aims to facilitate states' participation in infrastructure development.

Unlike last year, when the first wave of COVID19 hit, India has avoided a nationwide lockdown in FY 2021-22, though the second wave has been more deadly. While construction work wasn't restricted in most places, migration of labour back to home states and on-site infections have slowed down highway construction activity in the past months. To improve contractors' liquidity in such a difficult phase, MoRTH has extended the relief measures offered in 2020 under Atmanirbhar Bharat Scheme until October 2022. The extended relaxations include monthly payments to contractors for EPC/HAM projects, continuation of performance security at 3%, and release of retention money in proportion to the works executed.

The Union Budget has also proposed to allow the use of surety bonds from Insurance companies as a substitute for bank guarantees in government procurements. This will reduce the margin money/collateral requirement and, consequently, indirect costs for construction contractors. Further, the provision for the release of 75% of running bills mandatorily within ten days will support the cash conversion cycle of contactors. These measures are positive for infrastructure sectors and will benefit construction companies executing infrastructure projects.

The Government should also be lauded for its commitments at the climate summit COP26 wherein India has committed to fulfilling 50% of its energy requirements through renewable energy by 2030. This is likely to kick start a slew of investments in energy storage systems such as pump storage hydropower.

HCC, having executed numerous contracts in the sectors mentioned above, has strong PQs in the same. Therefore, we believe that the underlying macro drivers for investments in India remain intact and that the Company is poised to capitalize on these opportunities in the future.

HCC: STRATEGIC DEVELOPMENTS

HCC has undertaken several initiatives to strengthen its balance sheet and streamline operations for accelerated project execution that is reflected in the performance for FY 2021-22. Some of these initiatives are explained below:

NHAI Conciliations & Realisation of BOT (SPV) Asset Sales

Baharampore-Farakka Highway (NH-34), West Bengal

In FY 2020-21, the Company had initiated a conciliation process with NHAI to generate liquidity in the face of prolonged litigations and their associated costs. The Company successfully completed five conciliations within its PPP/BOT arm, HCC Concessions (HCON), and one conciliation in HCC, thereby receiving a total sum of ₹ 1,849 crore. In September 2020, the Company completed the sale of its largest BOT asset, Farakka Raiganj Highways Ltd. to Cube Highways and Infrastructure V Pte. Ltd. (Cube) for an enterprise value of ₹ 1508 crore, generating substantial liquidity for the group.

In February 2022, HCON executed a binding term sheet to sell its Baharampore-Farakka Highways Limited asset to Cube, at an enterprise value of ₹ 1,279 crore. Furthermore, HCON will be entitled to a material revenue share for the life of the concession. The transaction is subject to closing adjustments, customary due diligence and approvals, including from the NHAI and the lenders.

Strategic Developments at HCC Infrastructure

In August 2021, an exit was provided to the Xander Group, which held a 14.5% stake in HCC Concessions since 2011. Thereafter, 100% of the economic interest of HCON vested with the Company. In addition, HCC Infrastructure group of companies became debt free after closing all loans with Yes Bank Ltd. in September 2021.

In the month of November 2021, scheme of merger of HCC Concessions Ltd, HCC Power Ltd, Dhule Palesnar Operation & Maintenance Ltd and HCC Power Ltd with HCC Infrastructure Company Ltd U/s 230 to 232 of the Companies Act, 2013 has been filed with NCLT in order to reorganize the legal entities in the group structure to ensure optimized corporate holding structure and reduction in the multiplicity of legal and regulatory compliances at optimized cost.

Debt Resolution Plan

The carve-out of a material portion of HCC's debt along with commensurate award assets to an SPV results in a long-awaited solution to the asset-liability mismatch faced by HCC on account of delayed realization of its arbitration awards vis-a-vis Government Agencies. The Company has received final board approvals from all its lenders and achieved a closure of all documentation. Delays in approvals from Lenders and the impact of COVID19 had led to an inordinate delay in plan execution, with expected completion in Q2 FY 2022-23. The focus of HCC is now squarely on growth as it expects to secure new orders with full access to its working capital and bonding limits.

Under this debt resolution plan, HCC will transfer up to ₹4,000 crore worth of liability to subsidiary Prolific Resolution Pvt Ltd. (SPV). It will also transfer the economic interest in arbitration awards and claims of up to ₹9,200 crore to the SPV. The Board approved the plan on 27 May 2021 subject to necessary approvals.

This SPV will have an external investor controlling atleast 51% and HCC holding balance shares. The SPV debt being significantly over-collateralised is expected to be fully serviced from its own receivables. The underlying arbitration awards carry interest, which will appropriately meet the SPV lenders' liabilities that also accrue interest. The return on investment to the identified investor entity will be capped and HCC will extend its corporate guarantee to lenders of SPV, which have back ended repayment schedule starting FY 2026-27. On repayment of the SPV liability, it is expected that the surplus awards and claims will flow back to the benefit of HCC, which is expected to be material in value.

The Plan also entails divestment of identified non-core assets in HCC and conciliation/ realization of identified Awards and Claims (remaining in HCC after carve out) to the tune of ₹1,549 crore, which will be utilized for operations and growth.

Execution of Arbitration Awards

Consequent to the amendments to the Arbitration & Conciliation Act, 1996 (as amended in 2015), together with the Supreme Court of India setting aside Section 87 of the Arbitration and Conciliation Act, there would henceforth not be any automatic stay on the execution of Arbitration Awards. Earlier, a stay was granted at the mere filing of a challenge to an Award and would sometimes continue for years until the Court had time to hear the matter. Today, due to HCC's efforts in the Supreme Court, all Awards may be executed, resulting in the deposit/collection of monies.

Furthermore, due to various pro-business policy frameworks by Govt, we expect Arbitration Awards' realization to be swifter, leading to more efficient dispute resolution in the long run.

To avoid litigations, the GOI in the Union Budget has proposed a conciliation mechanism for resolving disputes in the construction industry. Para 135 of Budget provides as under:

> *135. To have ease of doing business for those who deal with Government or CPSE's and carry out Contracts, I propose to set up a Conciliation Mechanism and mandate its use for quick resolution of Contractual disputes. This will instil confidence in private sector investors and contractors.*

This mechanism is likely to spur private investment in the infrastructure sector, which is considerably problematic due to the mechanical challenging of awards and long delays in dispute resolution. The above mechanism-specific mandate to the CPSEs will go a long way in helping the Contractors and the Govt agencies to ensure the infrastructure projects are completed with minimum delays as the disputes would be settled and the money would be available during the performance of the Contracts.

OPERATIONS REVIEW

The Company's core business primarily comprises Engineering and Construction (E&C) services for large projects across sectors like Power (Hydro, Nuclear, Thermal), Transportation (Roads, Bridges, Metros, Ports), Water (Irrigation and Water Supply) and Industrial projects.

HIGHLIGHTS FY 2021-22

Operations performance improved in FY 2021-22 compared to FY 2020-21 and achieved the highest compared to last four years' performance, despite COVID19 challenges.

- Two project completion certificates were received, including Bhama Askhed Water Supply Scheme (Maharastra) and Bogibeel Rail-cum-Road Bridge (Assam).

- Three Project's Defects liability period (DLP) completion certificates were received, including Teesta Low Dam (West Bengal), Sawrakuddu HEP (Himachal Pradesh) and Sainj HEP (Himachal Pradesh).

BUSINESS DEVELOPMENT

With strategic bidding of ~₹9,000 crore across key sectors, the Company has secured following orders during FY 2021-22.

HCC, along with JV/Consortium Partners, secured three contracts worth ₹3,100 crore. (HCC's share is ₹1,558 crore), mainly in the Transportation and Water sectors.

- Chennai Metro Phase II, Corridor – 4 Project Package no C4-ECV-02 for construction of Elevated Metro Stations, Chennai. Client: Chennai Metro Rail Ltd. The project was awarded in consortium with KEC at a total cost of ₹1,147 crore. HCC's share in the consortium is 51% (₹585 crore).
- Chennai Metro Phase II, Corridor – 5 Project Package no C5-ECV-03 for construction of Elevated Viaduct of approx. 11.61 Km length and elevated Metro Stations, Chennai. Client: Chennai Metro Rail Ltd. The project was awarded in consortium with KEC at a total cost of ₹1,310 crore. HCC's share in the consortium is 51% (₹668 crore).
- Nokha water supply project, Rajasthan. Client: Public Health Engineering Department. The project was awarded in JV with Om Infra Ltd at a total cost of ₹609 crore. HCC's share in the JV is 50% (₹305 crore).

Project Performance

The performance of projects improved compared to the previous year despite lockdown restrictions due to the 2nd wave of COVID19 pandemic. High demand for construction manpower continues due to ongoing infrastructure projects across the country. Furthermore, abnormal increase in diesel, cement and steel prices has impacted project cashflows and performance.

The Company has focussed on certain broad measures such as (i) augmenting internal capabilities in the Company's core business of Engineering & Construction; (ii) managing and mitigating risks in a volatile macroenvironment; (iii) being selective in securing new orders; (iv) continuously improving operational parameters; (v) resolving contractual issues with Clients.

Impact of COVID19 Pandemic

During the year, project performance was affected due to various restrictions imposed by Government authorities due to the 2nd wave of COVID19 and the new variant Omicron. Remobilizing the required manpower at Projects and streamlining the supply chain management remained challenging. Despite the above challenges, projects have made additional efforts to remobilize the required workmen and strengthen the supply chain management with improved vendor management. Though clients have agreed to sanction the extension of time as per Government guidelines, most clients are yet to sanction payment for compensation for the lockdown period and the 2nd wave of COVID19.

PROJECTS UPDATE

Transportation:

Mumbai Coastal Road Project, Maharashtra

The transportation sector has around 50% of the order backlog, and all projects in this sector are performing as expected. Updates on major projects are as below:

- Coastal Road Project in Maharashtra is progressing well on available work fronts. Marine works were stalled from October 2021 to January 2022 due to the stoppage of works by fishermen demanding increase of span length to 200 m along with compensation. Permissions are sanctioned partially to take up part of the marine works till the fisherman issues are completely resolved.
- Mumbai Metro in Maharashtra: station works, crossovers, entry and exit works are progressing well in CST, Kalbadevi, Girgaon and Grant Road stations.
- Delhi Metro Rail Corporation under contract no. DC06: first tunnel breakthrough of downline (1.4 km) of Phase-4 by TBM is completed. TBM works in upline, and station works are progressing well. However, delayed tree cutting permission affected the project completion timelines.
- Railway Tunnel T-49A in Jammu and Kashmir received the variation order for additional works. Progress in Tunnel and Bridge works improved with the cashflow measures approved by IRCON.
- Railway Tunnels T13 & T14 in Jammu and Kashmir: improved the tunnel's excavation, and lining works with additional resources.
- Anjikhad Cable-Stayed Bridge in Jammu & Kashmir: Main pylon construction is completed, and 196 m deck slab finished out of 477m.
- Imphal Kangchup Temenglong Road in Manipur: Road works and structures are progressing well.
- Numaligarh Jorhat Road in Assam Road: Road works and structures are progressing well

Hydro Power:

Tehri Pumped Storage Project, Uttarakhand

20% of the order backlog is from the Hydro sector, and the performance of projects has improved with various support measures from the client. Updates on major projects are as below:

- Tehri Pumped Storage Plant in Uttarakhand is progressing well in civil and electro-mechanical works.
- Tapovan Vishnugad HEP in Uttarakhand was halted due to flash floods in February 2021, and further landslides in July 2021 which blocked the TBM entry portal. Restoration works are in progress. Discussions with client NTPC on the optimal way forward have been productive.
- Vishnugad Pipalkoti HEP in Uttarakhand has ramped up with the able support of client THDC, and the project is close to starting TBM operations.
- Nikachhu HEP in Bhutan is progressing well with 83% of the pure work been completed.

Nuclear Power:

Rajasthan Atomic Power Project, Unit 7&8

The projects in the Nuclear sector have been impacted by cash flow challenges exacerbated by COVID19, and the Company is working on solutions with the client. Updates on major projects are as below:

Civil and structural works continued for the three nuclear facilities:

- The Fast Reactor Fuel Cycle Facility (FRFCF) at Kalpakkam in Tamil Nadu,
- The Rajasthan Atomic Power Project Unit 7 & 8,
- The Integrated Nuclear Recycle Plant for Bhabha Atomic Research Centre (BARC) at Tarapur.

Various cash flow measures are under persuasion with the client.

Water Supply and Irrigation:

Parwan Dam, Rajasthan

- Parwan Dam in Rajasthan Tunnel and Dam works are progressing well.

MANAGEMENT SYSTEMS

HCC's entire construction operations are optimized and governed through an Integrated Management System (IMS) based on international standards stipulated by ISO 9001:2015 for Quality, ISO 14001:2015 for Environment, and ISO 45001:2018 for Safety. This Integrated Management System has been developed to address the requirements of the ISO9001:2015, ISO14001:2015 and ISO45001:2018 standards and outlines the systems and procedures that constitute the Integrated Management System implemented at HCC.

The effective implementation of ISO systems is ensured by MRM meetings, IMS Internal and external audits at Projects and Head Office functions.

The Company strongly believes in delivering quality products to its customers. The backbone of delivering quality is the Company's established Mission, Vision, IMS policy and IMS objectives, processes, and systems. To deliver on this objective, HCC has established a SAP-QM (quality management) module at all sites to monitor quality.

IMS manual & clause wise IMS audit summary report was revised & developed in line with the ISO9001:2015, ISO14001:2015 and ISO45001:2018 standards to improve our Quality and HSE parameters in a process-oriented approach.

During the challenging COVID19 pandemic time, the Company organized a mass vaccination programme for head office and project sites for staff and workers. Hands-free sanitizer dispensing units were also installed at entry points to restrict the spread of the Corona virus. Under the impact of COVID19, amongst various precautions advised, the following initiatives were adopted at projects,

- First aid training
- Yoga & ergonomics programme
- Tree Plantation
- HIV/AIDS awareness programme
- COVID19 awareness

Various National & International Days were observed & celebrated at projects & head office to create awareness and acknowledge commitment to working safely and action for the protection of the Environment. Various HSE promotional programs were organized with effective participation and communication of relevant occupational health and safety information to the employees involved in HCC's construction activities. The following events were also observed at projects,

- National Safety Day
- World Quality Day
- World Environment Day
- World AIDS Day
- World Water Day
- World Yoga Day

In July 2021, the Tehri Pumped Storage project received the certificate of appreciation from THDCIL India Ltd for outstanding performance of HSE duties, significant effort & contribution made in providing a safe working environment while working without suffering a lost-time injury.

In March 2022, the RAPP 7&8 project was bestowed with Project Safety Award-2021 by NPCIL based on safety efforts put in by our team and overall safety performance during 2021. Also, the Mumbai Metro Line 3 project has won the National Safety Award 2018, established by the Ministry of Labour & Employment, Government of India (GOI), to achieve one million man-hours and more at the construction project.

In March 2022, one HCC project won the Prashansa Patra Award, and three projects won the Certificate of Appreciation in the most prestigious Safety Awards-2021. (Construction Sector) established by the National Safety Council of India- Ministry of Labour & Employment, Government of India (GOI). The award is given for our exemplary Occupational Safety & Health (OSH) performance & commitment to reducing workplace injuries, implementing the best OSH practices and encouraging continual improvements.

In March 2022, the DMRC DC-06 project was awarded "The National Safety Award 2021" and "Safety Innovation Awards 2021" by the Institution of Engineers (India) for outstanding safety management contributions in engineering and for implementing innovative safety management systems in the project.

KEY SUBSIDIARIES

HCC INFRASTRUCTURE COMPANY LTD.

Farakka Raiganj Highway (NH-34), West Bengal

HCC Infrastructure Company Limited is a wholly owned subsidiary of HCC Limited. HCC Infrastructure Company Limited has 100% economic interest in HCC Concessions Limited (HCON).

HCON has developed a premium portfolio of ~₹7,000 crore of road assets under India's National Highway Development Program on DBFOT (Design, Build, Finance, Operate and Transfer) basis. Baharampore-Farakka Highways Ltd (BFHL) completed an additional stretch of 14.35 km and consequently its toll rates were enhanced by ~20% from May 14, 2021 onwards. Despite the impact of COVID19 in FY 2021-22 and certain restrictions imposed by the State Government, the traffic grew ~12% with the average daily collection being ₹35.3 lakh.

During FY 2021-22, Raiganj-Dalkhola Highways Ltd (RDHL), a 100% subsidiary of HCON, received 2 arbitration awards accumulating to ~₹873 crore in respect of termination payment and delay cost claims. NHAI has challenged the Termination payment Award under Section 34 of the Arbitration & Conciliation Act in Delhi High Court.

In August 2021, an exit was provided to the Xander Group, which held a 14.5% stake in HCC Concessions since 2011. Thereafter, HCC Infrastructure has 100% economic interest in HCON.

In September 2021, HCC Infrastructure group of companies closed all its loans with Yes Bank Ltd thereby ensuring HCC Infrastructure Group is debt free.

In the month of November 2021, scheme of merger of HCC Concessions Ltd, HCC Power Ltd, Dhule Palesnar Operation & Maintenance Ltd and HCC Power Ltd with HCC Infrastructure Company Ltd U/s 230 to 232 of the Companies Act 2013 has been filed with NCLT in order to reorganize the legal entities in the group structure to ensure optimized corporate holding structure and reduction in the multiplicity of legal and regulatory compliances at optimized cost.

In February 2022, HCON executed a binding term sheet in respect of 100% stake sale of BFHL to Cube Highways and

Infrastructure V Pte. Ltd, at an enterprise value of ₹1,279 crore, reflecting an equity valuation of ₹600 crore. In addition to the equity value, ₹200 crore of earnout is payable in May 2024 contingent on achieving revenue thresholds. Furthermore, HCON will be entitled to a material revenue share for the life of the concession. The transaction is subject to closing adjustments, customary due diligence and approvals, including from the NHAI and the lenders.

During FY 2021-22, HCON began process of rebuilding its BOT portfolio with a focus on new project development.

STEINER AG

Gupfengarten, Niederweningen

Steiner AG, HCC's wholly-owned subsidiary, is a leading Swiss real estate service provider with a focus on project development and construction.

The business is primarily divided into four offerings.

- First, the primary business of the Company is real estate development, including long-standing brownfield projects and redevelopment projects. The focus is on developing projects that will have a market in the future.
- Second, Steiner is involved in General and Total Contracting, where it provides complete turnkey building services from design to construction in French-speaking Switzerland.
- Third, Steiner is evolving a model of developing financial vehicles that will fund real estate development and is working on partnerships with funds.
- Fourth, Steiner established the new business field "Steiner Digital" for digital collaboration platforms serving properties' entire life cycles.

Some of the major projects being executed by Steiner AG are:

- Construction of Glasi-quarter, a new urban district in Bülach with 500-plus apartments, a residential and care centre, a hotel and over 20,000 m² of light-industrial and service-sector units, worth approx. CHF 350 million (₹2,825.55 crore).
- Osiris project in Echallens, a new eco-district worth approx. CHF 115 million (₹928.4 crore), involving the construction of 15 buildings with a total of 410 apartments.
- Manegg Mitte development in Zurich worth approx. CHF 140 million (₹1,130.22 crore), comprising two residential buildings with 151 owner-occupied apartments and a third new-build with 101 cooperative apartments and light-industrial units.
- Gupfengarten residential development in Niederweningen, worth CHF 50.5 million (₹407.69 crore), including the construction of 36 single-family houses and three multi-family blocks with a total of 21 apartments for owner occupancy.

Steiner AG reported revenues of CHF 754 million (₹6,083 crore) in the financial year 2021-22 as compared to CHF 705 million (₹5,411 crore) in the previous year and a profit of CHF 39 million (₹315 crore) as compared to a net profit of CHF 3.7 million (₹28 crore) in the previous year. The Company secured fresh orders worth CHF 549 million (₹4,431 crore). The order book stood at CHF 996 million (₹8,044 crore) at the end of the financial year.

The World Health Organization officially declared the spread of COVID19 as a pandemic as of March 12, 2020. The effects of the various lockdowns, construction site closures, illness-related absences of skilled site workers and bottlenecks at its suppliers have also impacted the Steiner Group in FY 2021-22. Throughout the COVID19 pandemic, the Company's top priority was to ensure the health and safety of its employees and partners. Steiner has therefore been swift in deploying strict hygiene and safety measures for all its construction sites as well as its office spaces.

Steiner's subsidiary Steiner India has achieved strong initial traction in India, having successfully completed design-build / turnkey GC/TC key high rise residential, hospitality and industrial projects in Mumbai, NCR and Kolkata.

HUMAN RESOURCES (HR)

Employees are HCC's greatest asset. We aim to attract and retain the best, provide them with encouragement and stimulus and make them feel that they are an integral part of the Company's mission.

Our policies supporting our employees' wellness, health, and security have kept them engaged and continued with us for long tenures. As a result, despite various challenges, we have developed, engaged, and retained our talent and workforce across project sites. In addition, continuous counselling and emotional support through tie-ups with Medical Practitioners have kept our employees motivated and secured in a family environment.

FY 2021-22 has witnessed a relatively lesser impact of COVID19 across industries. Our staff is now 100% vaccinated, which has helped us keep the operational momentum as usual. We have adapted ourselves to the global norms and policies with the changing global scenarios. Our corporate office staff have been operating virtually to ensure their safety. Work from home has been seamless as the employees were supported with digital infrastructure to ensure Business Continuity.

Our HR processes have now been digitized, enabling our employees who are working from across geographies to access and comply to the processes, making them more efficient.

The online Performance Review process has brought more transparency to the process and increased levels of trust and enables us to maintain a record of every employee over the years. In addition, our performance-linked pay program acknowledges the contribution and efforts of our employees and rewards them accordingly.

We continue to nurture and grow our talent through various behavioural, functional and technical learning programs. Our Leadership programs are designed to engage and develop our top talent to build our Leadership pipeline internally. Job rotations and job enrichment are integral parts of Talent Development, enabling employees to gradually handle more significant roles and responsibilities. Over the year, we had 5,328 learning hours through 86 classroom training programs.

HCC has also been focusing on diversity and inclusion. We have been hiring employees across genders, regions, religions, physical abilities, education backgrounds and experience. We had 229 employees join us across the organization in FY 2021-22 of which 50% are millennials. We continue to hire fresh graduates from Tier 1 & Tier 2 Engineering and Management Institutes building our Talent pipeline for the future.

Our total workforce count is 15,388, of which 1,571 is the permanent employee count, and 13,817 is our temporary staff count.

We have also strengthened our Leadership Team to achieve our Business Goals and enable multi-fold growth over the coming years. We continue to review our HR policies and build processes and systems to ensure a best-in-class, future-ready organization and be a preferred employer choice in the industry.

FINANCIAL REVIEW

Table 1: Abridged Profit and Loss account of HCC

(₹ crore)

	Standalone	
	FY 22	FY 21
Total Income from operations	4746.5	2642.4
Construction Cost (incl. material) / other exp.	3531.4	1966.4
Employee Cost	345.9	323.7
EBITDA (excluding Other Income)	788.9	299.6
EBITDA margins (excluding Other Income)	16.9%	11.6%
Finance Cost	948.8	829.9
Depreciation	93.6	91.1
Exceptional Items – Gain / (Loss)	-	274.0
Profit/ Loss before Tax	(173.3)	(568.7)
Profit / (Loss) Before Tax after Exceptional items	(173.3)	(842.7)
Tax	(20.2)	(276.3)
Profit / (Loss) After Tax	(153.1)	(566.5)
Other comprehensive income (after tax)	7.9	6.9
Total Comprehensive Income (after Tax)	(145.2)	(559.6)

Key Financial Ratios

	Standalone	
	FY 22	FY 21
Debtors Turnover Ratio (in times)	1.08	0.58
Inventory Turnover Ratio (in times)	18.81	9.61
Interest Coverage Ratio (in times)	0.87	0.09
Current Ratio	1.00	1.01
Debt Equity Ratio	8.37	6.62
Operating Profit Margin (%)	16.91	11.57
Net Profit Margin^ (%)	(3.28)	(21.87)

^ Before Other comprehensive income/(loss), net of tax

CORPORATE SOCIAL RESPONSIBILITY

A robust corporate social responsibility programme is the cornerstone of any trustworthy and conscientious company. At HCC, business excellence goes hand in hand with a commitment to improving people's lives in the community it serves. Since we execute some of the largest and most challenging projects in the country, we take it upon ourselves to adopt sustainable practices that serve the community's well-being- both in the immediate vicinity of its work operations and beyond.

As per section 135 of The Companies Act 2013, HCC has formalized a CSR policy keeping Schedule VII in mind. The IMS procedure for effective implementation of the policy has been made.

CSR INITIATIVES

HCC's CSR activities are structured under five focus areas – Sustainability Reporting, Water, Disaster Relief, HIV/AIDS awareness, and Community development initiatives.

SUSTAINABILITY REPORTING

HCC believes in environmental transparency and disclosing its activities' economic, environmental, and social impacts through sustainability reports. It had published twelve sustainability reports accredited by the Global Reporting Initiative guidelines and published them as per the "in accordance with Core" option. The Company engages a third-party assurance provider to review the contents and accuracy of our sustainability reporting.

One of HCC's overarching sustainability priorities is designing and building infrastructure in an environmentally responsible manner. Its Integrated Management System reflects the commitment to improving environmental, safety and quality performance in ways that go beyond regulatory compliance. The Company is also conscious of material consumption and water footprint and encourages energy-efficient practices.

The Company is a member of UN Global Compact (UNGC), TERI-World Business Council on Sustainable Development and signatory to various UNGC initiatives, including 'Caring for Climate' and 'The CEO Water Mandate'.

CEO WATER MANDATE

The Company monitors the amount of water used across its construction project sites and encourages water conservation measures. HCC is the first Indian Company to endorse United Nations Global Compact's 'The CEO Water Mandate' and makes it a point to embed water resources management principles in all its activities. As a responsible corporate citizen, it has focused on sharing the best water stewardship practices. In doing so, it has adopted various methodologies at the sites to reduce freshwater consumption.

DISASTER RELIEF AND RESPONSE

HCC, with its trained engineers, project management capabilities, and heavy equipment, is best equipped to handle disaster response and evacuation during the disaster period. HCC project sites are among the first to respond during disasters, have helped in evacuating people, and initiated rescue work by clearing debris and other related activities. HCC is one of the founding members of DRN Global, an initiative of the World Economic Forum created to implement quick relief during natural disasters. The Company has provided timely interventions in several rescue and relief operations within India and internationally since 2004.

HIV/AIDS EDUCATION AND AWARENESS

In recognition of HIV/AIDS's severe impact on migrant workers, HCC formed an HIV/AIDS workplace policy and adopted an intervention programme that focuses on educating and raising HIV/AIDS awareness amongst migrant workers at Company's projects. The policy was implemented in collaboration with the International Labour Organisation. The Company observes World AIDS Day every year on December 01 at the project sites by organizing events with strong employee participation. The toolbox talks were conducted during safety weeks, emphasizing HIV/AIDS training.

COMMUNITY DEVELOPMENT

HCC has traditionally been contributing to communities in and around its project sites to improve their quality of life. In FY 2021-22, the Company has voluntarily spent on the following community development initiatives:

1. Fifty traditional musical instruments worth ₹5 lakh were donated to the participants of Uttarakhand Lok Sanskriti near the Tehri Pump Storage Project.
2. A new cemetery was built in Phalong village, and a water supply line was constructed for Kangchup Chiru village near Imphal-Kangchup-Tamenglong Road project in Manipur.
3. The Mumbai Metro Line-3 project employees participated in a blood donation camp organized by Doshi Memorial Charitable Trust's Borivali Blood Centre.

INTERNAL CONTROLS AND THEIR ADEQUACY

HCC has an adequate system of internal control to ensure that the resources are used efficiently and effectively so that:

- assets are safeguarded and protected against loss from unauthorized use or disposition;
- all significant transactions are authorized, recorded and reported correctly;
- financial and other data are reliable for preparing financial information;
- other data are appropriate for maintaining accountability of assets.

The internal control is supplemented by an extensive internal audits programme, review by management, along with documented policies, guidelines and procedures.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the infrastructure sector, significant changes in India's political and economic environment, exchange rate fluctuations, tax laws, litigation, labour relations, and interest costs.

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY

Hindustan Construction Company Ltd. ('the Company' or 'HCC') has always been committed to develop sustainable value for all its stakeholders including customers, employees, shareholders, suppliers, regulatory authorities and the communities that it operates in. In this pursuit, the Company believes in managing and conducting business by adopting strong value systems.

This involves institutionalizing the highest standards of corporate governance across business activities, which is based on the principles of accountability, transparency, responsibility, and fairness in all aspects of its operations. This is the corner stone of HCC's business philosophy.

The Company has an active and independent Board that provide supervisory and strategic advice and direction. The entire governance system is supported by well-structured systems and procedures that ensure well informed decision making across different levels of management.

This Chapter reports the Company's compliance with the Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Listing Regulations) as given below:

I. BOARD OF DIRECTORS

a) Composition of the Board

The Board of Directors ("The Board") has an optimum combination of Executive and Non-Executive Directors, which includes a Woman Independent Director and is in conformity with the provisions of the Companies Act, 2013 ('the Act') and Regulation 17 of the SEBI Listing Regulations.

The Chairman of the Board is an Executive Director.

Composition of the Board as on March 31, 2022

Category	No. of Directors
Chairman & Managing Director (Promoter Director)	1
Vice Chairman & Whole-time Director	1
Independent Directors, including	4
Woman Independent Director	
Non-Executive Director	1
Nominee Director	1

All the Directors possess the requisite qualifications and experience in general corporate management, finance, banking, insurance and other allied fields enabling them to contribute effectively in their capacity as Directors of the Company.

Except for Mr. Ajit Gulabchand and Mr. Arjun Dhawan, who are related *inter-se*, the other Directors of the Company are not related to each other.

b) Number of Board Meetings

The Board met 6 times during the financial year 2021-22. The Meetings were held on May 27, 2021, June 23, 2021, August 12, 2021, November 11, 2021, February 03, 2022, and March 23, 2022. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days.

c) Directors' attendance record and details of Directorships/Committee Positions held

None of the Directors on the Board is a member of more than ten Board-level Committees or Chairman of more than five such Committees and none of the Directors serves as an Independent Director in more than seven listed companies.

Table 1 below gives the names and categories of Directors, their attendance at the Board Meetings held during the year and at the last Annual General Meeting as also the number of Directorships and board-level Committee positions held by them.

d) Information to the Board

The Company provides information as set out in Regulation 17 read with Part A of Schedule II of the SEBI Listing Regulations to the Board and the Board Committees to the extent applicable.

A detailed agenda folder is sent to each Director within the timeline prescribed under the Act and the SEBI Listing Regulations. All the agenda items are appended with necessary supporting information and documents (except for price sensitive information, which are circulated separately before the meeting) to enable the Board to take informed decisions.

Further, the Board also reviews the Annual Financial Statements of the Unlisted Subsidiary Companies. Pursuant to Regulation 24 of the SEBI Listing Regulations, the Minutes of the Board Meetings and a statement of all significant transactions and arrangements entered into by the Company's Unlisted Subsidiary Companies are placed before the Board.

e) Directors with pecuniary relationship or business transaction with the Company

The Chairman & Managing Director and the Whole-time Director receive salary, perquisites, and allowances, while all the Non-Executive Directors receive Sitting Fees.

Table 1: Details of the Directors as on March 31, 2022

Name of the Director(s)	Category	No. of Board Meetings held during FY 2021-22	No. of Board Meetings attended during FY 2021-22	Whether attended last AGM	No. of Directorships of other public companies*	Committee positions #		Whether having any pecuniary or business relation with the Company
						Chairman	Member	
Ajit Gulabchand **	Promoter, Chairman & Managing Director	6	6	Yes	3	-	1	None
Arjun Dhawan$**	Vice Chairman & Whole-time Director	6	6	Yes	3	-	-	None
Anil C. Singhvi***	Independent Director	6	4	Yes	6	1	3	None
N.R. Acharyulu$$$	Independent Director	6	6	Yes	1	-	-	None
Santosh Janakiram	Independent Director	6	6	Yes	1	1	1	None
Mahendra Singh Mehta	Independent Director	6	6	Yes	2	-	1	None
Mukul Sarkar	Non-Executive Nominee Director	6	5	Yes	2	-	-	Nominee of Exim Bank(lender)
Dr. Mita Dixit	Woman Independent Director	6	6	Yes	1	-	-	None
Arun Karambelkar$$	Independent Director	6	4	Yes	2	-	3	None

Chairmanship/Membership of Audit Committee and Stakeholders Relationship Committee in other public companies excluding private limited companies, foreign companies, and companies under Section 8 of the Companies Act, 2013, has been considered.
* Excludes private limited companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013.
** Mr. Arjun Dhawan is the son in law of Mr. Ajit Gulabchand, Chairman & Managing Director of the Company.
*** Mr. Anil C. Singhvi, Independent Director of the Company has resigned from the Directorship of the Company w.e.f. December 23, 2021.
$ Mr. Arjun Dhawan was re-appointed as a Whole-time Director of the Company, for a period of 5 years w.e.f. April 1, 2022, subject to approval of the Members of the Company. The Board has also appointed him as Vice Chairman of the Board w.e.f. March 23, 2022.
$$ Mr. Arun Karambelkar was appointed as an Additional Director (Non-Executive-Non-Independent) by the Board w.e.f. June 23, 2021 and regularized in the Annual General Meeting held on September 23, 2021.
$$$ Mr. N.R. Acharyulu, Non-Executive Non-Independent Director of the Company was appointed as an Independent Director by the Board w.e.f. June 23, 2021 and same was approved by the Members in the Annual General Meeting held on September 23, 2021.

Additional Information related to Directorship in other listed entities as on March 31, 2022 as per the SEBI Listing Regulations

Name of the Director(s)	Name of other Listed entities	Category of Directorship
Ajit Gulabchand	-	-
Arjun Dhawan	-	-
N.R. Acharyulu	-	-
Santosh Janakiram	Ador Fontech Ltd	Independent Director
Mahendra Singh Mehta	-	-
Mukul Sarkar	Jain Irrigation Systems Limited	Nominee Director
Dr. Mita Dixit	Anuh Pharma Ltd	Independent Director
Arun Karambelkar	Capacit'e Infraprojects Limited	Independent Director

f) Remuneration to Directors

Remuneration was payable to Mr. Ajit Gulabchand, Chairman & Managing Director and Mr. Arjun Dhawan, Vice Chairman & Whole-time Director, pursuant to approval of the Nomination and Remuneration Committee, the Board of Directors and Shareholders. However, the lenders' approval is still awaited for the payment of remuneration to them.

Table 2 gives the details of remuneration paid/payable to Directors for the financial year ended March 31, 2022.

The Company did not advance loans to any of its Directors during financial year 2021-22.

Table 2: Remuneration paid/payable to Directors during the financial year ended March 31, 2022

Name of the Director(s)	Salaries, Perquisites & Allowances+ (₹)	Sitting fees** (₹)	Total (₹)
Ajit Gulabchand* (Chairman & Managing Director)	7,00,00,000	-	7,00,00,000
Arjun Dhawan* (Vice Chairman & Whole-time Director)	7,00,00,000	-	7,00,00,000
Anil C. Singhvi++	-	10,00,000	10,00,000
N.R. Acharyulu	-	16,00,000	16,00,000
Santosh Janakiram		11,00,000	11,00,000
Mahendra Singh Mehta		18,00,000	18,00,000
Mukul Sarkar^	-	5,00,000	5,00,000
Dr. Mita Dixit		11,00,000	11,00,000
Arun Karambelkar$		4,00,000	4,00,000
Total	**14,00,00,000**	**75,00,000**	**14,75,00,000**

*The remuneration payable to Mr. Ajit Gulabchand and Mr. Arjun Dhawan for the financial year 2021-22 is in accordance with the approval granted by the Nomination and Remuneration Committee, the Board, and Shareholders subject to lenders' approval. However, same is not yet paid to them pending lenders' approval.

**Sitting fees comprises payment made to Non-Executive Directors for attending Board meetings and/or Board Committee Meetings.

^ In case of Mr. Mukul Sarkar, the sitting fees for attending Board Meetings were paid to EXIM Bank.

$ Mr. Arun Karambelkar was appointed as an Additional Director (Non-Executive-Non-Independent) by the Board w.e.f. June 23, 2021 and regularized in the Annual General Meeting held on September 23, 2021.

+ Perquisites include Company's contribution to Provident Fund and Superannuation Fund.

++ Mr. Anil C. Singhvi, Independent Director of the Company has resigned from the Directorship of the Company w.e.f. December 23, 2021.

Note: There are no stock options held by the Directors.

g) Details of Equity Shares held by the Non-Executive Directors

There were no outstanding stock options held by Non-Executive Directors and the details of the Equity Shares held by the Non-Executive Directors as on March 31, 2022, are given in Table 3 below.

Table 3: Details of Equity Shares held by Non-Executive Directors as on March 31, 2022

Name of the Director(s)	No. of Equity Shares
N.R. Acharyulu	4,100
Santosh Janakiram	Nil
Mahendra Singh Mehta	Nil
Mukul Sarkar	Nil
Dr. Mita Dixit	Nil
Arun Karambelkar	Nil

h) Code of Conduct

The Board has laid down two separate Codes of Conduct ('Code(s)')- one for the Non-Executive Directors including Independent Directors and the other for Executive Directors and Senior Managers (Senior Management). These Codes have been placed on the Company's website – www.hccindia.com. The Codes lay down the standard of conduct which is expected to be followed by the Directors and by the Senior Managers in their business dealings and in particular on matters relating to integrity at the workplace in business practices and in dealing with stakeholders. A declaration that the Members of the Board and Senior Management have affirmed compliance under the Code during the financial year 2021-22 has been signed by Mr. Jaspreet Bhullar, Chief Executive Officer and is annexed to this Report.

i) Familiarisation Programme for Board Members

The Company has a familiarisation programme for the Independent Directors with regard to their roles, rights and responsibilities in the Company and provides details regarding the nature of the industry in which the Company operates, the business models of the Company etc. which aims to provide insight to the Independent Directors to understand the business of the Company. Upon induction, the Independent Directors are familiarized with their roles, rights and responsibilities.

The details of the familiarisation programme for Independent Directors are available on the website of the Company and can be accessed by weblink https://hccindia.com/uploads/Investors/Policy%20for%20Familiarisation%20Program%20for%20Independent%20Directors.pdf .

j) Nomination and Remuneration Policy

The Non-Executive Directors (NEDs) are paid sitting fees for attending the Meetings of the Board and its Committees, which are within the limits laid down by the Act read with relevant Rules thereunder. The Company pays a sitting fee of ₹ 1,00,000 to each NEDs for their attendance at every Board Meeting or Board constituted Committee Meeting. In respect of Mr. Mukul Sarkar, Nominee Director, the sitting fees are paid to Exim Bank.

The Nomination and Remuneration Policy containing, inter-alia, criteria for making payment to Non-Executive Directors is available on the website: https://hccindia.com/uploads/Investors/Nomination-and-Remuneration-Policy.pdf.

k) Independent Directors' Meeting

In terms of the Schedule IV to the Act and Regulation 25 of the SEBI Listing Regulations, Independent Directors of the Company are required to hold at least one meeting in a financial year without the attendance of Non-Independent Directors and members of management.

During the year under review, Independent Directors of the Company met separately on June 23, 2021, *inter-alia*, for –

- Evaluation of performance of Non-Independent Directors and the Board of the Company as a whole.
- Evaluation of performance of the Chairman of the Company, taking into views of Executive and Non-Executive Directors.
- Evaluation of the quality, content, and timelines of flow of information between the Management and the Board that is necessary for the Board to perform its duties effectively and reasonably.

l) Detailed reasons for the resignation of an Independent Director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided

During the year under review, Mr. Anil C. Singhvi, Independent Director of the Company, has resigned w.e.f. December 23, 2021, to meet the regulatory requirement with respect to holding of maximum number of independent directorships in listed Companies. He has also confirmed that, there were no other material reasons other than those provided.

II. BOARD COMMITTEES

Details of the role and composition of the Committees, including the number of Meetings held during the financial year and attendance at Meetings, are provided below:

a) Audit Committee

As on March 31, 2022, the Audit Committee comprised of three Directors viz. Mr. Mahendra Singh Mehta, Chairman, Mr. N. R. Acharyulu and Dr. Mita Dixit as Members. Mr. Anil C. Singhvi, ceased to be Member of the Committee consequent upon his resignation as an Independent Director on December 23, 2021. All Members of the Audit Committee possess accounting and financial management knowledge.

The terms of reference of the Audit Committee have been amended by the Board of Directors on June 23, 2021, to bring in line with the requirements of the SEBI (LODR) Second Amendment Regulations, 2021.

The Senior Management team comprising of Vice Chairman & Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Chief Internal Auditor and the representative of the Statutory Auditors are invited for the Meetings of the Audit Committee. The Company Secretary is the Secretary to the Committee.

The Audit Committee met 5 times during the year, i.e., on May 27, 2021, June 22, 2021, August 12, 2021, November 11, 2021, and February 3, 2022. The details of the composition of the Committee and attendance at the Meetings are given in Table 4.

Table 4: Details of the Audit Committee

Name of the Director(s)	Category	Position	No. of Meetings attended
Mahendra Singh Mehta	Independent Director	Chairman	5
Anil C. Singhvi*	Independent Director	Member	4
N. R. Acharyulu	Independent Director	Member	5
Dr. Mita Dixit	Woman Independent Director	Member	5

*Mr. Anil C. Singhvi ceased to be Member of the Committee consequent upon his resignation as an Independent Director on December 23, 2021.

Mr. Mahendra Singh Mehta, Chairman of Audit Committee was present in the Annual General Meeting of the Company held on September 23, 2021, to answer the Members' queries.

The terms of reference of the Audit Committee are reproduced below:

- Overseeing of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Approval of payment to statutory auditors for any other services rendered by them.
- Reviewing, with the Management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of subsection 3 of Section 134 of the Act.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by the management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Modified opinion(s) in the draft audit report.
- Reviewing with the Management, quarterly financial statements before submission to the Board for approval.
- Reviewing with the Management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing with the Management, performance of the statutory and internal auditors and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with the internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussions with the statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussions to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to depositors, debenture holders, members (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism/Vigil mechanism.
- Approval for appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate.
- Carrying out any other functions as specified in the terms of reference, as amended from time to time.

Review of Information by Audit Committee

- Review of the utilization of loans and/or advances from/ investment by the holding Company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower, including existing loans/ advances/investments.

  Besides the above, the role of the Audit Committee includes mandatory review of the following information:

  - Management Discussion and Analysis of financial condition and results of operations.
  - Statement of significant related party transactions (as defined by the Audit Committee), submitted by Management.
  - Management letters/letters of internal control weaknesses issued by the statutory auditors, if any.

- Internal audit reports relating to internal control weaknesses.

- The appointment, removal and terms of remuneration of the Chief Internal Auditor.

- Statement of deviations.

- Quarterly statements of deviation(s) including report of monitoring agency, if applicable, submitted to the stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations.

- Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(5) of the SEBI Listing Regulations.

- To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

b) Nomination and Remuneration Committee

As of March 31, 2022, the Nomination and Remuneration Committee comprised of four Directors viz. Mr. Mahendra Singh Mehta, Chairman, Mr. Ajit Gulabchand, Mr. Santosh Janakiram and Mr. N. R. Acharyulu as Members. The Chief Human Resources Officer is invited for the meetings. The Company Secretary is the Secretary to the Committee.

The Nomination and Remuneration Committee met 4 times during the financial year i.e. on June 22, 2021, August 12, 2021, February 15, 2022 and March 23, 2022. The details of the composition of the Committee and attendance at the meetings are given in Table 5 below:

Table 5: Details of the Nomination and Remuneration Committee

Name of the Director(s)	Category	Position	No. of Meetings attended
Mahendra Singh Mehta	Independent Director	Chairman	4
Anil C. Singhvi*	Independent Director	Member	2
Ajit Gulabchand	Chairman & Managing Director	Member	4
Santosh Janakiram	Independent Director	Member	4
N. R. Acharyulu**	Independent Director	Member	1

*Mr. Anil C. Singhvi, ceased to be Member of the Committee consequent upon his resignation as an Independent Director on December 23, 2021.
**Consequent upon resignation of Mr. Anil C. Singhvi on December 23, 2021, Mr. N. R. Acharyulu, was inducted as an Additional Member of the Committee w.e.f. February 3, 2022.

The role of the Nomination and Remuneration Committee of the Company, inter-alia, is as under:

- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

- Formulation of criteria for evaluation of Independent Directors and the Board.

- Formulation of the criteria for determining qualifications, positive attributes and Independence of a Director and recommend to the Board a Policy, relating to the remuneration of the Directors, key managerial personnel and other employees.

- Devising a policy on Board diversity.

- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

- Recommendation for appointment of senior management and remuneration payable to them.

c) Stakeholders Relationship Committee

As of March 31, 2022, the Stakeholders Relationship Committee comprised of three Directors viz. Mr. Santosh Janakiram, Chairman, Mr. Ajit Gulabchand and Mr. Arjun Dhawan as Members. Mr. Nitesh Kumar Jha was appointed as Company Secretary and Compliance Officer of the Company consequent upon the resignation of Mr. Vithal P. Kulkarni as Company Secretary and Compliance Officer w.e.f. May 12, 2022.

The Stakeholders Relationship Committee met once during the year i.e., on March 23, 2022.The details of the composition of the Committee and attendance at the meeting are given in Table 6 below:

Table 6: Details of the Stakeholders Relationship Committee

Name of the Director(s)	Category	Position	No. of Meetings attended
Santosh Janakiram	Independent Director	Chairman	1
Ajit Gulabchand	Chairman & Managing Director	Member	1
Arjun Dhawan	Vice Chairman & Whole-time Director	Member	1

During the year under review, queries/complaints were received by the Company from members/investors/authorities, majority of which have been redressed/resolved to date, satisfactorily as shown in Table 7 below:

Table 7: Details of queries/complaints received and attended during the financial year 2021-22

Sr. No.	Nature of Query/Complaint	Pending as on 01-APR-2021	Received during the above period	Redressed during the above period	Pending as on 31-MAR-2022
1.	Transfer/Transmission/Duplicate	0	34	32	2
2.	Non-receipt of warrants	0	0	0	0
3.	Dematerialisation/ Rematerialisation of Securities	0	1	1	0
4.	Complaints Received Through:				
	a. Consumer Forum/ Court Case/ Legal Notice	0	0	0	0
	b. Advocate	0	0	0	0
	c. SEBI	0	1	1	0
	d. Stock Exchanges	0	0	0	0
	e. NSDL, CDSL, MOCA	0	0	0	0
	f. Any Other Governing Body	0	0	0	0
5.	Other Queries	1	13	12	2
	TOTAL	**1**	**49**	**46**	**4***

*Received in the last week of March 2022 and same have been resolved as on the date of this Annual Report.

In accordance with the Act and SEBI Listing Regulations, the role of the Stakeholders Relationship Committee, *inter-alia*, is as under:

- Noting transfer/transmission of shares.
- Review of dematerialised/rematerialised shares and all other related matters.
- Monitoring expeditious redressal of investor grievance matters received from Stock Exchanges, SEBI, ROC, etc.
- Monitoring redressal of queries/complaints received from members relating to transfers,non-receipt of Annual Report,dividend etc.
- Resolving grievances of security holders.
- Review of measures taken for effective exercise of voting rights.
- Review of adherence to service standards of listed entity by Registrar and Transfer Agent.
- Review of measures taken for reducing quantum of unclaimed dividend and timely receipt of dividend/reports/ notices by shareholders.
- All other matters related to shares/debentures.

d) Corporate Social Responsibility (CSR) Committee

As of March 31, 2022, the CSR Committee comprised of three Directors viz. Mr. Ajit Gulabchand, Chairman, Mr. Mahendra Singh Mehta and Mr. N. R. Acharyulu as Members.

The role of the Committee as per CSR Policy revised on June 23, 2021, *inter-alia*, is as under:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy in compliance with Section 135 of the Companies Act,2013.
- Formulate and recommend to the Board, an annual action plan in pursuance of the CSR policy, which shall include the following, namely:-
  - (i) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act.
  - (ii) the manner of execution of such projects or programmes as specified in the Act and Rules made thereunder.
  - (iii) the modalities of utilization of funds and implementation schedules for the projects or programmes.
  - (iv) monitoring and reporting mechanism for the projects or programmes; and
  - (v) details of need and impact assessment, if any, for the projects undertaken by the Company: Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.
- Recommending the CSR expenditure to be incurred by the Company to the Board for its approval.
- Any other functions as may be assigned by the Board.

The CSR Committee met once during the year i.e., on June 22, 2021 and same was attended by all the Members. The Minutes of the Meeting of the CSR Committee are noted by the Board.

The CSR Policy was revised by the Board to align the same with the provisions of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 and same is available on the website of the Company and can be accessed by weblink https://hccindia.com/uploads/Investors/Corporate_Social_Responsibility_Policy.pdf.

e) Risk Management Committee

As the Company has fallen under top 1000 listed companies based on the market capitalization as on March 31, 2021, the Board, in its Meeting held on June 23, 2021, had reconstituted the existing Risk Management Committee to comply with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (second amendment) Regulations, 2021. The terms of reference of the Risk Management Committee have been revised in accordance with Schedule II of SEBI LODR Regulations.

The Risk Management Committee met twice during the year i.e., on August 11, 2021 and February 09, 2022. The details of the composition of the Committee and attendance at the Meetings are given in Table 8 below:

Table 8: The details of the composition of the Committee and attendance at the Meetings

Name of the Director(s)	Category	Position	No. of Meetings attended
Mahendra Singh Mehta	Independent Director	Chairman	2
Arjun Dhawan	Vice Chairman & Whole-time Director	Member	2
N. R. Acharyulu	Independent Director	Member	2
Rahul P. Rao*	Chief Financial Officer	Member	1
Jaspreet Bhullar*	Chief Executive Officer	Member	-
U V Phani Kumar*	Chief Executive Officer – HCC (E&C)	Member	2

*Consequent upon resignation of Mr. U V Phani Kumar, CEO – HCC (E&C) of the Company, he ceased to be a Member of the Committee. Mr. Rahul P. Rao, CFO and Mr. Jaspreet Bhullar, CEO of the Company were appointed as the Members of the Committee with effect from August 12, 2021, and March 23, 2022 respectively.

Risk Management Framework

The Company has established a well-documented and robust risk management framework under the provisions of the Act.

Under this framework, risks are identified across all business processes of the Company on a continuous basis. Once identified, these risks are managed systematically by categorizing them into Enterprise Level Risk & Project Level Risk. These risks are further broken down into various subcategories of risks such as operational, financial, contractual, order book, project cost and time overrun etc. and proper documentation is maintained in the form of activity log registers, mitigation, reports; and monitored by respective functional heads. Review of these risk and documentation is undertaken by Risk Management Committee regularly at agreed intervals.

III. COMPLIANCE

a) Performance Evaluation criteria for Board of Directors

Annual performance evaluation of the Directors as well as of the other Board-level Committee has been carried out. The performance evaluation of the Independent Directors was carried out by the entire Board and the Performance Evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors.

b) Accounting treatment in preparation of financial statements

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.

c) Subsidiary Companies

In accordance with Regulation 24 of the SEBI Listing Regulations, Steiner AG, Switzerland falls under the category of unlisted material subsidiary of the Company.

Mr. Santosh Janakiram, Independent Director was nominated as a Director on the Board of the Steiner AG, Switzerland, consequent upon resignation of Mr. Anil C. Singhvi as an Independent Director of the Company.

The Minutes of the Board Meetings of the subsidiary companies are placed before the Board.

The details of all significant transactions and arrangements entered into by the unlisted subsidiary companies are periodically placed before the Board.

The Policy for determining "Material Subsidiaries" is available on the website of the Company and can be accessed by weblink https://hccindia.com/uploads/Investors/Policy%20for%20Determining%20Material%20Subsidiaries.pdf.

d) Code for Prevention of Insider Trading Practices and other Policies

In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

The Codes viz "Code of Conduct for Prevention of Insider Trading" and the "Code of Practices and Procedures for Fair

Disclosure of Unpublished Price Sensitive Information" allows the formulation of trading plan subject to certain conditions as mentioned in the said Regulations and requires pre-clearance for dealing in the Company's shares. It also prohibits the purchase or sale of Company's securities by the Directors, designated persons and connected persons, while in possession of unpublished price sensitive information in relation to the Company and during the period when the trading window is closed. The Company Secretary of the Company is designated as the Compliance Officer for this Code.

e) CEO/CFO Certification

The Compliance Certificate for the financial year ended March 31, 2022, as required under the SEBI Listing Regulations is signed by CEO and CFO of the Company and same is annexed to this Report.

f) Pledge of Equity Shares

The aggregate shareholding of the Promoters and Members of the Promoter Group as on March 31, 2022, was 52,52,14,871 equity shares of ₹ 1 each representing 34.71% of the paid-up equity share capital of the Company.

In aggregate, pledge has been created on 48,39,32,677 equity shares held by Promoter Companies, representing 31.98% of the paid-up equity share capital of the Company.

g) Disclosures in relation to the Sexual Harassment of Women at Workplace

The Company has a well formulated Policy on Prevention & Redressal of Sexual Harassment. The objective of the Policy is to prohibit, prevent and address issues of sexual harassment at the workplace. The policy covers all employees, irrespective of their nature of employment and is also applicable in respect of all allegations of sexual harassment made by an outsider against an employee.

The Company has duly constituted an Internal Complaints Committee in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

During the year 2021-22, no case of Sexual Harassment was reported.

h) Chart/Matrix setting out the skills/experiences/ competencies of the Board of Directors:

In compliance with the provisions of the SEBI Listing Regulations, the Board of Directors has identified the following skills/expertise/competencies with reference to its Business and Industry that are fundamental for the effective functioning of the Company:

Sr. No.	Skill Area
1	Strategic Thinking, Planning and Management
2	Leadership Traits
3	Accounting and Financial Management expertise
4	Expertise in Engineering and Construction, Infrastructure, Industrial Projects
5	Expertise in Transportation- Road, Bridges, Metros and urban transport system
6	Expertise in Hydro, Marine and Water projects
7	Expertise in Nuclear Power and Special Projects
8	Expertise in General Project Contracting
9	Expertise in Commerce, Fund Management, Legal, Communication, Economics
10	Information Technology/Digital Skills/additional skills

The Directors appointed on the Board are from diverse backgrounds and possess core skills/expertise/ competencies with regard to the industries/fields from where they have come.

i) Credit Rating

Details of the credit ratings for all debt instruments issued and bank facilities availed by the Company are mentioned as below:

Sr. No.	Nature of Instruments	Ratings
1.	Non-Convertible Debentures – LIC	Care D (Single D) – Reaffirmed
2.	Bank Facilities	Care D (Single D) – reaffirmed

During the year, there were no revisions in the credit ratings of the debt instruments.

IV. SHAREHOLDER INFORMATION

a) Disclosures regarding the Board of Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed under the Act and the SEBI Listing Regulations. Based on the same, the Board has confirmed that in their opinion, the Independent Directors are meeting with the criteria of Independence and are Independent of the Management. Detailed profiles of the Directors seeking re-appointment in pursuance of the Act and the SEBI Listing Regulations read with Secretarial Standards-2 on General Meetings, as applicable are annexed to the Notice of the ensuing Annual General Meeting of the Company.

b) Means of Communication

In accordance with the SEBI Listing Regulations, the Company has maintained a functional website www.hccindia.com containing information about the Company and the same is updated from time to time. The quarterly and annual results are published in Business Standard (English) and Sakal (Marathi), which are national and local dailies respectively and also displayed on the Company's website. Official news releases and presentations made to institutional investors or to analysts, are also uploaded on the website of the Company.

The Company also disseminates to the Stock Exchanges (i.e., BSE and NSE), all mandatory information and price sensitive/ such other information, which in its opinion, are material and/or have a bearing on its performance/operations and issues press releases, wherever necessary, for the information of the public at large. A designated email id has been created for member's correspondence viz., secretarial@hccindia.com.

c) General Body Meetings

For the financial year 2021-22, Annual General Meeting was held on September 23, 2021, and Extra Ordinary General Meetings were held on June 29, 2021, and March 23, 2022.

d) Postal Ballot and procedure

During the year, no resolution was passed through postal ballot. Also, no resolution is proposed to be passed through postal ballot.

e) General Shareholder Information (Forthcoming Annual General Meeting)

Date:	September 29, 2022
Day:	Thursday
Time:	11.00 a.m.
Venue:	Through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM") only

Last date for Receipt of Proxies –

Not applicable as AGM will be held through Video Conferencing.

Financial Year

The financial year of the Company covers the financial period from April 1 to March 31.

During the financial year under review, the Board meetings for approval of quarterly and annual financial results were held on the following dates:

1st Quarter Results:	:	August 12, 2021
2nd Quarter Results:	:	November 11, 2021
3rd Quarter Results:	:	February 03, 2022
4th Quarter & Annual Results:	:	May 12, 2022

The tentative dates of the Board meetings for consideration of financial results for the financial year ending March 31, 2023, are as follows:

1st Quarter Results:	:	August 04, 2022
2nd Quarter Results:	:	November 03, 2022
3rd Quarter Results:	:	February 02, 2023
4th Quarter & Annual Results:	:	May 11, 2023

Date of Book Closure

Friday, September 23, 2022, to Thursday, September 29, 2022 (both days inclusive)

Listing

Presently, the equity shares of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company has paid the annual listing fees for the financial year 2022-23 to BSE and NSE.

Stock Codes:

ISIN (equity shares) in NSDL & CDSL	INE549A01026
BSE Code	500185
NSE Code	HCC

Corporate Identification Number:

Corporate Identity Number (CIN) of the Company is L45200MH1926PLC001228.

Details of the AGM/EGM held in the last three years along with Special Resolutions passed thereat:

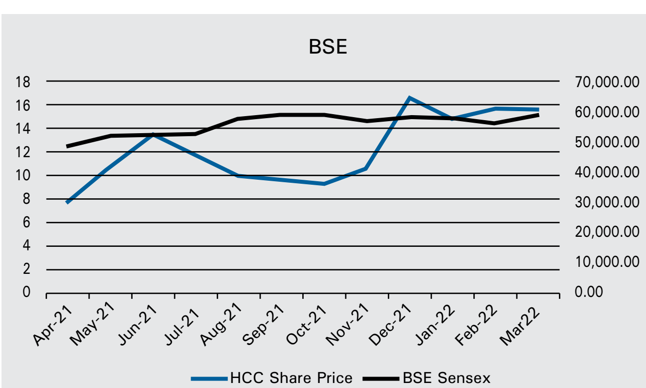
Day, Date & Time	Particulars of Special Resolutions passed
Annual General Meeting Thursday, September 26, 2019 at 11.00 a.m. at Walchand Hirachand Hall, Indian Merchants' Chamber, Indian Merchants' Chamber Marg, Churchgate, Mumbai-400 020	1. Appointment of Mr. N.R. Acharyulu (DIN 02010249) who retires by rotation and being eligible, offers himself for re-appointment as Director 2. Re-appointment of Mr. Anil C. Singhvi (DIN:00239589) as an Independent Director of the Company. 3. Payment of Remuneration to Mr. Ajit Gulabchand, Chairman and Managing Director for 3 years with effect from April 1, 2019, up to March 31, 2022. 4. Payment of Remuneration to Ms. Shalaka Gulabchand Dhawan for the period from April 30, 2019 up to July 31,2019 as Whole-time Director 5. Revision in Remuneration of Mr. Arjun Dhawan, CEO & Whole-time Director for 3 years with effect from April 1, 2019, up to March 31, 2022 6. Issue of Securities of the Company

Day, Date & Time	Particulars of Special Resolutions passed
Annual General Meeting Thursday, December 24, 2020, at 11.00 a.m. through Video Conferencing	1. Re-appointment of Mr. N.R. Acharyulu (DIN 02010249) who retires by rotation and being eligible, offers himself for re-appointment as Director 2. Issue of Securities of the Company
Annual General Meeting Thursday, September 23, 2021, at 11.00 a.m. through Video Conferencing	1. Appointment of Mr. N. R. Acharyulu (DIN: 02010249) as an Independent Director of the Company 2. Issue of Securities of the Company
Extra Ordinary General Meeting Tuesday, June 29, 2021, at 11.00 a.m. through Video Conferencing	1. Transfer of Economic / Beneficial interest in arbitration awards and claims to Prolific Resolution Private Limited, a wholly owned subsidiary of the Company (the "SPV") 2. Disposal of Company's shareholding in Prolific Resolution Private Limited, a wholly owned subsidiary of the Company (the "SPV")
Extra Ordinary General Meeting Wednesday, March 23, 2022, at 11.00 a.m. through Video Conferencing	1. Approval of issuance of Non-Convertible Debentures ("the NCDs") through private placement as a part of the Debt Resolution Plan of the Company 2. Authorisation to the Board of Directors to give Guarantees/Loans and/or make Investments and/or provide Securities in connection with Loans to any person/other body corporate including subsidiary companies 3. Approval of the restructuring of existing Optionally Convertible Debentures ("Existing OCDs") issued by the Company 4. Authorisation to the Board of Directors to enter into and implement the Resolution Plan of the Company and to deal with all other matters in relation to the Resolution Plan

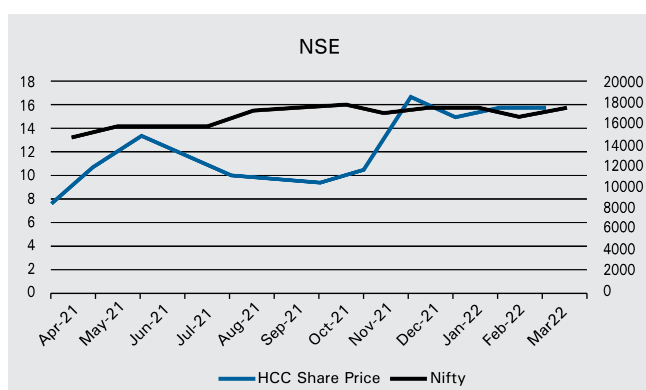
Share Price Data: High/Low and Volume during each month of the financial year 2021-22 at BSE and NSE

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April 2021	8.74	7.00	82,12,078	8.70	7.25	4,02,30,013
May 2021	11.51	7.50	4,43,51,394	11.55	7.50	22,68,57,706
June 2021	14.95	10.05	4,85,05,365	14.90	10.05	20,97,20,235
July 2021	16.33	11.35	4,24,65,612	16.20	11.35	16,67,02,386
August 2021	11.95	8.89	2,08,97,582	11.95	8.95	10,62,12,272
September 2021	10.51	9.26	1,29,02,724	10.45	9.30	6,24,08,887
October 2021	12.27	9.16	3,56,81,218	12.25	9.15	19,98,39,424
November 2021	11.65	9.10	2,46,06,918	11.70	9.00	15,46,49,995
December 2021	18.76	10.27	10,08,85,894	18.80	10.35	54,65,62,619
January 2022	17.45	13.80	3,95,62,643	17.45	13.75	20,18,76,030
February 2022	20.03	13.90	6,48,18,379	20.05	13.85	47,55,39,173
March 2022	17.45	14.30	3,08,80,567	17.45	14.25	20,22,45,895

Chart A & B show the movement of HCC share prices compared to the principal indices - Sensex & Nifty



(Chart A)



(Chart B)

Distribution of shareholding as on March 31, 2022

Distribution range of Shares	No. of Shares	Percentage	No. of Shareholders	Percentage
1 to 500	3,70,10,800	2.45	2,31,278	68.49
501 to 1000	3,76,59,853	2.49	43,900	13.00
1001 to 2000	4,37,68,803	2.89	27,047	8.01
2001 to 3000	2,90,54,326	1.92	10,949	3.24
3001 to 4000	1,82,02,711	1.20	4,960	1.47
4001 to 5000	2,51,47,265	1.66	5,212	1.54
5001 to 10000	5,90,35,774	3.90	7,669	2.27
Greater than 10000	1,26,31,48,712	83.48	6,669	1.97
Total	**1,51,30,28,244**	**100**	**3,37,684**	**100**

Shareholding Pattern

Categories	As on March 31, 2022		As on March 31, 2021	
	No. of Shares	Percentage	No. of Shares	Percentage
Promoter and Promoter Group	52,52,14,871	34.71	52,52,14,871	34.71
Foreign Institutional Investors/FPIs –Corporation	18,38,90,256	12.15	16,95,50,572	11.21
Public Financial Institutions/State Financial Corporation/ Insurance Companies	1,06,91,122	0.71	1,06,91,122	0.71
Mutual Funds (Indian) and UTI	7,35,82,077	4.86	8,80,29,596	5.82
Nationalised and other Banks	11,73,76,387	7.76	18,64,19,915	12.32
NRI/OCBs	1,27,36,570	0.84	1,55,52,964	1.03
GDSs	0.00	0.00	0.00	0.00
Directors and Relatives	4,100	0.00	4,100	0.00
Investor Education and Protection Fund Authority Ministry Of Corporate Affairs	34,11,729	0.23	33,91,729	0.22
Public	58,61,21,132	38.74	51,41,73,375	33.98
Total	**1,51,30,28,244**	**100.00**	**1,51,30,28,244**	**100.00**

List of Top 20 Shareholders of the Company as on March 31, 2022

Sr. No.	Name of the Shareholder	Category	No. of Shares	Percentage
1	Arya Capital Management Pvt Ltd.	Member of the Promoter Group	24,40,13,391	16.13
2	Hincon Holdings Ltd.	Promoter Company	21,60,23,600	14.28
3	Asia Opportunities Iv (Mauritius) Ltd.	Foreign Portfolio Investors (Corporate)	11,54,62,961	7.63
4	HDFC Trustee Company Limited-HDFC Flexi Cap Fund	Mutual Funds	7,35,80,077	4.86
5	Hincon Finance Ltd.	Promoter Company	6,22,61,186	4.12
6	Canara Bank-Mumbai	Nationalized Banks	2,92,97,546	1.94
7	Export- Import Bank of India	Other Banks	2,42,51,091	1.60
8	Axis Bank Ltd.	Other Banks	1,58,61,886	1.05
9	ICICI Bank Ltd.	Other Banks	1,38,18,139	0.91
10	India Insight Value Fund	Foreign Portfolio Investors (Corporate)	1,26,00,000	0.83
11	Chetan Jayantilal Shah	Resident Individual	1,20,00,000	0.79
12	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	Foreign Portfolio Investors (Corporate)	1,14,66,715	0.76

Sr. No.	Name of the Shareholder	Category	No. of Shares	Percentage
13	Bank of Baroda	Nationalized Banks	1,12,24,651	0.74
14	Vanguard Total International Stock Index Fund	Foreign Portfolio Investors (Corporate)	1,05,41,092	0.70
15	Sonal Rajeev Sangoi	Resident Individual	87,18,000	0.58
16	India Opportunities Growth Fund Ltd- Pinewood Strategy	Foreign Portfolio Investors (Corporate)	74,50,000	0.49
17	Union Bank of India	Nationalized Banks	62,86,803	0.42
18	The J and K Bank Ltd.	Other Banks	61,37,390	0.41
19	Life Insurance Corporation of India	Insurance Company	59,40,480	0.39
20	Anil Vishanji Dedhia	Resident Individual	50,00,000	0.33

Dematerialization of Shares and Liquidity

As on March 31, 2022, 1,50,87,35,704 equity shares representing 99.72 % of the total equity share capital of the Company, were held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited. The break-up of equity shares held in Physical and Dematerialised form as on March 31, 2022, is given below:

Particulars	No. of Equity Shares	Percentage
Physical Segment	42,92,540	0.28
Demat Segment:-		
NSDL	1,23,52,22,412	81.64
CDSL	27,35,13,292	18.08
Total	**1,51,30,28,244**	**100.00**

The Promoters hold their entire equity shareholding in the Company in dematerialized form. The Company's equity shares are regularly traded on BSE and NSE.

Employees Stock Options (ESOPs)

a) As on March 31, 2022, 3,47,450 options were available for grant to the eligible employees.

b) Each option, when exercised, as per the exercise schedule, entitles the holder to subscribe for one equity share of the Company of face value ₹ 1 each.

c) During the year under review, no options were vested in the employees of the Company.

d) During the year under review, no options were due for exercise by the eligible employees during the year.

Details regarding Listing and redemption of Debt Securities

During the year, the Company has not issued any Debentures.

The Non Convertible Debentures (NCDs) issued to Axis Bank were fully redeemed by the Company in January 2022.

The Non Convertible Debentures (NCDs) issued to Life Insurance Corporation of India (LIC) have been matured on October 15, 2021. As on March 31, 2022, an amount of ₹ 41.12 crore was outstanding as regards NCDs held by LIC.

In respect of the aforesaid debt securities, following are the details of Debenture Trustees:

IDBI Trusteeship Services Ltd
(Debenture Trustee for LIC)
Asian Building, Ground Floor,
17, R Kamani Marg, Ballard Estate,
Mumbai 400 001
Contact Person: Mr. Naresh Sachwani
Tel: 022 4080 7016

Share Transfer system

With effect from April 1, 2019, except in case of transmission or transposition of securities, requests for effecting transfer of physical securities are not processed by the Company/ Registrar except to the extent permitted by SEBI. Requests for dematerialisation of shares are processed and confirmation is given to the respective depositories i.e., NSDL and CDSL within 21 days.

Address for Members' correspondence

Members are requested to correspond with the Registrar and Share Transfer Agents at the below given address on all matters relating to transfer/dematerialisation of shares, payment of dividend and any other query relating to Equity Shares or Debentures of the Company.

Registrar and Share Transfer Agents:

Contact Officer: Ms. Mary George,

TSR Consultants Private Limited
Unit: Hindustan Construction Company Ltd.
C-101, 1st Floor, 247, Park
L.B.S. Marg, Vikhroli (West)
Mumbai – 400083
Telephone: +91-22-66568484
Fax: +91-22-66568494
Email: csg-unit@tcplindia.co.in
Website: https://www.tcplindia.co.in

The Company has maintained an exclusive email id i.e. secretarial@hccindia.com which is designated for investor correspondence for the purpose of registering any investor related complaints and the same has been displayed on the Company's website: www.hccindia.com

Members may contact the Compliance Officer and/or the Investor Relations Officer at the following address:

Compliance Officer:

Mr. Nitesh Kumar Jha, Company Secretary
Hindustan Construction Company Ltd.
Hincon House, Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai- 400 083, India.
Tel: +91-22-2575 1000 Fax: +91-22-25777568
Website: www.hccindia.com
Email: secretarial@hccindia.com

Investor Relations Officer:

Mr. Santosh Kadam
Hindustan Construction Company Ltd.
Hincon House, Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai-400 083, India
Tel: +91-22-2575 1000 Fax: +91-22-25777568
Website: www.hccindia.com
Email: secretarial@hccindia.com

f) Disclosure under Regulation 30 and 46 of SEBI Listing Regulations regarding certain agreements with the media companies:

Pursuant to the requirement of Regulation 30 of the SEBI Listing Regulations, the Company would like to inform that no agreement(s) have been entered with media companies and/or their associates which has resulted/will result in any kind of shareholding in the Company and consequently any other related disclosures viz., details of nominee(s) of the media companies on the Board of the Company, any management control or potential conflict of interest arising out of such agreements, etc. are not applicable. The Company has not entered into any other back-to-back treaties/ contracts/ agreements/MoUs or similar instruments with media companies and/or their associates.

g) Investor safeguards and other information:

i. Dematerialisation of shares

Members are requested to convert their physical holdings to demat/electronic form through any of the registered Depository Participants (DPs) to avoid the hassles involved in dealing in physical shares such as possibility of loss, mutilation, etc. and also to ensure safe and speedy transaction in respect of the shares held.

ii. Transfer of Unclaimed Dividend and Equity Shares to Investor Education and Protection Fund (IEPF)

Pursuant to Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund Rules), 2016 ('the IEPF Rules'), during the year under review, no amount of unclaimed dividend and corresponding equity shares were due to be transferred to IEPF account.

Members are further requested to note that no claims shall lie against the Company with respect to the unclaimed dividend and share(s) transferred to the IEPF pursuant the IEPF Rules.

iii. Update Address/E-Mail Address/Bank Details

To receive all communications/corporate actions promptly, members holding shares in dematerialised form are requested to please update their address/email address/ bank details with the respective DPs and in case of physical shares, the updated details have to be intimated to the Registrar & Share Transfer Agents.

iv. Electronic Service of Documents to Members at the Registered Email Address

The Company shall send all documents to Members like General Meeting Notices (including AGM), Annual Reports and any other future communication (hereinafter referred as "documents") in electronic form, in lieu of physical form, to all those Members, whose email address is registered with Depository Participant (DP)/Registrar & Share Transfer Agents (RTA) (hereinafter "registered email address') and made available to the Company, which has been deemed to be the Member's registered email address for serving the aforesaid documents. Members holding shares in electronic form are requested to please inform any changes in their registered e-mail address to their DP from time to time and Members holding shares in physical form have to write to TSR Consultants Private Limited, RTA at its specified address.

It may be noted that the Annual Report of the Company is available on the Company's website www.hccindia.com for ready reference.

V. OTHER DISCLOSURES

1. There were no material related party transactions entered by the Company that may have a potential conflict with the interests of the Company. The Company has formulated a policy on Related Party Transactions and the said Policy is available on the website of the Company and can be accessed by weblink https://hccindia.com/uploads/Investors/Policy_for_Related_Party_Transactions.pdf.

2. Except as mentioned below, there were no non-compliances by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital market during the last three years:

   The Company was levied a fine of ₹ 3,65,800 by both National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) for non-compliance with Regulation 17 (1) of SEBI (LODR) Regulations, 2015, for the period ended 31st December 2019. The Company deposited the amount of fine with both the Stock Exchanges on 14th February 2020. The Company also complied with the requirement under Regulation 17 (1) of SEBI LODR Regulations, 2015 w.e.f. 06.02.2020 by appointing a Woman Independent Director on its Board of Directors.

   During the Financial Year 2020-21, the Company was levied a fine of ₹ 2,12,400 by both NSE and BSE for non-compliance with Regulation 17 (1) of SEBI (LODR)

Regulations, 2015 for the period commencing from 01st January 2020 to 05th February 2020. The Company paid the fine to both the Stock Exchanges on 26th October 2020.

3. The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism Policy under which the employees are free to report violations of applicable laws and regulations. None of the personnel has been denied access to the Audit Committee. The same is placed on the website of the Company www.hccindia.com

4. The Company has complied with the mandatory requirements of Corporate Governance as specified in the SEBI Listing Regulations.

5. The Company is not dealing in commodities and hence disclosure relating to commodity price risks and commodity hedging activities is not applicable.

6. Adoption of discretionary requirements of the SEBI Listing Regulations is being reviewed by the Company from time to time and the Company has adopted the discretionary requirements with respect to Internal Audit.

7. There is no non-compliance of any requirement of Corporate Governance Report as per Part C of Schedule V of the SEBI Listing Regulations.

8. The Policy for determining material subsidiaries is available on the website of the Company at www.hccindia.com

9. Details of utilization of funds raised through Preferential Allotment or Qualified Institutions Placement as specified under Regulation 32 (7A) of the SEBI Listing Regulations- **Not Applicable.**

10. A certificate from BNP & Associates, Company Secretary in practice, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority, is annexed to this Report.

11. There are no shares lying in the demat suspense account or unclaimed suspense account of the Company and hence, the details of the same are not provided.

12. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the Statutory Auditors and all entities in the network firm/network entity of which the Statutory Auditors is a part:

    Details relating to fees paid to the Statutory Auditors are given in Note 30 to the Standalone Financial Statements and Note 33 to the Consolidated Financial Statements.

13. There were no instances during the year where Board has not accepted recommendation given by the Committees.

14. There are no outstanding global depository receipts or American depository receipts or warrants.

Auditors' Certificate on compliance with the conditions of Corporate Governance

The Company has obtained a Certificate from its Statutory Auditors regarding compliance of the conditions of Corporate Governance, as stipulated in the SEBI Listing Regulations, which is annexed with this Report and shall be sent to all the Members of the Company and the Stock Exchanges along with the Annual Report of the Company.

CERTIFICATION BY CEO AND CFO UNDER REGULATION 17(8) OF THE SEBI LISTING REGULATIONS

The Board of Directors of Hindustan Construction Company Ltd.

We have reviewed the financial statements and the cash flow statement of Hindustan Construction Company Ltd. for the year ended March 31, 2022 and that to the best of my knowledge and belief:

a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violates the Company's Code of Conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take for rectifying these deficiencies.

d) We have indicated to the Auditors and the Audit Committee:

i. significant changes in internal control over financial reporting during the year.

ii. significant changes in accounting policies made during the year and the same have been disclosed in the notes to the financial statements; and

iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Rahul P. Rao
Chief Financial Officer

Jaspreet Bhullar
Chief Executive Officer

Place: Mumbai
Date: May 12, 2022

DECLARATION BY THE CEO UNDER REGULATION 34(3) READ WITH PART D OF SCHEDULE V THE SEBI LISTING REGULATIONS

To,
The Members,
Hindustan Construction Company Ltd.

I hereby declare that all the Directors and the designated employees in the Senior Management of the Company have affirmed compliance with their respective Codes for the financial year ended March 31, 2022.

For Hindustan Construction Company Ltd.

Jaspreet Bhullar
Chief Executive Officer

Place: Mumbai
Date : May 12, 2022

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

Pursuant to Regulation 34(3) and Schedule V Para C Sub clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Members of
Hindustan Construction Company Ltd.
Hincon House,
Lal Bahadur Shastri Marg,
Vikhroli (West),
Mumbai-400 083

We have examined the relevant books, papers, minutes books, forms, returns filed and notices received from the Directors of Hindustan Construction Company Ltd. (CIN: L45200MH1926PLC001228) having its Registered Office at Hincon House, Lal Bahadur Shastri Marg, Vikhroli West, Mumbai-400083 (hereinafter referred to as the 'the Company') for the Financial Year ended March 31, 2022 and other records maintained by and also the information provided by the officers, agents and authorised representatives of the Company for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para-C Sub clause 10 (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide notification no. SEBI/LAD/ NRO/ GN/2018/10 dated May 09, 2018 issued by SEBI.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal of Ministry of Corporate Affairs (MCA) i.e. www.mca.gov.in] as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below as on March 31, 2022 have been debarred or disqualified from being appointed or continuing to act as Director of the Company by the Securities and Exchange Board of India or the Ministry of Corporate Affairs, Government of India or any such other statutory authority.

Sr. No	DIN	Name of the Directors	Designation	Date of Appointment*
1	00010827	Mr. Ajit Gulabchand	Chairman and Managing Director	03/03/1983
2	01778379	Mr. Arjun Dhawan	Vice Chairman and Whole-time Director	01/04/2017**
3	02010249	Mr. N R Acharyulu	Independent Director	02/05/2016#
4	06801226	Mr. Santosh Janakiram	Independent Director	17/06/2019
5	00019566	Mr. Mahendra Singh Mehta	Independent Director	17/06/2019
6	00893700	Mr. Mukul Sarkar	Nominee Director	06/02/2020
7	08198165	Dr. (Mrs.) Mita Dixit	Independent Woman Director	06/02/2020
8	02151606	Mr. Arun Karambelkar	Non-Executive Director Non-Independent Director	23/06/2021

* Dates of appointment of Directors as stated above are based on information as appearing on the MCA Portal.

** Mr. Arjun Dhawan has been re-appointed as Whole-time Director of the Company by the Board with effect from April 01, 2022, subject to approval of the Members of the Company.

#Mr. N R Acharyulu, Non-Executive Non-Independent Director has been appointed as Independent Director of the Company with effect from June 23, 2021.

Ensuing the eligibility of/for the appointment/continuity of every Director on the Board of Directors is the responsibility of the management of the Company. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Venkataraman Krishnan
Associate Partner
ACS No.:-8897/ COP No.:- 12459

For **BNP & Associates**
Company Secretaries
[Firm Regn. No. P2014MH037400]
[PR No.:-637 / 2019]
UDIN: A008897D000308438

Date:- 12th May, 2022
Place:- Mumbai

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Hindustan Construction Company Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 02 November 2021.

2. We have examined the compliance of conditions of corporate governance by Hindustan Construction Company Limited ('the Company') for the year ended on 31 March 2022, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility

3. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2022.

   We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

8. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

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

Shashi Tadwalkar
Partner
Membership No.: 101797
UDIN: 22101797AIVSBS5712

Place: Pune
Date: 12 May 2022

BOARD'S REPORT

To,
The Members of Hindustan Construction Company Ltd.

1. Report

Your Directors are pleased to present the 96th Annual Report together with the Audited Financial Statements for the year ended March 31, 2022.

2. Financial Highlights (As per IND AS)

Standalone (₹ in crore)

		Year ended 31 March 2022		Year ended 31 March 2021
Income from Operations		4,666.28		2,589.74
Profit before Interest, Depreciation, Exceptional Items, Other Income and Tax		788.92		299.62
Less: Finance Costs	948.80		829.89	
Depreciation	93.64		91.06	
Exceptional Item	-	(1,042.44)	274.03	(1,194.98)
Add: Other Income		80.24		52.64
Profit /(Loss) before Tax		(173.28)		(842.72)
Less: Tax Expense		(20.18)		(276.27)
Profit/(Loss) after Tax		(153.10)		(566.45)
Add: Other Comprehensive Income / Loss		7.86		6.89
Total Comprehensive income carried to Other Equity		**(145.24)**		**(559.56)**

3. Dividend

In view of the losses incurred by the Company, your Directors have not recommended any dividend for the financial year ended March 31, 2022.

4. Strategic Development

HCC has undertaken several initiatives to strengthen its balance sheet and streamline operations for accelerated project execution that is reflected in the performance for FY 2021-22. Some of these initiatives are explained below:

NHAI Conciliations & Realisation of BOT Asset Sale

In FY 2020-21, the Company had initiated a conciliation process with NHAI to generate liquidity in the face of prolonged litigations and their associated costs. The Company successfully completed five conciliations within its PPP/BOT arm, HCC Concessions (HCON), and one conciliation in HCC, thereby receiving a total sum of ₹ 1,849 crore. In September 2020, the Company completed the sale of its largest BOT asset, Farakka Raiganj Highways Ltd. to Cube Highways and Infrastructure V Pte. Ltd. (Cube) for an enterprise value of ₹ 1508 crore, generating substantial liquidity for the group.

In February 2022, HCON executed a binding term sheet to sell its Baharampore-Farakka Highways Limited asset to Cube, at an enterprise value of ₹ 1,279 crore. Furthermore, HCON will be entitled to a material revenue share for the life of the concession. The transaction is subject to closing adjustments, customary due diligence and approvals, including from the NHAI and the lenders.

Strategic Developments at HCC Infrastructure

In August 2021, an exit was provided to the Xander Group, which held a 14.5% stake in HCC Concessions since 2011. Thereafter, 100% of the economic interest of HCON vested with the Company. In addition, HCC Infrastructure group of companies became debt free after closing all loans with Yes Bank Ltd. in September 2021.

In the month of November 2021, scheme of merger of HCC Concessions Ltd, HCC Power Ltd, Dhule Palesnar Operation & Maintenance Ltd and HCC Power Ltd with HCC Infrastructure Company Ltd U/s 230 to 232 of the Companies Act, 2013 has been filed with NCLT in order to reorganize the legal entities in the group structure to ensure optimized corporate holding structure and reduction in the multiplicity of legal and regulatory compliances at optimized cost.

Debt Resolution Plan

The carve-out of a material portion of HCC's debt along with commensurate award assets to an SPV results in a long-awaited solution to the asset-liability mismatch faced by HCC on account of delayed realization of its arbitration awards vis-a-vis Government Agencies. The Company has received final board approvals from all its lenders and achieved a closure of all documentation. Delays in approvals from Lenders and the impact of COVID19 had led to an inordinate delay in plan execution, with expected completion in Q2 FY 2022-23. The focus of HCC is now squarely on growth as it expects to secure new orders with full access to its working capital and bonding limits.

Under this debt resolution plan, HCC will transfer up to ₹4,000 crore worth of liability to subsidiary Prolific Resolution Pvt Ltd. (SPV). It will also transfer the economic interest in arbitration awards and claims of up to ₹9,200 crore to the SPV. The Board approved the plan on 27 May 2021 subject to necessary approvals.

This SPV will have an external investor controlling atleast 51% and HCC holding balance shares. The SPV debt being significantly over-collateralised is expected to be fully serviced from its own receivables. The underlying arbitration awards carry interest, which will appropriately meet the SPV lenders' liabilities that also accrue interest. The return on investment to the identified investor entity will be capped and HCC will extend its corporate guarantee to lenders of SPV, which have back ended repayment schedule starting FY 2026-27. On repayment of the SPV liability, it is expected that the surplus awards and claims will flow back to the benefit of HCC, which is expected to be material in value.

The Plan also entails divestment of identified non-core assets in HCC and conciliation/ realization of identified Awards and Claims (remaining in HCC after carve out) to the tune of ₹1,549 crore, which will be utilized for operations and growth.

Execution of Arbitration Awards

Consequent to the amendments to the Arbitration & Conciliation Act, 1996 (as amended in 2015), together with the Supreme Court of India setting aside Section 87 of the Arbitration and Conciliation Act, there would henceforth not be any automatic stay on the execution of Arbitration Awards. Earlier, a stay was granted at the mere filing of a challenge to an Award and would sometimes continue for years until the Court had time to hear the matter. Today, due to HCC's efforts in the Supreme Court, all Awards may be executed, resulting in the deposit/collection of monies.

Furthermore, due to various pro-business policy frameworks by Govt, we expect Arbitration Awards' realization to be swifter, leading to more efficient dispute resolution in the long run.

To avoid litigations, the GOI in the Union Budget has proposed a conciliation mechanism for resolving disputes in the construction industry. Para 135 of Budget provides as under:

> *135. To have ease of doing business for those who deal with Government or CPSE's and carry out Contracts, I propose to set up a Conciliation Mechanism and mandate its use for quick resolution of Contractual disputes. This will instil confidence in private sector investors and contractors.*

This mechanism is likely to spur private investment in the infrastructure sector, which is considerably problematic due to the mechanical challenging of awards and long delays in dispute resolution. The above mechanism-specific mandate to the CPSEs will go a long way in helping the Contractors and the Govt agencies to ensure the infrastructure projects are completed with minimum delays as the disputes would be settled and the money would be available during the performance of the Contracts.

5. COVID-19-Impact on Business operations

During the year, project performance was affected due to various restrictions imposed by Government authorities due to the 2nd wave of COVID-19 and the new variant Omicron. Remobilizing the required manpower at Projects and streamlining the supply chain management remained challenging. Despite the above challenges, projects have made additional efforts to remobilize the required workmen and strengthen the supply chain management with improved vendor management. Though clients have agreed to sanction the extension of time as per Government guidelines, most clients are yet to sanction payment for compensation for the lockdown period and the 2nd wave of COVID-19.

6. Share Capital of the Company

The present paid-up Equity Share Capital of the Company is ₹1,51,30,28,244/- comprising of 1,51,30,28,244 Equity Shares having face value of ₹ 1/- each.

7. Operations

The turnover of the Company during financial year 2021-22 is ₹ 4,666.28 crore as compared to ₹ 2,589.74 crore during financial year 2020-21.

During the year under review, the Company has secured three contracts aggregating ₹ 3,100 crore (The Company's Share ₹ 1,558 crore) in joint venture.

The total balance value of works on hand as on March 31, 2022 is ₹ 15,967 crore.

Operations of Subsidiaries:

i) HCC Infrastructure Company Limited

HCC Infrastructure Company Limited is a wholly owned subsidiary of HCC Limited. HCC Infrastructure Company Limited has 100% economic interest in HCC Concessions Limited (HCON).

HCON has developed a premium portfolio of ~₹7,000 crore of road assets under India's National Highway Development Program on DBFOT (Design, Build, Finance, Operate and Transfer) basis. Baharampore-

Farakka Highways Ltd (BFHL) completed an additional stretch of 14.35 km and consequently its toll rates were enhanced by ~20% from May 14, 2021 onwards. Despite the impact of COVID19 in FY 2021-22 and certain restrictions imposed by the State Government, the traffic grew ~12% with the average daily collection being ₹35.3 lakh.

During FY 2021-22, Raiganj-Dalkhola Highways Ltd (RDHL), a 100% subsidiary of HCON, received 2 arbitration awards accumulating to ~₹873 crore in respect of termination payment and delay cost claims. NHAI has challenged the Termination payment Award under Section 34 of the Arbitration & Conciliation Act in Delhi High Court.

In August 2021, an exit was provided to the Xander Group, which held a 14.5% stake in HCC Concessions since 2011. Thereafter, HCC Infrastructure has 100% economic interest in HCON.

In September 2021, HCC Infrastructure group of companies closed all its loans with Yes Bank Ltd thereby ensuring HCC Infrastructure Group is debt free.

In the month of November 2021, scheme of merger of HCC Concessions Ltd, HCC Power Ltd, Dhule Palesnar Operation & Maintenance Ltd and HCC Power Ltd with HCC Infrastructure Company Ltd U/s 230 to 232 of the Companies Act 2013 has been filed with NCLT in order to reorganize the legal entities in the group structure to ensure optimized corporate holding structure and reduction in the multiplicity of legal and regulatory compliances at optimized cost.

In February 2022, HCON executed a binding term sheet in respect of 100% stake sale of BFHL to Cube Highways and Infrastructure V Pte. Ltd, at an enterprise value of ₹1,279 crore, reflecting an equity valuation of ₹600 crore. In addition to the equity value, ₹200 crore of earnout is payable in May 2024 contingent on achieving revenue thresholds. Furthermore, HCON will be entitled to a material revenue share for the life of the concession. The transaction is subject to closing adjustments, customary due diligence and approvals, including from the NHAI and the lenders.

During FY 2021-22, HCON began process of rebuilding its BOT portfolio with a focus on new project development.

ii) Steiner AG, Switzerland

Steiner AG, HCC's wholly-owned subsidiary, is a leading Swiss real estate service provider with a focus on project developmen and construction.

The business is primarily divided into four offerings.

- First, the primary business of the Company is real estate development, including long-standing brownfield projects and redevelopment projects. The focus is on developing projects that will have a market in the future.
- Second, Steiner is involved in General and Total Contracting, where it provides complete turnkey building services from design to construction in French-speaking Switzerland.
- Third, Steiner is evolving a model of developing financial vehicles that will fund real estate development and is working on partnerships with funds.
- Fourth, Steiner established the new business field "Steiner Digital" for digital collaboration platforms serving properties' entire life cycles.

Some of the major projects being executed by Steiner AG are:

- Construction of Glasi-quarter, a new urban district in Bülach with 500-plus apartments, a residential and care centre, a hotel and over 20,000 m² of light-industrial and service-sector units, worth approx. CHF 350 million (₹2,825.55 crore).
- Osiris project in Echallens, a new eco-district worth approx. CHF 115 million (₹928.4 crore), involving the construction of 15 buildings with a total of 410 apartments.
- Manegg Mitte development in Zurich worth approx. CHF 140 million (₹1,130.22 crore), comprising two residential buildings with 151 owner-occupied apartments and a third new-build with 101 cooperative apartments and light-industrial units.
- Gupfengarten residential development in Niederweningen, worth CHF 50.5 million (₹407.69 crore), including the construction of 36 single-family houses and three multi-family blocks with a total of 21 apartments for owner occupancy.

Steiner AG reported revenues of CHF 754 million (₹6,083 crore) in the financial year 2021-22 as compared to CHF 705 million (₹5,411 crore) in the previous year and a profit of CHF 39 million (₹315 crore) as compared to a net profit of CHF 3.7 million (₹28 crore) in the previous year. The Company secured fresh orders worth CHF 549 million (₹4,431 crore). The order book stood at CHF 996 million (₹8,044 crore) at the end of the financial year.

The World Health Organization officially declared the spread of COVID19 as a pandemic as of March 12, 2020. The effects of the various lockdowns, construction site closures, illness-related absences of skilled site workers and bottlenecks at its suppliers have also impacted the Steiner Group in FY 2021-22.

Throughout the COVID19 pandemic, the Company's top priority was to ensure the health and safety of its employees and partners. Steiner has therefore been swift in deploying strict hygiene and safety measures for all its construction sites as well as its office spaces.

Steiner's subsidiary Steiner India has achieved strong initial traction in India, having successfully completed design-build / turnkey GC/TC key high rise residential, hospitality and industrial projects in Mumbai, NCR and Kolkata.

8. Subsidiaries and Associate Companies

During the year, pursuant to the Securities Purchase Agreement entered between Xander Investment Holding XXVI Limited ('Xander') and the Company along with certain group entities, Xander's shareholding (14.55%) in HCC Concessions Limited ('HCON'), subsidiary of the Company, has been bought back by HCON. Consequent to the buy back, effective 20 August 2021, HCON (including its subsidiaries i.e. Narmada Bridge Tollways Limited, Badarpur Faridabad Tollways Limited, Baharampore-Farakka Highways Limited, Raiganj-Dalkhola Highways Limited) has ceased to be joint ventures and became subsidiaries of the Company.

Also, Projektentwicklungsges. Parking Kunstmuseum AG was liquidated in December 2021 and consequently has ceased to be an Associate of the Company.

The details as required under Rule 8 of the Companies (Accounts) Rules, 2014 regarding the performance and financial position of the Subsidiaries, Associates and Joint Ventures of the Company are provided in Form AOC-1, which form part of the Consolidated Financial Statements of the Company for the financial year ended March 31, 2022.

The Company's Policy for determining material subsidiaries was revised by the Board on May 12, 2022 and the revised Policy is available on the Company's website and can be accessed by weblink https://hccindia.com/uploads/Investors/Policy%20for%20Determining%20Material%20Subsidiaries.pdf.

Pursuant to initiation of the Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code, 2016 ('IBC') against Lavasa Corporation Limited (LCL), effective 30 August 2018, the Holding Company has lost control / significant influence over LCL and its subsidiaries, associates and joint ventures. Accordingly, the above entities cease to be subsidiaries, associates and joint ventures of the Holding Company effective 30 August 2018.

9. Public Deposits

Your Company has not accepted any deposit falling under Chapter V of the Companies Act, 2013 during the year under review. There were no such deposits outstanding at the beginning and end of the financial year 2021-22.

10. Particulars of Loans, Guarantees or Investments

Particulars of Loans, Guarantees and Investments made during the year as required under the provisions of Section 186 of the Companies Act, 2013 (the Act) are given in the notes to the Financial Statements forming part of Annual Report.

Also, pursuant to Paragraph A (2) of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Listing Regulations), particulars of Loans/Advances given to subsidiaries have been disclosed in the notes to the Financial Statements.

11. Employee Stock Option Scheme (ESOP)

As on March 31, 2022, 3,47,450 stock options were available for grant to the eligible employees. Each option, when exercised, would entitle the holder to subscribe for one equity share of the Company of face value ₹ 1 each.

The particulars with regard to Options as on March 31, 2022, as required to be disclosed pursuant to the provisions of Companies (Share Capital and Debentures) Rules, 2014 read with the applicable SEBI Regulations, are set out at **Annexure I** to this Report.

BNP & Associates, Secretarial Auditors of the Company, have certified that the Company's ESOP Scheme has been implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the Resolution passed by the Members for the Scheme.

12. Consolidated Financial Statements

In accordance with the Act and implementation requirements of Indian Accounting Standards ('IND-AS') on accounting and disclosure requirements and as prescribed by the SEBI Listing Regulations, the Audited Consolidated Financial Statements are provided in this Annual Report.

Pursuant to Section 129(3) of the Act, a statement containing the salient features of the Financial Statements of the Subsidiaries, Associates and Joint ventures of the Company in the prescribed form AOC-1 is annexed to this Annual Report.

Pursuant to Section 136 of the Act, the Financial Statements of the subsidiaries are available on the website of the Company i.e., www.hccindia.com under the Investors Section.

13. Corporate Governance

The Company is committed to maintain the highest standards of Corporate Governance and adheres to the Corporate Governance requirements as stipulated by the Securities and Exchange Board of India (the SEBI).

The report on Corporate Governance as prescribed in the SEBI Listing Regulations forms an integral part of this Annual Report. The requisite certificate from the Statutory Auditors of the Company confirming compliance with the conditions of Corporate Governance along with a declaration signed by CEO of the Company stating that the Members of the Board of Directors and Senior Management have affirmed the compliance with code of conduct of the Board of Directors and Senior Management, is attached to the report on Corporate Governance.

14. Directors

Mr. N. R. Acharyulu, Non-Executive Non-Independent Director, who was appointed as an Independent Director with effect from June 23, 2021, by the Board of Directors, was regularized as an Independent Director in the Annual General Meeting held on September 23, 2021, for a term of 3 consecutive years, up to the conclusion of the 98th Annual General Meeting of the Company, not liable to retire by rotation.

Mr. Arun Karambelkar, who was appointed as an Additional Director of the Company in the category of Non-Executive Non-Independent Director with effect from June 23, 2021, by the Board of Directors in terms of terms of Section 161(1) of the Act read with Article 88 of the Articles of Association of the Company, was regularized as a Non-Executive Non-Independent Director in the Annual General Meeting held on September 23, 2021, liable to retire by rotation.

Mr. Anil Singhvi, Independent Director of the Company has resigned from the Directorship of the Company with effect from December 23, 2021. The Board places on record its appreciation for the exemplary services rendered by him and contribution made by him during his tenure as an Independent Director of the Company.

The existing tenure of Mr. Santosh Janakiram and Mr. Mahendra Singh Mehta as Independent Directors is expiring on September 29, 2022 i.e. date of the 96th AGM and they, being eligible, have offered themselves for re-appointment. Based on the performance evaluation carried out by the Board and after reviewing the declaration submitted by them and pursuant to the recommendation of the Nomination & Remuneration Committee, the Board recommends their re-appointment for a second term of 5 consecutive years i.e. from the conclusion of the 96th AGM to be held in the calendar year 2022 till the conclusion of the 101st AGM to be held in the calendar year 2027.

Based on the recommendation of the Nomination and Remuneration Committee, the Board at its Meeting held on March 23, 2022, has re-appointed Mr. Arjun Dhawan as a Whole-time Director of the Company, for a period of 5 years w.e.f. April 01, 2022 subject to Members' approval. Board has also appointed him as Vice Chairman of the Board with effect from March 23, 2022.

As per the provisions of Section152 of the Companies Act, 2013, Mr. Arun Karambelkar, Non-Executive and Non-Independent Director of the Company, is due to retire by rotation at the ensuring 96th Annual General Meeting and, being eligible, has offered himself for re-appointment. The Board, based on the recommendation of the Nomination and Remuneration Committee, at its Meeting held on May 12, 2022, has recommended his re-appointment as a Non-Executive and Non- Independent Director of the Company, liable to retire by rotation.

Brief profiles of the Directors seeking re-appointment have been given as an annexure to the Notice of the 96th AGM.

The Independent Directors of the Company viz. Mr. Santosh Janakiram, Mr. Mahendra Singh Mehta, Dr. Mita Dixit and Mr. N. R. Acharyulu have furnished the declarations to the Company confirming that they meet the criteria of Independence as prescribed under Section 149 of the Act and Regulation 16 (1)(b) read with Regulation 25(8) of the SEBI Listing Regulations and the Board has taken on record the said declarations after undertaking due assessment of the veracity of the same.

The Company has also received Form DIR-8 from all the Directors pursuant to Section 164(2) and Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014.

15. Key Managerial Personnel

As on March 31, 2022. the following persons were the Key Managerial Personnel (KMP) of the Company pursuant to Section 2(51) and Section 203 of the Act read with the Rules framed thereunder:

i. Mr. Ajit Gulabchand, Chairman & Managing Director.

ii. Mr. Arjun Dhawan, Vice Chairman and Whole-time Director.

iii. Mr. Jaspreet Singh Bhullar, Chief Executive Officer (w.e.f. March 23, 2022).

iv. Mr. Rahul P. Rao, Chief Financial Officer (w.e.f. August 12, 2021).

v. Mr. Vithal P. Kulkarni, Executive Vice President & Company Secretary.

Mr. Arjun Dhawan has ceased to be Group CEO (KMP) consequent upon appointment as the Vice Chairman of the Board with effect from March 23, 2022.

Mr. U V Phani Kumar has resigned from the position of CEO- HCC(E&C) with effect from March 23, 2022.

Mr. Vithal P. Kulkarni has resigned from the position of Executive Vice President & Company Secretary with effect from May 12, 2022.

Mr. Nitesh Kumar Jha has been appointed as the Company Secretary and Compliance Officer of the Company with effect from May 12, 2022.

16. **Board Committees**

The Board had constituted / re-constituted various Committees in compliance with the provisions of the Act and the SEBI Listing Regulations viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Managment Committee.

As the Company has fallen under top 1000 listed companies based on the market capitalization as on March 31, 2021, the Board, in its Meeting held on June 23, 2021, has reconstituted the existing Risk Management Committee to comply with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (second amendment) Regulations, 2021.

Consequent upon resignation of Mr. Anil Singhvi, Independent Director of the Company, Mr. N. R. Acharyulu was appointed as a Member of the Nomination and Remuneration Committee in his place with effect from February 03, 2022.

The Board has constituted a Committee for Resolution Plan for implementation of the Debt Resolution Plan of the Company.

All decisions pertaining to the constitution of Committees, appointment of Members and fixing of terms of reference/ role of the Committees are taken by the Board.

The details of the role and composition of these Committees, including the number of Meetings held during the financial year and attendance at these Meetings are provided in the Corporate Governance Section of the Annual Report.

17. **Meetings**

A calendar of Board meetings, Annual General Meeting and Committee Meetings is prepared and circulated in advance to the Directors of your Company. The Board of Directors of your Company met 6 times during the financial year 2021-22. The Meetings were held on May 21, 2021, June 23, 2021, August 12, 2021, November 11, 2021, February 03, 2022, and March 23, 2022.The maximum time gap between any two consecutive Meetings did not exceed one hundred and twenty days.

18. **Familiarization Program of Independent Directors**

In compliance with the requirements of the SEBI Listing Regulations, the Company has put in place a familiarization program for Independent Directors to familiarize them with their role, rights and responsibility as Directors, the operations of the Company, business overview etc. The details of the familiarization program are explained in the Corporate Governance Report and the same is also available on the website of the Company and can be accessed by weblink https://hccindia.com/uploads/Investors/Policy%20for%20Familiarisation%20Program%20for%20Independent%20Directors.pdf.

19. **A statement regarding opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the Independent Directors appointed during the year**

The Company has received declaration from the Independent Directors that they meet the criteria of independence as prescribed under Section 149(6) of the Act. In the opinion of the Board, they fulfill the condition for appointment/re-appointment as Independent Directors on the Board and possess the attributes of integrity, expertise and experience as required to be disclosed under Rule 8(5) (iiia) of the Companies (Accounts) Rules, 2014.

20. **Independent Directors' Meeting**

In terms of Schedule IV of the Act and Regulation 25 of the SEBI Listing Regulations, Independent Directors of the Company are required to hold at least one meeting in a financial year without the attendance of Non-Independent Directors and members of management.

During the year under review, Independent Directors met separately on March 28, 2022, *inter-alia*, for

- Evaluation of performance of Non-Independent Directors and the Board of Directors of the Company as a whole.
- Evaluation of performance of the Chairman of the Company, taking into views of Executive and Non-Executive Directors; and
- Evaluation of the quality, content, and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

21. **Performance Evaluation**

Pursuant to the applicable provisions of the Act and the SEBI Listing Regulations, the Board has carried out an Annual Evaluation of its own performance, performance of the Directors and the working of its Committees based on the evaluation criteria defined by Nomination and Remuneration Committee for performance evaluation process of the Board, its Committees and Directors.

The Board's functioning was evaluated on various aspects, including, *inter-alia*, the structure of the Board, Meetings of the Board, functions of the Board, degree of fulfilment of key responsibilities, establishment, and delineation of responsibilities to various Committees and effectiveness of Board processes, information and functioning.

The Committees of the Board were assessed on the degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of Meetings. The Directors were evaluated on aspects such as attendance, contribution at Board/ Committee Meetings and guidance/support to the management outside Board/ Committee Meetings.

As mentioned earlier, the performance assessment of Non-Independent Directors, Board as a whole and the Chairman were evaluated in a separate meeting of Independent Directors. The same was also discussed in the Board Meeting. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

22. Criteria for selection of candidates for appointment as Directors, Key Managerial Personnel and Senior Management Personnel

The Nomination and Remuneration Committee has laid down a well-defined criterion, in the Nomination, Remuneration and Evaluation Policy, for selection of candidates for appointment as Directors, Key Managerial Personnel and Senior Management Personnel.

The said Policy is available on the Company's website and can be accessed by weblink https://hccindia.com/uploads/Investors/Nomination-and-Remuneration-Policy.pdf.

23. Remuneration Policy for Directors, Key Managerial Personnel and Senior Management Employees

The Nomination and Remuneration Committee has laid down the framework for remuneration of Directors, Key Managerial Personnel and Senior Management Personnel in the Nomination and Remuneration Policy recommended by it and approved by the Board of Directors. The Policy, *inter-alia*, defines Key Managerial Personnel and Senior Management Personnel of the Company and prescribes the role of the Nomination and Remuneration Committee. The Policy lays down the criteria for identification, appointment and retirement of Directors and Senior Management. The Policy broadly lays down the framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management Personnel. The Policy also provides for the criteria for determining qualifications, positive attributes and independence of Director and lays down the framework on Board diversity.

The said Policy is available on the Company's website and can be accessed by weblink https://hccindia.com/uploads/Investors/Nomination-and-Remuneration-Policy.pdf.

24. Corporate Social Responsibility Policy

A brief outline of the revised Corporate Social Responsibility (CSR) Policy as recommended by the CSR Committee and approved by the Board of Directors of the Company in its Meeting held on June 23, 2021, and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure II** of this Report in the prescribed format.

The said Policy is available on the Company's website and can be accessed by weblink https://hccindia.com/uploads/Investors/Corporate_Social_Responsibility_Policy.pdf.

25. Related Party Transactions

The related party transactions attracting the compliance under the Companies Act, 2013 and/or the SEBI Listing Regulations were placed before the Audit Committee and/or Board for necessary review/approval.

The related party transactions attracting the compliance under Section 188 of the Act and/or the SEBI Listing Regulations were placed before the Audit and Board for necessary approval/review.

The routine related party transactions were placed before the Audit Committee for its omnibus approval. A statement of all related party transactions entered was presented before the Audit Committee on a quarterly basis, specifying the nature, value and any other related terms and conditions of the transactions.

Transactions to be reported in Form AOC-2 in terms of Section 134 of the Act read with Companies (Accounts) Rules, 2014, including the details of the transactions with related parties are provided in the Company's financial statements in accordance with the Indian Accounting Standards.

The Related Party Transactions Policy was amended on May 12, 2022 in line with the requirements of Regulation 23 of the SEBI Listing Regulations.

The said Policy is available on the Company website and can be accessed by weblink https://hccindia.com/uploads/Investors/Policy_for_Related_Party_Transactions.pdf.

26. Business Responsibility Statement

As per the SEBI Listing Regulations, a Business Responsibility Report, covering the performance of the Company on the nine principles as per National Voluntary Guidelines (NVGs) is forming part of this Annual Report as **Annexure VII**.

27. Directors' Responsibility Statement

In accordance with the provisions of Section 134 of the Act, your Directors confirm that:

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.

(b) the selected accounting policies were applied consistently, and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the loss of the Company for the year ended on that date;

(c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

(d) the annual accounts have been prepared on a going concern basis.

(e) the internal financial controls have been laid down to be followed by the Company and such controls are adequate and are generally operated effectively during the year.

(f) proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems are adequate and are operating effectively.

Your Auditors have opined that the Company has in, all material respects, maintained adequate internal financial controls over financial reporting and that they were operating effectively.

28. Industrial Relations

The industrial relations continued to be generally peaceful and cordial during the year under review.

29. Transfer of Unclaimed Dividend and Equity Shares to Investor Education and Protection Fund (IEPF)

Pursuant to the applicable provisions of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to IEPF, after the completion of seven years. Further, according to the IEPF Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to IEPF. During the year under review, there were no unclaimed dividend or equity shares due to be transferred to the IEPFA pursuant to IEPF Rules.

30. Particulars of Employees and other additional information

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to the Report as **Annexure-III**. In terms of proviso to Section 136(1) of the Act, the Report and Accounts are being sent to the Members, excluding statement containing particulars of top 10 employees and the employees drawing remuneration in excess of limits prescribed under Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The said Statement is also open for inspection. Any member interested in obtaining a copy of the same may write to the Company Secretary.

31. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required to be disclosed under the Companies (Accounts) Rules, 2014 is given in **Annexure IV** forming part of this Annual Report.

32. Secretarial Standards

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

33. Statutory Auditors

The Members of the Company had at the 93rd Annual General Meeting ("AGM") held on September 26, 2019, approved the re-appointment of M/s Walker Chandiok & Co. LLP, Chartered Accountants, Mumbai, bearing ICAI Registration No. 001076N, for second term of 5 consecutive years, as the Statutory Auditors of the Company, to hold office from the conclusion of that AGM until the conclusion of the 6th AGM to be held in the year 2024. As required under Section 139 of the Act, the Company has obtained certificate from them to the effect that their continued appointment, would be in accordance with the conditions prescribed under the Act and the Rules made thereunder, as may be applicable.

34. Board's Comment on Auditors' Qualifications

The explanations on the qualifications/observations/matter of emphsis given by the Statutory Auditos in their Audit Reports have been provided in the respective Notes to the Standalone and Consolidated Financial Statements.

35. Secretarial Audit

Secretarial Audit for the financial year 2021-22 was conducted by M/s. BNP & Associates, Company Secretaries in Practice in accordance with the provisions of Section 204 of the Act. The Secretarial Auditor's Report is attached to this Report at **Annexure V**.

The Secretarial Auditor's observations are self-explanatory.

36. Cost Audit

The Company is maintaining the accounts and cost records as specified by the Central Government under sub-section (1) of Section 148 of the Act and Rules made thereunder.

In compliance with the provisions of Section 148 of the Act, the Board of Directors of the Company had, at its Meeting held on August 12, 2021, appointed M/s. Joshi Apte & Associates, Cost Accountants as Cost Auditors of the Company for the financial year 2021-22.

In terms of the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors is required to be ratified by the Members. Accordingly, necessary resolution is proposed at the 96th Annual General Meeting for ratification of the remuneration payable to the Cost Auditors for financial year 2021-22.

37. Risk Management

As the Company has fallen under top 1000 listed companies based on the market capitalization as on

March 31, 2021, the Board, in its Meeting held on June 23, 2021 has reconstituted the existing Risk Management Committee to comply with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (second amendment) Regulations, 2021. The terms of reference of the Risk Management Committee have been revised in accordance with Schedule II of the SEBI Listing Regulations.

The Company has established a well-documented and robust risk management framework under the provisions of the Act. Under this framework, risks are identified across all business processes of the Company on a continuous basis.

Once identified, these risks are managed systematically by categorizing them into Enterprise Level Risk & Project evel Risk. These risks are further broken down into various subcategories of risks such as operational, financial, contractual, order book, project cost & time overrun etc. and proper documentation is maintained in the form of activity log registers, mitigation reports; and monitored by respective functional heads. Review of these risk and documentation is undertaken by Risk Management Committee regularly at agreed intervals.

38. Internal Control Systems and their adequacy

The Company has an adequate system of internal control to ensure that the resources are used efficiently and effectively so that:

- assets are safeguarded and protected against loss from unauthorized use or disposition.
- all significant transactions are authorised, recorded and reported correctly.
- financial and other data are reliable for preparing financial information.
- other data are appropriate for maintaining accountability of assets.

The internal control is supplemented by an extensive internal audits programme, review by management, documented policies, guidelines and procedures.

39. Internal Financial Controls and their adequacy

The Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, 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. The Company has adopted accounting policies, which are in line with the Accounting Standards and the Act.

40. Whistle Blower Policy/Vigil Mechanism Policy

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and provides for direct access to the Chairman of the Audit Committee. It is affirmed that no person of the Company has been denied access to the Audit Committee.

The said Policy is available on the Company website and can be accessed by weblink https://hccindia.com/uploads/Investors/Vigil_Mechanism_Policy.pdf.

41. Sexual Harassment

The Company has always believed in providing a conducive work environment devoid of discrimination and harassment including sexual harassment. The Company has a well formulated Policy on Prevention and Redress of Sexual Harassment. The objective of the Policy is to prohibit, prevent and address issues of sexual harassment at the workplace. This Policy has striven to prescribe a code of conduct for the employees and all employees have access to the Policy document and are required to strictly abide by it. The Policy covers all employees, irrespective of their nature of employment and is also applicable in respect of all allegations of sexual harassment made by an outsider against an employee.

The Company has duly constituted an Internal Complaints Committee in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. During the year 2021-22, no case of Sexual Harassment was reported.

42. Reporting of Frauds

There was no instance of fraud during the year under review, which required the Statutory Auditors to report under Section 143(12) of the Act and the Rules made thereunder.

43. Significant and material Orders passed by the Regulators/Courts, if any

There are no significant or material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of your Company and its future operations.

44. Material changes & commitment if any, affecting financial position of the Company from the end of financial year till the date of the report

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year to which the Financial Statements relate and the date of this Report.

45. Annual Return

The Company has uploaded Annual Return on the website of the Company i.e., www.hccindia.com.

46. Green Initiatives

In line with the Green Initiatives, the Notice of 96th Annual General Meeting of the Company is being sent to all Members whose email addresses are registered with the Company/Depository Participant(s). Members who have not registered their e-mail addresses, are requested to register their e-mail IDs with Company's Registrar and Share Transfer Agents, TSR Consultants Private Limited at C-101, 1st Floor, 247, Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083.

47. Dividend Distribution Policy

Dividend Distribution Policy of the Company ('the Policy"), approved by the Board on February 2, 2017, endeavors for fairness, consistency and sustainability while distributing profits to the Members and same is attached to this Report as **Annexure VI**.

48. Acknowledgement

Your Directors would like to acknowledge and place on record their sincere appreciation to all Stakeholders, Clients, Financial Institutions, Banks, Central and State Governments, the Company's valued Investors and all other Business Partners, for their continued co-operation and support received during the year.

Your Directors recognize and appreciate the efforts and hard work of all the employees of the Company and their continued contribution to promote its development.

For and on behalf of Board of Directors

Ajit Gulabchand
Chairman & Managing Director

Registered Office:
Hincon House, Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai 400 083

Place: Mumbai
Date: May 12, 2022

ANNEXURE I TO THE BOARD'S REPORT

DISCLOSURE PURSUANT TO THE COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014 AND SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 AS AT MARCH 31, 2022

No.	Particulars	Details
a)	No. of Options outstanding at the beginning of the year	3,47,450
b)	No. of Options granted during the year	Nil
c)	Pricing formula	The closing market price on the Stock Exchange, which recorded the highest trading volume in the Company's share prior to the date of the Meeting of ESOP Compensation Committee in which Options were granted.
d)	Vesting Requirements	Refer Paragraph 9 of the ESOP Scheme uploaded at www.hccindia.com with respect to vesting requirements
e)	Maximum term /exercise period of the Options granted	Refer Paragraph 11 of the ESOP Scheme uploaded at www.hccindia.com regarding exercise of options
f)	No. of Options vested	Nil
g)	No. of Options exercised	Nil
h)	No. of shares arising as a result of exercise of Options	Nil
i)	Money realized by exercise of Options	Nil
j)	No. of Options lapsed	Nil
k)	Variation in the terms of Options	Nil
l)	No. of Options in force at the end of the year	Nil
m)	No. of Options exercisable at the end of the year	Nil
n)	Balance Options available for grant	3,47,450
o)	Employee wise details of stock options granted, during the financial year ended March 31, 2022, to:	
	(i) senior managerial personnel:	Nil
	(ii) any other employee to whom 5% or more of option granted:	Nil
	(iii) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant:	Nil

For and on behalf of Board of Directors

Ajit Gulabchand
Chairman & Managing Director

Registered Office:
Hincon House,
Lal Bahadur Shastri Marg,
Vikhroli (West),
Mumbai 400 083

Place : Mumbai
Date: May 12, 2022

ANNEXURE II TO THE BOARD'S REPORT

REPORTING ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

1. **A brief outline of the CSR Policy of the Company:**

   The revised Corporate Social Responsibility (CSR) Policy as recommended by the CSR Committee and approved by the Board of Directors of the Company on June 23, 2021 is available on the Company's website and can be accessed by weblink https://hccindia.com/uploads/Investors/Corporate_Social_Responsibility_Policy.pdf.

   HCC is aware of the social responsibilities that accompany its leadership status. The Company remains steadfast in pursuing holistic growth with responsibility towards the people and the environment. The Company's CSR philosophy is 'Do Good to Do Well and Do Well to Do Good'.

2. **Composition of CSR Committee:**

Sr. No.	Name and Nature of Directorship	Designation	Number of Meeting of CSR Committee held during the year	Number of Meeting of CSR Committee attended during the year
1	Ajit Gulabchand (Chairman & Managing Director)	Chairman	1	1
2	N. R. Acharyulu (Independent Director)	Member	1	1
3	Mahendra Singh Mehta (Independent Director)	Member	1	1

3. **Provide the web link where the Composition of the CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the Company's website:**

CSR Committee:
http://hccindia.com/investors/board-committees

CSR Policy:
https://hccindia.com/uploads/Investors/Corporate_Social_Responsibility_Policy.pdf

CSR Projects:
http://hccindia.com/about-us/sustainability/community-initiatives

4. **Provide the details of the impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):** Not Applicable

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

Sr. No.	Financial Year	The amount available for set-off from preceding financial years (in ₹)	The amount required to be set-off for the financial year, if any (in ₹)
1		Nil	
2			

6. **Average net profit of the Company as per section 135(5):** Nil

7. (a) **Two per cent of average net profit of the Company as per section 135(5) -** Not Applicable

   (b) **Surplus arises from the CSR projects or programmes or activities of the previous financial years**- Nil

   (c) **Amount required to be set off for the financial year-** Nil

   (d) **Total CSR obligation for the financial year (7a+7b-7c)-** Nil

8. (a) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. 2021-22 (in ₹)	Amount Unspent (in ₹)				
	The total amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per the second provision to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
7,45,383	NA	NA	NA	NA	NA

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project	Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation – Direct (Yes/No)	Mode of Implementation- Through Implementing Agency
					N/A					
	Total									

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project.		Amount spent for the project (in ₹)	Mode of Implementation – Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	Dist.			Name	CSR Registration no.
1	Donated 50 traditional musical instruments to the participants of Uttarakhand Lok Sanskriti in Lambridhar, village Shond Dhar	Promotion and development of traditional arts	Yes	Uttarakhand	Tehri	5,00,000	Yes	NA	NA
2	Constructed new cemetery in Phalong village	Rural Development	Yes	Manipur	Tamenglong	2,34,220	Yes	NA	NA
3	Built water supply line to Kangchup Chiru villager	Rural Development	Yes	Manipur	Senapati	11,163	Yes	NA	NA
	Total					**7,45,383**			

(d) Amount spent in Administrative Overheads – Nil

(e) Amount spent on Impact Assessment, If applicable – Not Applicable

(f) Total amount spent for the financial year (8b+8c+8d+8e): ₹ 7,45,383

(g) Excess amount for set off, if any:

Sr. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	Nil
(ii)	Total amount spent for the Financial Year	7,45,383
(iii)	Excess amount spent for the financial year [(ii)-(i)]	7,45,383
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9 (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
				N/A			
	Total						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the Reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the Project Completed /Ongoing.
					N/A			
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).- Not Applicable

    a. Date of creation or acquisition of the capital asset(s) – Not Applicable

    b. Amount of CSR spent for creation or acquisition of capital asset – Not Applicable

    c. Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. – Not Applicable

    d. Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). – Not Applicable

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5). – Not applicable

Arjun Dhawan
Vice Chairman & Whole-time Director

Ajit Gulabchand
Chairman & Managing Director and
Chairman of the CSR Committee

Registered Office:
Hincon House,
Lal Bahadur Shastri Marg,
Vikhroli (West),
Mumbai 400 083

Place: Mumbai
Date: May 12, 2022

ANNEXURE III TO THE BOARD'S REPORT

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

i. The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year:

Mr. Ajit Gulabchand *	**1:68**
Mr. Arjun Dhawan *	**1:68**

* The above ratios are with reference to the remuneration already approved by the Members of the Company However, approved remuneration has not been implemented pending the lenders approval. Accordingly, the above ratios depict the scenario as and when approved remuneration is implemented.

ii. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.

Mr. Ajit Gulabchand **	**0%**
Mr. Arjun Dhawan	**8%**

**The above increase is with reference to the remuneration already approved by the Members of the Company. However, approved remuneration has not been implemented pending the lenders approval. Accordingly, the above increase depicts the scenario as and when the approved remuneration is implemented.

Key Managerial Personnel:

Mr. Jaspreet Bhullar, CEO-HCC (w.e.f. March 23, 2022)	**0%**
Mr. UV Phani Kumar, CEO-E&C (Up to March 23, 2022)	**0%**
Mr. Rahul P. Rao, CFO (w.e.f. August 12, 2021)	**0%**
Mr. Vithal P. Kulkarni, EVP & CS	**0%**

iii. The percentage increase in the median remuneration of employees in the financial year – **8% approx.**

iv. The number of permanent employees on rolls of the Company: **1105 employees as on March 31, 2022.**

v. Average percentiles increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Average Salary Increase for KMPs (other than CMD and WTD):	**0%**
Average Salary Increase for non KMPs:	**0%**

vi. Affirmation that the remuneration is as per the Remuneration Policy of the Company.

The remuneration paid to employees is as per the Nomination and Remuneration Policy of the Company.

For and on behalf of Board of Directors

Ajit Gulabchand
Chairman & Managing Director

Registered Office:
Hincon House, Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai 400 083

Place: Mumbai
Date: May 12, 2022

ANNEXURE IV TO THE BOARD'S REPORT

INFORMATION AS PER SECTION 134 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014 FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

A. Conservation of Energy:

Following energy conservation measures have been taken by the Company,

1) At IGCAR FRFCF

a) Diesel compressor of cement feeding pump replaced with electric compressors.

b) Water feeding system of batching plant upgraded as automated one and run only during feed command.

c) Use of APFC (Automatic Power Factor Controller) panels in substations and use of capacitor near heavy loads in batching plant and crushing plants.

d) Use of welding inverter in place of welding transformer.

e) Use of FCMA (Flux Compensated Magnetic Amplifier) starter for main crusher motors.

f) Variable Frequency Drive (VFD) starting system for ventilation fans & EOT/Gantry Cranes.

g) Use of energy efficient motors in Gantry Cranes.

h) Use of load sharing system in D.G. sets.

2) At Projects & HO

a) Use of LED fixtures at all the new projects and replacing the old one.

b) Creating awareness for energy saving and switching off the lights and electrical equipment when not required.

c) Water from plants collected in sedimentation tank for deposition of sludge. After testing, the water is then reused in sprinkler for dust suppression on site and camp areas.

3) At BARC Tarapur, IGCAR FRFCF, RAPP 7&8, and HCC-HDC Coastal Road projects

Use of fly ash in concrete improves plasticity, decrease permeability, increase sulphate resistance, and enhance durability of concrete. Fly ash replaces Portland cement resulting in lower levels of extraction of silica, limestone as well as reducing GHG (Green House Gas) emissions, utilized fly ash in concrete production as per the Indian standard specifications.

4) At MMRCL project

Use of GGBS replaces Portland cement resulting in lower levels of extraction of silica, limestone as well as reducing GHG (Green House Gas) emissions in concrete improves plasticity, decrease permeability, increase sulphate resistance, and enhance durability of concrete. A quantity of 13305 MT was utilized.

5) At NH-34, Pkg. – 3.

Environmental concern regarding use of pond ash for embankment construction to prevent contamination of ground and surface water. Approx.80000 Cum. of pond ash was consumed.

B. Technology Absorption and initiatives:

1) At BARC Tarapur

a) Fabricated and erected 25 m trench piping for Block 105 of sixty-six lines of SS pipes of 25 NB and 40 NB core pipe of SCH 40 and 40 NB and 50 NB jacketed piping, material used as per ASTM 312 TP 304L.

b) Welding process used is GTAW. The core pipe provided with spacers.

c) Remote VT was checked by Fibro scope, the sixty-six SS pipes were pre cleaned and carried out final pickling and passivation.

d) Carried out Hydrostatic Pressure Test of 13.125 Kg/cm2 for the duration of 1 hour and Pneumatic Test was carried out for Jacket piping using test pressure of 1.1Kg/cm2 of 30 min duration using testing medium of dry air with bubble forming solution.

2) At RAPP-7&8

a) Completed prestressing activities of RB-8 successfully in 7 months. It involved stressing of 483 no of cables and grouting of about 52340 Rmt.

b) Stressing cables were specially made of mild steel (low relaxation) known as High Tensile Strands. A total of 1050 MT of HT Strands were threaded in the building in 483 cables

c) A prestressing jack of 500 MT capacity was used in stressing of the cables

d) Successfully erected Dished end in RB-8 (7MT) North side in Jan-22, followed by 6000 CC welding works was carried out from inner side and outer side

3) At VPHEP

a) Use of light weight concrete in Machine Hall at Vishnugad Pipalkoti Hydro Electric Project due to the formation of overhead cavity. Light weight concrete is carried out to fill the cavity portion. Around 2734 cum. concrete was successfully placed and found cost effective in terms of materials, operational safety, and efficiency.

4) At MCRP

Monopile

a) Multiple movement of piling machinery and construction of multiple piles is avoided.

b) Faster and more Economic construction of pile cap.

c) Sheet pile / Cofferdam, Excavation, Shuttering/ Anchoring, Dewatering, Piling, Pile cap shuttering and concreting, Pier Construction, Sheet Pile/Cofferdam removal is avoided.

d) Temporary works are minimal or completely avoided.

e) Construction period reduces drastically.

f) Eco-friendly construction avoiding cofferdam, Tremie Seal concrete,

g) Additional excavation inside seabed for pile cap and reduction of laitance concrete.

h) Proven technology, tried, tested, and reliably adopted by developed countries.

Roll deck shutter for Main Bridge 2-1 deck slab construction

a) Roll deck shutter – Manufacturer JSW steel – Product code TR 50.

b) Unpropped span up to 2.5 meter, where no need of shutter support from bottom side.

c) Flexible side lap detail for control of cover width.

d) Optimised cover width for speed of installation.

e) Speedy and easy installation / fixing.

f) Reduced cost due to no props required underneath / speedy installation.

g) Clear surface area, reduced joints, and leakages.

5) IMS (Quality) - Online Monthly information system (MIS)

This year, initiative adopted to eliminate current manual system of report preparation and updating (HO) to the Online Monthly Information System (MIS) to save manhour and cost, in co-ordination with the Company's IT team to create one place online quality database.

6) At MML 3

a) Standard coloured handrail with toe board is provided at all access, egress, and emergency exit to avoid the fall of person & materials.

b) Double sensor arrangement with gantry crane is provided to sense the proximity of any person around the moving gantry crane.

c) Emergency and lifting alarm is provided to alert workmen before & during lifting operation.

7) At Projects & HO

a) In the critical situation of pandemic COVID-19, the Company has arranged mass vaccination drive for our staff and workers.

b) Installed the economical and durable handsfree sanitizer dispensing unit and thermal temperature scanner to restrict the spread of Coronavirus.

C. Foreign Exchange earnings and outgo:

Total Foreign Exchange used and Earned:

Earnings in Foreign Currency	₹ 39.64 crore
Expenditure in Foreign Currency	₹ 6.39 crore

For and on behalf of Board of Directors

Ajit Gulabchand
Chairman & Managing Director

Registered Office:
Hincon House
Lal Bahadur Shastri Marg
Vikhroli (West),
Mumbai 400 083

Place : Mumbai
Date: May 12, 2022

ANNEXURE V TO THE BOARD'S REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the year ended 31st March 2022

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial personnel) Rules,2014]

To
The Members of,
Hindustan Construction Company Ltd.
Hincon House,
Lal Bahadur Shastri Marg,
Vikhroli (West),
Mumbai- 400083

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Hindustan Construction Company Ltd.** having **CIN:- L45200MH1926PLC001228** (hereinafter called the 'Company') during the financial year ended March 31, 2022 ('the year'/ 'Audit period'/ 'Period under Review').

We conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the Company's corporate conducts/ statutory compliances and for expressing our opinion thereon.

We are issuing this report based on:

I. **Our verification** of the Company's books, papers, minutes books, soft copies of various records, scanned copies of minutes of the meetings of the Board of Directors of the Company (the Board) and Committees thereof, forms and returns filed, and other records maintained by the Company.

II. **Compliance Certificates** confirming Compliance with laws applicable to the Company given by Key Managerial Personnel / Senior Managerial Personnel of the Company and taken on record by the Audit Committee / Board of Directors of the Company, and

III. **Representations** made, documents produced, and information provided by the Company, its officers, agents, and authorised representatives during our conduct of the Secretarial Audit of the Company.

We hereby report that in our opinion, during the audit period covering the financial year ended on 31st March 2022, the Company has:

(i) Complied with the statutory provisions listed hereunder, and

(ii) Board-processes and compliance mechanisms are in place to the extent, in the manner and subject to the reporting made hereinafter.

The members are requested to read this report along with our letter of even date annexed to this report as Annexure- A.

1. Compliance with specific statutory provisions

We further report that:

1.1 (A) We have examined soft copies of the various records sent by e-mail by the Company and other records maintained by the Company and furnished to us, forms/ returns filed, and compliance related action taken by the company during the year, according to the applicable provisions / clauses of:

(i) The Companies Act, 2013 ('the Act') and the Rules made thereunder.

(ii) The Securities Contracts (Regulation) Act, 1956 and the Rules made there under.

(iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder.

(iv) The Foreign Exchange Management Act, 1999 (FEMA) and the Rules/ Regulations made thereunder to the extent of External Commercial Borrowings and Overseas Direct Investments.

(v) The following Regulations Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Regulations'):

i. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; (LODR)

ii. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

iii. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

iv. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, and

v. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 to the extent applicable

vi. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021

(vi) Secretarial Standards issued by The Institute of Company Secretaries of India.

(vii) Based on the nature of business activities of the Company, various laws are also applicable to the Company and amongst them, we have also examined, on test check basis, the relevant documents and records maintained by the Company according to the following laws:-

a. Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996

b. Explosives Act 1984 and Rules 2008 framed thereunder

c. Gas Cylinder Rules, 2004

d. Mines Act, 1954 and Rules framed thereunder

e. The Air (Prevention & Control of Pollution) Act, 1981 and Rules framed thereunder.

f. The Water (Prevention & Control of Pollution) Act, 1974 and Rules 1975 framed thereunder (amended up to 1988)

g. The Hazardous and Other Waste (Management, Handling & Transboundary Movement) Rules, 2016

h. The Environment (Protection) Act, 1986 and Rules framed thereunder

i. Petroleum Act 1934 and Rules framed thereunder

j. The Indian Electricity Act, 2003

k. The Factories Act, 1948

1.1 (B) We are informed that, during the year under review,, the Company was not required to initiate any compliance related action in respect of the following laws/rules/regulations/standards, and was consequently not required to maintain any books, papers, minute books or other records or file any form/ returns thereunder:

(a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

(b) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(c) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013, and

(d) The Foreign Exchange Management Act, 1999 (FEMA) and the Rules/ Regulations made thereunder to the extent of Foreign Direct Investment.

1.2 During the year under review, the Company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us:

(i) **Complied with** the applicable provisions/clauses of the Act, Rules and Regulations mentioned under sub-paragraphs (ii), (iii), (iv) and (v) of paragraph 1.1

(ii) **Complied with** the applicable provisions/ clauses of:

(a) The Act and rules mentioned under paragraph 1.1

(b) FEMA to extent of External Commercial Borrowings and Overseas Direct Investments mentioned under paragraph 1.1(iv) and

(c) The Secretarial Standards on meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) mentioned under paragraph 1.1 (vi) above to the extent applicable to the meetings of the Board and its Committees held during the year and the 95th Annual General Meeting held on 23rd September, 2021 and EGMs held on June 29, 2021 and March 23, 2022. The compliance with the provisions of the Rules made under the Act with regard to the meetings of the Board and its Committees held through video conferencing was verified based on the minutes of the meetings provided by the Company.

1.3 We have also examined on test-check basis the relevant documents and records maintained by the Company in respect of the specific laws applicable to the Company as mentioned in paragraph 1.1 (vii). We are further informed that as an on-going process, the Company is regularly taking steps for complying with the applicable provisions as necessary

2. The Board processes:

We further report that:

2.1 The Board of Directors of Company as on 31st March 2022 comprised of:

I. A Chairman & Managing Director.

II. One Executive Director & Vice Chairman.

III. One Non-Executive Nominee Director,

IV. One Non-Executive Non-Independent Director and

V. Four Non- Executive Independent Directors, including a woman Independent Director.

2.2 The processes relating to the following changes in the composition of the Board of Directors and Key Managerial Personnel during the year were carried out in compliance with the provisions of the Act and LODR:

(a) Appointment of Mr. N. R. Acharyulu, (DIN:02010249) as Independent Director of the Company, with effect from June 23, 2021 has been approved by the Members at 95th Annual General Meeting for a term of 3 consecutive years, and he shall hold office up to the conclusion of the 98th Annual General Meeting of the Company. During the above term, he shall not be liable to retire by rotation and his appointment has been recommended by the Nomination and Remuneration Committee of the Board at its Meeting held on June 22, 2021.

(b) Appointment of Mr. Arun Karambelkar (DIN: 02151606) as an Additional Director (Non-Executive-Non-Independent) of the Company, with effect from June 23, 2021 has been approved by the Members, at the 95th Annual General Meeting of the Company, held on September 23, 2021.after the above appointment by the members he shall be liable to retire by rotation.

(c) Resignation of Mr. Anil Singhvi (DIN – 002395891), an Independent Director of the Company, w.e.f. 23rd December, 2021.

(d) Approval of the appointment and remuneration of Mr. Rahul P Rao, as Chief Financial Officer (CFO) and KMP of the Company with effect from August 12, 2021, consequent upon resignation of Mr. Anil Chandani as Chief Financial Officer (CFO) and Key Managerial Personnel (KMP) of the Company w.e.f. 15th January, 2021.

(e) Re-appointment of Mr. Arjun Dhawan as Whole-time Director of the Company w.e.f. April 1, 2022 upon expiry of his term on March 31, 2022 for a period of 5 years subject to the approval of the Members at the next General Meeting and cessation as Group CEO consequent upon his appointment as Vice Chairman of the Board w.e.f. March 23, 2022.

f) Cessation of Mr. U V Phani Kumar as Chief Executive Officer – HCC (E&C) of the Company w.e.f. March 23, 2022.

g) Appointment of Mr. Jaspreet Singh Bhullar as Chief Executive Officer w.e.f. 23rd March 2022.

2.3 Adequate notices were given to all the Directors to enable them to plan their schedule for the meetings of the Board and its Committees.

2.4 Notices of the meetings of the Board and its Committees were sent to the directors at least seven days in advance and compliance except for the few meetings which were held at shorter notice, for which necessary compliance under Section 173 (3) of the Act and SS-1 was also ensured, as applicable.

2.5 Agenda and detailed notes on agenda were sent to the directors at least seven days before the meetings of the Board and its committees and compliance under Section 173 (3) of the Act and SS-1, were also in place, as applicable.

2.6 Agenda and detailed notes on agenda for the following items were circulated separately before or at the meetings of Board and consent of the Board for so circulating them was duly obtained as required under SS-1:

(i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited financial statement/ results, unaudited financial results and connected papers, and

(ii) Additional subjects/ information/ presentations and supplementary notes.

2.7 An adequate system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.

2.8 We note from the minutes verified that, at the meetings of the Board and its committees, held during the year that:

(i) Decisions were carried through the majority; and

(ii) No dissenting views were expressed by any member of the Board and its Committees on any of the subject matters discussed in any of their meetings, which were required to be captured and recorded as part of the minutes.

3. Compliance mechanism

There are reasonably adequate systems and processes prevalent in the Company, which are commensurate with the Company's size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

4. Specific events/ actions

4.1 We further report that during the Audit Period, the following specific events / actions having a major bearing on the Company's affairs took place:-

1. Gist of the Special Resolutions passed At the Extra Ordinary General Meeting of the members of the Company, held on 29th June, 2021:

(a) Resolution for Transfer of Economic/Beneficial interest in arbitration awards and claims to Prolific

Resolution Private Limited, a wholly owned subsidiary of the Company (the "SPV"), to sell, transfer, hive-off, assign, dispose-off or otherwise transfer to Prolific Resolution Private Limited, a wholly owned subsidiary of the Company, (the "SPV") economic/beneficial interest in (i) awards of up to ₹ 2749 Cr (Rupees Two Thousand Seven Hundred Forty-Nine Crore only) and (ii) claims of up to ₹ 2136 Cr (Rupees Two Thousand One Hundred Thirty-Six Crore only), both accounted by the Company as per method of accounting regularly employed; (iii) awards & claims of up to ₹ 4315 Cr (Rupees Four Thousand Three Hundred Fifteen Crore only) made by the Company, however, yet to be accounted (collectively, the "Claim Monetization Asset") along with transfer of liability not exceeding ₹ 4000 Cr (Rupees Four Thousand Crore only) (the "Assigned Lenders Debt") as may be agreed to and decided by the Board pursuant to the Resolution Plan.

(b) Resolution for Disposal of, by way of sale / transfer/ disposal of up to 51% of the Company's shareholding in Prolific Resolution Private Limited, a wholly owned subsidiary of the Company (the "SPV"), to an identified investor, including a strategic partner, investor identified by lenders or otherwise, special purpose vehicle, trust or to any person, for an aggregate consideration of ₹100Cr (Rupees One Hundred Crores only) of which an amount aggregating to ₹25 Cr (Rupees Twenty Five Crores only) (approx.), being brought in the form of equity infusion and ₹75 Cr (Rupees Seventy Five Crores Only) (approx.) in the form Priority Debt, post transfer of the Claim Monetisation Assets and Assigned Lenders Debt to the SPV, as may be agreed to and decided by the Board with powers to the Board to agree and accept such terms and conditions as may be stipulated by the identified investor entity, as aforesaid. And also that the return on investment to the identified investor entity will be limited and capped maximum up to 35% and the Board is authorised to negotiate and finalize the same.

(c) Resolution to provide Corporate Guarantee to Lenders of the SPV to the tune of 20% of the debt transferred i.e. up to a maximum amount of ₹ 800 Cr (Rupees Eight Hundred Crore only) in accordance with the provisions of Sections 179 and 186 of the Companies Act, 2013;

2. The Board of Directors of the Company has approved the providing of the Corporate Guarantee for an amount of ₹ 1,19,29,965/- in favour of "Principal Subordinate Judge of Thiruvananthapuram", as per an Order dated March 23, 2021, issued by the Hon'ble High Court of Kerala, in the matter of Hindustan Construction Company Ltd Vs Kerala State Electricity Board(KSEB), in respect of settlement of a claim of ₹250 Crores, claimed as payable to the Company by KSEB.

3. At the Extra ordinary General Meeting of the members of the Company held on dated 23rd March, 2022, the following Special Resolutions were passed:

(i) Issuance and Allotment of Secured or Unsecured, Redeemable Non-Convertible Debentures having face value of INR 10,00,000 each (Rupees Ten Lakh) at par for an aggregate issue size not exceeding INR 1500 Crore (Rupees One Thousand Five Hundred Crore) ("the NCDs") through Private Placement, in one or more tranches, as a part of the Debt Resolution Plan of the Company.

(ii) Authority to the Board of Directors of the Company to give Guarantees/Loans and/or make Investments and/or provide Securities in connection with Loans to any person/other body corporate including subsidiary companies from time to time, in future, shall not exceed INR 5000 Crore (Rupees Five Thousand Crore) at any point of time.

(iii) Approval of Restructuring of the following existing Optionally Convertible Debentures issued by the Company through private placement ("Existing OCDs") by extending their tenure up to 13 years and modifying their terms and conditions, in such manner as may be determined by the Board:

Sr. No.	Bank Name	OCD Amt (₹ Crore)
1	Union Bank of India	38.57
2	Axis Bank	97.45
3	Bank of Baroda	65.32
4	Bank of Maharashtra	9.27
5	Canara Bank	179.59
6	Central Bank of India	22.01
7	DBS Bank	12.36
8	EXIM Bank	13.97
9	Federal Bank	22.16
10	ICICI Bank	78.75
11	IDBI Bank	154.88
12	IFCI Ltd	46.52
13	Indian Bank	24.65
14	Indian Overseas Bank	25.74
15	Jammu & Kashmir Bank	37.60
16	State Bank of India	82.03
17	NABARD	14.22
18	Punjab National Bank	227.26
19	SREI	36.67
20	Standard Chartered Bank	2.26
	Total	**1,191.28**

(iv) Authority to the Board of Directors for Implementation of the Resolution Plan of the

Company and to deal with all other matters in relation to the Resolution Plan.

4. Further, at the 95th Annual General Meeting of the Company, held on September 23, 2021, by way of a Special Resolution passed by the members of the Company, the Board of Directors of the Company were also authorised, to create, issue, offer Equity Shares through depository receipts including American Depository Receipts (ADRs), Global Depository Receipts (GDRs) and/or Foreign Currency Convertible Bonds (FCCBs), Fully Convertible Debentures (FCDs), Partly Convertible Debentures (PCDs), Optionally Convertible Debentures (OCDs), and/or other securities convertible into Equity Shares at a later date, at the option of the Company and/or the holder(s) of such securities or with or without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the Equity Shares or otherwise, whether rupee denominated or denominated in foreign currency (collectively referred as "Securities"), with or without a green shoe option, or issued/ allotted through Qualified Institutions Placement (QIP) in accordance with the SEBI Regulations, for an aggregate amount not exceeding ₹ 1000 crore (Rupees One Thousand crore only)

5. The Company has redeemed its Secured Redeemable Non-Convertible Debentures, issued to Axis Bank and with respect to these debentures, outstanding interest and penal interest has been fully paid and the same has also been disclosed to Stock Exchange/s on 1st February, 2022.

6. However with respect to other listed Secured Redeemable Non- Convertible Debentures, issued to Life Insurance Corporation of India (LIC), instalments are still due for the quarters April 15, 2021, July 15, 2021 and October 15, 2021 and the monthly interest due thereon from April 30, 2021 to October 15, 2021 are payable by the Company, which has been disclosed to Stock Exchanges dated 4th April, 2022.

7. The Company has carried out renewal/rollover of the existing Inter-Corporate Deposits (ICDs) given to HCC Mauritius Enterprises Ltd, a Wholly Owned Subsidiary of the Company, for a period of one year from their respective due dates, during the FY-21-22 also, aggregating to USD 16,336,870.01

8. The Company has carried out renewal of the existing Inter-Corporate Deposits (ICDs) given to its Indian subsidiary companies on annual basis. We are informed by the Company that the Company has not received any interest income on Inter Corporate deposits from Indian subsidiary companies during the FY 21-22.

9. We are informed that Company has taken steps for compliance with the relevant provisions of FEMA, 1999, in relation to two subsidiaries, which are incorporated outside India and this is for filing of relevant returns with Reserve Bank of India and in relation to the delay in discharging the commitments in respect of payment for supply of equipments and services from abroad to the extent of ₹ 41.41 crore, during the FY 20-21 and this is for approaching the concerned authorities, for the condonation of such delays. We are awaiting the requisite documents from the Company in this regard. We are informed that the Company would be providing the relevant documents to us after completion of procedural formalities. Thus, as the relevant documents are yet to be made available to us, pursuant to our request, we are unable to make any comments in respect of the Company's completion of compliance with the relevant provisions in this regard.

10. The Company has accounted for managerial remuneration paid/ payable to the Chairman and Managing Director and Whole Time Director of the Company aggregating to 41.07 Cr. for the financial years ended 31st March 2022, 31st March 2021 and 31st March 2020. The remuneration paid was in excess of the limits prescribed under Section 197 of the Companies Act, 2013, in respect of which approvals of its shareholders were obtained. However, the prior approval from the lenders of the Company as required under Section 197 was still pending even after the completion of the financial year under review.

Venkataraman Krishnan
Partner
ACS No. 8897 / COP No.12459

For **BNP & Associates**
Company Secretaries
[Firm Regn. No. P2014MH037400]
[PR No.:-637 / 2019]
UDIN:- A008897D000308372

Date :12th May, 2022
Place: Mumbai

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report

Annexure A to the Secretarial Audit Report for the financial year ended 31st March 2022

To,
The Members
Hindustan Construction Company Ltd.

Secretarial Audit Report of even date is to be read along with this letter.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.

2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.

3. While forming an opinion on compliance and issuing this report, we have also considered compliance related actions taken by the company after 31st March 2022 but before the issue of this report.

4. We have considered compliance related actions taken by the company based on independent legal /professional opinion obtained as being in compliance with law.

5. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We have also examined the compliance procedures followed by the company on a test basis. We believe that the processes and practices we followed, provide a reasonable basis for our opinion.

6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

7. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.

8. Our Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Venkataraman Krishnan
Partner
ACS No. 8897 / COP No.12459
For BNP & Associates
Company Secretaries
[Firm Regn. No. P2014MH037400]
[PR No.:-637 / 2019]
UDIN:- A008897D000308372

Date :12th May, 2022
Place: Mumbai

ANNEXURE VI TO THE BOARD'S REPORT

DIVIDEND DISTRIBUTION POLICY

The equity shares of Hindustan Construction Company Limited (the 'Company') are listed on Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd (NSE). As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI Listing Regulations'), as amended, the Company is required to formulate a Dividend Distribution Policy which shall be disclosed in its Annual Report and on its website.

The Board of Directors of the Company ("the Board") has approved the Dividend Distribution Policy of the Company ('the Policy") on February 2, 2017, which endeavors for fairness, consistency and sustainability while distributing profits to the members.

The factors that will be considered while arriving at the quantum of dividend(s) payable shall be :

- Any Current year profits and outlook in line with the development of internal and external environment.
- Operating cash flows and treasury position keeping in view the total debt to equity ratio.
- Possibilities of alternate deployment of cash for future growth, e.g. capital expenditure etc., which has a potential to create greater value for members in the long run.
- Providing for unforeseen events and contingencies with financial implications.

The Board may, as and when they consider it fit, recommend dividend, to the members for their approval in the general meeting of the Company.

In case the Board proposes not to distribute the profit, the grounds thereof and information on utilization of the undistributed profit, if any, shall be disclosed to the members in the Annual Report of the Company.

The dividend distribution shall be in accordance with the applicable provisions of the Companies Act, 2013, (the Act) Rules framed thereunder, if any, the SEBI (Listing Regulations), 2015 and any other legislations governing dividends and the Articles of Association of the Company, as in force and as amended from time to time.

The Board is authorised to change/amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Act, the SEBI Listing Regulations etc.

In the event of any conflict between the provisions of these policies and the Act/the SEBI Listing Regulations or any other statutory enactments, rules, the provisions of the Act/the SEBI Listing Regulations or statutory enactments, rules, as the case may be applicable, shall prevail.

The policy is made available on the Company's website and shall also be disclosed in the Company's Annual Report.

This Policy document does not solicit investments in the Company's securities. Nor is it an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.

ANNEXURE VII TO THE BOARD'S REPORT

BUSINESS RESPONSIBILITY REPORT (BRR)

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Disclosures	Information / Reference sections	
Corporate Identity Number (CIN) of the Company	L45200MH1926PLC001228	
Name of the Company	Hindustan Construction Company Ltd.	
Registered Address	Hincon House, LBS Road, Vikhroli (W), Mumbai 400 083, India	
Website	www.hccindia.com	
E-mail id	secretarial@hccindia.com	
Financial Year Reported	2021-22	
Sector(s) that the Company is engaged in (industrial activity code-wise)	The Company is engaged in the Engineering, Procurement and Construction EPC segment business.	
	Description	**Industrial Group**
	Engineering and Construction Activities	42101, 42201, 42204
List three key products/services that the Company manufactures/provides (as in balance sheet)	Engineering and Construction Activities	
Total number of locations where business activity is undertaken by the Company	i. Number of International Locations (Provide details of major 5): The Company's project in Bhutan is at various stages of operations. ii. Number of National Locations: Presently, the Company executes various Projects across 17 states.	
Markets served by the Company – Local/State/National/International	Projects across various States in the Country and at Bhutan (Outside India)	

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Disclosures		Information / Reference sections
1	Paid up Capital (₹ in crore)	₹ 151.30
2	Total Turnover (₹ in crore)	₹ 4666.28
3	Total profit after taxes (₹ in crore)	(₹ 153.10)
4	Total Spending on Corporate Social Responsibility (CSR)	
	a. In terms of Section 135 of the Companies Act, 2013:	As the average net profit of the last three preceding years is negative under Section 198 of the Companies Act, 2013, the Company is not required to allocate any amount towards CSR expenditure
	b. As percentage of profit after tax (%):	Not Applicable
5	List the activities as per Schedule VII of Company's Act, 2013 in which expenditure in 4 above has been incurred:	The Company has voluntarily spent on initiatives in disaster relief work and provided necessary support during COVID-19 lockdown to near communities. 1. Fifty traditional musical instruments worth ₹ 5 lakh were donated to the participants of Uttarakhand Lok Sanskriti in Lambridhar, village Shond Dhar in Tehri district, on May 23, 2021. 2. Construction material, equipment, and manpower worth ₹ 2,34,220/- were provided in September 2021 to construct a new cemetery in Phalong village, and material worth ₹ 11,163 was provided to build a water supply line to Kangchup Chiru villager near Imphal-Kangchup-Tamenglong Road project in Manipur. 3. The Mumbai Metro Line-3 project employees participated in a blood donation camp organized by Doshi Memorial Charitable Trust's Borivali Blood Centre on March 04, 2022 at the Project site.

SECTION C: OTHER DETAILS

Disclosures		Information / Reference sections
1	Does the Company have any Subsidiary Company/ Companies	Yes
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Yes, through their own BR initiatives 1
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Not Applicable

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

No.	Particulars	Details
a.	Details of the Director responsible for implementation of the BR policy/policies	
1	DIN Number	01778379
2	Name	Mr. Arjun Dhawan
3	Designation	Vice Chairman & Whole-time director
b.	Details of the BR head	
1	DIN Number (if applicable)	Not Applicable
2	Name	Mr. Aditya Jain*
3	Designation	Chief Human Resources Officer
4	Telephone number	+91 22 2575 1000 / 1721
5	e-mail id	aditya.jain@hccindia.com

* Ceased to be in employment of the Company with effect from March 31, 2022.

2. Principle-wise (as per NVGs) BR Policy/policies

a) Details of compliance (Reply in Y/N)

No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/international standards? If yes, specify? (50 words)	Yes, the policies confirm to statutory provisions as well as ILO and UN Mandate.								
4	Has the Board approved the policy? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director? Yes: MD	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	On companies internal public folder								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, to all relevant stakeholders.								
8	Does the Company have an in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out an independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes, Internal Audits and IMS Audits.								

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options) : **Not Applicable.**

3. Governance related to BR

a	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months/ 3-6 months/ Annually/ More than 1 year	Annually.
	Does the Company publish a BR or a Sustainability Report?	Yes. The Sustainability Report as per GRI Standards.
b	What is the hyperlink for viewing this report?	http://hccindia.com/about-us/beyond-bread/sustainability-reporting
	How frequently it is published?	Annually

SECTION E : PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability:

1	Does the policy relating to ethics, bribery and corruption cover only the company?	No, the Policy covers the Company, as well as group companies, JVs, and subsidiaries
	Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?	Yes, as above
2	How many stakeholder complaints have been received in the past financial year	Nil
	What percentage was satisfactorily resolved by the management?	N.A.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle:

1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	i. Engineering Designs ii. Integrated Management System
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?	**Steps taken during Engineering Design:** **Resource conservation FY 2021-22** **Raw Material Optimum use** **1. Couplers used for savings**- Reinforcement couplers were used at IGCAR FRFCF Project, INRP-BARC Tarapur, Mumbai Metro Projects, DMRC DC 06 Project and Rajasthan Atomic Project helped the Company to achieve a considerable reduction in the cost due to the overlapping length of TMT.

Project Site	Qty in Nos
IGCAR Fast Reactor Fuel Cycle	1,11,709
INRP-BARC Tarapur	89,300
MMRCL TUNNEL & STATIONS	59,566
DMRC DC 06	54,550
RAPP 7&8	12,300
Total	**3,27,425**

Energy Conservation:

A. Usage of Load Sharing System in D.G. sets

B. APFC (Automatic Power Factor Controller) panels

C. FCMA (Flux Compensated Magnetic Amplifier) Starter for Main Crusher Motors

D. In addition to using APFC in Substation, using Capacitor near heavy loads

		E. Variable Frequency Drive (VFD) Starting System for Ventilation Fans & EOT/ Gantry Cranes F. Use of energy-efficient motors in Gantry Cranes G. Replacing the diesel equipment with Electric equipment H. Changing the process from manual to automatic I. Using the Welding Inverter in place of the Welding Transformer J. Using LED fixtures for all the new projects and replacing the old ones. K. Creating awareness for energy-saving and switching off the lights and electrical equipment when not required **Water Conservation:** At every project site, the IMS procedure for 4R (Reduce, Reuse, Recycle, Recharge) is followed. Sedimentation tanks are provided at each batching plant where the supernatant water is reused for dust suppression. Desalination plants and wastewater treatment plants are also provided, wherever appropriate.
	ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Not Applicable. The Company is not in the business of manufacturing goods or consumable products. Hence, savings during the usage by the consumer/ end-user is not applicable.
3	Does the Company have procedures in place for sustainable sourcing (including transportation)?	Yes
	i. If yes, what percentage of your inputs was sourced sustainably?	Approximately 75%
4	**Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**	Yes. Apart from 75% of major raw materials, remaining items like Aggregates, Sand, etc., are procured locally. Also, the general stores material required for workmen and officer's camps is procured locally, which positively impacts the local market.
	If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	At the project sites, steps are undertaken to award small / petty contracts to locals pertaining to job work, equipment (including vehicle) supply, supplies, manpower etc., thereby building the capacity / capability at the local level.
5	**Does the Company have a mechanism to recycle products and waste?** If yes, what is the percentage of recycling of products and **waste** (separately as <5%, 5-10%, >10%).	Yes. Recycling the product is not applicable as the Company is not in the business of manufacturing goods or consumable products, and hence, the associated packaging material is also not applicable. Hazardous Waste is recycled or disposed of as per Statutory provisions. Used oil is disposed of through an authorized recycler & Batteries are sent back to the supplier under the buy-back option. Scrap and general recyclable materials are disposed off through authorized vendors for recycling. Reusing the product or packaging material is not applicable for the Company.
	If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).	**Material** — **Qty disposed in FY 2021-22** Scrap Steel — 4721.55 MT Waste Oil — 12.45 KL Cement Bags — 397430 Nos MS Drums (used) — 3144 Nos

Principle 3: Businesses should promote the well-being of all employees:

1	Please indicate the Total number of employees	1009 Officers
2	Please indicate the Total number of employees hired on temporary/contractual/casual basis	10 Officers
3	Please indicate the Number of permanent women employees	30 Officers
4	Please indicate the Number of permanent employees with disabilities	4 Officers
5	Do you have an employee association that is recognized by management.	Yes, for workmen
6	What percentage of your permanent employees is Members of this recognized employee association?	100% of the permanent workmen
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	Nil

Sr No	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	
	Permanent Employees	25% (Officers)
	Permanent Women Employees	20% (Officers)
	Casual/Temporary/Contractual Employees	23% (Officers)
	Employees with Disabilities	25% (Officers)

Principle 4 : Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized:

1	Has the Company mapped its internal and external stakeholders?	Yes
2	Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.	Only for the internal stakeholders
3	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders.	As applicable

Principle 5: Businesses should respect and promote human rights :

1	Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/Others?	Yes. Company as well as Group companies, JVs, and Subsidiaries
2	How many stakeholder complaints have been received in the past financial year	Nil
3	And what percent was satisfactorily resolved by the management?	Not Applicable

Principle 6 : Business should respect, protect, and make efforts to restore the environment :

1	Does the policy related to Principle 6 cover only the Company or extends to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/ others	Yes, it extends to Company, as well as Group Companies, JVs, and Subsidiaries and contractors.
2	Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N.	Yes. Initiatives undertaken are: 1. Member of UN Global Compact (UNGC) 2. Signatory to CEO Water Mandate 3. Signatory to WEF's CEO Climate Leaders 4. Signatory to 'Caring for Climate'
	If yes, please give a hyperlink for the webpage etc. (Sustainability Report's link)	http://hccindia.com/about-us/beyond-bread/sustainability-reporting
3	Does the Company identify and assess potential environmental risks ?	Yes, under EMS, Aspect Impact Register is maintained at all the projects that cover the Risks.
4	Does the Company have any project related to Clean Development Mechanism? If Yes, whether any environmental compliance report is filed?	No

5	Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.	Yes. With a specific focus on reducing carbon footprint by reducing cement content, making Portland cement concrete as a sustainable choice by replacing part of cement with an Industrial by-product (Fly ash / GGBS). This helps produce more durable structures with less carbon footprint and conserves energy. The Company has adopted practices that have reduced fossil fuel dependency by using more grid supply at various projects.
	If yes, please give hyperlink for web page etc.	http://hccindia.com/about-us/beyond-bread/sustainability-reporting
6	Does the Company generate the Emissions/ Waste within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes, it has complied with the stipulated norms
7	The number of show cause/ legal notices received from CPCB/SPCB is pending (i.e. not resolved to satisfaction) as of the end of the Financial Year.	Nil

Principle 7 : Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner:

1	Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with	Yes • Member of Governor's Steering Board of the Infrastructure and Urban Development (IU) Community at the World Economic Forum (WEF) • Member of Disaster Resource Partnership Board, IU, WEF • Member of Steering Board, Future of Urban Development Services, IU, WEF • Member of Steering Board, Future of Construction, WEF • Member of UK India Business Council (UKIBC) Advisory Council • Member, CII National Council • Member of the Private Sector Alliance for Disaster Resilient Societies (ARISE), United Nations International Strategy for Disaster Risk Reduction (UNISDR) • Chairman, CII Task Force on Public Private Partnership in Infrastructure • Chairman of the Governing Council of the Construction Skills Development Council of India (CSDCI) • Signatory member United Nations' Global Compact's CEO Water Mandate • Signatory member of Caring for Climate, United Nation's action platform for business • Signatory member of WEF's CEO Climate Leaders • President of the Construction Federation of India (CFI) • Past President and Patron Member of the Governing Council of the Builders Association of India (BAI).
2	Have you advocated/lobbied through the above associations to advance or improve the public good? if yes, specify the broad areas	Yes. Chief Guest and Keynote Speaker for Builders' Association of India on January 29, 2022. The theme of the address: Role of Construction in Nation Building.

Principle 8 : Businesses should support inclusive growth and equitable development :

1	Does the Company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes. The Company has a well crafted CSR policy in tune with Section 135/Schedule VII of the Companies Act, 2013. Based on the community's needs around the Projects, either observed or based on requests, the initiatives for the benefit of society are chosen and implemented.
2	Are the programmes/projects undertaken through an in-house team/own foundation/external NGO/government structures/any other organization?	In house team.
3	Have you done any impact assessment of your initiative?	No
4	What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	Yes. Customer Satisfaction surveys are being carried out in the compliance with QMS (ISO 9001- IMS)
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	Yes

Principle 9 : Businesses should engage with and provide value to their customers and consumers in a responsible manner :

1	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	Nil
2	Does the company display product information on the product label, over and above what is mandated as per local laws?	Not Applicable
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.	No
4	Did your company carry out any consumer survey/ consumer satisfaction trends?	Yes. Customer Satisfaction surveys being carried out as the compliance of QMS (ISO 9001- IMS).

INDEPENDENT AUDITOR'S REPORT

To the Members of Hindustan Construction Company Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

1. We have audited the accompanying standalone financial statements of **Hindustan Construction Company Limited** and its joint operations (together referred to as 'the Company'), as listed in Annexure I, 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, and based on the consideration of the reports of other auditors on the separate financial statements/ financial information of the joint operations as referred to in paragraph 16 of the Other Matters section below, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, 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 loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. As stated in:

   a) Note 34 to the standalone financial statements, the Company's investments in subsidiaries as at 31 March 2022 includes non-current investment and current investments in HCC Infrastructure Company Limited ('HICL'), its wholly owned subsidiary, amounting to ₹ 1,214.65 crore and ₹ 350 crore, respectively, stated at cost and considered fully recoverable by the management on the basis of factors stated in the aforesaid note including a valuation performed by an independent valuer.

      The subsidiary's consolidated net worth as at 31 March 2022 is substantially eroded and during the current year, there has been significant decline in the actual results of certain key underlying assumptions considered for valuation purposes in earlier periods. The management believes that such decline is temporary in nature which does not have any material adverse impact on the fair valuation of such investment determined as above as at 31 March 2022. However, in the absence of sufficient appropriate evidence to support management's estimates of such future assumptions, we are unable to comment upon the adjustments, if any, that are required to the carrying value of the aforesaid investment and consequential impact, if any, on the accompanying standalone financial statements.

   b) Note 27.1 to the standalone financial statements, the Company has accounted for managerial remuneration paid/ payable to Whole Time Directors (including Chairman and Managing Director) of the Company aggregating ₹ 41.07 crore for the financial years ended 31 March 2020, 31 March 2021 and 31 March 2022, in excess of the limits prescribed under Section 197 of the Act, in respect of which approvals from the shareholders have been obtained as prescribed, however prior approval from the lenders of the Company in accordance with Section 197 has not been obtained by the Company.

      Our audit report dated 23 June 2021 on the standalone financial statements for the year ended 31 March 2021 was also qualified in respect of this matter.

   c) Note 17.4 to the standalone financial statements, the Company's current borrowings, other current financial liabilities and liabilities of disposal group held for sale as at 31 March 2022 include balances amounting to ₹ 49.67 crore, ₹ 320.55 crore and ₹ 2.85 crore, respectively, in respect of which confirmations from the respective banks/ lenders have not been received. Further, confirmations from banks have not been received for balances with banks (included under cash and cash equivalents) and earmarked balances/ deposits with banks (included under bank balances other than cash and cash equivalents) as at 31 March 2022 amounting to ₹ 2.18 crore and ₹ 0.95 crore, respectively. In the absence of such confirmations from the banks/ lenders or sufficient and appropriate alternate audit evidence, we are unable to comment on the adjustments, if any, that may be required to the carrying value of the aforementioned balances in the accompanying standalone financial statements.

      Our audit report dated 23 June 2021 on the standalone financial statements for the year ended 31 March 2021 was also qualified in respect of this matter.

   d) Note 9.1 to the standalone financial statements, the Company has recognised net deferred tax assets amounting to ₹ 741.74 crore as at 31 March 2022, mainly on account of carried forward unused tax losses, unused tax credits and other taxable temporary differences on the basis of expected availability of future taxable profits for utilization of such deferred tax assets. However, in view of the continued losses incurred by the Company and pending the implementation of the resolution plan as referred to in Note 2(v) of the accompanying standalone financial statements, we are unable to obtain sufficient appropriate audit evidence with respect to the current projections prepared by the management and therefore, are unable to comment on any adjustments that may be required to the carrying value of aforesaid net deferred tax assets as at 31 March 2022.

Our audit report dated 23 June 2021 on the standalone financial statements for the year ended 31 March 2021 was also qualified in respect of this matter.

4. 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 and that obtained by the other auditors, in terms of their reports referred to in paragraph 16 of the Other Matters section below, is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors as referred to paragraph 16 below, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

6. In addition to the matters described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
(a) Assessment of going concern basis of accounting (Refer note 2(v) to the standalone financial statements)	
The Company has incurred net loss of ₹ 153.10 crore during the year ended 31 March 2022 and as of that date has accumulated losses aggregating ₹ 2,485.10 crore resulting in substantial erosion of its net worth. During the year, the Company continued to default on payment to its lenders as explained in aforesaid note and has overdue payments to operational creditors out of which certain operational creditors have also applied before the National Company Law Tribunal ('NCLT') for debt resolution under the Insolvency and Bankruptcy Code, 2016, none of which has been admitted so far. While the above factors indicate doubt on the Company's ability to continue as a going concern, however, as detailed in aforesaid note, the Company has taken into consideration the following mitigating factors in its assessment for going concern basis of accounting in preparation of the accompanying standalone financial statements: • Expected successful implementation of the resolution plan with the lenders; • Time bound monetization of certain non-core assets; and • Company's business plan for the next twelve months. Management has prepared future cash flow forecasts to assess its ability to operate as a going concern for a period of at least 12 months from the date of financial statements and concluded that the going concern basis of accounting used for preparation of the accompanying standalone financial statements is appropriate with no material uncertainty over going concern. We have considered the assessment of management's evaluation of going concern basis of accounting as a key audit matter due to the pervasive impact thereof on the standalone financial statements and the significant judgements and assumptions that are inherently subjective and dependent on future events, involved in preparation of cash flow projections and determination of the overall conclusion by the management.	Our audit procedures included but were not limited to, the following in relation to assessment of appropriateness of going concern basis of accounting: • Obtained an understanding of the process followed by management for identifying events or conditions that could impact the Company's ability to continue as a going concern and process followed to assess the corresponding mitigating factors existing against such events or condition. Also, obtained an understanding around the methodology adopted by the Company to assess their future business performance including the preparation of a cash flow forecast for the business; • Evaluated the design and tested the operating effectiveness of key controls relating to management's assessment of going concern as above; • Obtained from the management, the projected cash flows for the next twelve months basis their future approved business plans; • Tested the appropriateness of the key assumptions used by the management that had the most material impact on the cash flow forecasts and discussed these assumptions with the management and with those charged with governance. • Performed independent sensitivity analysis to test the impact of the variations on the cash flows due to change in the key assumptions; • Inspected the relevant underlying documents for assessing the appropriateness of projected cash flow for the next 12 months; • Evaluated the management's assessment of the successful implementation of the resolution plan basis current status of requisite approvals from lenders, reading of the minutes of the meetings held and understanding obtained from the management; and • Assessed the appropriateness and adequacy of the disclosures made by the management in respect of going concern in accordance with the applicable accounting standards.

Key audit matter	How our audit addressed the key audit matter
(b) Uncertainties relating to recoverability of unbilled work-in-progress (contract assets), unbilled work-in-progress (included under assets of disposal group held for sale) and current trade receivables (Refer note 35 of the standalone financial statements)	
The Company, as at 31 March 2022, has unbilled work-in-progress (contract assets), unbilled work-in-progress (included under assets of a disposal group held for sale) and current trade receivables amounting to ₹ 909.12 crore, ₹ 223.43 crore and ₹ 277.03 crore, respectively, which represent various receivables in respect of closed/ substantially closed/ suspended/ terminated projects where the Company is currently under negotiations/ discussions/ arbitration/ litigation with the customers. Further, non-current trade receivables, current trade receivables and trade receivables (included under assets of a disposal group held for sale) as at 31 March 2022 includes ₹ 187.59 crore and ₹ 487.14 crore and ₹ 2,283.06 crore, respectively, representing claims awarded in arbitration (including interest thereon) in favour of the Company which have subsequently been challenged by the customers in higher courts. Management, based on contractual tenability of the claims/ receivables, progress of the negotiations/ discussions/ arbitration/ litigation and relying on the legal opinion obtained from independent legal counsel, has determined that no provision is required to be recognised for the aforementioned receivables Considering the materiality of the amounts involved, uncertainty associated with the outcome of the negotiations/ discussions/ arbitration/ litigation and significant management judgement involved in its assessment of recoverability, this was considered to be a key audit matter in the audit of the standalone financial statements. Further, the aforementioned matter relating to recoverability of above discussed receivables as fully explained in Note 35 to the standalone financial statements is also considered fundamental to the understanding of the users of financial statements.	Our audit procedures included, but were not limited to, the following: • Obtained an understanding of the management process and evaluated the design and tested the effectiveness of key internal financial controls for assessing the recoverability of unbilled work-in-progress (contract assets), unbilled work-in-progress (included under assets of a disposal group held for sale) and trade receivables. • Discussed extensively with management regarding steps taken for recovering the amounts; • Assessed the reasonability of judgements exercised and estimates made by management with respect to the recoverability of these receivables and validated them with corroborating evidence; • Verified contractual arrangements to support management's position on the tenability and recoverability of these receivables. • Obtained an understanding of the current period developments for respective claims/ arbitration awards pending at various stages of negotiations/ discussions/ arbitration/ litigation and corroborated the updates with relevant underlying documents. • Reviewed the legal and contractual experts' note and/ or legal opinion from independent legal counsel obtained by the management with respect to certain contentious matters; and • Evaluated the appropriateness and adequacy of the disclosures in the standalone financial statements in accordance with the applicable accounting standards.

Key audit matter	How our audit addressed the key audit matter
(c) Recognition of contract revenue, margin and contract costs (Refer note 2(xxii) to the standalone financial statements)	
The Company's revenue primarily arises from construction contracts which, by its nature, is complex given the significant judgements involved in the assessment of current and future contractual performance obligations. The Company recognizes contract revenue and the resultant profit/ loss on the basis of stage of completion determined based on the proportion of contract costs incurred at balance sheet date, relative to the total estimated costs of the contract at completion. The recognition of contract revenue and the resultant profit/ loss therefore rely on estimates in relation to forecast revenue and forecast contract costs.	Our audit procedures to address this key audit matter included, but were not limited to the following: • Evaluated the appropriateness of the Company's accounting policy for revenue recognition in accordance with Ind AS 115 – Revenue from contracts with customers; • Obtained an understanding of the Company's processes and evaluated the design and tested the operating effectiveness of key internal financial controls with respect to estimation of forecasted contract revenue and contracts costs;

Key audit matter	How our audit addressed the key audit matter
(c) Recognition of contract revenue, margin and contract costs (Refer note 2(xxii) to the standalone financial statements)	
These contract estimates are reviewed by the management on a periodic basis. In doing so, the management is required to exercise judgement in its assessment of the revenue on contracts which may also include variable considerations that are recognised when the recovery of such consideration is highly probable. The judgment is also required to be exercised to assess the completeness and accuracy of forecast costs to complete. Changes in these judgements, and the related estimates as contracts progress can result in material adjustments to revenue and margins. As a result of the above judgments, complexities involved and material impact on the related financial statement elements, this area has been considered a key audit matter in the audit of the standalone financial statements.	• For a sample of contracts, performed the following procedures: - inspected the underlying documents such as customer contract/ agreement and variation orders, if any, for the significant contract terms and conditions; - evaluated the identification of performance obligations of the contract; - obtained an understanding of and evaluated the reasonableness of the assumptions applied in determining the forecasted revenue and cost to complete; - tested the existence and valuation of variable consideration with respect to the contractual terms and conditions and inspected the correspondence with customers; and - reviewed the legal and contracting experts' note and/ or legal opinion from independent legal counsel obtained by the management with respect to certain contentious matters; • For cost incurred to date, tested samples to appropriate supporting documents and performing cut-off procedures; • Tested the forecasted cost by obtaining executed purchase orders/ agreements/ relevant documents and evaluated the reasonableness of management judgements/ estimates; and • Evaluated the appropriateness and adequacy of the disclosures related to contract revenue and costs in the standalone financial statements in accordance with the applicable accounting standards.

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

7. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Board Report, Report on Corporate Governance and Management Discussion and Analysis 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, the modifications pertain to recoverability of exposure in a wholly owned subsidiary, excess managerial remuneration accrued/ paid to whole time directors (including chairman and managing director), non-receipt of confirmations from banks/ financial institutions and realisability of deferred tax assets. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to these matters.

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

8. 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.

9. In preparing the financial statements, the Board of Directors are 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.

10. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

12. 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;

    - Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its joint operations or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of the Company, of which we are the independent auditors. For the joint operations included in the standalone financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13. 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.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matters

16. We did not audit the financial statements/ information of seven (7) joint operations included in the standalone financial statements of the Company, whose financial statements/ information reflects total assets and net liabilities of ₹ 159.41 crore and ₹ 51.66 crore, respectively, as at 31 March 2022, and the total revenues of ₹ 195.07 crore, total net loss after tax of ₹ 2.18 crore, total comprehensive loss of ₹ 2.18 crore, and cash flows (net) of ₹ 3.48 crore for the year ended on that date, as considered in the standalone financial statements/information. These financial statements/ information have been audited by other auditors, whose audit reports have been furnished to us by the management, and our opinion on the standalone financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint operations, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid joint operations, is based solely on the reports of such other auditors.

    Further, of these joint operations, financial statements/ information of four (4) joint operations have been prepared in accordance with accounting standards ('AS') issued by the ICAI. The Company's management has converted the financial statements/ information of such joint operations in accordance with Ind AS. We have audited these conversion adjustments made by the Company's management. Our opinion on the standalone financial statements, in so far as it relates to the balances and affairs of such joint operations, is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

    Our opinion above on the standalone financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

17. The accompanying standalone financial statements include the financial information of one (1) joint operation, which have not been reviewed/ audited, and whose financial information reflects total assets and net liabilities of ₹ 0.13 crore and ₹ 2.97 crore as at 31 March 2022, and total revenues of ₹ 0.07 crore, total net profit after tax of ₹ 0.04 crore, total comprehensive income of ₹ 0.04 crore, and cash flows of ₹ 0.04 crore for the year then ended, as considered in the standalone financial statements. Our opinion on the standalone financial statements, in so far as it relates to the amounts and disclosures included in respect of this joint operation, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid joint operation, is based solely on such unreviewed/ unaudited financial statements / information. According to the information and explanations given to us by the management, this financial information is not material to the Company.

    Our opinion above on the standalone financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the aforesaid financial statements/ information certified by the management.

Report on Other Legal and Regulatory Requirements

18. As required by section 197(16) of the Act based on our audit, we report in paragraph 3(b) of the Basis for Qualified Opinion section that the Company has not paid or provided remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

19. 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 II, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

20. Further to our comments in Annexure II, as required by section 143(3) of the Act based on our audit, and on the consideration of the reports of other auditors as referred to in paragraph 16 above, we report, to the extent applicable, that:

    a) we have sought and except for the matters described in the Basis for Qualified Opinion section, 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) except for the possible effects of the matters described in the Basis for Qualified Opinion section, 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) except for the possible effects of the matters described in the Basis for Qualified Opinion section, in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

    e) the matters described in paragraphs 3(a) and 3(d) under the Basis for Qualified Opinion section and paragraphs 6(a) and 6(b) under Key Audit Matters 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) the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section;

    h) 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 III wherein we have expressed a modified opinion; and

    i) 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 and based on the consideration of the reports of other auditors as referred to in paragraph 16 above:

i. the Company, as detailed in Note 18.1, 33A(i), (ii), (iii), (iv), 34 and 35 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2022;

ii. as detailed in Note 19.1 to the standalone financial statements, has made provision as at 31 March 2022, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

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 46(v) of 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;

(b) The management has represented that, to the best of its knowledge and belief as disclosed in Note 46(vi) to 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.: 101797
UDIN: 22101797AIVRMQ5916

Place: Pune
Date: 12 May 2022

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT

List of joint operations included in the Standalone Financial Statements

Sr. No.	Name of the entity
1.	Kumagai – Skanska – HCC- Itochu Group
2.	HCC- L&T Purulia Joint Venture
3.	Alpine- Samsung- HCC Joint Venture
4.	Alpine- HCC Joint Venture
5.	HCC Samsung Joint Venture CC 34
6.	Nathpa Jhakri Joint Venture
7.	HCC – VCCL Joint Venture
8.	HCC- HDC Joint Venture

ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT

Annexure II referred to in Paragraph 19 of the Independent Auditor's Report of even date to the members of Hindustan Construction 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 and right of use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular program of physical verification of its property, plant and equipment and right of use assets under which the assets are physically verified in a phased manner over a period of three (3) years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment and right of use assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment and Right of Use assets or intangible assets during the year.

(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 management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.

(b) The Company has a working capital limit in excess of ₹ 5 crore sanctioned by banks based on the security of current assets. The quarterly returns / statements, in respect of the working capital limits have been filed by the Company with such banks and such returns / statements are in agreement with the books of account of the Company for the respective periods which were subject to audit/review, except for the following.

₹ crore

Name of the Bank (Nature of Current Assets offered as Security)	Working capital limit sanctioned	Quarter End	Particulars	Amount disclosed as per Statement	Amount as per books of accounts	Difference	Remarks/ reason, if any
ICICI Bank, Punjab National Bank, Indian Bank, Union Bank of India, Canara Bank, State Bank of India, IDBI Bank Limited, Jammu & Kashmir Bank, Standard Chartered Bank, Bank of Baroda, Federal Bank, DBS Bank	1,101.65	30 June 2021	Inventory and Unbilled work-in-progress,	2,160.21	2,741.38	(581.17)	Difference is mainly on account of arrangement with banks/ financial institution, which requires the Company to submit the details of inventory, trade receivable, unbilled work-in-progress excluding projects executed as joint operations and projects which are completed / closed/ suspended/ terminated etc.
			Trade Receivables	2,410.07	4,285.78	(1,875.71)	
	1,101.65	30 September 2021	Inventory and Unbilled work-in-progress,	2,205.14	2,796.76	(591.62)	
			Trade Receivables	1,631.4	3,800.76	(2,169.36)	
	1,101.65	31 December 2021	Inventory and Unbilled work-in-progress,	2,287.09	2,989.2	(702.11)	
			Trade Receivables	2,287.09	3,961.1	(2,247.32)	

(iii) (a) The Company has not provided any loans or provided any advances in the nature of loans, or guarantees, or security to any other entity during the year. Accordingly reporting under clause 3(iii)(a) of the Order is not applicable to the Company.

(b) 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.

(c) In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular.

(d) The Company has granted loans or advances in the nature of loans which had fallen due during the year and such loans or advances in the nature of loans were renewed/extended during the year. The details of the same has been given below:

₹ crore

Name of the statute	Nature of loan	Total loan amount	Nature of extension (i.e. renewed/ extended/ fresh loan provided)	Aggregate amount of overdues of existing loans renewed or extended or settled by fresh loans	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
HCC Infrastructure Company Limited	ICD	1,562.41	Renewal	1,562.41	Nil
Maan Township Developers Limited	ICD	19.12	Renewal	19.12	Nil
HRL Township Developers Limited	ICD	0.41	Renewal	0.41	Nil
Highbar Technologies Limited	ICD	2.39	Renewal	2.39	Nil
HCC Mauritius Investment Limited	ICD	39.37	Renewal	39.37	Nil
HCC Mauritius Enterprises Limited	ICD	123.17	Renewal	123.17	Nil

(e) The Company has not granted any loan or advance in the nature of loan, which is repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 186 of the Act in respect of loans, investments, guarantees and security, as applicable. Further, the Company has not entered into any transaction covered under Section 185.

(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 specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(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 except for the following:

Name of the statute	Nature of dues	Amount (₹ crore)	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
The Income Tax Act of the Kingdom of Bhutan 2001	Tax Deducted at Source- Contract Income for Non Bhutanese firms	0.02	May 2021	10 June 2021	22 April 2022	
		0.03	May 2021	10 June 2021	04 May 2022	
		0.01	June 2021	10 July 2021	22 April 2022	
		0.00*	June 2021	10 July 2021	Unpaid	
		0.01	July 2021	10 August 2021	22 April 2022	
		0.03	July 2021	10 August 2021	Unpaid	
		0.01	August 2021	10 September 2021	25 April 2022	
		0.06	August 2021	10 September 2021	Unpaid	
	Tax Deducted at Source- Contract Income for Bhutanese firms	0.11	February 2021	10 March 2021	04 May 2022	
		0.11	March 2021	10 April 2021	04 May 2022	
		0.01	April 2021	10 May 2021	04 May 2022	
		0.00*	May 2021	10 June 2021	22 April 2022	
		0.15	May 2021	10 June 2021	Unpaid	
		0.00*	June 2021	10 July 2021	22 April 2022	
		0.05	June 2021	10 July 2021	04 May 2022	
		0.00*	July 2021	10 August 2021	22 April 2022	
		0.05	July 2021	10 August 2021	Unpaid	
		0.02	August 2021	10 September 2021	25 April 2022	
		0.03	August 2021	10 September 2021	Unpaid	

Name of the statute	Nature of dues	Amount (₹ crore)	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
	Tax Deducted at Source- Rental Income	0.00*	August 2021	10 September 2021	25 April 2022	
	Tax Deducted at Source- Income from Other Sources	0.00*	August 2021	10 September 2021	25 April 2022	
		0.00*	August 2021	10 September 2021	Unpaid	
	Tax Deducted at Source- Salary Income	0.00*	January 2021	10 February 2021	Unpaid	
		0.05	April 2021	10 May 2021	04 May 2022	
		0.02	May 2021	10 June 2021	25 April 2022	
		0.07	May 2021	10 June 2021	04 May 2022	
		0.02	June 2021	10 July 2021	25 April 202	
		0.06	June 2021	10 July 2021	04 May 2022	
		0.02	July 2021	10 August 2021	25 April 202	
		0.06	July 2021	10 August 2021	04 May 2022	
		0.02	August 2021	10 September 2021	25 April 2022	
		0.07	August 2021	10 September 2021	04 May 2022	

* represents amount less than ₹ 50,000

(b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

₹ crore

Name of the statute	Nature of dues	Gross Amount	Amount paid under protest	Period to which the amount relates to	Forum where dispute is pending	Remarks, if any
The Income Tax Act, 1961	Income Tax	15.54	15.54	AY 2008-09 to AY 2010-11	Income Tax Appellate Tribunal	
		2.45	2.45	AY 2015-16	Commissioner of Income Tax (Appeals)	
		36.46	-	AY 2011-12 and AY 2015-16	Revisional Authority	
The Central Sales Tax Act, 1956	Entry Tax	2.63	1.50	Multiple Years from AY 2006-07 to AY 2011-12	Assessment Officer upto Commissioner Level	
		2.07	0.10	Multiple Years from AY 2006-07 to AY 2017-18	Appellate Tax Tribunal	
	Central Sales Tax	4.46	-	AY 1996-97 to AY 2000-01	Appellate Tax Tribunal	
	Value Added Tax	76.81	2.10	Multiple Years from AY 2004-05 to AY 2017-18	Assessment Officer upto Commissioner Level	
		72.02	1.29	Multiple Years from AY 2005-06 to AY 2016-17	Appellate Tax Tribunal	
		3.84	-	AY 2012-13	High Court	
Goods and Services Tax Act, 2017	GST	6.46	0.66	AY 2017-18 to 2019-20	Appellate Authority	
The Finance Act 1994	Service Tax	0.10	0.01	Multiple Years from AY 2013-14 to AY 2017-18	Assessment Officer upto Commissioner Level	
		27.64	1.07	Multiple Years from AY 2008-09 to AY 2014-15	CESTAT	
		44.18	-	AY 2011-12 to 2012-13	Supreme Court	

(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 loans or other borrowings to any lender or in the payment of interest thereon, except for the below:

Nature of borrowing, including debt securities	Name of lender	Amount not paid on due date (₹ crore)	Whether principal or interest	No. of days delay or unpaid till the date of audit report	Remarks, if any
Debentures	LIC	1.49	Principal	91-180 days	
		0.02	Interest		
		2.98	Principal	181-365 days	
		0.23	Interest		
Term Loan	Bank of Maharashtra	0.12	Principal	31 – 90 days	
		0.43	Interest		
		0.48	Principal	91-180 days	
		0.28	Interest		
		1.39	Principal	181-365 days	
		0.73	Interest		
		6.47	Principal	>365 days	
		2.19	Interest		
Term Loan	Canara Bank	0.95	Principal	31-90 days	
		5.70	Interest		
		4.27	Principal	91-180 days	
		3.75	Interest		
		10.43	Principal	181-365 days	
		11.90	Interest		
		90.28	Principal	>365 days	
		34.56	Interest		
Term Loan	Central Bank of India	0.28	Principal	31-90 days	
		0.82	Interest		
		0.79	Principal	91-180 days	
		0.54	Interest		
		2.55	Principal	181-365 days	
		1.73	Interest		
		11.22	Principal	>365 days	
		6.22	Interest		
Term Loan	IDBI Bank	9.95	Principal	31-90 days	
		1.06	Interest		
		1.19	Principal	91-180 days	
		0.70	Interest		
		2.35	Interest	181-365 days	
		0.36	Interest	>365 days	
Term Loan	Indian Overseas Bank	1.33	Interest	31-90 days	
		1.51	Principal	91-180 days	
		0.88	Interest		
		3.02	Principal	181-365 days	
		2.63	Interest		
		20.36	Principal	>365 days	
		7.03	Interest		
Term Loan	Punjab National Bank	0.39	Interest	31-90 days	
		0.72	Principal	91-180 days	
		0.26	Interest		
		1.44	Principal	181-365 days	
		0.73	Interest		
		6.07	Principal	>365 days	
		1.62	Interest		

Nature of borrowing, including debt securities	Name of lender	Amount not paid on due date (₹ crore)	Whether principal or interest	No. of days delay or unpaid till the date of audit report	Remarks, if any
Term Loan	State Bank of India	0.55	Principal	31-90 days	
		2.38	Interest		
		2.90	Principal	91-180 days	
		1.56	Interest		
		6.68	Principal	181-365 days	
		4.86	Interest		
		29.83	Principal	>365 days	
		12.07	Interest		
Term Loan	Syndicate Bank	0.81	Principal	31-90 days	
		4.12	Interest		
		3.07	Principal	91-180 days	
		2.15	Interest		
		8.98	Principal	181-365 days	
		7.09	Interest		
		48.09	Principal	>365 days	
		21.72	Interest		
Term Loan	Union Bank of India	0.66	Interest	31-90 days	
		0.77	Principal	91-180 days	
		0.43	Interest		
		1.54	Principal	181-365 days	
		1.42	Interest		
		9.08	Principal	>365 days	
		4.48	Interest		
Term Loan	United Bank of India	0.99	Principal	31-90 days	
		4.62	Interest		
		4.74	Principal	91-180 days	
		3.04	Interest		
		11.45	Principal	181-365 days	
		9.27	Interest		
		73.58	Principal	>365 days	
		25.06	Interest		
Term Loan	Federal Bank	0.15	Interest	31-90 days	
		0.39	Principal	91-180 days	
		0.10	Interest		
		0.89	Principal	181-365 days	
		0.29	Interest		
		3.98	Principal	>365 days	
		0.89	Interest		
Term Loan	ICICI Bank	0.00*	Interest	>365 days	
Term Loan	SREI	0.35	Principal	31-90 days	
		2.94	Interest		
		3.48	Principal	91-180 days	
		1.85	Interest		
		5.35	Principal	181-365 days	
		5.48	Interest		
		39.52	Principal	>365 days	
		14.88	Interest		
Term Loan	Asia Credit Opportunities (Mauritius) Limited	2.13	Interest	31-90 days	
		0.45	Interest	91-180 days	
		1.95	Interest	181-365 days	
		72.04	Principal	>365 days	
		7.48	Interest		

Nature of borrowing, including debt securities	Name of lender	Amount not paid on due date (₹ crore)	Whether principal or interest	No. of days delay or unpaid till the date of audit report	Remarks, if any
Term Loan	IFCI	0.63	Principal	31-90 days	
		2.34	Interest		
		2.40	Principal	91-180 days	
		1.54	Interest		
		7.32	Principal	181-365 days	
		3.99	Interest		
		36.08	Principal	>365 days	
		12.07	Interest		
Term Loan	NABARD	0.17	Principal	31-90 days	
		0.49	Interest		
		0.37	Principal	91-180 days	
		0.32	Interest		
		2.24	Principal	181-365 days	
		0.93	Interest		
		9.76	Principal	>365 days	
		2.52	Interest		
Term Loan	LIC	0.40	Principal	31-90 days	
		0.03	Interest		
		0.61	Principal	91-180 days	
		0.03	Interest		
		1.21	Principal	181-365 days	
		0.13	Interest		
Working Capital Demand Loan	Canara Bank	17.42	Principal	>365 days	
Working Capital Demand Loan	IDBI Bank	94.13	Principal	>365 days	
		1.32	Interest		
Working Capital Demand Loan	Punjab National Bank	192.41	Principal	>365 days	
Working Capital Demand Loan	State Bank of India	90.99	Principal	>365 days	
		31.71	Interest		
Working Capital Demand Loan	Federal Bank	15.20	Principal	>365 days	
		3.05	Interest		
Working Capital Demand Loan	ICICI Bank	137.05	Principal	>365 days	
Working Capital Demand Loan	Oriental Bank of Commerce	11.98	Principal	>365 days	
Working Capital Demand Loan	Indian Bank	25.68	Principal	>365 days	
		8.76	Interest		
Working Capital Demand Loan	Jammu & Kashmir	51.71	Principal	>365 days	
Cash credit	Canara Bank	13.27	Principal	>365 days	
Cash credit	IDBI Bank	106.18	Principal	>365 days	
		2.79	Interest		
Cash credit	Punjab National Bank	53.05	Principal	>365 days	
Cash credit	State Bank of India	77.75	Principal	>365 days	
		78.51	Interest		
Cash credit	Union Bank of India	7.89	Principal	>365 days	
		8.28	Interest		
Cash credit	Federal Bank	4.35	Principal	>365 days	
		3.20	Interest		
Cash credit	ICICI Bank	10.65	Principal	>365 days	
Cash credit	Oriental Bank of Commerce	120.91	Principal	>365 days	
Cash credit	Indian Bank	15.22	Principal	>365 days	
		12.46	Interest		

Nature of borrowing, including debt securities	Name of lender	Amount not paid on due date (₹ crore)	Whether principal or interest	No. of days delay or unpaid till the date of audit report	Remarks, if any
Cash credit	Jammu & Kashmir	70.19	Principal	>365 days	
Cash credit	DBS Bank	0.47	Principal	>365 days	
		1.18	Interest		
Cash credit	Bank of Baroda	13.81	Principal	>365 days	
		12.56	Interest		
Other Bank Loans	Bank of Maharashtra	11.95	Principal	>365 days	
		4.78	Interest		
Other Bank Loans	Canara Bank	31.31	Principal	>365 days	
		9.46	Interest		
Other Bank Loans	Union Bank of India	49.05	Principal	>365 days	
		12.47	Interest		
Other Bank Loans	ICICI Bank	10.73	Principal	91-180 days	
		1.02	Interest		
		59.49	Principal	>365 days	
		19.88	Interest		
Other Bank Loans	Bank of Baroda	2.10	Principal	>365 days	
		0.75	Interest		

*represents amount less than ₹ 50,000

(b) According to the information and explanations given to us including confirmations received from banks/ financial institution and/or other lenders and 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, associates or joint ventures.

(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, joint ventures or associate companies.

(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.

(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 sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under 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.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which 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 clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company. Further based on the information and explanations given to us and as represented by the management of the Company, the Group as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

(xvii) The Company has incurred cash losses in the current financial year and in the immediately preceding financial years amounting to ₹ 59.46 crores and ₹ 475.39 crores respectively. For the purpose of reporting under this clause, while arriving at the amount of cash losses, the possible effects of the qualifications as described in 'Basis for Qualified Opinion' sections of the audit report on the financial statements for the current year and the audit report on the financial statements of the immediately preceding financial year issued by us, in respect of which we are unable to determine the effect thereof on the cash losses reported under this clause due to lack of necessary information, have not been taken into consideration.

(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, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable 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. We, however, 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, although the Company fulfilled the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, however, in the absence of average net profits in the immediately three preceding years, there is no requirement for the Company to spend any amount under sub-section (5) of section 135 of the Act. Accordingly, 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: 22101797AIVRMQ5916

Place: Pune
Date: 12 May 2022

ANNEXURE III TO THE INDEPENDENT AUDITOR'S REPORT

Annexure III to the Independent Auditor's Report of even date to the members of Hindustan Construction 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 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 Hindustan Construction Company Limited ('the Company') as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to 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 internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of 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 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 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 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 qualified opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial 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.

Qualified opinion

8. According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31 March 2022:

a) The Company did not have an appropriate internal control system with respect to compliance with the provisions of section 197 of the Companies Act, 2013 relating to obtaining prior approval from lenders for payment/accrual of remuneration exceeding the specified limits, as explained in Note 27.1 to the standalone financial statements, which has resulted in a material misstatement in the value of Company's employee benefit expenses, financial assets and its resultant impact on the loss after tax and the other equity including levy of fine, if any, on account of such non-compliance.

b) The Company's internal financial controls system with respect to assessing the recoverability of deferred tax assets, as explained in Note 9.1 to the standalone financial statements, as per Ind AS 12 'Income taxes' were not operating effectively, which could lead to a material misstatement in the carrying value of deferred tax assets and its resultant impact on loss, other equity and related disclosures in respect thereof as at and for the year ended 31 March 2022.

c) The Company's internal financial control system towards estimating the value in use of its investment in subsidiary to assess the requirement of recognising an impairment loss as laid down under Ind AS 109 'financial instruments' were not operating effectively, which could potentially result in a material misstatement in the carrying value of investments and dues recoverable from such subsidiary and its consequential impact on the earnings, other equity and related disclosures in the standalone financial statements.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

10. In our opinion, except for the possible effects of the material weakness described in paragraph 8(a) above on the achievement of the objectives of the control criteria, the Company has, in all material respects, adequate internal financial controls with reference to financial statements as at 31 March 2022, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI, and except for the effects/ possible effects of the material weaknesses described in paragraph 8(b) and 8(c) above on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to financial statements were operating effectively as at 31 March 2022

11. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company as at and for the year ended 31 March 2022, and these material weaknesses have affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.

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

Shashi Tadwalkar
Partner
Membership No.: 101797
UDIN: 22101797AIVRMQ5916

Place: Pune
Date: 12 May 2022

STANDALONE BALANCE SHEET AS AT MARCH 31, 2022

₹ crore

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3A	370.52	478.45
Right-of-use assets	3B	1.60	1.33
Capital work-in-progress	3C	0.68	1.61
Intangible assets	4	0.20	0.64
Financial assets			
Investments in subsidiaries and joint ventures	5	1,315.03	1,672.03
Investments	5A	19.67	12.54
Trade receivables	6	187.59	-
Loans	7	184.46	178.97
Other financial assets	8	2.23	2.95
Deferred tax assets (net)	9	741.74	715.99
Income tax assets (net)	9	47.14	90.26
Other non-current assets	10	67.90	74.50
Total non-current assets		**2,938.76**	**3,229.27**
Current assets			
Inventories	11	175.83	187.75
Financial assets			
Investments in subsidiary	5	350.00	-
Trade receivables	6	1,764.13	4,398.21
Cash and cash equivalents	12	237.86	228.17
Bank balances other than cash and cash equivalents	13	304.00	94.16
Other financial assets	8	207.36	180.20
Unbilled work-in-progress (contract assets)	14	2,390.23	2,269.24
Other current assets	10	257.72	178.24
		5,687.13	**7,535.97**
Assets of a disposal group held for sale	15	2,642.46	6.49
Total current assets		**8,329.59**	**7,542.46**
TOTAL ASSETS		**11,268.35**	**10,771.73**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	151.31	151.31
Other equity	16A	317.02	460.55
Total equity		**468.33**	**611.86**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17	964.90	1,197.33
Other financial liabilities	18	1,505.06	1,457.89
Provisions	19	37.11	42.02
Total non-current liabilities		**2,507.07**	**2,697.24**
Current liabilities			
Financial liabilities			
Borrowings	17	379.12	2,754.48
Lease liabilities		1.70	1.36
Trade payables	20		
- Total outstanding dues of Micro Enterprises and Small Enterprises		79.06	48.00
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		1,747.33	1,601.90
Other financial liabilities	18	1,067.84	978.68
Other current liabilities	21	1,742.51	1,938.36
Provisions	19	333.35	139.85
		5,350.91	**7,462.63**
Liabilities of a disposal group held for sale	22	2,942.04	-
Total current liabilities		**8,292.95**	**7,462.63**
TOTAL EQUITY AND LIABILITIES		**11,268.35**	**10,771.73**

The accompanying notes form 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

Shashi Tadwalkar
Partner
Membership No.: 101797

Vithal P. Kulkarni
Company Secretary
ACS No. 6707

Place: Pune
Date : 12 May 2022

For and on behalf of the Board of Directors

Ajit Gulabchand	DIN : 00010827	*Chairman & Managing Director*
Arjun Dhawan	DIN : 01778379	*Vice Chairman & Whole Time Director*
Jaspreet Bhullar		*Chief Executive Officer*
Rahul P. Rao		*Chief financial officer*
Mahendra Singh Mehta	DIN : 00019566	*Directors*
Dr. Mita Dixit	DIN : 08198165	

Place: Mumbai
Date : 12 May 2022

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

₹ crore

Particulars	Note No.	**Year ended 31 March 2022**	Year ended 31 March 2021
Income			
Revenue from operations	23	4,666.28	2,589.74
Other income	24	80.24	52.64
Total income		**4,746.52**	**2,642.38**
Expenses			
Cost of materials consumed	25	865.07	525.56
Subcontracting expenses	-	2,263.26	1,054.05
Construction expenses	26	291.51	244.94
Employee benefits expense	27	345.92	323.74
Finance costs	28	948.80	829.89
Depreciation and amortisation expense	29	93.64	91.06
Other expenses	30	111.60	141.83
Total expenses		**4,919.80**	**3,211.07**
Loss before exceptional items and tax		(173.28)	(568.69)
Exceptional items- Loss	31	-	(274.03)
Loss before tax		**(173.28)**	**(842.72)**
Tax expense	9		
Current tax		5.96	3.34
Deferred tax		(26.14)	(279.61)
		(20.18)	**(276.27)**
Loss for the year (A)		**(153.10)**	**(566.45)**
Other comprehensive income / (loss)			
(a) Items that will not be reclassified to profit or loss (net of tax)			
- Gain on fair value of defined benefit plans as per actuarial valuation		0.73	1.29
- Gain on fair value of equity instruments		7.13	5.60
(b) Items that will be reclassified to profit or loss		-	-
Other comprehensive income for the year, net of tax (B)		**7.86**	**6.89**
Total comprehensive loss for the year, net of tax (A+B)		**(145.24)**	**(559.56)**
Earnings per equity share of nominal value ₹ 1 each			
Basic and diluted (in ₹)	32	(1.01)	(3.74)

The accompanying notes form 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

Shashi Tadwalkar
Partner
Membership No.: 101797

Place: Pune
Date : 12 May 2022

For and on behalf of the Board of Directors

Ajit Gulabchand	DIN : 00010827	*Chairman & Managing Director*
Arjun Dhawan	DIN : 01778379	*Vice Chairman & Whole Time Director*
Jaspreet Bhullar		*Chief Executive Officer*
Rahul P. Rao		*Chief financial officer*
Mahendra Singh Mehta	DIN : 00019566	*Directors*
Dr. Mita Dixit	DIN : 08198165	

Vithal P. Kulkarni
Company Secretary
ACS No. 6707

Place: Mumbai
Date : 12 May 2022

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

₹ crore

Particulars		Year ended 31 March 2022	Year ended 31 March 2021
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net loss before tax	(173.28)	(842.72)
	Adjustments for:		
	Depreciation and amortisation expense	93.64	91.06
	Finance costs	948.80	829.89
	Interest income	(32.15)	(29.10)
	Gain on settlement of debt	(28.25)	-
	Loss on settlement with a customer	-	274.03
	Dividend income	(0.04)	(0.03)
	Unrealised foreign exchange gain (net)	(1.39)	(0.81)
	Profit on disposal of property, plant and equipment (net)	(2.36)	(12.93)
	Excess provision no longer required written back	(6.33)	(22.70)
		971.92	**1,129.41**
	Operating profit before working capital changes	798.64	286.69
	Adjustments for changes in working capital:		
	Decrease in inventories	11.92	4.08
	(Increase)/ decrease in trade receivables	163.43	(106.46)
	(Increase)/ decrease in current / non-current financial and other assets, and unbilled work-in-progress (contract assets)	(572.09)	251.63
	(Decrease)/ increase in trade payables, other financial liabilities and other liabilites	17.05	(690.53)
	Increase in provisions	188.59	17.75
	Cash generated from/ (used in) operations	**607.54**	**(236.84)**
	Net direct taxes refund/ (paid)	37.16	139.64
	Net cash generated from/ (used in) operating activities	**644.70**	**(97.20)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment (including capital work-in-progress, capital advances / payables)	(9.19)	(67.74)
	Proceeds from sale of property, plant and equipment and assets held for sale (including advance received)	34.31	12.19
	Inter corporate deposits recovered (including deemed investments)	7.00	3.25
	Net investments in bank deposits	(208.95)	(11.88)
	Interest received	20.18	22.12
	Dividend received	0.04	0.03
	Net cash used in investing activities	**(156.61)**	**(42.03)**

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

₹ crore

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayments of long-term borrowings	(6.05)	(160.04)
Proceeds from / (repayments of) short-term borrowings (net)	(124.55)	741.62
Interest and other finance charges	(345.85)	(296.99)
Repayment of lease obligations	(1.82)	(2.96)
Net cash generated from/ (used in) financing activities	**(478.27)**	**281.63**
Net increase in cash and cash equivalents (A+B+C)	**9.82**	**142.40**
Cash and cash equivalents at the beginning of the year	228.17	85.92
Unrealised foreign exchange gain/ (loss)	(0.13)	(0.15)
Cash and cash equivalents at the end of the year (Refer note 12)	**237.86**	**228.17**

Note:- The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) Statement of Cash Flows.
The accompanying notes form an integral part of the Standalone Financial Statements.
This is the Standalone Cash Flow Statement 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

Vithal P. Kulkarni
Company Secretary
ACS No. 6707

Place: Pune
Date : 12 May 2022

For and on behalf of the Board of Directors

Ajit Gulabchand DIN : 00010827 *Chairman & Managing Director*
Arjun Dhawan DIN : 01778379 *Vice Chairman & Whole Time Director*
Jaspreet Bhullar *Chief Executive Officer*
Rahul P. Rao *Chief financial officer*
Mahendra Singh Mehta DIN : 00019566
Dr. Mita Dixit DIN : 08198165
Directors

Place: Mumbai
Date : 12 May 2022

STANDALONE STATEMENT OF CHANGES IN EQUITY AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

a) Equity share capital (equity shares of ₹ 1 each)

Particulars	Issued, subscribed and paid	
	Number	₹ crore
As at 1 April 2020	**1,513,028,244**	**151.31**
Issue of equity shares	-	-
As at 31 March 2021	**1,513,028,244**	**151.31**
Issue of equity shares	-	-
As at 31 March 2022	**1,513,028,244**	**151.31**

b) Other equity

₹ crore

Particulars	Reserves and surplus							Equity instruments at fair value through other comprehensive income	Total equity attributable to equity holders
	Capital reserve	Forfeited debentures account	Securities premium	Debenture redemption reserve	Foreign currency monetary translation reserve	General reserve	Retained earnings		
As at 1 April 2020	**15.19**	**0.02**	**2,568.76**	**54.99**	**7.09**	**174.38**	**(1,767.57)**	**(25.43)**	**1,027.43**
Loss for the year	-	-	-	-	-	-	(566.45)	-	(566.45)
Other comprehensive income for the year	-	-	-	-	-	-	1.29	5.60	6.89
Restatement of foreign currency monetary translation items	-	-	-	-	(4.60)	-	-	-	(4.60)
Amortization of foreign currency monetary translation items	-	-	-	-	(2.72)	-	-	-	(2.72)
As at 31 March 2021	**15.19**	**0.02**	**2,568.76**	**54.99**	**(0.23)**	**174.38**	**(2,332.73)**	**(19.83)**	**460.55**
Loss for the year	-	-	-	-	-	-	(153.10)	-	(153.10)
Other comprehensive income for the year	-	-	-	-	-	-	0.73	7.13	7.86
Restatement of foreign currency monetary translation items	-	-	-	-	3.84	-	-	-	3.84
Amortization of foreign currency monetary translation items	-	-	-	-	(2.13)	-	-	-	(2.13)
As at 31 March 2022	**15.19**	**0.02**	**2,568.76**	**54.99**	**1.48**	**174.38**	**(2,485.10)**	**(12.70)**	**317.02**

The accompanying notes form 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: Pune
Date : 12 May 2022

Vithal P. Kulkarni
Company Secretary
ACS No. 6707

For and on behalf of the Board of Directors

Ajit Gulabchand DIN : 00010827 *Chairman & Managing Director*
Arjun Dhawan DIN : 01778379 *Vice Chairman & Whole Time Director*
Jaspreet Bhullar *Chief Executive Officer*
Rahul P. Rao *Chief Financial Officer*
Mahendra Singh Mehta DIN : 00019566
Dr. Mita Dixit DIN : 08198165
Directors

Place: Mumbai
Date : 12 May 2022

NOTE 1 CORPORATE INFORMATION

Hindustan Construction Company Limited ('the Company' or 'HCC') is a public limited company incorporated and domiciled in India. The Company having CIN L45200MH1926PLC001228, is principally engaged in the business of providing engineering and construction services. Its shares are listed on two recognised stock exchanges in India- the Bombay Stock Exchange and the National Stock Exchange. The registered office of the Company is located at Hincon House, LBS Marg, Vikhroli (West), Mumbai - 400 083, India.

The standalone financial statements ('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 Directors on 12 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') as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules as amended from time to time and guidelines issued by Securities and Exchange Board of India (SEBI) to the extent applicable.

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.

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 crores (₹ 0,000,000), except when otherwise indicated. Amount presented as '0.00* ' are non zero numbers rounded off in crore.

The statement of cash flow has been prepared under the indirect method as set out in Ind AS 7- Statement of Cash Flows.

ii Operating cycle for current and 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 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.

iii 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.

iv Key accounting 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, are described below. The Company 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.

a. Estimation uncertainty related to the global health pandemic on COVID-19

The Company's operations have significantly recovered from the impact of COVID-19 pandemic and there are no significant continuing impact on the operations and financial statements of the Company as at 31 March 2022. The Management continuous to closely monitor the current developments and possible effects of COVID-19 pandemic on it's financial condition, liquidity and operations.

b. Contract estimates

Refer note 2(xxii) below

c. Variable consideration (claims)

The Company has claims in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work etc., which are at various stages of negotiation/ discussion/ arbitration/ litigation with the clients. The realisability of these claims are estimated based on contractual terms, historical experience with similar claims as well as legal opinion obtained from internal and/or external experts, wherever necessary. Changes in facts of the case or the legal framework may impact realisability of these claims.

d. Valuation of investment in / loans to subsidiaries / joint ventures

The Company has performed evaluation of it's equity investments of subsidiaries and joint venture to assess whether there is any indication of impairment in the carrying value. 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.

e. Deferred tax assets

The realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management consideres the applicable tax rates, scheduled reversal of deferred 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 realize the benefits of those deductible differences. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

f. 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.

g. Useful lives of property, plant and equipment, right of use assets and intangible assets

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of assets are determined by the management at the time of acquisition of asset and reviewed periodically, including at each financial year. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

h. Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. Contingent assets are disclosed where an inflow of economic benefits is probable.

v Going concern

The Company has incurred net loss of ₹ 153.10 crore during the year ended 31 March 2022 and as of that date has accumulated losses aggregating ₹ 2,485.10 crore, which has resulted in substantial erosion of its net worth. The Company continues to default on payment to lenders along with overdue to operational creditors. Certain operational creditors have also applied before the National Company Law Tribunal ('NCLT') for debt resolution under the Insolvency and Bankruptcy Code, 2016, none of which has been admitted so far. The above factors indicate that events or conditions exist, which may cast significant doubt on the entity's ability to continue as a going concern.

The Company is in the process of finalising a resolution plan with it's lenders to restructure it's debt. As per the resolution plan with lenders of the Company, including resolution of debts of an erstwhile subsidiary, whose liabilities were taken over by the Company in earlier years, economic and beneficial interest of a portion of the arbitration awards and claims of the Company along with liabilities, represented by debt and accrued interest, will be transferred to a wholly owned subsidiary of the Company. As at date, the resolution plan has been approved by the respective Board/ Committees of 100% lenders making the resolution plan binding on all lenders. The resolution plan is expected to be implemented by July 2022.

Based on the expected successful implementation of the resolution plan with lenders as well as the Company's business plans, the management is confident of time-bound monetisation of assets including arbitration awards, claims and other assets and is confident of meeting the obligations as they fall due. Accordingly, the Management considers it appropriate to prepare these financial results on a going concern basis.

vi Fair value measurement

The Company measures financial instruments, at fair value at each balance sheet date (Refer note 38).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or

- in the absence of a principal market, In the most advantageous market for the asset or liability.

The Principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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).

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

vii 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.
When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.
The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

viii Capital work-in-progress

Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure.

ix Intangible assets

Intangible assets are stated at cost, 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, less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets mainly comprise of license fees and implementation cost for software and other application software acquired / developed for in-house use.

x Non-current assets or disposal group held for sale

Non-current assets or disposal group (including liabilities directly associated with those assets of a disposal group) that are available for immediate sale and where the sale is highly probable of being completed within one year from the date of classification are considered and classified as assets held for sale. Non-current assets or disposal group held for sale are measured at the lower of carrying amount or fair value less costs to sell except financial assets within the scope of Ind AS 109- Financial Instruments. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of asset held for sale has been estimated using observable inputs such as price quotations.

xi Depreciation and amortisation

Depreciation is provided for property, plant and equipment so as to expense the cost less residual value over their estimated useful lives on a straight line basis, except Building and sheds which is depreciated using WDV method. Intangible assets are amortised from the date they are available for use, over their estimated useful lives. The useful lives are as per Schedule II to the Act except in case of certain assets, where the useful life is based on technical evaluation by management.

Asset category	Useful life (in years)
Building and sheds	3 to 60
Plant and equipment	2 to 14
Furniture and fixtures	10
Heavy Vehicles	3 to 12
Light Vehicles	8 to 10
Office equipment	5
Helicopter / Aircraft	12 to18
Speed boat	13
Computers	3
Intangible (Computer software)	3 to 5

The estimated useful life and residual values are reviewed at each financial year end and the effect of any change in the estimates of useful life/ residual value is accounted on prospective basis.
An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation on additions is provided on a pro-rata basis, from the date on which asset is ready to use.
Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are accounted in the Statement of Profit and Loss under Other income and Other expenses.

xii Investments in subsidiaries, joint ventures and associates

Investments in subsidiaries, joint ventures and associates are recognised at cost as per Ind AS 27- Separate Financial Statements, except where investments accounted for at cost shall be accounted for in accordance with Ind AS 105- Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

xiii 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.

Initial recognition and measurement

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company's business model refers to how it manages it's financial assets to generate cash flows. The business model determines whether the cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

a Financial assets

i) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in 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 through Other Comprehensive Income**

  Financial assets are measured at fair value through Other Comprehensive Income ('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 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 profit or loss (FVTPL)**

  Any financial asset which does not meet the criteria for categorization as financial asset at amortized cost or at FVTOCI, is classified as financial asset at FVTPL. Financial assets included within the FVTPL category are subsequently measured at fair value with all changes recognized in the statement of profit and loss.

ii) 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. ECL is the difference between all contractual cash flows that are due to the Company 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.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables and contract assets. 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 impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss.

iii) 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.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity, if any, is recognised in profit or loss, except in case of equity instruments classified as FVOCI, where such cumulative gain or loss is not recycled to statement of profit and loss.

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.

I. 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.

II. Financial liabilities

i) 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 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.

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.

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.

- Financial guarantee contracts

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.

ii) 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.

xiv 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. Company's provident fund contribution, in respect of certain employees, is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.

b Defined benefit plan

In respect of certain employees, provident fund contributions are made to a trust administered by the Company. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. Accordingly, the contribution paid or payable and the interest shortfall, if any, is recognised as an expense in the period in which services are rendered by the employee.

The Company also provides for gratuity which is a defined benefit plan 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 and is not eligible to be 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 year 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.

xv Contract assets

Contract revenue earned in excess of certification are classified as contract assets (which we refer as unbilled work-in-progress). A contract asset is initially recognised for revenue earned from engineering and construction services because the receipt of consideration is conditional on successful completion of the service. Upon completion of the service and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables. Contract assets are subject to impairment assessment.

xvi Contract liabilities

Certification in excess of contract revenue are classified as contract liabilities (which we refer to as due to customer). A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

xvii Inventories

The stock of construction materials, stores, spares and embedded goods and fuel is valued at cost or net realisable value, whichever is lower. Cost is determined on weighted average basis and includes all applicable cost of bringing the goods to their present location and condition. Net realisable value is estimated selling price in ordinary course of business less the estimated cost necessary to make the sale.

xviii Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand and short-term deposits with an original maturity of three month or less, which are subject to an insignificant risk of changes in value.

xix 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 "Engineering and Construction". Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment and hence the necessary information has already been disclosed in the Balance Sheet and the Statement of Profit and Loss.

xx 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.

xxi Foreign exchange translation of foreign projects and accounting of foreign exchange transaction

a Initial recognition

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. However, for practical reasons, the Company uses a monthly average rate if the average rate approximate the actual rate at the date of the transactions.

b Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

c Treatment of exchange difference

Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

Exchange differences arising on long-term foreign currency monetary items related to acquisition of a Property, plant and equipment are adjusted to the carrying value of the assets and depreciated over the remaining useful life of the Property, Plant and Equipment and exchange differences arising on all other long-term foreign currency monetary items are accumulated in the “Foreign Currency Monetary Translation Reserve” and amortised over the remaining life of the concerned monetary item.

xxii Revenue recognition

a Contract Revenue

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expect to receive in exchange for those products or services. The Company derives revenues primarily from providing engineering and construction services.

The Company evaluates whether the performance obligations in engineering and construction services are satisfied at a point in time or over time. The performance obligation is transferred over time if one of the following criteria is met:

- As the entity performs, the customer simultaneously receives and consumes the benefits provided by the entity’s performance.

- The entity’s performance creates or enhances an asset (e.g., work in progress) that the customer controls as the asset is created or enhanced.
  - The entity’s performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

The percentage-of-completion of a contract is determined by the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

For performance obligations in which control is not transferred over time, control is transferred as at a point in time.

Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring good or service to a customer excluding amounts collected on behalf of a third party and is adjusted for variable considerations.

Advance payments received from contractee for which no services are rendered are presented as ‘Advance from contractee’.

Due to the nature of the work required to be performed on many of the performance obligations, the estimation of total revenue and cost of completion is complex, subject to many variables and requires significant judgment. Variability in the transaction price arises primarily due to liquidated damages, price variation clauses, changes in scope, incentives, if any. The Company considers its experience with similar transactions and expectations regarding the contract in estimating the amount of variable consideration to which it will be entitled and determining whether the estimated variable consideration should be constrained. The Company includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.The estimates of variable consideration are based largely on an assessment of anticipated performance and all information (historical, current and forecasted) that is reasonably available.

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 Company presents revenues net of indirect taxes in its Statement of Profit and Loss.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in Statement of Profit and Loss immediately in the period in which such costs are incurred.

b Interest on arbitration awards

Interest on arbitration awards, being in the nature of additional compensation as per the terms of the contract is recognised as other operating revenue that reflects the consideration the Company has received or expects to receive on favourable arbitration awards.

xxiii Other income

a. Interest income

Interest income (other than interest on income tax refund) is accrued on a time proportion basis, by reference to the principal outstanding and the applicable Effective Interest Rate (EIR).

b. Dividend income

Dividend is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend.

c. Other non-operating 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.

xxiv 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 Operations.

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.

xxv Income tax

Income tax expense comprises of current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

a. Current 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.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.

b. Deferred 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.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

xxvi Leases

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

At the date of the commencement of the lease, the Company recognises a right-of-use asset representing its right to use the underlying asset for the lease term and a corresponding lease liability for all the lease arrangements in which it is a lease, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the period of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease. They are subsequenty measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The estimated useful life of the assets are determined on the same basis as those of property, plant and equipment.

Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Carrying amount of right-of-use asset is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The future lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. For a lease with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

Right-of-use assets and Lease liabilities have been separately presented in the Balance Sheet. Further, lease payments have been classified as financing cash flows.

xxvii 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, including impairment on inventories, 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.

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.

xxviii 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).

xxix Provisions, contingent liabilities, contingent assets and commitments

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.

Commitments are future liabilities for contractual expenditure, classified and disclosed as estimated amount of contracts remaining to be executed on capital account and not provided for.

xxx Share based payments

Certain employees of the Company are entitled to remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants. The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest using fair value in accordance with Ind-AS 102, Share based payment.

xxxi Exceptional items

When items of income and expense within statement of profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

xxxii Recent accounting pronouncements

Amendment to Ind AS 16, Property, Plant and Equipment

The Ministry of Corporate Affairs ("MCA") vide notification dated 23 March 2022, has issued an amendment to Ind AS 16 which specifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).

Amendment to Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

MCA vide notification dated 23 March 2022, has issued an amendment to Ind AS 37 which specifies that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

Amendment to Ind AS 103, Business Combinations

MCA vide notification dated 23 March 2022, has issued an amendment to Ind AS 103 and has added a new exception in the standard for liabilities and contingent liabilities

Amendment to Ind AS 109, Financial Instruments

MCA vide notification dated 23 March 2022, has issued an amendment to Ind AS 109 which clarifies that which fees an entity should include when it applies the '10%' test in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

NOTE 3A PROPERTY, PLANT AND EQUIPMENT

₹ crore

	Freehold land	Building and sheds	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Speed boat	Computers	Total
Gross carrying value (at deemed cost)									
As at 1 April 2020	2.19	22.12	800.19	16.97	63.30	4.05	1.04	7.01	916.87
Additions	-	-	232.71	0.26	8.44	0.26	-	0.32	241.99
Disposals	-	-	(57.38)	-	(1.91)	(0.01)	-	-	(59.30)
Adjustments [Refer sub note (iii)]	-	-	(2.88)	-	-	-	-	-	(2.88)
As at 31 March 2021	**2.19**	**22.12**	**972.64**	**17.23**	**69.83**	**4.30**	**1.04**	**7.33**	**1,096.68**
Additions	-	-	7.78	0.08	0.47	0.13	-	0.38	8.84
Disposals	-	-	(167.93)	-	(5.04)	(0.01)	-	-	(172.99)
Transferred from assets classified as held for sale (Refer note 15.1)	6.49	-	-	-	-	-	-	-	6.49
As at 31 March 2022	**8.68**	**22.12**	**812.49**	**17.31**	**65.26**	**4.42**	**1.04**	**7.71**	**939.02**
Accumulated depreciation									
As at 1 April 2020	-	7.84	508.16	13.82	36.97	2.50	0.54	4.82	574.65
Depreciation charge	-	1.19	80.14	1.67	3.03	0.78	0.11	0.87	87.79
Accumulated depreciation on disposals	-	-	(42.92)	-	(1.29)	(0.00)*	-	-	(44.21)
As at 31 March 2021	**-**	**9.03**	**545.38**	**15.49**	**38.71**	**3.28**	**0.65**	**5.69**	**618.23**
Depreciation charge	-	0.89	85.90	0.31	2.67	0.60	0.11	0.84	91.31
Accumulated depreciation on disposals	-	-	(137.51)	-	(3.53)	-	-	-	(141.04)
As at 31 March 2022	**-**	**9.92**	**493.77**	**15.80**	**37.85**	**3.87**	**0.76**	**6.53**	**568.50**
Net carrying value									
As at 31 March 2021	2.19	13.09	427.26	1.74	31.12	1.02	0.39	1.64	**478.45**
As at 31 March 2022	**8.68**	**12.20**	**318.72**	**1.51**	**27.41**	**0.54**	**0.28**	**1.18**	**370.52**

Notes:

(i) Refer note 17.1 for information on Property, plant and equipment pledged as security against borrowings of the Company.

(ii) Refer note 33(B)(i) for disclosure of contractual commitments for acquisition of Property, plant and equipment.

(iii) Adjustments represent exchange loss/ (gain) arising on long-term foreign currency monetary items.

(iv) The title deeds of all immovable properties (other than properties where the Company is lessee and lease arrangements are duly exercised in the favour of lessee) are held in the name of the Company.

(v) * represents amount less than ₹ 1 lakh.

NOTE 3B RIGHT-OF-USE ASSETS

₹ crore

	Building	Vehicles	Total
Gross carrying value			
As at 1 April 2020	4.93	0.94	5.87
Additions	1.99	-	1.99
Disposals	-	-	-
As at 31 March 2021	**6.92**	**0.94**	**7.86**
Additions	2.16	-	2.16
Disposals	-	-	-
As at 31 March 2022	**9.08**	**0.94**	**10.02**
Accumulated depreciation			
As at 1 April 2020	3.13	0.57	3.70
Depreciation charge	2.53	0.30	2.83
Accumulated depreciation on disposals	-	-	-
As at 31 March 2021	**5.66**	**0.87**	**6.53**
Depreciation charge	1.82	0.07	1.89
Accumulated depreciation on disposals	-	-	-

NOTE 3B RIGHT-OF-USE ASSETS.....Contd.

₹ crore

	Building	Vehicles	Total
As at 31 March 2022	**7.48**	**0.94**	**8.42**
Net carrying value			
As at 31 March 2021	1.26	0.07	1.33
As at 31 March 2022	**1.60**	**-**	**1.60**

Note: Refer note 42 for Ind AS 116- Leases and the related disclosures.

NOTE 3C CAPITAL WORK-IN-PROGESS ('CWIP')

₹ crore

	As at 31 March 2022	As at 31 March 2021
Opening balance	1.61	178.41
Additions during the year	2.52	0.94
Capitalised during the year	(3.45)	(177.73)
Closing balance	0.68	1.61

Note: CWIP ageing schedule

₹ crore

	As at 31 March 2022		As at 31 March 2021	
	Projects in progress	**Projects temporarily suspended**	Projects in progress	Projects temporarily suspended
Less than 1 year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	0.93	-
More than 3 years	-	0.68	-	0.68
Total	**-**	**0.68**	**0.93**	**0.68**

Notes:

i) Projects temporarily suspended represents expenses incurred for the construction of a sewage plant the construction of which is expected to be completed by year ended 31 March 2023.

ii) There are no projects which has exceeded its cost compared to its original plan.

NOTE 4 INTANGIBLE ASSETS

₹ crore

	Computer software
Gross carrying value (at deemed cost)	
As at 1 April 2020	3.98
Additions	-
Disposals	-
As at 31 March 2021	**3.98**
Additions	-
Disposals	-
As at 31 March 2022	**3.98**
Accumulated amortisation	
As at 1 April 2020	2.90
Amortisation charge	0.44
As at 31 March 2021	**3.34**
Amortisation charge	0.44
As at 31 March 2022	**3.78**
Net carrying value	
As at 31 March 2021	**0.64**
As at 31 March 2022	**0.20**

NOTE 5 INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES

₹ crore

	As at 31 March 2022	As at 31 March 2021
Non-current		
I. Investments in equity shares at deemed cost		
a) In subsidiary companies in India	65.15	62.15
b) In subsidiary companies outside India	28.29	28.29
c) In joint ventures in India	-	3.00
	93.44	**93.44**
II. Investments in preference shares at amortised cost		
In subsidiary company in India	-	-
III. Deemed investment in subsidiary companies		
(a) Deemed investment on inter-corporate deposits	1,216.20	1,573.20
(b) Deemed investment on fair valuation of corporate guarantee	5.39	5.39
	1,221.59	**1,578.59**
Total non-current investments in subsidiaries and joint ventures (I + II + III)	**1,315.03**	**1,672.03**
Current		
Deemed investment in subsidiary company		
Deemed investment on Inter-corporate deposits	350.00	-
Total current investments in subsidiary	**350.00**	**-**
Total Investments in subsidiaries and joint ventures	**1,665.03**	**1,672.03**

Detailed list of Investments in subsidiaries and joint ventures:

₹ crore

	As at 31 March 2022	As at 31 March 2021
I. Investments in equity shares at deemed cost		
a) In subsidiary companies in India, unquoted, traded		
- **HREL Real Estate Limited**	474.36	474.36
66,193,185 (31 March 2021: 66,193,185) equity shares of ₹ 10 each, fully paid		
Less: impairment (Refer note 5.1)	(474.36)	(474.36)
	-	**-**
- **Lavasa Corporation Limited**	0.01	0.01
2,387 (31 March 2021: 2,387) equity shares of ₹ 10 each, fully paid		
Less: impairment (Refer note 5.1)	(0.01)	(0.01)
	-	**-**
- **Panchkutir Developers Limited**	50.02	50.02
1,400,000 (31 March 2021: 1,400,000) equity shares of ₹ 10 each, fully paid		
- **Highbar Technologies Limited** (Refer notes 5.2 and 5.3)	6.25	6.25
6,250,000 (31 March 2021: 6,250,000) equity shares of ₹ 10 each, fully paid		
- **Western Securities Limited**	5.38	5.38
1,957,500 (31 March 2021: 1,957,500) equity shares of ₹ 10 each, fully paid		
- **HCC Infrastructure Company Limited** (Refer note 34)	0.25	0.25
250,000 (31 March 2021: 250,000) equity shares of ₹ 10 each, fully paid		
- **HCC Contract Solutions Limited** (formerly HCC Construction Limited)	0.05	0.05
50,000 (31 March 2021: 50,000) equity shares of ₹ 10 each, fully paid		
- **MAAN Township Developers Limited**	0.10	0.10
100,000 (31 March 2021: 100,000) equity shares of ₹ 10 each, fully paid		
- **HRL Township Developers Limited**	0.10	0.10
100,000 (31 March 2021: 100,000) equity shares of ₹ 10 each, fully paid		
- **Prolific Resolution Private Limited** (w.e.f. 8 March 2021)	0.00*	0.00*
100 (31 March 2021: 100) equity shares of ₹ 10 each, fully paid		
- **Raiganj Dalkhola Highways Limited** ('RDHL') (Refer notes 5.2, 5.4 and 5.5)	3.00	-
3,000,000 (31 March 2021: 3,000,000) equity shares of ₹ 10 each		
- **Baharampore Farakka Highways Limited** ('BFHL') (Refer note 5.4 and 5.5)	0.00*	-
100 (31 March 2021: 100) equity shares of ₹ 10 each		
	65.15	**62.15**

NOTE 5 INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES....Contd.

Detailed list of Investments in subsidiaries and joint ventures:

₹ crore

	As at 31 March 2022	As at 31 March 2021
b) In subsidiary companies outside India, unquoted		
- HCC Mauritius Enterprises Limited (Refer note 5.2)	22.23	22.23
5,005,000 (31 March 2021: 5,005,000) equity shares of USD 1 each, fully paid		
- HCC Mauritius Investments Limited (Refer note 5.2)	6.06	6.06
1,000,000 (31 March 2021: 1,000,000) equity shares of USD 1 each, fully paid		
	28.29	**28.29**
c) In joint ventures in India, unquoted, traded		
- Raiganj Dalkhola Highways Limited ('RDHL') (Refer notes 5.2, 5.4 and 5.5)	-	3.00
Nil (31 March 2021: 3,000,000) equity shares of ₹ 10 each		
- Baharampore Farakka Highways Limited ('BFHL') (Refer note 5.4 and 5.5)	-	0.00*
Nil (31 March 2021: 100) equity shares of ₹ 10 each		
	-	**3.00**
II. Investments in preference shares at amortised cost		
In subsidiary company in India, unquoted		
- Lavasa Corporation Limited		
28 (31 March 2021: 28) 6% Cumulative Redeemable Preference Shares of ₹ 10 each, fully paid	0.00 *	0.00 *
Less: impairment (Refer note 5.1)	(0.00) *	(0.00) *
	-	**-**
III. Deemed investment in subsidiary companies		
(a) Deemed investment on Inter-corporate deposits in India		
Non-current		
- HREL Real Estate Limited	138.04	138.04
Less: impairment (Refer note 5.1)	(138.04)	(138.04)
	-	-
- HCC Infrastructure Company Limited (Refer note 34)	1,212.41	1,569.41
- MAAN Township Developers Limited	3.71	3.71
- HRL Township Developers Limited	0.08	0.08
	1,216.20	**1,573.20**
Current		
- HCC Infrastructure Company Limited (Refer note 34)	350.00	-
	350.00	**-**
Total deemed investment on Inter-corporate deposits in India	**1,566.20**	**1,573.20**
(b) Deemed investment on fair valuation of corporate guarantee		
- Lavasa Corporation Limited	764.36	764.36
Less: impairment (Refer note 5.1)	(764.36)	(764.36)
	-	**-**
- HCC Infrastructure Company Limited (Refer note 34)	1.99	1.99
	1.99	**1.99**
- HCC Mauritius Enterprises Limited	0.86	0.86
- HCC Mauritius Investments Limited	2.54	2.54
	3.40	**3.40**

* represents amount less than ₹ 1 lakh.

Note 5.1 The National Company Law Tribunal, Mumbai (NCLT) vide Order dated 30 August 2018, admitted an application filed against Lavasa Corporation Limited ('LCL') by an operational creditor and initiated the Corporate Insolvency Resolution Process ('CIRP') under the Insolvency and Bankruptcy Code 2016 ('IBC'). In accordance with the provisions of IBC, the powers of the Board of Directors of LCL have been suspended and the management of LCL presently vests with the Resolution Professional ('RP') appointed under the provisions of IBC. HREL Real Estate Limited ('HREL'), a wholly owned subsidiary of the Company, presently holds 68.70% equity stake in LCL. In view of uncertainties associated with the outcome of CIRP and as a matter of prudence, the Company impaired its investment in both these entities during the year ended 31 March 2019.

Since the Company has lost control over LCL, it ceases to be a subsidiary under Ind AS. However, LCL continues to be a subsidiary under the Act.

NOTE 5 INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES....Contd.

Note 5.2 The Company has pledged its shareholdings in the following subsidiaries / joint ventures in favour of the respective lenders of the subsidiary / joint venture companies as a part of the financing agreements for facilities taken by the respective entities:

Name of the Company	No. of equity shares pledged	
	31 March 2022	31 March 2021
Highbar Technologies Limited	1,875,000	1,875,000
HCC Mauritius Enterprise Limited	5,005,000	5,005,000
HCC Mauritius Investments Limited	1,000,000	5,005,000
Raiganj Dalkhola Highways Limited	510,000	1,000,000

Note 5.3 The Company has given a 'Non Disposal Undertaking' to the lenders of Highbar Technologies Limited to the extent of 3,074,940 (31 March 2021: 3,074,940) equity shares.

Note 5.4 The Company has given an undertaking to National Highways Authority of India ('NHAI') that it will not transfer its shareholding in Baharampore-Farakka Highways Limited and Raiganj-Dalkhola Highways Limited till the commercial operation date. The Company has entered into sale agreement with HCC Concessions Limited to sell these shares at book value at future dates. Consequently, in respect of RDHL, the Company has received full consideration of ₹ 3.00 crore (31 March 2021: ₹ 3.00 crore) from HCL for transfer of the shares at book value, subject to necessary approvals and consents to the extent required. (Refer note 21).

Name of the BOT SPV	As at 31 March 2022		As at 31 March 2021	
	No. of shares	**₹ crore**	No. of shares	₹ crore
Baharampore Farakka Highways Limited	100	0.00*	100	0.00
Raiganj Dalkhola Highways Limited	3,000,000	3.00	3,000,000	3.00
Total	**3,000,100**	**3.00**	**3,000,100**	**3.00**

* represents amount less than ₹ 1 lakh.

Note 5.5 Pursuant to the Securities Purchase Agreement entered during the current year between Xander Investment Holding XXVI Limited ('Xander') and the Company along with certain group entities, Xander's shareholding (14.55%) in HCC Concessions Limited ('HCL'), has been bought back by the Company. Consequent to the buy back, effective 20 August 2021, HCL (including its subsidiaries) ceases to be joint ventures and become wholly owned subsidiaries of the Company.

NOTE 5A INVESTMENTS

₹ crore

	As at 31 March 2022	As at 31 March 2021
Other Investments in equity shares at fair value through other comprehensive income (OCI)		
- Housing Development Finance Corporation Limited	3.64	3.81
15,220 (31 March 2021: 15,220) equity shares of ₹ 2 each, fully paid- quoted		
- HDFC Bank Limited	0.73	0.75
5,000 (31 March 2021: 5,000) equity shares of ₹ 1 each, fully paid- quoted		
- Khandwala Securities Limited	0.01	0.00*
3,332 (31 March 2021: 3,332) equity shares of ₹ 10 each, fully paid- quoted		
- Shushrusha Citizens Co-Op. Hospitals Limited	0.00*	0.00*
100 (31 March 2021: 100) equity shares of ₹ 100 each, fully paid- unquoted		
- Hincon Finance Limited	15.29	7.98
120,000 (31 March 2021: 120,000) equity shares of ₹ 10 each, fully paid- unquoted		
	19.67	**12.54**
Total investments [5 + 5A]	**1,684.70**	**1,684.57**

* represents amount less than ₹ 1 lakh.

NOTE 5A INVESTMENTS ....Contd.

₹ crore

	As at 31 March 2022	As at 31 March 2021
Details:		
Aggregate of investments:	4.38	4.56
(i) Aggregate carrying value of quoted investments	4.38	4.56
(ii) Aggregate market value of quoted investments		
(iii) Aggregate carrying value of unquoted investments	1,665.03	1,672.03
- in subsidiaries	15.29	7.98
- in others	1,376.77	1,376.77
(iv) Aggregate amount of impairment in value of investments		
(i) Investments carried at deemed cost	1,665.03	1,672.03
(ii) Investments carried at amortised cost	-	-
(iii) Investments carried at fair value through other comprehensive income	19.67	12.54

NOTE 6 TRADE RECEIVABLES

₹ crore

	As at 31 March 2022	As at 31 March 2021
Non-current		
Trade receivables ^ (Refer notes 6.1 and 35)	187.59	-
Total non-current trade receivables	**187.59**	**-**
Current		
Trade receivables ^^ (Refer notes 6.1 and 35)	4,047.19	4,398.21
[Including retention ₹ 868.99 crore (31 March 2021: ₹ 788.64 crore)]		
	4,047.19	4,398.21
Less: Transferred to assets of a disposal group held for sale (Refer note 15.2)	(2,283.06)	-
Total current trade receivables	**1,764.13**	**4,398.21**
Total trade receivables	**1,951.72**	**4,398.21**

^ Presented net off advance received against arbitration awards ₹ 784.92 crore (31 March 2021: Nil)
^^ Presented Net off advance received against arbitration awards of ₹ 2,453.41 crore (31 March 2021: ₹ 2,738.80 crore)

₹ crore

	As at 31 March 2022	As at 31 March 2021
Break-up of security details		
Trade receivables considered good- secured	-	-
Trade receivables considered good- unsecured	1,951.72	4,398.21
Trade receivables which have significant increase in credit risk	-	-
Trade receivables- credit impaired	-	-
Total	**1,951.72**	**4,398.21**
Loss allowance	-	-
Total trade receivables	**1,951.72**	**4,398.21**

Note 6.1 Non-current trade receivables and current trade receivables as at 31 March 2022 include ₹ 187.59 crore (net of advances ₹ 784.92 crore) and ₹ 2,770.14 crore (net of advances ₹ 2,453.41 crore), respectively, representing claims awarded in arbitration in favour of the Company and which have been challenged by the customers in courts. Out of the above, net arbitration award of ₹ 2,283.06 crore has been reclassified as Assets of a disposal group held for sale (refer note 15.2).

Note 6.2 There are no trade 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, a director or a member.

Note 6.3 Trade receivables (other than receivables on account of claims awarded in arbitration in favour of the Company) are non-interest bearing and are generally on terms of 30 to 90 days except retention deposits, which are due after completion of the defect liability period of the respective projects.

NOTE 6 TRADE RECEIVABLES....Contd.

Note 6.4 Trade receivables (including classified as Assets of a disposal group held for sale) ageing schedule:

₹ crore

As at 31 March 2022	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables- considered good	496.50	139.23	66.81	302.74	81.39	190.38	1,277.05
(ii) Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables- credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables- considered good	-	537.94	186.77	415.43	313.96	1,503.63	2,957.73
(v) Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables- credit impaired	-	-	-	-	-	-	-
	496.50	**677.17**	**253.58**	**718.17**	**395.35**	**1,694.01**	**4,234.78**

Note: Refer note 14 for details of unbilled dues.

₹ crore

As at 31 March 2021	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 Months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables- considered good	395.38	633.94	252.95	120.53	122.82	124.04	1,649.66
(ii) Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables- credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables- considered good	-	320.25	108.05	433.81	576.33	1,310.11	2,748.55
(v) Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables- credit impaired	-	-	-	-	-	-	-
	395.38	**954.19**	**361.00**	**554.34**	**699.15**	**1,434.15**	**4,398.21**

Note: Refer note 14 for details of unbilled dues.

NOTE 7 NON-CURRENT LOANS

₹ crore

	As at 31 March 2022	As at 31 March 2021
Inter-corporate deposits to subsidiaries	184.46	178.97
Total non-current loans	**184.46**	**178.97**
Break-up of security details		
Loans considered good- secured	-	-
Loans considered good- unsecured	184.46	178.97
Loans which have significant increase in credit risk	-	-
Loans- credit impaired	-	-
Total	**184.46**	**178.97**
Loss allowance	-	-
Total loans	**184.46**	**178.97**

NOTE 7 NON-CURRENT LOANS....Contd.

Note 7.1 In compliance of Regulation 34 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 the required information is given as under:

Loans and advance in the nature of loans given to subsidiaries (as defined under the Act) for business purposes.

₹ crore

Name of the entity	Outstanding balance		Maximum balance outstanding during	
	As at 31 March 2022	As at 31 March 2021	**Year ended 31 March 2022**	Year ended 31 March 2021
i) HCC Infrastructure Company Limited [Refer note (i)]	-	-	-	-
ii) HCC Mauritius Enterprises Limited [Refer note (ii)]	123.17	119.01	123.17	124.00
iii) Highbar Technologies Limited	2.39	2.39	2.39	2.39
iv) HCC Mauritius Investments Limited [Refer note (ii)]	39.37	38.04	39.37	39.64
v) HRL Township Developers Limited	0.41	0.41	0.41	0.41
vi) Maan Township Developers Limited	19.12	19.12	19.12	19.12
Total	**184.46**	**178.97**		

Notes:

(i) excludes inter-corporate deposits of ₹ 1,562.41 crore (31 March 2021: ₹ 1,569.41 crore) given to HCC Infrastructure Company Limited, classified as deemed investment under Ind AS.

(ii) movement is on account of exchange rate fluctuations.

Note 7.2 Investment by the loanee in the Company's / subsidiary companies shares [Refer note (i) below]

i) HCC Infrastructure Company Limited has invested in following Subsidiary/ Joint Venture companies:

₹ crore

Name of the entity	**As at 31 March 2022**	As at 31 March 2021
Equity shares		
HCC Concessions Limited	573.48	573.48
HCC Power Limited	0.50	0.50
Dhule Palesnar Operations & Maintenance Limited	0.50	0.50
HCC Operations & Maintenance Limited	0.05	0.05
Preference Shares		
HCC Concessions Limited	285.99	285.99
Total	**860.52**	**860.52**

ii) HCC Mauritius Enterprise Limited has invested in following subsidiary company:

₹ crore

Name of the entity	**As at 31 March 2022**	As at 31 March 2021
Equity shares		
Steiner AG [Refer note (ii) below]	243.03	235.65
Total	**243.03**	**235.65**

iii) HCC Mauritius Investment Limited has invested in following subsidiary company:

₹ crore

Name of the entity	**As at 31 March 2022**	As at 31 March 2021
Equity shares		
Steiner AG [Refer note (ii) below]	33.54	32.52
Total	**33.54**	**32.52**

Notes:

(i) Investments include adjustments carried out under Ind AS.

(ii) Increase / decrease is on account of exchange rate fluctuations.

NOTE 8 OTHER FINANCIAL ASSETS

₹ crore

		As at 31 March 2022	As at 31 March 2021
Non-current			
a)	Security deposits	1.96	1.79
b)	Bank deposits with balance maturity of more than 12 months	0.27	1.16
Total non-current financial assets		**2.23**	**2.95**
Current			
a)	Receivables from:		
	- related parties	132.38	123.75
	- others	43.96	28.40
b)	Security deposits	20.34	20.60
c)	Interest accrued on deposits/ advances	10.68	7.45
Total current financial assets		**207.36**	**180.20**
Total other financial assets		**209.59**	**183.15**

NOTE 9 INCOME TAX ASSETS (NET)

i. The following table provides the details of income tax assets and liabilities:

₹ crore

		As at 31 March 2022	As at 31 March 2021
a)	Income tax assets	252.23	289.56
b)	Income tax liabilities	205.09	199.30
Net income tax assets		**47.14**	**90.26**

ii. The gross movement in the income tax asset is as follows:

₹ crore

	Year ended 31 March 2022	Year ended 31 March 2021
Net income tax asset at the beginning	90.26	233.24
Income tax refund (net)	(37.16)	(139.64)
Current income tax expense	(5.96)	(3.34)
Net income tax asset at the end	**47.14**	**90.26**

iii. Income tax expense comprises:

₹ crore

	Year ended 31 March 2022	Year ended 31 March 2021
Current income tax expense	5.96	3.34
Deferred tax credit	(26.14)	(279.61)
Income tax expenses (net) in Statement of Profit and Loss	**(20.18)**	**(276.27)**
Deferred tax expense in other comprehensive income	0.39	0.70
Tax credit (net)	**(19.79)**	**(275.57)**

NOTE 9 INCOME TAX ASSETS (NET)...Contd.

iv. A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the loss before income taxes is as below:

₹ crore

	Year ended 31 March 2022	Year ended 31 March 2021
Loss before income tax	(173.28)	(842.72)
Applicable income tax rate	34.944%	34.944%
Computed expected tax credit	**(60.55)**	**(294.48)**
Effect of expenses not allowed for tax purpose	1.33	17.76
Effect of income not considered for tax purpose	(12.85)	(1.21)
Impact of non recognition of deferred tax (Refer note 9.1)	46.66	-
Others (including impact of tax of joint operations)	5.23	1.66
Income tax expense/ (credit) [net] in the Statement of Profit and Loss	**(20.18)**	**(276.27)**

v. Components of deferred tax assets and liabilities arising on account of temporary differences are:

₹ crore

	As at 31 March 2022	As at 31 March 2021
(a) Deferred tax assets (Refer note 9.1)		
- Business loss / unabsorbed depreciation / MAT credit entitlements	1,708.12	2,189.51
- Impairment allowance on receivables / other assets	0.65	0.65
- Timing difference on tangible and intangible assets' depreciation and amortisation	36.01	41.21
- Expense allowable on payment basis	164.52	164.12
	1,909.30	**2,395.49**
(b) Deferred tax liabilities		
- Arbitration awards	(1,167.56)	(1,679.50)
Total deferred tax assets (net) [a-b]	**741.74**	**715.99**

vi. Movement in components of deferred tax assets and deferred tax liabilities are as follows:

₹ crore

	Business loss / unabsorbed depreciation / MAT credit entitlements	Impairment allowance on receivables / other assets	Timing difference on tangible and intangible assets' depreciation and amortisation	Arbitration awards	Expense allowable on payment basis	Total
At 1 April 2020	2,252.93	0.65	60.89	(1,998.40)	121.01	437.08
(Charged) / credited						
- to profit or loss	(63.42)	-	(19.68)	318.90	43.81	279.61
- to other comprehensive income	-	-	-	-	(0.70)	(0.70)
At 31 March 2021	**2,189.51**	**0.65**	**41.21**	**(1,679.50)**	**164.12**	**715.99**
(Charged) / credited						
- to profit or loss	(481.39)	-	(5.20)	511.94	0.79	26.14
- to other comprehensive income	-	-	-	-	(0.39)	(0.39)
At 31 March 2022	**1,708.12**	**0.65**	**36.01**	**(1,167.56)**	**164.52**	**741.74**

Note 9.1 As at 31 March 2022, the Company has recognised net deferred tax assets amounting to ₹ 741.74 crore (31 March 2021: ₹ 715.99 crore) mainly on account of carried forward unused tax losses, unused tax credits and other taxable temporary differences. While the Company is confident of taxable profits being available against which unused tax losses can be utilized, the Company has not recognized deferred tax asset on the losses incurred effective 1 July 2021. Further, the Company is still evaluating the benefits of exercising the non-reversible option of paying further corporate tax at reduced rates in accordance with section 115BAA of the Income Tax Act, 1961.

NOTE 9 INCOME TAX ASSETS (NET)...Contd.

Based on the expected profits from the unexecuted orders on hand/ future projects, outcome of the ongoing discussion with lenders for restructuring of loans and expected settlement of claims/ arbitration awards with customers, the Company's management is confident that sufficient future taxable income will be available against which such net deferred tax assets recognised as at 31 March 2022 will be realized.

NOTE 10 OTHER ASSETS

₹ crore

	As at 31 March 2022	As at 31 March 2021
Non-current		
a) Capital advances	1.29	0.97
b) Balances with government authorities	64.73	70.42
c) Prepaid expenses	1.88	3.11
Total other non-current assets	**67.90**	**74.50**
Current		
a) Advance to suppliers and sub-contractors	95.20	84.55
b) Balances with government authorities	149.62	82.61
c) Prepaid expenses	11.08	6.45
d) Other current assets	1.82	4.63
Total other current assets	**257.72**	**178.24**
Total other assets	**325.62**	**252.74**

NOTE 11 INVENTORIES

₹ crore

	As at 31 March 2022	As at 31 March 2021
a) Construction raw materials	170.05	182.15
b) Fuel	5.78	5.60
Total inventories	**175.83**	**187.75**

NOTE 12 CASH AND CASH EQUIVALENTS

₹ crore

	As at 31 March 2022	As at 31 March 2021
a) Balances with banks (Refer note 17.4)		
- in current accounts	91.08	54.75
- in deposit account (with original maturity upto 3 months)	146.26	172.92
b) Cash on hand	0.52	0.50
Total cash and cash equivalents	**237.86**	**228.17**

NOTE 13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ crore

	As at 31 March 2022	As at 31 March 2021
Bank deposits with maturity of more than 3 months and less than 12 months (Refer note 17.4 and notes below)	304.00	94.16
Total bank balances other than cash and cash equivalents	**304.00**	**94.16**

Notes:

i) Includes ₹ 7,600 (31 March 2021: ₹ 7,600) which is held in abeyance due to legal cases pending.

ii) Includes ₹ 26.04 crore (31 March 2021: ₹ 35.40 crore) held as margin money against arbitration awards.

Note 13.1 There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31 March 2022.

NOTE 14 UNBILLED WORK-IN-PROGRESS (CONTRACT ASSETS)

₹ crore

	As at 31 March 2022	As at 31 March 2021
Unbilled work-in-progress (contract assets) ^	2,749.63	2,269.24
Less: Transferred to Assets of disposal group held for sale (Refer note 15.2)	(359.40)	-
Total Unbilled work-in-progress (contract assets)	**2,390.23**	**2,269.24**

^ Net of advance received against work bill ₹ 103.14 crore (31 March 2021: ₹ 152.82 crore)

NOTE 15 ASSETS OF A DISPOSAL GROUP HELD FOR SALE

₹ crore

		As at 31 March 2022	As at 31 March 2021
a)	**Freehold land (Refer note 15.1)**		
	Freehold land	6.49	6.49
	Less: Asset reclassified to Property, plant and equipment	(6.49)	-
		-	**6.49**
b)	**Assets of a disposal group held for sale (Refer note 15.2)**		
	- Trade receivables	2,283.06	-
	- Unbilled work-in-progress (contract assets)	359.40	-
		2,642.46	**-**
Total assets of a disposal group held for sale		**2,642.46**	**6.49**

Note 15.1 During the year ended 31 March 2020, the Company had entered into an agreement with a subsidiary company to develop a parcel of freehold land admeasuring approx. 21,208.65 sq. mtrs. and having a built-up area of 98,491 sq. mtrs. situated at Vikhroli under the registration district of Mumbai suburban city. An advance of ₹ 20.20 crore was received as per the terms of the agreement.

Considering the present market conditions, the Company does not foresee to complete the transaction in the next twelve months and therefore the sale no longer classifies as 'highly probable' in accordance with Ind AS 105- Non-current Assets Held for Sale and Discontinued Operations. Accordingly, the same has been re-classified as "Property, plant and equipment".

Considering the present market conditions, the Holding Company does not foresee to complete the transaction in the next twelve months and the sale no longer classifies as 'highly probable' in accordance with Ind AS 105- Non-current Assets Held for Sale and Discontinued Operations. Accordingly, the same has been re-classified as "Property, plant and equipment".

Note 15.2 Pursuant to the proposed resolution plan with lenders, which has become binding due to receipt of requisite majority approvals, the economic and beneficial interest of certain arbitration awards and claims of the Company along with liabilities, represented by debt and accrued interest, will be transferred to a wholly owned subsidiary of the Company. The Board of Directors and shareholders of the Company have approved the resolution plan at their meetings held on 27 May 2021 and 29 June 2021, respectively. In accordance with Ind AS 105- Non-current Assets Held for Sale and Discontinued Operations, the assets (represented by arbitration award and claims) and liabilities (represented by debt and accrued interest / charges) qualify as assets and liabilities of a disposal group held for sale. Consequently, as at 31 March 2022, trade receivables and unbilled work-in-progress (contract assets) aggregating ₹ 2,283.06 crore and ₹ 359.40 crore, respectively, have been classified as assets of a disposal group held for sale. Similarly, as at 31 March 2022, current borrowings, trade payables and other current financial liabilities amounting to ₹ 2,448.94 crore, ₹ 22.30 crore and ₹ 470.80 crore, respectively, have been classified as liabilities of a disposal group held for sale. The Company expects the resolution plan to be implemented by 31 July 2022.

NOTE 16 EQUITY SHARE CAPITAL

₹ crore

	As at 31 March 2022		As at 31 March 2021	
	Number	**Amount**	Number	Amount
Authorised share capital				
Equity shares of ₹ 1 each	2,000,000,000	200.00	2,000,000,000	200.00
Total authorised share capital	**2,000,000,000**	**200.00**	**2,000,000,000**	**200.00**
Issued, subscribed and paid-up equity share capital:				
Equity shares of ₹ 1 each, fully paid up	1,513,028,244^	151.31	1,513,028,244^	151.31
^excludes 13,225 equity shares forfieted by the Company.				
Total issued, subscribed and paid-up equity share capital	**1,513,028,244**	**151.31**	**1,513,028,244**	**151.31**

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

	Number	**₹ crore**
As at 1 April 2020	1,513,028,244	151.31
Issued during the year	-	-
As at 31 March 2021	**1,513,028,244**	**151.31**
Issued during the year	-	-
As at 31 March 2022	**1,513,028,244**	**151.31**

b. Terms/ rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend, if any.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by subsidiary company:

Western Securities Limited, a subsidiary company, holds 52,000 (31 March 2021: 52,000) equity shares in the Company.

d. Shareholding of more than 5%:

Name of the Shareholder	As at 31 March 2022		As at 31 March 2021	
	No. of shares	**% held**	No. of shares	% held
Arya Capital Management Private Limited	244,013,391	16.13%	244,013,391	16.13%
Hincon Holdings Limited	216,023,600	14.28%	216,023,600	14.28%
Asia Opportunities IV (Mauritius) Limited	115,462,961	7.63%	115,462,961	7.63%
HDFC Trustee Company Limited	73,580,077	4.86%	88,027,596	5.82%

As per the 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 ownership of shares.

e. Bonus shares / buy back / shares for consideration other than cash issued 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

NOTE 16 EQUITY SHARE CAPITAL...Contd.

f. Shareholding of promoters

As at 31 March 2022

Name of Promoters	**As at 31 March 2022**		As at 31 March 2021		% Change during the year
	No. of shares held	**% of total shares**	No. of shares held	% of total shares	
Arya Capital Management Private Limited	244,013,391	16.13%	244,013,391	16.13%	-
Hincon Holdings Limited	216,023,600	14.28%	216,023,600	14.28%	-
Hincon Finance Limited	62,261,186	4.12%	62,261,186	4.12%	-
Ajit Gulabchand	2,117,294	0.14%	2,117,294	0.14%	-
Shalaka Investment Private Limited	538,000	0.04%	538,000	0.04%	-
Anjani Ashwin Parekh	251,400	0.02%	251,400	0.02%	-
Shalaka Gulabchand Dhawan	10,000	0.00%*	10,000	0.00%*	-

* represents less than 0.01%

As at 31 March 2021

Name of Promoters	As at 31 March 2021		As at 31 March 2020		% Change during the year
	No. of shares held	% of total shares	No. of shares held	% of total shares	
Arya Capital Management Private Limited	244,013,391	16.13%	244,013,391	16.13%	-
Hincon Holdings Limited	216,023,600	14.28%	216,023,600	14.28%	-
Hincon Finance Limited	62,261,186	4.12%	62,261,186	4.12%	-
Ajit Gulabchand	2,117,294	0.14%	2,117,294	0.14%	-
Shalaka Investment Private Limited	538,000	0.04%	538,000	0.04%	-
Anjani Ashwin Parekh	251,400	0.02%	251,400	0.02%	-
Shalaka Gulabchand Dhawan	10,000	0.00%*	10,000	0.00%*	-

* represents less than 0.01%

g. Pursuant to the approval of the shareholders at the Extra Ordinary General Meeting/ Annual General Meeting held, the allotment committee of the Board of Directors at its meetings held in earlier years allotted collectively to the lenders 236,304,020 equity shares of face value of ₹ 1 each aggregating ₹ 828.35 crore and 14,671,590 optionally convertible debentures (OCDs) of face value of ₹ 1,000 each at par (carrying coupon rate of 0.01% p.a.) aggregating ₹ 1,467.16 crore on preferential basis as part of the Scheme for Sustainable Structuring of Stressed Assets (S4A Scheme).

The implementation of the S4A Scheme and the consequent allotment of equity shares/ OCDs have been made in respect of all the lenders except for few lenders who will be allotted equity shares and OCDs once they exercise their option. Number of equity shares/OCDs to be allotted will be determined based on the share price prevailing at the time of such allotment.

NOTE 16A OTHER EQUITY

₹ crore

	Reserves and surplus							Equity Instruments at fair value through other comprehensive income	Total equity attributable to equity holders
	Capital reserve	Forfeited debentures account	Securities premium	Debenture redemption reserve	Foreign currency monetary translation reserve	General reserve	Retained earnings		
As at 1 April 2020	15.19	0.02	2,568.76	54.99	7.09	174.38	(1,767.57)	(25.43)	1,027.43
Loss for the year	-	-	-	-	-	-	(566.45)	-	(566.45)
Other comprehensive income for the year	-	-	-	-	-	-	1.29	5.60	6.89
Restatement of foreign currency monetary translation items	-	-	-	-	(4.60)	-	-	-	(4.60)
Amortization of foreign currency monetary translation items	-	-	-	-	(2.72)	-	-	-	(2.72)
As at 31 March 2021	**15.19**	**0.02**	**2,568.76**	**54.99**	**(0.23)**	**174.38**	**(2,332.73)**	**(19.83)**	**460.55**
Loss for the year	-	-	-	-	-	-	(153.10)	-	(153.10)
Other comprehensive income for the year	-	-	-	-	-	-	0.73	7.13	7.86
Restatement of foreign currency monetary translation items	-	-	-	-	3.84	-	-	-	3.84
Amortization of foreign currency monetary translation items	-	-	-	-	(2.13)	-	-	-	(2.13)
As at 31 March 2022	**15.19**	**0.02**	**2,568.76**	**54.99**	**1.48**	**174.38**	**(2,485.10)**	**(12.70)**	**317.02**

NOTE 16A EQUITY SHARE CAPITAL...Contd.

Nature and purpose of reserves

i. Capital reserve

The Company recognizes profit or loss on purchase or cancellation (including forfeiture) of its own equity instruments to capital reserve.

ii. Forfeited debentures account

The Company recognizes profit or loss on purchase or cancellation (including forfeiture) of its own debentures to forfeited debentures account.

iii. Securities premium

Securities premium is used to record the premium received on issue of shares or debentures. This account is utilised in accordance with the provisions of the Companies Act, 2013 ('the Act').

iv. Debenture redemption reserve

The Act requires that where a Company issues debentures, it shall create a debenture redemption reserve out of profits of the Company available for payment of dividend. The Company is required to maintain a Debenture Redemption Reserve of 25% of the value of the debentures issued, either by a public issue or a private placement basis. The amounts credited to the debenture redemption reserve cannot be utilised by the Company except to redeem debentures.

v. Foreign currency monetary translation reserve

Exchange difference arising on translation of the long term monetary item is accumulated in separate reserve within equity. The cumulative amount is reclassified to the Statement of Profit and Loss over the life of the monetary asset / liability on a straight line basis.

vi. General reserve

Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of net profit to general reserve has been withdrawn.

vii. Retained earnings

Retained earnings represents the profits / losses that the Company has earned / incurred till date inlcuding gain / (loss) on remeasurement of defined benefits plans as adjusted for distirbutions to owners, transfer to other reserves, etc.

viii. Other comprehensive income

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within FVTOCI reserve within equity. The Company transfers amount from this reserve to retained earnings when the relevant equity securities are disposed off.

NOTE 17 BORROWINGS

₹ crore

	As at 31 March 2022	As at 31 March 2021
I Non-current borrowings:		
Secured		
(A) Rupee Term Loans (RTL-A)	-	1.71
(B) 0.01% Optionally Convertible Debentures (OCDs) [Refer note 16(g)]		
- From banks	854.22	1,084.24
- From others	88.29	111.38
	942.51	**1,197.33**
Unsecured		
- Foreign Currency Term Loan from bank	22.39	-
Total non-current borrowings	**964.90**	**1,197.33**
II. Current borrowings		
Secured		
i) Current maturities of long-term borrowings		
(a) Non-Convertible Debentures (RTL-1)	41.12	63.37
(b) Rupee Term Loans (RTL-A)		
- From bank	53.61	67.32
- From others	25.90	25.35
(c) Rupee Term Loans (RTL-1)		
- From banks	47.91	66.87
- From others	41.93	44.80
(d) Rupee Term Loans (RTL-2)		
- From banks	287.37	316.09
- From others	37.93	38.35
(e) Working Capital Term Loans (WCTL-2)		
- From bank	4.52	4.91
- From others	11.08	11.06
(f) Foreign Currency Term Loan from others	72.04	69.63
(g) 0.01% Optionally Convertible Debentures (OCDs) [Refer note 16(g)]		
- From banks	225.68	-
- From others	23.09	-
	872.18	**707.75**
ii) Cash credit facilities (Repayable on demand)	1,154.31	1,123.09
iii) Other working capital loans from banks	636.56	718.56
Unsecured		
i) Current maturities of long-term borrowings		
- Foreign Currency Term Loan from bank	-	50.79
ii) Loans from related parties (Repayable on demand)	0.41	0.41
iii) Other bank loans	164.60	153.88
Total	**2,828.06**	**2,754.48**
Less: Transferred to Liabilities of a disposal group held for sale (Refer note 15.2 and 22)	(2,448.94)	-
Total current borrowings	**379.12**	**2,754.48**
Total borrowings (I + II)	**1,344.02**	**3,951.81**

Notes:

(i) For security details and terms of repayment, refer note 17.1 below.

(ii) Also refer note 17.4 below

NOTE 17 BORROWINGS...Contd.

17.1 Details of security and terms of repayment

I. Secured

(a) Non-Convertible Debentures (RTL-1)

These debentures are classified as RTL-1. These debentures carry an interest yield of 11.50% p.a. and are repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. Refer note 17.1.1 for security details.

The company is in default is in default of repayment thereof. refer note 17.1.1for security details.

(b) Rupee Term Loans (RTL-A)

RTL-A carries interest rate of 11.75% p.a., payable monthly, over the five years commencing 25 May 2017. Refer note 17.1.1 for security details.

(c) Rupee Term Loans 1 (RTL-1) and Rupee Term Loans 2 (RTL-2)

RTL- 1 and RTL- 2 carry an interest yield of 11.50% p.a. and are repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. Refer note 17.1.1 for security details.

(d) Working Capital Term Loan (WCTL-2)

Working Capital Term Loan (WCTL-2) carries an interest rate ranging from 11.10% p.a. to 11.75% p.a. (floating) linked to Monitoring Institution's base rate. These are repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. Refer note 17.1.1 for security details.

(e) Foreign Currency Term Loans

Asia Opportunities (IV) Mauritius Limited - External Commercial Borrowing ('ECB')

The ECB loan carries a floating interest rate equal to 3 month LIBOR plus 350 basis points and was repayable in three quarterly instalments commencing from 31 December 2019. The facility is secured by first charge by way of hypothecation of plant and machinery acquired under the facility described in the first schedule to the memorandum of hypothecation.

(f) Optionally Convertible Debentures (OCDs)

OCDs have been issued to the lenders as part of the S4A Scheme with a tenor of 10 years and a coupon of 0.01% with an interest yield of 11.50% p.a. in yield equalization compounded on a quarterly basis. After the expiry of eighteen months from the issuance, the OCDs were to be converted into non-convertible debentures in case of non-occurrence of event of default as per the guidelines of the S4A Scheme. Pursuant to the exemption provided by the Securities and Exchange Board of India ('SEBI') from the application of Regulation 75 of SEBI ICDR regulations to the Company, the tenure of OCDs has been extended for a further 8.5 years beyond the statutorily prescribed period of 18 months. The lenders have an option to convert the OCDs into equity shares of the Company, in accordance with the terms thereof including in case of any event of default or default in payment during the 10 years from the date of issuance of respective OCDs. The repayment of the OCD commences from the 6th anniversary of the allotment date. Details of principal maturity have been provided below. Also refer note 17.1.2 for security details.

Date of Repayment	₹ crore
30 September 2022	248.77
30 September 2023	249.48
30 September 2024	233.59
30 September 2025	225.16
30 September 2026	234.28

(g) Cash credit facilities

Cash credit facilities carry a floating interest rate equal to 6 month ICICI MCLR plus 285 basis points and are repayable on demand. Refer note 17.1.3 for security details.

(h) Working capital loan

Working Capital Loans carry a floating interest rate equal to 6 month ICICI MCLR plus 285 basis points. Working Capital Loans includes loans aggregating ₹ 636.56 crore, which were contractually repayable between 30 June 2019 and 31 March 2021 and the Company has defaulted in the repayment thereof.

NOTE 17 BORROWINGS...Contd.

Unsecured

(a) Foreign Currency Term Loan from Bank

This loan was repayable in 26 monthly instalments commencing from 31 May 2019 and ending on 30 June 2021. However, during the current year, the Company has entered into an amendment agreement with the lender wherein the parties have agreed to restructure the outstanding amounts for USD 6.89 million with fixed interest rate of 1.91% p.a. compounded annually, repayable in 3 structured instalments commencing from 31 December 2028 and ending on 31 December 2030. Consequently, resulting gain of ₹ 30.16 crore has been recognised in the Statement of Profit and loss for the current year.

(b) Loan from related parties

Loans from related parties carry an interest rate of 12.50% p.a. (31 March 2021: 12.50% p.a.) and are repayable on demand.

(c) Other bank loan

As at 31 March 2022, bank guarantees aggregating ₹ 164.60 crore (31 March 2021: ₹ 153.88 crore) have been encashed by customers/ suppliers of the Company. Pursuant to the encashment of guarantees, these amounts were demanded by the respective banks and the Company has defaulted in the repayment thereof. Consequently, these dues have been presented as "other bank loans" under current borrowings. These loans carry a floating interest rate equal to 6 month ICICI MCLR plus 285 basis points.

Note 17.1.1: RTL-A, RTL-1, RTL-2 and WCTL-2 are secured in the form of:

1. The parcel of land (immovable non-residential property) admeasuring 22 acres and 24 gunthas at Tara Village, Panvel Taluka described as the First Mortgaged Properties.
2. All the present and future movable assets of the Borrower (excluding 'Current Assets' and 'Specified Assets') as the Second Mortgaged Properties.
3. All the present and future current assets of the Borrower (other than those forming part of 'Additional Assets') as the Third Mortgaged Properties.
4. All of the 'Additional Assets' collectively referred to as the Fourth Mortgaged Properties.
5. All of the 'Specified Assets' collectively referred to as the Fifth Mortgaged Properties.

The terms 'Current Assets', 'Specified Assets' and 'Additional Assets' have been defined in the Master Restructuring Agreement (MRA).

The above security having ranking in respect to RTL1 and RTL-A are as below:

1. A first ranking and pari passu security interest by way of legal mortgage over the First Mortgaged Properties and Second Mortgaged Properties.
2. A second ranking and pari passu security interest by way of legal mortgage over the Third Mortgaged Properties, Fourth Mortgaged Properties and the Fifth Mortgaged Properties.

The above security having ranking in respect to RTL2 and WCTL2 are as below:

A second ranking and pari passu security interest by way of legal mortgage over all the Mortgaged Properties.

Collateral security pari-passu with lenders defined in MRA:

1. HREL Real Estate Limited has provided Corporate guarantee for the above outstanding facilities of the Company.
2. First pari-passu charge on 154,151,669 shares of the Company and second charge on 85,767,617 equity shares of the Company held by Hincon Holdings Limited and Hincon Finance Limited.
3. Personal guarantee of the Chairman and Managing Director of the Company.

Note 17.1.2 Optionally Convertible Debentures (OCDs) are secured in the form of:

1. First ranking pari passu charge on all of the Company's Property, plant and equipment (immovable and movable) [excluding the Specified Assets and Excluded Assets]; and
2. Second ranking and pari passu security interest by way of a legal mortgage over the First, Second and the Fifth Mortgaged Properties as specified in the mortgage deed. The security perfection has been completed on the OCD facilities issued as part of the S4A scheme.

NOTE 17 BORROWINGS...Contd.

Collateral security pari-passu with all S4A lenders:

1. HREL Real Estate Limited has provided Corporate guarantee for the above outstanding facilities of the Company.
2. First par-passu charge on Pledge of 85,767,617 equity shares of the Company and second charge on 154,151,669 equity shares of the Company held by Hincon Finance Limited and Hincon Holdings Limited.
3. Personal guarantee of the Chairman and Managing Director of the Company.

Note 17.1.3 Security and terms for Cash Credit Facilities and Other Working Capital Demand Loan:

1. The parcel of land (immovable non-residential property) admeasuring 22 acres and 24 gunthas at Tara Village, Panvel Taluka described as the First Mortgaged Properties.
2. All the present and future movable assets of the Borrower (excluding 'Current Assets' and 'Specified Assets') as the Second Mortgaged Properties.
3. All the present and future current assets of the Borrower (other than those forming part of 'Additional Assets') as the Third Mortgaged Properties.
4. All of the 'Additional Assets' collectively referred to as the Fourth Mortgaged Properties.
5. All of the 'Specified Assets' collectively referred to as the Fifth Mortgaged Properties.

The above security having ranking as below:

1. A first ranking and pari passu security interest by way of legal mortgage over the Third and Fourth Mortgaged Properties.
2. In the form of a second ranking and pari passu security interest by way of a legal mortgage over the First, Second and the Fifth Mortgaged Properties.

Collateral security pari-passu with lenders defined in MRA are same as indicated in note 17.1.1.

The securities towards working capital facilities also extend to guarantees given by the banks on behalf of the Company.

The terms 'Current Assets', 'Specified Assets' and 'Additional Assets' have been defined in the MRA.

Note 17.2 Right to Recompense:

In accordance with the provisions of Master Restructuring Agreement (MRA) dated 29 June 2012 executed between the Company and its lenders, as amended from time to time and pursuant to deliberations between the parties, lenders have agreed for the recompense amount to be settled by the Company in the form of equity shares to be issued at a future date, which is inter-alia dependent upon various factors including improved financial performance of the Company and other conditions, and which would be restricted to a maximum of 2.87% of equity share capital of the Company on the date of issue of such equity shares.

Note 17.3 Net debt reconciliation

An analysis of net debts and the movement in net debts for the years ended 31 March 2022 and 31 March 2021 is as follows:

₹ crore

		As at 31 March 2022	As at 31 March 2021
(A)	Non-current borrowings (including interest accrued)	1,801.20	2,005.65
(B)	Current borrowings (including interest accrued)	3,585.84	3,084.76
(C)	Cash and cash equivalents	237.86	228.17
Net debt (D) = (A)+(B)-(C)		**5,149.18**	**4,862.24**

Note:

(i) Excludes ₹ 1,128.61 crore (31 March 2021: ₹ 1,001.95 crore) representing financial liabilities (including interest) of an erstwhile subsidiary taken over by the Company.

(ii) Includes borrowings classified as Liabilities of a disposal group held for sale.

NOTE 17 BORROWINGS...Contd.

₹ crore

	Other assets	Liabilities from financing activities		Total
	Non-current borrowings (A)	Current borrowings (B)	Cash and cash equivalents (C)	(D) = (A)+(B)-(C)
Net debt as at 1 April 2020	**2,668.03**	**1,390.16**	**85.92**	**3,972.27**
Net increase in cash and cash equivalents	-	-	142.40	(142.40)
Repayment of long-term borrowings	(160.04)	-	-	(160.04)
Proceeds from short-term borrowings	-	741.62	-	741.62
Interest rate fluctuations	-	-	(0.15)	0.15
Interest expense	212.62	312.41	-	525.03
Reclassification	(644.85)	644.85	-	-
Interest paid	(70.11)	(4.28)	-	(74.39)
Net debt as at 31 March 2021	**2,005.65**	**3,084.76**	**228.17**	**4,862.24**
Net debt as at 1 April 2021	**2,005.65**	**3,084.76**	**228.17**	**4,862.24**
Net increase in cash and cash equivalents	-	-	9.82	(9.82)
Repayment of long-term borrowings	(6.05)	-	-	(6.05)
Repayment of short-term borrowings	-	(124.55)	-	(124.55)
Interest rate fluctuations	-	-	(0.13)	0.13
Interest expense	247.04	364.43	-	611.47
Reclassification	(427.35)	427.35		-
Interest paid	(18.09)	(166.15)	-	(184.24)
Net debt as at 31 March 2022	**1,801.20**	**3,585.84**	**237.86**	**5,149.18**

Note 17.4 In respect of below balances, direct confirmations have not been received:

₹ crore

	As at 31 March 2022	As at 31 March 2021
Current borrowings	49.67	2.10
Other current financial liabilities	320.55	616.09
Liabilities of a disposal group held for sale	2.85	-
	373.07	**618.19**

In the absence of confirmations / statements from lenders, the Company has provided for interest (including penal interest) based on the interest rate specified in the agreement or latest communication available from the respective lenders and interest has been computed on the balance of loans as per Company's records. The Company's management believes that amount payable will not exceed the liability provided in the financial results in respect of these borrowings.

Further, balances with banks (included under cash and cash equivalents) and bank deposits (included under bank balances other than cash and cash equivalents) as at 31 March 2022 include balances amounting to ₹ 2.18 crore (31 March 2021: ₹ 2.10 crore) and ₹ 0.95 crore (31 March 2021: ₹ 10.91 crore), respectively, for which confirmations/ statements from banks have not been received.

NOTE 17 BORROWINGS...Contd.

Note 17.5: Default in repayment of Borrowings

As at 31 March 2022, the Company has defaulted in repayment of borrowings (non-current and currrent) including interest thereon. The item-wise breakup is as under:

₹ crore

Sr. No.	Category	Period	Principal	Interest
1	Non-Convertible Debentures	31 to 90 days	-	-
		91 to 180 days	1.49	0.02
		181 to 365 days	2.98	0.23
2	Term Loans from Banks	31 to 90 days	13.65	21.66
		91 to 180 days	20.83	13.69
		181 to 365 days	48.37	43.00
		> 365 days	298.96	116.20
3	Term Loans from Financial Institutions	31 to 90 days	1.55	7.93
		91 to 180 days	6.86	4.19
		181 to 365 days	16.12	12.48
		> 365 days	157.40	36.95
4	Working Capital Demand Loans	> 365 days	636.57	44.84
5	Cash Credit Facilities	> 365 days	493.74	118.98
6	Other Bank Loans	91 to 180 days	10.73	1.02
		> 365 days	153.90	47.34
	Total		**1,863.15**	**468.53**

As at 31 March 2021, the Company has defaulted in repayment of borrowings (non-current and current) including interest thereon. The item-wise breakup is as under:

₹ crore

Sr. No.	Category	Period	Principal	Interest
1	Non-Convertible Debentures	31 to 90 days	5.71	1.30
		91 to 180 days	5.71	0.92
		181 to 365 days	5.71	2.22
2	Term Loans from Banks	31 to 90 days	45.08	32.01
		91 to 180 days	43.29	12.25
		181 to 365 days	95.67	29.72
		> 365 days	139.57	47.99
3	Term Loans from Financial Institutions	31 to 90 days	11.53	4.64
		91 to 180 days	9.41	3.60
		181 to 365 days	56.30	11.47
		> 365 days	133.51	30.56
4	Working Capital Demand Loans	> 365 days	529.75	31.63
5	Cash Credit Facilities	31 to 90 days	155.18	1.58
		181 to 365 days	13.81	-
		> 365 days	436.49	58.79
6	Other Bank Loans	31 to 90 days	-	-
		91 to 180 days	9.10	0.68
		181 to 365 days	56.63	6.25
		> 365 days	88.17	14.32
	Total		**1,840.62**	**289.95**

NOTE 17 BORROWINGS...Contd.

Note 17.6 Reconciliation of stock statement submitted to the consortium banks with books of account where borrowings have been availed based on security of current assets:

₹ crore

Quarter ended	Name of the Bank	Particulars	Amount as per books of accounts	Amount reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
30 June 2021	ICICI Bank, Punjab National Bank, Indian Bank, Union Bank of India, Canara Bank, State Bank of India, IDBI Bank Limited, Jammu & Kashmir Bank, Standard Chartered Bank, Bank of Baroda, Federal Bank, DBS Bank	Inventory and Unbilled work-in-progress	2,741.38	2,160.21	581.17	Refer note below
		Trade Receivables	4,285.78	2,410.07	1,875.71	
30 September 2021		Inventory and Unbilled work-in-progress	2,796.76	2,205.14	591.62	Refer note below
		Trade Receivables	3,800.76	1,631.40	2,169.36	
31 December 2021		Inventory and Unbilled work-in-progress	2,989.20	2,287.09	702.11	Refer note below
		Trade Receivables	3,961.10	1,713.78	2,247.32	

₹ crore

Quarter ended	Name of the Bank	Particulars	Amount as per books of accounts	Amount reported in the quarterly return/statement	Amount of difference	Reason for material discrepancies
30 June 2020	ICICI Bank, Punjab National Bank, Indian Bank, Union Bank of India, Canara Bank, State Bank of India, IDBI Bank Limited, Jammu & Kashmir Bank, Standard Chartered Bank, Bank of Baroda, Federal Bank, DBS Bank	Inventory and Unbilled work-in-progress	2,788.06	2,288.74	499.32	Refer note below
		Trade Receivables	4,379.89	3,131.96	1,247.93	
30 September 2020		Inventory and Unbilled work-in-progress	2,873.91	2,403.03	470.89	Refer note below
		Trade Receivables	4,373.87	3,224.20	1,149.67	
31 December 2020		Inventory and Unbilled work-in-progress	2,947.78	2,435.00	512.78	Refer note below
		Trade Receivables	4,269.95	3,238.29	1,031.66	
31 March 2021		Inventory and Unbilled work-in-progress	2,609.82	1,969.90	639.92	Refer note below
		Trade Receivables	4,398.21	2,592.58	1,805.63	

Note : Difference is mainly on account of arrangement with banks/ financial institution, which requires the Company to submit the details of inventory, trade receivable, unbilled work-in-progress excluding projects executed as joint operations and projects which are closed/ suspended/ terminated etc.

NOTE 18 OTHER FINANCIAL LIABILITIES

₹ crore

	As at 31 March 2022	As at 31 March 2021
Non-current		
a) Financial liabilities of an erstwhile subsidiary assumed (Refer note 18.1)	490.20	513.73
b) Interest accrued but not due (Refer note 18.2)	1,014.86	944.16
Total non-current financial liabilities	**1,505.06**	**1,457.89**
Current		
a) Interest accrued but not due (Refer notes 17.4 and 18.2)	445.76	147.06
b) Interest accrued and due (Refer notes 17.4, 17.5 and 18.2)	516.64	317.73
c) Unpaid dividends ^	0.00 *	0.00 *
d) Financial liabilities of an erstwhile subsidiary assumed (Refer notes 18.1 and 17.4)	255.24	232.20
e) Others		
i) Due to employees	97.04	91.43
ii) Interest payable on contractee advances	213.44	178.80
iii) Due to related parties (Refer note 39)	1.63	1.82
iv) Liability for capital goods (Refer note 20.3)	6.46	7.42
v) Other liabilities	2.43	2.22
	1,538.64	**978.68**
Less: Transferred to liabilities of a disposal group held for sale (Refer notes 15.2 and 22)	(470.80)	-
Total current financial liabilities	**1,067.84**	**978.68**
Total other financial liabilities	**2,572.90**	**2,436.57**

^ Includes ₹ 7,600 (31 March 2021: ₹ 7,600) which is held in abeyance due to legal cases pending

* represents amount less than ₹ 1 lakh.

NOTE 18 OTHER FINANCIAL LIABILITIES...Contd.

₹ crore

	As at 31 March 2022	As at 31 March 2021
Other financial liabilities carried at amortised cost	2,572.90	2,436.57
Other financial liabilities carried at FVPL	-	-

Note 18.1 Details of security and terms of repayment

Liability towards invocation of put options and corporate guarantees by lenders of Lavasa Corporation Limited ('LCL')

(i) Pursuant to sanction letters entered with lenders of LCL during earlier years, liabilities aggregating ₹ 865.23 crore were taken over by the Company at ₹ 515 crore. As per the sanction letters, these liabilities carried an interest of 9.50% p.a. compounded quarterly with effect from 1 October 2018 and were to be repaid by 31 March 2023 from realization of certain identified claims. However, as per the current resolution plan, which has been approved by the respective Board/ Committees of 100% lenders making the resolution plan binding on all lenders, the aforesaid lenders of LCL would be repaid as per the revised payment plan between March 2023 to June 2029. Pending the implementation of the resolution plan, the differential between the liability pursuant to the put option agreement and the liability as per the revised sanction letter mentioned above, has been reported under contingent liabilities in the financial statements [Refer note 33(A)(v)].

(ii) Further, certain lenders of LCL had invoked corporate guarantees of the Company during earlier years. Accordingly, the liability of ₹ 232.20 crore has been recognised by the Company. These liabilities carried an interest of 9.50% p.a. compounded quarterly with effect from 1 October 2018. As per the current resolution plan, remaining liability towards invocation of corporate guarantees shall be repaid between 30 June 2029 and 30 June 2031. Pending the implementation of the resolution plan, no adjustments have been given in the financial statements.

Note: 18.2 Includes ₹ 178.56 crore (31 March 2021: ₹ 135.83 crore) and ₹ 204.62 crore (31 March 2021: ₹ 120.19 crore) in respect of non-current interest accrued but not due and current interest accrued but not due respectively, towards financial liabilities of LCL assumed as mentioned in Note 18.1 above.

NOTE 19 PROVISIONS

₹ crore

	As at 31 March 2022	As at 31 March 2021
Non-current		
Provision for employee benefits (Refer note 37)		
- Gratuity	25.10	28.95
- Leave entitlement and compensated absences	12.01	13.07
Total non-current provisions	**37.11**	**42.02**
Current		
a) Provision for employee benefits (Refer note 37)		
- Gratuity	6.12	7.38
- Leave entitlement and compensated absences	2.29	4.40
b) Provision for foreseeable losses (Refer note 19.1 below)	324.94	128.07
Total current provisions	**333.35**	**139.85**
Total provisions	**370.46**	**181.87**

Note 19.1 The Company has adequately recognized expected losses on projects wherever it was probable that total contract costs will exceed total contract revenue.

NOTE 20 TRADE PAYABLES

₹ crore

	As at 31 March 2022	As at 31 March 2021
Total outstanding dues of micro enterprises and small enterprises (Refer note 20.1 below)	79.06	48.00
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer note 20.3)	1,769.63	1,601.90
	1,848.69	**1,649.90**
Less: Transferred to liabilities of a disposal group held for sale (Refer notes 15.2 and 22)	(22.30)	-
Total Trade Payables	**1,826.39**	**1,649.90**

NOTE 20 TRADE PAYABLES...Contd.

Note 20.1 Dues to Micro and Small Enterprise

The dues to micro and small enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the Company is given below:

₹ crore

		As at 31 March 2022	As at 31 March 2021
(a)	The principal amount and the interest due thereon remaining unpaid to supplier as at the end of year:		
	- Principal amount due to micro and small enterprises	79.06	48.00
	- Interest due	6.99	5.56
(b)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	1.53	1.38
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	1.14	1.82
(e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	8.52	7.38

Note 20.2 Trade payables are non-interest bearing and are normally settled as per the payment terms stated in the contract.

Note 20.3 Trade payables and liabilities for capital goods (under other current financial liabilities) as at 31 March 2022 include ₹ 36.43 crore and ₹ 3.26 crore, respectively, to parties situated outside India. These balances are pending for settlement due to financial difficulties presently being faced by the Company and have resulted in delay in remittance of payments beyond the timeline stipulated by the FED Master Direction No. 17/2016-17, under the Foreign Exchange Management Act, 1999. The Company is in the process of regularising these defaults by filing necessary applications with the appropriate authority for condonation of delay. Pending conclusion of the aforesaid matters, the amount of penalty, if any, that may be levied, is not ascertainable but also not expected to be material to the standalone financial statements, and accordingly, the standalone financial statements do not include any adjustments that may arise due to such delay/ default.

Note 20.4 Trade Payables ageing schedule

₹ crore

As at 31 March 2022	**Outstanding for following periods from due date of payment**						
	Not due	**Unbilled**	**Less than 1 year**	**1 -2 years**	**2 -3 years**	**More than 3 years**	**Total**
(i) MSME	-	-	69.76	2.22	4.61	2.47	79.06
(ii) Others	476.64	619.08	370.87	67.20	45.05	190.79	1,769.63
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-	-
	476.64	**619.08**	**440.63**	**69.42**	**49.66**	**193.26**	**1,848.69**

₹ crore

As at 31 March 2021	Outstanding for following periods from due date of payment						
	Not due	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	30.43	9.03	2.47	6.07	48.00
(ii) Others	441.47	501.83	367.22	15.35	58.53	217.50	1,601.90
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-	-
	441.47	**501.83**	**397.65**	**24.38**	**61.00**	**223.57**	**1,649.90**

NOTE 21 OTHER CURRENT LIABILITIES

₹ crore

			As at 31 March 2022	As at 31 March 2021
a)	Due to customers (revenue received in advance)		117.97	112.20
b)	Advance:			
	-	from contractees	1,539.40	1,742.16
	-	towards sale of freehold land (Refer notes 15.1)	20.20	20.20
	-	towards sale of investments (Refer notes 5.4)	15.00	15.00
c)	Others:			
	-	Statutory dues payable	28.56	27.27
	-	Other liabilities	21.38	21.53
Total other current liabilities			**1,742.51**	**1,938.36**

NOTE 22 LIABILITIES OF A DISPOSAL GROUPS HELD FOR SALE

₹ crore

		As at 31 March 2022	As at 31 March 2021
a)	Current borrowings	2,448.94	-
b)	Other financial liabilities	470.80	-
c)	Trade payables	22.30	-
Total Liabilities of a disposal groups held for sale		**2,942.04**	**-**

Also, refer note 15.2

NOTE 23 INCOME FROM OPERATIONS

₹ crore

			Year ended 31 March 2022	Year ended 31 March 2021
a)	Sale of products and services:			
	-	Contract revenue	4,235.56	2,339.66
b)	Other operating revenue			
	-	Interest on arbitration awards	424.39	227.38
	-	Provision no longer required written back	6.33	22.70
			430.72	**250.08**
Total revenue from operations			**4,666.28**	**2,589.74**

Notes

Disclosure in accordance with Ind AS 115 - Revenue from Contracts with Customers

(a) Disaggregation of revenue

Company's entire business falls under one operational segment of 'Engineering and Construction'. Contract revenue represents revenue from Engineering and Construction contracts wherein the performance obligation is satisfied over a period of time. Further, the management believes that the nature, amount, timing and uncertainty of revenue and cash flows from all its contracts are similar. Accordingly, disclosure of revenue recognised from contracts disaggregated into categories has not been made.

(b) Unsatisfied performance obligations

The aggregate amount of transaction price allocated to performance obligations that are unsatisfied as at the end of reporting period is ₹ 15,967 crore (31 March 2021: ₹ 17,914 crore). Most of Company's contracts have a life cycle of three to five years. Management expects that around 25%-30% of the transaction price allocated to unsatisfied contracts as of 31 March 2022 will be recognised as revenue during next reporting period depending upon the progress on each contracts. The remaining amounts are expected to be recognised over the next three to four years. The amount disclosed above does not include variable consideration.

NOTE 23 INCOME FROM OPERATIONS...Contd.

(c) Contract balances

(i) Movement in contract balances during the year:

₹ crore

	Contract Assets (unbilled work-in-progress)	Contract Liabilities (due to customers)	Net Contract balances
Balance as at 1 April 2020	2,478.11	494.53	1,983.58
Net Increase / (decrease)	(208.87)	(382.33)	173.46
Balance as at 31 March 2021	**2,269.24**	**112.20**	**2,157.04**
Net Increase / (decrease)	480.39	5.77	474.62
Balance as at 31 March 2022	**2,749.63 ^**	**117.97**	**2,631.66**

^ includes ₹ 359.40 crore classified as assets of a disposal group held for sale (Refer note 14 and 15.2)

Note: Increase in contract assets is primarily due to lesser certification of progress bills as compared to revenue for the year. Further, contract liability has increased due to lesser recognition of revenue as compared to progress bills raised during the year.

(ii) Revenue recognised during the year from opening balance of contract liability (i.e. due to customers) amounts to ₹ 82.01 crore (31 March 2021: ₹ 130.44 crore)

(iii) Revenue recognised during the year from the performance obligation satisfied upto previous year amounts to ₹ 479.01 crore (31 March 2021: ₹ 4.63 crore)

(d) Out of the total revenue recognised during the year (excluding provision no longer required written back), ₹ 4,659.95 crore (31 March 2021: ₹ 2,567.04 crore) is recognised over a period of time and ₹ 6.33 crore (31 March 2021: ₹ 22.70 crore) is recognised at a point in time.

(e) There are no reconciliation items between revenue from contracts with customers and revenue recognised with contract price.

(f) Cost to obtain or fulfil the contract:

i. Amount of amortisation recognised in Statement of Profit and Loss during the year : Nil

ii. Amount recognised as contract assets as at 31 March 2022 : Nil

NOTE 24 OTHER INCOME

₹ crore

		Year ended 31 March 2022	Year ended 31 March 2021
a)	Interest income	60.40	29.10
b)	Dividend from long-term investments	0.04	0.03
c)	Other non-operating income		
-	Profit on disposal of property, plant and equipment (net)	2.36	12.93
-	Plant hire income	12.80	5.02
-	Exchange gain (net)	1.39	2.66
-	Miscellaneous	3.25	2.90
Total other income		**80.24**	**52.64**

NOTE 25 COST OF MATERIALS CONSUMED

₹ crore

	Year ended 31 March 2022	Year ended 31 March 2021
Stock at beginning of the year	182.15	187.52
Add: Purchases	876.92	537.00
	1,059.07	**724.52**
Less: Sale of scrap and unserviceable material	(23.95)	(16.81)
	1,035.12	**707.71**
Less: Stock at the end of the year	(170.05)	(182.15)
Total cost of construction materials consumed	**865.07**	**525.56**

NOTE 26 CONSTRUCTION EXPENSES

₹ crore

		Year ended 31 March 2022	Year ended 31 March 2021
a)	Power, fuel and water	137.83	129.47
b)	Insurance	15.94	24.78
c)	Rent (Refer note 42)	88.83	54.06
d)	Transportation	27.45	18.33
e)	Others	21.46	18.30
Total construction expenses		**291.51**	**244.94**

NOTE 27 EMPLOYEE BENEFITS EXPENSE

₹ crore

		Year ended 31 March 2022	Year ended 31 March 2021
a)	Salaries and wages	301.77	287.99
b)	Contribution to provident and other funds	25.15	19.27
c)	Staff welfare	19.00	16.48
Total employee benefits expense		**345.92**	**323.74**

Note 27.1 The Company has accrued/ paid managerial remuneration to Chairman and Managing Director ('CMD') and Whole Time Director ('WTD') for the years ended 31 March 2022, 31 March 2021 and 31 March 2020, in excess of the limits prescribed under Section 197 of the Act as follows:

₹ crore

Financial Year	Remuneration accrued	Remuneration paid	Excess remuneration accrued / paid	Excess remuneration paid held in trust
31 March 2020	13.57	3.75	13.57	3.75
31 March 2021	13.50	1.44	13.50	1.44
31 March 2022	14.00	1.80	14.00	1.80
Total	**41.07**	**6.99**	**41.07**	**6.99**

While the approval for payment of the aforementioned managerial remuneration has been obtained from the shareholders, the requisite prior approval from lenders are yet to be obtained, which the Company expects to obtain along side implementation of the resolution plan.

NOTE 28 FINANCE COSTS

₹ crore

		Year ended 31 March 2022	Year ended 31 March 2021
a)	**Interest expense on:**		
	- debentures	259.80	223.79
	- term loans and cash credit	351.66	301.24
	- lease liabilities (Refer note 42)	0.29	0.24
	- advance from contractees	108.75	120.64
	- financial liabilities of an erstwhile subsidiary assumed	127.08	112.18
	- others	36.17	27.46
b)	**Other borrowing costs**		
	- guarantee commission	60.86	37.82
	- other finance charges	4.19	6.52
Total finance costs		**948.80**	**829.89**

NOTE 29 DEPRECIATION AND AMORTISATION EXPENSE

₹ crore

		Year ended 31 March 2022	Year ended 31 March 2021
a)	Depreciation of tangible assets (Refer note 3A)	91.31	87.79
b)	Depreciation of right-of-use assets (Refer note 3B)	1.89	2.83
c)	Amortisation of intangible assets (Refer note 4)	0.44	0.44
Total depreciation and amortisation expense		**93.64**	**91.06**

NOTE 30 OTHER EXPENSES

₹ crore

			Year ended 31 March 2022	Year ended 31 March 2021
a)	Stationery, postage, telephone and advertisement		3.38	2.93
b)	Travelling and conveyance		7.12	4.05
c)	Professional fees		33.63	18.80
d)	Rates and taxes		23.85	75.10
e)	Repairs and maintenance- building		3.95	3.56
f)	Repairs and maintenance- others		4.45	4.47
g)	Computer maintenance and development		9.68	9.08
h)	Directors' sitting fees (Refer note 39)		0.75	0.86
i)	Payment to auditor:			
	i) Statutory audit and limited review	2.60		2.35
	ii) Tax audit fees	0.20		0.20
	iii) Certification fees	0.54		0.80
	iv) Reimbursement of out of pocket expenses	0.02		0.02
			3.36	**3.37**
j)	Miscellaneous expenses		21.43	19.61
Total other expenses			**111.60**	**141.83**

Note 30.1 - The Company is not liable to incur any expenses on Corporate Social Responsibility as per section 135 of the Companies Act, 2013.

NOTE 31 EXCEPTIONAL ITEMS - LOSS

₹ crore

	Year ended 31 March 2022	Year ended 31 March 2021
Loss on settlements with a customer (net)	-	(274.03)
Total	**-**	**(274.03)**

NOTE 32 EARNINGS PER SHARE (EPS)

			Year ended 31 March 2022	Year ended 31 March 2021
Basic and diluted EPS				
A.	Loss computation for basic earnings per share of ₹ 1 each			
	Net loss as per the Statement of Profit and Loss available for equity shareholders	(₹ crore)	(153.10)	(566.45)
B.	Weighted average number of equity shares for EPS computation	(Nos.)	1,513,028,244	1,513,028,244
C.	EPS - Basic EPS	(₹)	(1.01)	(3.74)
	- Diluted EPS	(₹)	(1.01)	(3.74)

Notes:

Equity shares to be issued to certain lenders pursuant to implementation of S4A Scheme [refer note 16(g)] and to lenders pursuant to Right to Recompense (Refer note 17.2) do not presently qualify as potential equity shares and and hence have not been considered in the determination of diluted earnings per share.

NOTE 33 CONTINGENT LIABILITIES AND COMMITMENTS

A. Contingent liabilities

₹ crore

		As at 31 March 2022	As at 31 March 2021
(i)	Claims against the company not acknowledged as debts*	8.85	14.93
(ii)	Income tax liability that may arise in respect of which the Company is in appeals	67.73	67.73
(iii)	Sales tax liability / Works Contract Tax liability / Service Tax / GST/ Customs liability that may arise in respect of matters in appeal	191.35	213.89
(Iv)	Put option given to lenders of Lavasa Corporation Limited to sell debentures to the Company in the event of default (including interest and penal charges thereon) [Also refer note 18.1]	976.60	782.06
(v)	The Company is a confirming party to a debenture purchase and sale agreement entered into by a subsidiary for purchase of non-convertible debentures (NCDs) of an erstwhile subsidiary, for an amount of ₹ 138 crore along with an Internal Rate of Return (IRR) of 10.27% p.a. aggregating ₹ 115.42 crore as at 31 March 2022. As part of the purchase agreement, the Company has agreed not to create encumbrance by way of first charge on certain identified claims/ awards and also agreed to make available 25% of realised amount from these identified claims/ awards to facilitate purchase of these NCDs. These identified claims/ awards are currently charged in favour of the consortium lenders.		

Note : It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above contingent liabilities except in respect of matters stated in (iv) and (vi) above. Future cash outflows in respect of the above are determinable only on receipt of judgments / decisions pending with various forums / authorities. The Company does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof.

B. Commitments

₹ crore

		As at 31 March 2022	As at 31 March 2021
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for	23.22	38.48
(ii)	Corporate Guarantees issued to lenders of subsidiaries	242.46	226.93
(iii)	The Company has given a undertaking for non-disposal of investments in subsidiaries (refer notes 5.3 and 5.4)		

Note 34 As at 31 March 2022, the Company has investments in its wholly owned subsidiary HCC Infrastructure Company Limited ('HICL') aggregating ₹ 1,564.65 crore (classified as non-current investment ₹ 1,214.65 crore and current investment of ₹ 350 crore) [31 March 2021: ₹ 1,571.65 crore (classified as non-current investment)]. HICL has further investments in special purpose vehicles (SPVs) engaged in various infrastructure projects. The consolidated net worth of HICL as at 31 March 2022 has been substantially eroded. The management has obtained valuation report of HICL from an independent valuation expert which includes fair valuation of underlying investment/ assets represented by cash flows from proposed sale of subsidiary (including earn-out considerations and share of future revenues) and favorable arbitration awards etc.

During the current year, there has been a decline in the actual results of certain key underlying assumptions used for valuation purposes in earlier periods. The management believes such decline is temporary in nature and does not expect any material adverse impact on the fair valuation of such underlying investments / assets. Accordingly, based on future business plans and valuation report from an independent valuer, the management believes that the recoverable amount of investment in HICL is higher than its carrying value and ₹ 350 crore expected to be realised within next 12 months has been classified as current investments.

Note 35 'Unbilled work-in-progress (contract assets), unbilled work-in-progress (included under assets of a disposal group held for sale) and current trade receivables includes ₹ 909.12 crore (31 March 2021: ₹ 833.67 crore), ₹ 223.43 crore (31 March 2021: Nil) and ₹ 277.03 crore (31 March 2021: ₹ 295.33 crore), respectively, outstanding as at 31 March 2022 representing receivables from customers based on the terms and conditions implicit in the contracts and other receivables in respect of closed/ substantially closed/ suspended/ terminated projects. Further, non-current trade receivables, current trade receivables and trade receivables (included under assets of a disposal group held for sale) as at 31 March 2022 includes receivables of ₹ 187.59 crore (31 Match 2021: Nil), ₹ 487.14 crore (31 March 2021: ₹ 2,748.55 crore) and ₹ 2,283.06 crore (31 March 2021: Nil) [net of advances of ₹ 3,238.33 crore (31 March 2021: ₹ 2,738.80 crore)], respectively, representing claims awarded in arbitration, including interest thereon, in favour of the Company which have been challenged by the customers in higher courts. These aforementioned receivables are mainly in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work; for which Company is at various stages of negotiation/ discussion with the clients or under arbitration/ litigation. Considering the contractual tenability, progress of negotiations/ discussions/ arbitration/ litigations and as legally advised in certain contentious matters, the management is confident of recovery of these receivables.

NOTE 36 INTERESTS IN OTHER ENTITIES

a) Joint operations (unincorporated entities)

The Company's share of interest in joint operations is set out below:

Name of the entity	% of ownership interest held by the Company as at		Name of the ventures' partner	Principal place of Business	Principal activities
	31 March 2022	31 March 2021			
HCC- L&T Purulia Joint Venture	57.00	57.00	Larsen and Toubro Limited	India	Construction
Nathpa Jhakri Joint venture	40.00	40.00	Impregilio-Spa, Italy	India	Construction
Kumagai- Skanska- HCC- Itochu Joint Venture	19.60	19.60	Skanska, Kumagai	India	Construction
Alpine- Samsung Joint Venture	33.00	33.00	Itochu, Alpine Meyreder Bau Samsung Corporation	India	Construction
Alpine- HCC Joint Venture	49.00	49.00	Alpine Meyreder Bau	India	Construction
HCC- Samsung Joint Venture CC-34	50.00	50.00	Samsung C&T Corporation	India	Construction
HCC- HDC Joint Venture	55.00	55.00	Hyundai Development Company	India	Construction
HCC- VCCL Joint Venture	50.00	50.00	Vensar Constructions Company Limited	India	Construction

i) Classification of joint arrangements

The joint venture agreements in relation to the above mentioned joint operations require unanimous consent from all the parties for all relevant activities. All co-venturers have direct rights to the assets of the joint venture and are also jointly and severally liable for the liabilities incurred by the joint venture. These joint ventures are therefore classified as a joint operation and the Company recognises its direct right to the jointly held assets, liabilities, revenue and expenses. In respect of these contracts (assessed as AOP under the Income tax laws), the services rendered to the joint ventures are accounted as income on accrual basis.

₹ crore

		As at 31 March 2022	As at 31 March 2021
ii)	**Summarised balance sheet**		
	Total assets	159.54	156.68
	Total liabilities	214.17	225.81
iii)	**Contingent liability/ capital commitment as at reporting date**		
	Contingent liability	13.28	13.28
	Capital and other commitment	-	-

₹ crore

		Year ended 31 March 2022	Year ended 31 March 2021
iv)	**Summarised statement of profit and loss**		
	Revenue from operations	192.37	199.82
	Other income	2.77	0.40
	Total expenses (including taxes)	197.28	215.30

NOTE 37 DISCLOSURE RELATING TO EMPLOYEE BENEFITS AS PER IND AS 19 'EMPLOYEE BENEFITS'

A Defined benefit obligations

I Gratuity (unfunded)

The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

₹ crore

		Year ended 31 March 2022	Year ended 31 March 2021
a)	**Changes in defined benefit obligations**		
	Present value of obligation as at the beginning of the year	36.33	39.77
	Interest cost	1.32	2.59
	Current service cost	1.27	2.69
	Remeasurements- Net actuarial gain	(1.12)	(1.99)
	Benefits paid	(6.58)	(6.73)
	Present value of obligation as at the end of the year	**31.22 ^**	**36.33 ^**
	^ includes provisions not valued by an actuary		
b)	**Expenses recognised in the Statement of Profit and Loss**		
	Interest cost	1.32	2.59
	Current service cost	1.27	2.69
	Total	**2.59**	**5.28**
c)	**Remeasurement gain recognised in OCI**		
	Actuarial changes arising from changes in financial assumptions	(0.73)	(0.40)
	Experience adjustments	(0.39)	(1.59)
	Total	**(1.12)**	**(1.99)**

		As at 31 March 2022	As at 31 March 2021
d)	**Actuarial assumptions**		
	Discount rate	6.98% p.a.	6.44% p.a.
	Salary escalation rate (over a long-term)	6.00% p.a.	6.00% p.a.
	Mortality rate	Indian assured lives mortality 2012-14 (Urban)	Indian assured lives mortality (2006-08)
	Average future working lifetime	10 years	10 years
	Attrition rate :		
	- For services 4 years and below	8% p.a.	8% p.a.
	- For services 5 years and above	4% p.a.	4% p.a.

The estimates of future salary increases, considered in actuarial valuation, is on account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

e) Quantities sensitivity analysis for significant assumption is as below:

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other actuarial assumptions constant. The significant actuarial assumptions are discount rate and salary escalation rate.

NOTE 37 DISCLOSURE RELATING TO EMPLOYEE BENEFITS AS PER IND AS 19 'EMPLOYEE BENEFITS'...Contd.

The methods and type of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

₹ crore

		Year ended 31 March 2022	Year ended 31 March 2021
		1% increase	
i.	Discount rate	(1.25)	(1.50)
ii.	Salary escalation rate	1.38	1.65
		1% decrease	
i.	Discount rate	1.38	1.66
ii.	Salary escalation rate	(1.28)	(1.52)

The sensitivity analysis presented above may not be representative of the actual charge in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as the assumptions may be correlated.

f) Maturity analysis of defined benefit obligation

₹ crore

	As at 31 March 2022	As at 31 March 2021
Within the next 12 months	6.12	5.62
Between 2 and 5 years	14.52	17.28
Over 5 years	24.37	26.52
Total expected payments	**45.01**	**49.42**

II Provident fund

In respect of certain employees, provident fund contributions are made to a trust administered by the Company. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. Accordingly, the contribution paid or payable and the interest shortfall, if any, is recognised as an expense in the period in which services are rendered by the employee.

In accordance with an actuarial valuation of provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions as mentioned below, there is no deficiency in the interest cost as the present value of the expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of Government administered provident fund.

The details of fund and plan assets are given below:

₹ crore

	As at 31 March 2022
Fair value of plan assets	175.82
Present value of defined benefit obligations	171.26
Net excess	**4.56**

The plan assets have been primarily invested in Government securities and corporate bonds.

The principal assumptions used in determining the present value obligation of interest guarantee under the deterministic approach are as follows:

₹ crore

	Year ended 31 March 2022	Year ended 31 March 2021
Discount rate	6.98% p.a.	6.44% p.a.
Reinvestment period on maturity	5.52 years	5 years
Guaranteed rate of return	8.10% p.a.^	8.50% p.a.

^ The interest rate to be applied on the provident fund contribution for the financial year ended 31 March 2022 is pending to be notified by the Ministry of Finance, Government of India.

NOTE 37 DISCLOSURE RELATING TO EMPLOYEE BENEFITS AS PER IND AS 19 'EMPLOYEE BENEFITS'..Contd.

B Defined contribution plans

a) The Company has recognised the following amounts in the Statement of Profit and Loss for the year:

₹ crore

		As at 31 March 2022	As at 31 March 2021
(i)	Contribution to provident fund	22.02	16.12
(ii)	Contribution to super annuation fund	3.13	3.15
		25.15	**19.27**

b) The expenses for leave entitlement and compensated absences is recognized in the same manner as gratuity and provision of ₹ 14.30 crore (31 March 2021: ₹ 17.47 crore) has been made as at 31 March 2022.

C Current/ non-current classification

₹ crore

	As at 31 March 2022	As at 31 March 2021
Gratuity		
Current ^	6.12	7.38
Non-current	25.10	28.95
	31.22	**36.33**
Leave entitlement (including sick leave)		
Current	2.29	4.40
Non-current	12.01	13.07
	14.30	**17.47**

^ includes liability of ₹ 2.08 crore (31 March 2021: ₹ 1.80 crore) provided in respect of separated employees which has not been valued by an actuary.

NOTE 38 FINANCIAL INSTRUMENTS

The fair value of the financial assets are included at amounts at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value:

(a) Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments.

(b) Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

A Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2022 were as follows:

₹ crore

	Refer note	**Amortised cost**	**Fair value through profit or loss**	**Fair value through Other Comprehensive Income**	**Total carrying value**
Assets:					
Investment in subidiaries and joint ventures Investments	5	1,665.03	-	-	1,665.03
Investments in equity shares (unquoted)	5A	-	-	15.29	15.29
Investments in equity shares (quoted)	5A	-	-	4.38	4.38
Trade receivables	6, 15 ^	4,234.78	-	-	4,234.78
Loans	7	184.46	-	-	184.46
Other financial assets	8	209.59	-	-	209.59
Cash and cash equivalents	12	237.86	-	-	237.86
Bank balances other than cash and cash equivalents	13	304.00	-	-	304.00

NOTE 38 FINANCIAL INSTRUMENTS...Contd.

₹ crore

	Refer note	Amortised cost	Fair value through profit or loss	Fair value through Other Comprehensive Income	Total carrying value
Liabilities:					
Borrowings	17, 22 ^	3,792.96	-	-	3,792.96
Other financial liabilities	18, 22 ^	3,043.70	-	-	3,043.70
Trade payables	20, 22 ^	1,848.69	-	-	1,848.69
Lease liabilities	-	1.70	-	-	1.70

^ includes balances classified as Assets of a disposal group held for sale and Liabilities of a disposal group held for sale

The carrying value and fair value of financial instruments by categories as at 31 March 2021 were as follows:

₹ crore

	Refer note	Amortised cost	Fair value through profit or loss	Fair value through Other Comprehensive Income	Total carrying value
Assets:					
Investment in subidiaries and joint ventures	5	1,672.03	-	-	1,672.03
Investments					
Investments in equity shares (unquoted)	5A	-	-	7.98	7.98
Investments in equity shares (quoted)	5A	-	-	4.56	4.56
Trade receivables	6	4,398.21	-	-	4,398.21
Loans	7	178.97	-	-	178.97
Other financial assets	8	183.15	-	-	183.15
Cash and cash equivalents	12	228.17	-	-	228.17
Bank balances other than cash and cash equivalents	13	94.16	-	-	94.16
Liabilities:					
Borrowings	17	3,951.81	-	-	3,951.81
Other financial liabilities	18	2,436.57	-	-	2,436.57
Trade payables	20	1,649.90	-	-	1,649.90
Lease liabilities	-	1.36	-	-	1.36

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:

₹ crore

	31 March 2022			31 March 2021		
	Level 1	**Level 2**	**Level 3**	Level 1	Level 2	Level 3
Assets						
Investments in equity shares (quoted)	4.38	-	-	4.56	-	-
Investments in equity shares (unquoted)	-	15.29	-	-	7.98	-

NOTE 39 DISCLOSURE IN ACCORDANCE WITH IND-AS 24 RELATED PARTY TRANSACTIONS

A. Names of related parties and nature of relationship

Name of the entity	Country of incorporation	Company's holding as at^		Subsidiaries of
		31 March 2022	31 March 2021	
a) Subsidiaries				
Western Securities Limited	India	97.87	97.87	Hindustan Construction Company Limited
HREL Real Estate Limited ('HREL')	India	100.00	100.00	Hindustan Construction Company Limited
Panchkutir Developers Limited	India	100.00	100.00	Hindustan Construction Company Limited
HCC Mauritius Enterprises Limited	Mauritius	100.00	100.00	Hindustan Construction Company Limited
HCC Contract Solutions Limited (formerly HCC Construction Limited)	India	100.00	100.00	Hindustan Construction Company Limited
Highbar Technologies Limited	India	100.00	100.00	Hindustan Construction Company Limited
HCC Infrastructure Company Limited	India	100.00	100.00	Hindustan Construction Company Limited
HCC Mauritius Investments Limited	Mauritius	100.00	100.00	Hindustan Construction Company Limited
HRL Township Developers Limited	India	100.00	100.00	Hindustan Construction Company Limited
Maan Township Developers Limited	India	100.00	100.00	Hindustan Construction Company Limited
Prolific Resolution Private Limited (w.e.f. 8 March 2021)	India	100.00	100.00	Hindustan Construction Company Limited
HRL (Thane) Real Estate Limited	India	100.00	100.00	HREL Real Estate Limited
Nashik Township Developers Limited	India	100.00	100.00	HREL Real Estate Limited
Powai Real Estate Developer Limited	India	100.00	100.00	HREL Real Estate Limited
HCC Realty Limited	India	100.00	100.00	HREL Real Estate Limited
HCC Aviation Limited	India	100.00	100.00	HREL Real Estate Limited
HCC Operation and Maintenance Limited	India	100.00	100.00	HCC Infrastructure Company Limited
Dhule Palesner Operations & Maintenance Limited	India	100.00	100.00	HCC Infrastructure Company Limited
HCC Power Limited	India	100.00	100.00	HCC Infrastructure Company Limited
HCC Concessions Limited (w.e.f. 20 August 2021)	India	100.00	-	HCC Infrastructure Company Limited #
Narmada Bridge Tollways Limited (w.e.f. 20 August 2021)	India	100.00	-	HCC Concessions Limited #
Badarpur Faridabad Tollways Limited (w.e.f. 20 August 2021)	India	100.00	-	HCC Concessions Limited #
Baharampore-Farakka Highways Limited (w.e.f. 20 August 2021)	India	100.00	-	HCC Concessions Limited #
Raiganj-Dalkhola Highways Limited (w.e.f. 20 August 2021)	India	100.00	-	HCC Concessions Limited #
HCC Energy Limited	India	100.00	100.00	HCC Power Limited

NOTE 39 DISCLOSURE IN ACCORDANCE WITH IND-AS 24 RELATED PARTY TRANSACTIONS...Contd.

Name of the entity	Country of incorporation	Company's holding as at^		Subsidiaries of
		31 March 2022	31 March 2021	
Steiner AG	Switzerland	100.00	100.00	HCC Mauritius Enterprises Limited 66% HCC Mauritius Investments Limited 34%
Steiner Promotions et Participations SA	Switzerland	100.00	100.00	Steiner- AG
Steiner (Deutschland) GmbH	Germany	100.00	100.00	Steiner- AG
VM + ST AG	Switzerland	100.00	100.00	Steiner- AG
Steiner Leman SAS	France	100.00	100.00	Steiner- AG
Steiner India Limited	India	100.00	100.00	Steiner- AG
Manufakt8048 AG	Switzerland	100.00	100.00	Steiner Promotions et Participations SA

^ including through subsidiary companies
# Refer note 5.5

		Country of incorporation	Company's holding as at (%) ^	
			31 March 2022	31 March 2021
b)	**Joint Venture**			
	HCC Concessions Limited (upto 19 August 2021)	India	- #	85.45
	Narmada Bridge Tollways Limited (upto 19 August 2021)	India	- #	85.45
	Badarpur Faridabad Tollways Limited (upto 19 August 2021)	India	- #	85.45
	Baharampore-Farakka Highways Limited (upto 19 August 2021)	India	- #	85.45
	Raiganj-Dalkhola Highways Limited (upto 19 August 2021)	India	- #	86.91
	Farakka Raiganj Highways Limited (upto 22 September 2020)	India	-	-
	Werkarena Basel AG	Switzerland	50.00	50.00
c)	**Associates**			
	Evostate AG	Switzerland	30.00	30.00
	MCR Managing Corp. Real Estate	Switzerland	30.00	30.00
	Projektentwicklungsges. Parking Kunstmuseum AG (liquidated in December 2021)	Switzerland	-	38.64
	Evostate Immobilien AG (Subsidiary of Evostate AG)	Switzerland	30.00	30.00
	Highbar Technocrat Limited	India	49.00	49.00

Note: Pursuant to the initiation of the Corporate Insolvency Resolution Process against Lavasa Corporation Limited (LCL), Warasgaon Asset Maintenance Limited (WAML) and Dasve Convention Center Limited (DCCL), in accordance with the provisions of IBC, the powers of the Board of Directors of these entities stand suspended and the management of these subsidiaries presently vests with the Resolution Professional (RP) appointed under the provisions of IBC. Accordingly, effective date of the admission by NCLT, the Company no longer has any control or significant influence on these entities and they cease to be subsidiaries of the Company. Further, the Company no longer has control or significant influence on the subsidiaries / associates / joint venture of these entities.

Refer note 5.5

d)	**Other related parties**	**Relationship**
	Gulabchand Foundation (formed under section 25 of the erstwhile Companies Act, 1956)	Other related party
	Hincon Holdings Limited	Other related party
	Hincon Finance Limited	Other related party
	Shalaka Investment Private Limited	Other related party
	Aarya Capital Management Private Limited	Other related party
	HCC Employee's Provident Fund (refer note below)	Post-employment contribution plan

Note: Refer note 37B(a) for information on transaction related to post-employment contribution plan

NOTE 39 DISCLOSURE IN ACCORDANCE WITH IND-AS 24 RELATED PARTY TRANSACTIONS...Contd.

B. Key Management Personnel and Relative of Key Management Personnel

Mr. Ajit Gulabchand	Chairman and Managing Director
Mr. Arjun Dhawan	Group Chief Executive Officer and Whole Time Director (upto 22 March 2022) Vice Chairman and Whole Time Director (w.e.f. 23 March 2022)
Mr. Mukul Sarkar	Nominee Director
Mr. N. R. Acharyulu	Independent Director
Dr. Mita Dixit	Independent Director
Mr. Anil C. Singhvi	Independent Director (upto 23 December 2021)
Mr. Arun Karambelkar	Non-Executive, Non-Independent Director (w.e.f. 23 June 2021)
Mr. Mahendra Singh Mehta	Independent Director
Mr. Santosh Janakiram Iyer	Independent Director
Mr. Vithal P. Kulkarni	Company Secretary (upto 12 May 2022)
Mr. Nitesh Jha	Company Secretary (w.e.f. 12 May 2022)
Mr. Rahul Rao	Chief Financial Officer (w.e.f. 12 August 2021)
Mr. U.V. Phani Kumar	Chief Executive Officer- E&C (upto 23 March 2022)
Mr. Jaspreet Bhullar	Chief Executive Officer (w.e.f. 23 March 2022)

C. Transactions with related parties:

₹ crore

	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from operations		
- Joint Venture		
- Baharampore Farakka Highways Limited (upto 19 August 2021)	2.64	9.52
- Farakka Raiganj Highways Limited (upto 22 September 2020)	-	2.28
- Raiganj Dalkhiola Highways Limited (upto 19 August 2021)	-	0.27
	2.64	**12.07**
- Subsidiaries		
- Baharampore Farakka Highways Limited (w.e.f. 20 August 2021)	88.66	-
- Raiganj Dalkhiola Highways Limited (w.e.f. 20 August 2021)	406.85	-
	495.51	**-**
Interest income on Inter corporate deposits		
- Subsidiaries		
- Highbar Technologies Limited	0.30	0.30
- HCC Mauritius Enterprise Limited	4.31	4.15
- HCC Mauritius Investment Limited	1.73	1.64
	6.34	**6.09**
Finance income on corporate guarantees		
- Subsidiaries		
- HCC Mauritius Investment Limited	0.97	0.91
- HCC Mauritius Enterprise Limited	0.23	0.22
	1.20	**1.13**
Reimbursement of expenses		
- Subsidiaries		
- Steiner India Limited	0.07	0.27
- Highbar Technologies Limited	0.22	0.22

NOTE 39 DISCLOSURE IN ACCORDANCE WITH IND-AS 24 RELATED PARTY TRANSACTIONS...Contd.

₹ crore

	Year ended 31 March 2022	Year ended 31 March 2021
- HCC Concessions Limited (w.e.f. 20 August 2021)	0.47	-
- Western Securities Limited	0.44	0.42
	1.20	**0.91**
- Joint Venture		
- HCC Concessions Limited (upto 19 August 2021)	0.14	0.54
- Associates		
- Highbar Technocrat Limited	0.77	0.45
- Other related parties		
- Hincon Finance Limited	0.26	0.52
	2.37	**2.42**
Interest expense on Inter corporate deposit taken		
- Subsidiaries		
- Western Securities Limited	0.05	0.05
Services received		
- Subsidiaries		
- Highbar Technologies Limited	2.05	1.89
- Western Securities Limited	0.61	0.51
- Steiner India Limited	1.51	-
	4.17	**2.40**
- Associates		
- Highbar Technocrat Limited	2.13	2.36
- Other related party		
- Hincon Holdings Limited	0.24	0.48
	6.54	**5.24**
Inter corporate deposits recovered		
- Subsidiaries		
- HCC Infrastructure Company Limited	7.00	3.25
	7.00	**3.25**
Security deposits taken against sale of old equipment		
- Subsidiaries		
- Steiner India Limited	-	0.20
	-	**0.20**
Remuneration paid / accrued		
- Key Management Personnel		
- Mr. Ajit Gulabchand	7.00	7.00
- Mr. Arjun Dhawan	7.00	6.50
- Mr. Vithal P. Kulkarni	1.16	0.80
- Mr. U. V. Phani Kumar	3.04	2.64
- Mr. Jaspreet Bhullar	0.31	-

NOTE 39 DISCLOSURE IN ACCORDANCE WITH IND-AS 24 RELATED PARTY TRANSACTIONS...Contd.

₹ crore

	Year ended 31 March 2022	Year ended 31 March 2021
- Mr. Rahul Rao	0.73	-
- Mr. Anil Chandani	-	0.36
- Mr. Shailesh Sawa	-	0.41
	19.24	**17.71**
Directors' sitting fees paid / accrued		
- Key Management Personnel		
- Mr. Anil C. Singhvi	0.10	0.16
- Mr. N. R. Acharyulu	0.16	0.19
- Mr. Arun V. Karambelkar	0.04	-
- Mr. Santosh Jankiram Iyer	0.11	0.11
- Mr. Mahendra Singh Mehta	0.18	0.16
- Mr. Mukul Sarkar	0.05	0.06
- Dr. Mita Dixit	0.11	0.07
- Mr. Sharad M. Kulkarni	-	0.11
	0.75	**0.86**

D. Balances outstanding

₹ crore

	As at 31 March 2022	As at 31 March 2021
Outstanding receivables		
Trade receivable (net of advances)		
- Subsidiaries		
- Baharampore-Farakka Highways Limited (w.e.f. 20 August 2021)	2.76	-
- Raiganj-Dalkhola Highways Limited (w.e.f. 20 August 2021)	363.65	-
	366.41	**-**
Receivables from related parties		
- Subsidiaries		
- Panchkutir Developers Limited	54.98	54.98
- HCC Infrastructure Company Limited	0.00 *	0.00 *
- HCC Mauritius Enterprise Limited	43.94	38.06
- HCC Contract Solutions Limited	0.03	0.03
- Highbar Technologies Limited	15.83	15.62
- HCC Mauritius Investment Limited	10.92	7.97
- Steiner AG	1.98	1.96
- Steiner India Limited	1.60	2.29
- Western Securities Limited	0.20	-
- HCC Concessions Limited (w.e.f. 20 August 2021)	2.60	-
- Badarpur Faridabad Tollways Limited (w.e.f. 20 August 2021)	0.21	-
- Raiganj-Dalkhola Highways Limited (w.e.f. 20 August 2021)	0.02	-
- Prolific Resolution Private Limited	0.04	0.01
- HCC Operation & Maintainance Limited	0.02	0.06
	132.37	**120.98**

NOTE 39 DISCLOSURE IN ACCORDANCE WITH IND-AS 24 RELATED PARTY TRANSACTIONS...Contd.

₹ crore

	As at 31 March 2022	As at 31 March 2021
- Joint Venture		
- Badarpur Faridabad Tollways Limited (upto 19 August 2021)	-	0.21
- Raiganj-Dalkhola Highways Limited (upto 19 August 2021)	-	0.03
- HCC Concessions Limited (upto 19 August 2021)	-	1.53
	-	**1.77**
- Other related parties		
- Hincon Finance Limited	-	1.00
- Hincon Holdings Limited	0.01	0.02
	0.01	**1.02**
	132.38	**123.77**
Inter-corporate deposits given to subsidiaries		
- HCC Infrastructure Company Limited	1,562.41	1,569.41
- Highbar Technologies Limited	2.39	2.39
- HCC Mauritius Enterprise Limited	123.18	119.01
- HCC Mauritius Investment Limited	39.37	38.04
- Maan Township Developers Limited	19.12	19.12
- HRL Township Developers Limited	0.41	0.41
	1,746.88	**1,748.38**
Outstanding payables		
Inter corporate deposits taken		
- Subsidiaries		
- Western Securities Limited	0.41	0.41
	0.41	**0.41**
Security deposits taken against sale of old equipment		
- Subsidiaries		
- Steiner India Limited	1.10	1.10
	1.10	**1.10**
Advance taken towards sale of Property, Plant and Equipment		
- Subsidiaries		
- Steiner India Limited	20.20	20.20
	20.20	**20.20**
Advance taken towards sale of investment		
- Subsidiaries		
- HCC Concessions Limited (w.e.f. 20 August 2021)	3.00	-
- Joint Venture		
- HCC Concessions Limited	-	3.00
	3.00	**3.00**
Payable to related parties		
- Subsidiaries		
- Western Securities Limited	-	0.01
	-	**0.01**
- Associates		
- Highbar Technocrat Limited	1.63	1.81
- Other related parties		
- Hincon Finance Limited	0.00 *	-
	1.63	**1.82**

NOTE 39 DISCLOSURE IN ACCORDANCE WITH IND-AS 24 RELATED PARTY TRANSACTIONS...Contd.

₹ crore

	As at 31 March 2022	As at 31 March 2021
Advance from contractees		
- Subsidiaries		
- Baharampore-Farakka Highway Limited	6.73	-
- Raiganj-Dalkhola Highways Limited	4.51	-
	11.24	**-**
- Joint Venture		
- Baharampore-Farakka Highway Limited	-	58.55
- Raiganj-Dalkhola Highways Limited	-	89.98
	-	**148.53**
Due to customers (contract liability)		
- Subsidiaries		
- Baharampore-Farakka Highway Limited	91.21	-
	91.21	**-**
- Joint Venture		
- Baharampore-Farakka Highway Limited (upto 19 August 2021)	-	61.49
	-	**61.49**
Corporate guarantees given by Company		
- Subsidiaries		
- HCC Mauritius Enterprise Limited	47.05	44.04
- HCC Mauritius Investment Limited	195.41	182.89
	242.46	**226.93**
Corporate guarantees taken and outstanding at the end of the year		
- Subsidiaries		
- HREL Real Estate Limited	9,677.27	9,691.55
Remuneration payable (net)		
- Key Management Personnel		
- Mr. Ajit Gulabchand	17.39	11.52
- Mr. Arjun Dhawan	16.77	10.51
- Mr. U. V. Phani Kumar	0.15	0.21
- Mr. Vithal P. Kulkarni	0.09	0.07
- Mr. Rahul Rao	0.10	-
- Mr. Jaspreet Bhullar	0.31	-
	34.81	**22.31**
Directors' sitting fees payable		
- Mr. N. R. Acharyulu	-	0.01
	-	**0.01**

Notes:

(i) The above figure does not include provisional gratuity liability valued by an actuary, as separate figures are not available.

(ii) Refer note 17.1 for personal guarantee provided by CMD, shares pledged and other security created in respect of borrowing by the Company or the related parties.

(iii) Refer notes 5.2 and 5.3 for pledge of shares for facilities taken by subsidiaries/ joint ventures.

NOTE 40 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.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's loss before tax is affected through the impact on floating rate borrowings, as follows:

₹ crore

	31 March 2022	31 March 2021
Increase in basis points	100 basis points	
Effect on loss before tax, increase by	**20.67**	20.94
Decrease in basis points	100 basis points	
Effect on loss before tax, decrease by	**20.67**	20.94

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

b) Foreign currency risk

The Company has several balances in foreign currency and consequently the Company is exposed to foreign exchange risk. The exchange rate between the rupee and foreign currencies has changed substantially in recent years, which has affected the results of the Company, and may fluctuate substantially in the future. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

The following table analyses foreign currency risk from financial instruments as at 31 March 2022:

(currency in crore)

	USD	**EUR**	**SEK**	**Others**
Liabilities				
Loans from banks / financial institutions	1.63	-	-	-
Advance from contractee	-	0.62	-	-
Trade payables	0.27	0.23	0.01	0.00 *
Interest accrued	0.20	-	-	-
	2.10	**0.85**	**0.01**	**0.00***
Assets				
Inter corporate deposits and interest thereon	2.89	-	-	-
Advance to suppliers	0.01	0.08	0.05	0.02
Trade receivables	0.00*	0.19	-	-
Bank balances (including deposit account)	0.00*	0.00*	-	-
Other financial assets	-	-	-	0.02
Unbilled work-in-progress (contract assets)	-	0.11	-	-
	2.90	**0.38**	**0.05**	**0.04**
Net liabilities / (assets)	**(0.80)**	**0.47**	**(0.04)**	**(0.04)**

NOTE 40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES...Contd.

The following table analyses foreign currency risk from financial instruments as at 31 March 2021:

(currency in crore)

	USD	EUR	SEK	Others
Liabilities				
Loans from banks / financial institutions	1.63	-	-	-
Advance from contractee	0.01	0.62	-	-
Trade payables	0.25	0.28	0.03	0.00*
Interest accrued	0.15	-	-	-
	2.04	**0.90**	**0.03**	**0.00***
Assets				
Inter corporate deposits and interest thereon	2.63	-	-	-
Advance to suppliers	0.01	0.12	0.11	-
Trade receivables	0.01	0.18	-	-
Bank balances (including deposit account)	0.00*	0.00*	-	-
Unbilled work-in-progress (contract assets)	-	0.15	-	-
	2.65	**0.45**	**0.11**	**-**
Net liabilities / (assets)	**(0.61)**	**0.45**	**(0.08)**	**0.00***

* represents amount less than ₹ 1 lakh.

Sensitivity analysis

The Company's net exposure in foreign currency is not material and hence the impact of any significant fluctuation in the exchange rates is not expected to have a material impact on the operating profits / (losses) 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 review and approve all equity investment decisions.

Sensitivity analysis

As at 31 March 2022, the exposure to listed equity securities at fair value was ₹ 4.38 crore (31 March 2021: ₹ 4.56 crore). Changes in this exposure would not have a material effect on the profit or loss of the Company.

ii Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. The maximum exposure of the financial assets are contributed by trade receivables and other financial assets.

a) Trade Receivables

Trade receivables are typically unsecured and are derived from revenue earned from two main classes of trade receivables i.e. receivables from government promoted agencies and receivables from private third parties. A substantial portion of the Group's trade receivables are from government promoted agencies having strong credit worthiness. Further the Company does not have a history of credit losses from such government promoted agencies, accordingly, provision for expected credit loss is not made in respect of trade receivables.

	As at 31 March 2022		As at 31 March 2021	
	₹ crore	**%**	₹ crore	%
Trade Receivables				
- from government promoted corporation	3,841.69	90.72%	3,903.23	88.75%
- from private third parties	393.09	9.28%	494.98	11.25%
Total trade receivables ^	**4,234.78**	**100.00%**	**4,398.21**	**100.00%**

^ includes balances classified under Assets of a disposal group held for sale.

b) Financial assets other than trade receivables

Financial assets other than trade receivables comprise of cash and cash equivalents, Bank balances other than cash and cash equivalents, loan to subsidiaries / employees and other financial assets. The Company monitors the credit exposure on these financial assets on a case-to-case basis. Based on the Company's historical experience, the credit risk on other financial assets is also extremely low.

NOTE 40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES...Contd.

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

₹ crore

	31 March 2022	31 March 2021
Revenue from top customer	803.10	288.07
Revenue from top five customers	2,399.95	1,202.21

For the year ended 31 March 2022, two (31 March 2021: three) customers, individually, accounted for more than 10% 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:

₹ crore

	Less than 1 year **#**	1 - 5 years	More than 5 years	Total
As at 31 March 2022				
Borrowings^ (including interest accrued)^^	3,583.16	1,778.81	53.55	5,415.52
Trade payables (including retention payable)	1,494.48	331.91	-	1,826.39
Other financial liabilities ^^	781.05	668.76	-	1,449.81
Total	**5,858.69**	**2,779.48**	**53.55**	**8,691.72**
As at 31 March 2021				
Borrowings^ (including interest accrued)	3,086.47	1,634.70	369.25	5,090.42
Trade payables (including retention payable)	1,351.77	298.12	-	1,649.89
Other financial liabilities	662.24	649.06	-	1,311.30
Total	**5,100.48**	**2,581.88**	**369.25**	**8,051.61**

^ excluding financial liabilities of erstwhile subsidiary taken over by the Company

includes loans repayable on demand

* Refer note 17.5 for details of continuing default as at reporting dates.

^^ includes amount classified as Liabilities of a disposal group held for sale (Refer note 22)

NOTE 41 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 is 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 total debt (excluding interest accrued and due and interest accrued but not due) divided by total capital (equity).

₹ crore

	As at 31 March 2022	As at 31 March 2021
Total debt^	3,792.96	3,951.81
Total equity	468.33	611.86
Total debt to equity ratio (Gearing ratio)	**8.10**	**6.46**

^ includes ₹ 2,448.94 crore representing balance classified under Liabilities of a disposal group held for sale (Refer note 22).

Notes:

(i) excludes ₹ 1,128.62 crore (31 March 2021: ₹ 1,001.95 crore) representing financial liabilities (including interest) of an erstwhile subsidiary taken over by the Company.

(ii) excludes interest accrued aggregatig ₹ 1,977.26 crore (31 March 2021: ₹ 1,408.95 crore) on total debt of the Company.

In the long run, the Company's strategy is to maintain a gearing ratio of less than 1.25.

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 borrowings that define the capital structure requirements. Breaches in meeting the financial covenants would permit the lenders to immediately call loans and borrowings.

NOTE 42 LEASES - IND AS 116

1. **Impact on transition to Ind AS 116**

The Company has made use of the following practical expedients available in its transition to Ind AS 116.

(a) The Company will not reassess whether a contract is or contains a lease. Accordingly, the definition of lease in accordance with Ind AS 17 will continue to be applied to lease contracts entered by the Company or modified by the Company before 1 April 2019.

(b) The Company has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment. Consequently, the Company has recorded its lease liability using the present value of remaining lease payments, discounted using the incremental borrowing rate at the date of initial application and the right-of- use asset at its carrying amount as if the standard had been applied since the commencement date of the lease but discounted using the incremental borrowing rate at the date of initial application.

(c) The Company excluded the initial direct costs from measurement of the Right-of-use (RoU) asset at the date of initial application.

The weighted average incremental borrowing rate applied to lease liabilities is 12.50%.

Right-of-use Assets:

The net carrying value of right-of-use assets as at 31 March 2022 amounts to ₹ 1.60 crore (31 March 2021: ₹ 1.33 crore) which have been disclosed on the face of the balance sheet (Refer Note 3B).

Lease liabilities:

(i) As at 31 March 2022, the obligations under leases amounts to ₹ 1.70 crore (31 March 2021: ₹ 1.36 crore) [non-current and current obligation amounting Nil and ₹ 1.70 crore respectively] which have been disclosed as lease liabilities on the face of the balance sheet

(ii) The following is the movement in lease liabilities:

₹ crore

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	1.36	2.33
Additions during the year	2.16	1.99
Finance cost accrued during the year	0.29	0.24
Payment of lease liabilities	(2.11)	(3.20)
Balance at the end of the year	**1.70**	**1.36**

(iii) The table below provides details regarding the contractual maturities of lease liabilties:

₹ crore

Lease Liabilities	Contractual cash flows				
	Carrying amount	Total	0-1 year	1-5 years	5 years and above
31 March 2022	**1.70**	**1.89**	**1.89**	**-**	**-**
31 March 2021	1.36	1.51	1.51	-	-

2. **The Company recognised the following in the statement of profit and loss:**

₹ crore

	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation expense on right-of-use assets	1.89	2.83
Finance cost on lease liabilities	0.29	0.29
Rent expense pertaining to leases of low-value assets	-	-
Rent expense pertaining to leases with less than twelve months of lease term (Refer note 26)	88.83	54.06

3. Cash outflow in respect of lease liabilities for the year ended 31 March 2022 amounts to ₹ 1.82 crore (31 March 2021: ₹ 2.96 crore).

NOTE 43 The Company is principally engaged in a single business segment viz. "Engineering and Construction". Also, refer note 40(ii)b for information on revenue from major customers.

NOTE 44 DISCLOSURE OF UNHEDGED FOREIGN CURRENCY EXPOSURE AS AT 31 MARCH 2022 AND 31 MARCH 2021.

	Currency	**31 March 2022**		31 March 2021	
		Foreign currency in crore	**₹ crore**	Foreign currency in crore	₹ crore
Assets					
Inter corporate deposits and interest thereon					
- Non-current	USD	2.16	162.54	2.16	157.05
- Current	USD	0.73	54.85	0.47	34.00
Advance to suppliers	USD	0.01	0.71	0.01	0.41
	EUR	0.08	6.70	0.12	10.21
	SEK	0.05	0.39	0.11	0.92
	CAD	0.02	1.02	-	-
	GBP	0.00*	0.00*	-	-
Trade receivables	EUR	0.19	15.62	0.18	14.94
	USD	0.00	0.25	0.01	0.81
Bank balances	USD	0.00*	0.12	0.00*	0.18
	EUR	0.00*	0.08	0.00*	0.14
Other financial assets	CHF	0.02	1.99	-	-
Unbilled work-in-progress (contract assets)	EUR	0.11	8.71	0.15	13.11
			252.98		**231.77**
Liabilities					
Loans from banks / financial institutions					
- Non-Current	USD	0.69	52.55^	-	-
- Current	USD	0.94	72.04	1.63	120.42
Advance from contractee	USD	-	-	0.01	0.85
	EUR	0.62	52.76	0.62	54.33
Trade payables	USD	0.27	20.68	0.25	18.28
	EUR	0.23	19.32	0.28	24.19
	SEK	0.01	0.11	0.03	0.29
	CHF	0.00 *	0.12	0.00 *	0.21
	AUD	-	-	0.00 *	0.26
	GBP	0.00*	0.23	-	-
	SGD	0.00*	0.15	-	-
Interest accrued on loans	USD	0.20	15.11	0.15	11.23
			233.07		**230.06**
Net Assets			**19.91**		**1.71**

^ excludes adjustments carried out under Ind AS.

NOTE 45 DISCLOSURE OF RATIOS:

Particulars		Formula for computation	Measure (In times/ percentage)	**As at and for the year ended 31 March 2022**	As at and for the year ended 31 March 2021
(a)	Current Ratio	Current assets / Current liabilities	Times	1.00	1.01
(b)	Debt-Equity ratio	Debt / Net worth	Times	8.37	6.62
(c)	Debt Service coverage Ratio	Earnings before interest^, depreciation and amortisation, exceptional items and tax) / (Interest^ on debt* for the period/ year + Principal repayment of long-term debt* and lease liabilities within one year	Times	0.39	0.04
(d)	Return on Equity ratio	Profit after tax / Net worth	Percentage	-33.79%	-94.94%
(e)	Inventory turnover ratio	Cost of goods sold / Average inventory	Times	18.81	9.61
(f)	Trade Receivables turnover ratio	Revenue from operations/ Average trade receivables	Times	1.08	0.58
(g)	Trade payables turnover ratio	Net purchases/ Average Trade Payables	Times	1.97	1.07
(h)	Net capital turnover ratio	Revenue from operations / Working capital	Times	127.34	32.44
(i)	Net profit ratio	Profit after tax / Revenue from operations	Percentage	-3.28%	-21.87%
(j)	Return on Capital employed (ROCE)	EBIT / Capital employed	Percentage	10.32%	-0.96%
(k)	Return on investment (ROI)	Not applicable	Percentage	N.A.	N.A.

Notes:

1. Debt* = Non-current borrowings + Current borrowings
2. Net worth = Equity Share Capital + other equity less capital reserves)
3. EBITDA = Earnings before interest^, depreciation and amortisation, exceptional items and tax
4. Cost of goods sold = Cost of materials consumed + Subcontracting expenses + Construction expenses
5. Net purchase = Cost of materials consumed + Closing inventory- Opening inventory + Subcontracting expenses + Construction expenses
6. Working Capital = Current assets- Current liabilities
7. EBIT = Earnings before interest and tax and exceptional items
8. Capital employed = Total equity + Non-current borrowings

* Debt exclude financial liabilities of an erstwhile subsidiary taken over by the Company.

^ Excludes interest expenses on financial liabilities of an erstwhile subsidiary taken over by the Company and interest on advance from customers.

Disclosure of change in ratio by more than 25%

Particulars		% Variance in ratio between 31 March 2022 and 31 March 2021	Reason for Variance in excess of 25%
(a)	Current Ratio	-0.55%	Refer note below
(b)	Debt-Equity ratio	26.44%	Owing to decrease in networth
(c)	Debt Service coverage Ratio	858.01%	Owing to increase in EBIDTA due to better margin
(d)	Return on Equity ratio	64.41%	Increase in the revenue with cost control measures leading to decrease in loss after Tax
(e)	Inventory turnover ratio	95.73%	Owing to increase in the cost of goods sold

NOTE 45 DISCLOSURE OF RATIOS:...Contd.

Particulars		% Variance in ratio between 31 March 2022 and 31 March 2021	Reason for Variance in excess of 25%
(f)	Trade Receivables turnover ratio	86.21%	Owing to increase in the revenue
(g)	Trade payables turnover ratio	84.45%	Owing to increase in the cost of goods sold
(h)	Net capital turnover ratio	292.55%	Owing to increase in revenue and decrease in working capital
(i)	Net profit ratio	85.00%	Owing to increase in revenue and decrease in loss
(j)	Return on Capital employed (ROCE)	-1175.06%	Owing to increase in EBIT and decrease in capital employed
(k)	Return on investment (ROI)	N.A.	N.A.

Note: Since the change in ratio is less than 25%, no explanation is required to be disclosed.

NOTE 46 OTHER STATUTORY INFORMATION:

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Company does not have any transactions with struck off companies.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has 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:

a. 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

b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Company has 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:

a. 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

b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Company does not have any such transaction which is not recorded in the books of account 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).

(viii) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(ix) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(x) The Company has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

NOTE 47 * represents amount less than ₹ 1 lakh.

NOTE 48 Figures for the previous year have been regrouped / rearranged, wherever considered necessary, to confirm to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 efffective 1 April 2021.

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

For **Walker Chandiok & Co LLP** *Chartered Accountants* *Firm Registration No. 001076N / N500013*		For and on behalf of the Board of Directors		
		Ajit Gulabchand	DIN : 00010827	*Chairman & Managing Director*
		Arjun Dhawan	DIN : 01778379	*Vice Chairman & Whole Time Director*
		Jaspreet Bhullar		*Chief Executive Officer*
		Rahul P. Rao		*Chief Financial Officer*
Shashi Tadwalkar *Partner* *Membership No.: 101797*	**Vithal P. Kulkarni** *Company Secretary* *ACS No. 6707*	**Mahendra Singh Mehta**	DIN : 00019566	*Directors*
		Dr. Mita Dixit	DIN : 08198165	
Place: Pune Date : 12 May 2022		Place: Mumbai Date : 12 May 2022		

ANNEXURE I

Statement of Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results (Standalone)

Statement on Implication of Audit Qualifications for the Financial Year ended 31 March 2022

[See Regulation 33/52 of the SEBI (LODR) Amendment Regulations, 2016)]

₹ crore

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover/Total Income	4,746.52	Not ascertainable [Refer notes II (a) (i) to (iv) below]
	2	Total Expenditure	4,919.80	Not ascertainable [Refer notes II (a) (i) to (iv) below]
	3	Exceptional items	-	Not ascertainable [Refer notes II (a) (i) to (iv) below]
	4	Net Profit/(Loss) for the year after tax	(153.10)	Not ascertainable [Refer notes II (a) (i) to (iv) below]
	5	Earnings/(Loss) per Share	(1.01)	Not ascertainable [Refer notes II (a) (i) to (iv) below]
	6	Total Assets	11,268.35	Not ascertainable [Refer notes II (a) (i) to (iv) below]
	7	Total Liabilities	10,800.02	Not ascertainable [Refer notes II (a) (i) to (iv) below]
	8	Net Worth	468.33	Not ascertainable [Refer notes II (a) (i) to (iv) below]
	9	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	**Audit Qualification**			
	a.	**Details of Audit Qualification:**		
			(i)	Note 10 to the accompanying Statement, the Company's investments in subsidiaries as at 31 March 2022 includes non-current investment and current investments in HCC Infrastructure Company Limited ('HICL'), its wholly owned subsidiary, amounting to ₹ 1,214.65 crore and ₹ 350 crore, stated at cost and considered fully recoverable by the management on the basis of factors stated in the aforesaid note including a valuation performed by an independent valuer. The subsidiary's consolidated net worth as at 31 March 2022 is substantially eroded and during the current year, there has been significant decline in the actual results of certain key underlying assumptions considered for valuation purposes in earlier periods. The management believes that such decline is temporary in nature which does not have any material adverse impact on the fair valuation of such investment determined as above as at 31 March 2022. However, in the absence of sufficient appropriate evidence to support management's estimates of such future assumptions, we are unable to comment upon the adjustments, if any, that are required to the carrying value of the aforesaid investment and consequential impact, if any, on the accompanying Statement.
			(ii)	Note 5 to the accompanying Statement, the Company has accounted for managerial remuneration paid / payable to Whole Time Directors (including Chairman and Managing Director) of the Company aggregating ₹ 41.07 crore for the financial years ended 31 March 2020, 31 March 2021 and 31 March 2022, in excess of the limits prescribed under Section 197 of the Act, in respect of which approvals from the shareholders have been obtained as prescribed, however prior approval from the lenders of the Company in accordance with Section 197 has not been obtained by the Company
			(iii)	Note 6 to the accompanying Statement, the Company's current borrowings, other current financial liabilities and liabilities of disposal group held for sale as at 31 March 2022 include balances amounting to ₹ 49.67 crore, ₹ 320.55 crore and ₹ 2.85 crore, respectively, in respect of which confirmations from the respective banks / lenders have not been received. Further, confirmations from banks have not been received for balances with banks (included under cash and cash equivalents) and earmarked balances / deposits with banks (included under bank balances other than cash and cash equivalents) as at 31 March 2022 amounting to ₹ 2.18 crore and ₹ 0.95 crore, respectively. In the absence of such confirmations from the banks/ lenders or sufficient and appropriate alternate audit evidence, we are unable to comment on

₹ crore

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
			the adjustments if any, that may be required to the carrying value of the aforementioned balances in the accompanying Statement	
			(iv) Note 12 to the accompanying Statement, the Company has recognised net deferred tax assets amounting to ₹ 741.74 crore as at 31 March 2022 mainly on account of carried forward unused tax losses, unused tax credits and other taxable temporary differences on the basis of expected availability of future taxable profits for utilization of such deferred tax assets. However, in view of the continued losses incurred by the Company and pending the implementation of the resolution plan as referred to in Note 8 of the accompanying Statement, we are unable to obtain sufficient appropriate audit evidence with respect to the current projections prepared by the management and therefore, are unable to comment on any adjustments that may be required to the carrying value of aforesaid net deferred tax assets as at 31 March 2022	
	b.	**Type of Audit Qualification:**	Qualified Opinion	
	c.	**Frequency of Qualification:**	Qualification II (a) (i)- Included since review report for the quarter / period ended 31 December 2021; Qualification II (a) (iii) and II a) (iv)- Included since audit report for the quarter and year ended 31 March 2020; Qualification II (a) (ii)- Incuded since review report for the quarter / period ended 31 December 2019;	
	d.	**For Audit Qualifications where the impact is quantified by the auditor, Management views:**	Not Applicable	
	e.	**For Audit Qualifications where the impact is not quantified by the auditor:**		
		i) Management's estimation on the impact of audit qualification:	Not ascertainable	
		ii) If management is unable to estimate the impact, reasons for the same:	II (a) (i) 'As at 31 March 2022, the Company has investments in its wholly owned subsidiary HCC Infrastructure Company Limited ('HICL') aggregating ₹ 1,564.65 crore (classified as non-current investment ₹1,214.65 crore and current investment of ₹ 350 crore). HICL has further investments in special purpose vehicles (SPVs) engaged in various infrastructure projects. The consolidated net worth of HICL as at 31 March 2022 has been substantially eroded. The management has obtained valuation report of HICL from an independent valuation expert which includes fair valuation of underlying investment / assets represented by cash flows from proposed sale of subsidiary (including earn-out considerations and share of future revenues) and favorable arbitration awards etc. During the current year, there has been a decline in the actual results of certain key underlying assumptions used for valuation purposes in earlier periods. The management believes such decline is temporary in nature and does not expect any material adverse impact on the fair valuation of such underlying investments / assets. Accordingly, based on future business plans and valuation report from an independent valuer, the management believes that the recoverable amount of investment in HICL is higher than its carrying value.	
			II (a) (ii) The Company has accrued/ paid managerial remuneration to Chairman and Managing Director ('CMD') and Whole Time Director ('WTD') for the period 1 April 2019 to 31 March 2022 in excess of the limits prescribed under sec 197 of the Act as follows:	

(₹ crore)

Financial Years	Remuneration accrued	Remuneration paid	Excess remuneration accrued/paid	Excess remuneration paid held in trust
2019-20	13.57	3.75	13.57	3.75
2020-21	13.50	1.44	13.50	1.44
2021-22	14.00	1.80	14.00	1.80
Total	**41.07**	**6.99**	**41.07**	**6.99**

While the approval for payment of the aforementioned managerial remuneration has been obtained from the shareholders, the requisite prior approval from lenders are yet to be obtained, which the Company expects to obtain along side implementation of the resolution plan. In absence of the requisite approval from lenders for remuneration accrued/ paid to CMD/ WTD for the aforementioned years.

₹ crore

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)

II (a) (iii) In respect of below balances, direct confirmations from lenders have not been received:

(₹ crore)

Particulars	As at		
	31 March 2022	31 December 2021	31 March 2021
Current borrowings	49.67	52.79	2.10
Other current financial liabilities	320.55	653.27	616.09
Liabilities of a disposal group held for sale	2.85	106.22	-
Total	**373.07**	**812.28**	**618.19**

In the absence of confirmations/ statements from lenders, the Company has provided for interest (including penal interest) based on the interest rate specified in the agreement or latest communication available from the respective lenders. The Company's management believes that amount payable will not exceed the liability provided in the financial results in respect of these borrowings.

Further, balances with banks (included under cash and cash equivalents) and earmarked balances/ fixed deposits (included under bank balances other than cash and cash equivalents) as at 31 March 2022 include balances amounting to ₹ 2.18 crore (31 December 2021: ₹ 0.93 crore and 31 March 2021: ₹ 2.10 crore) and ₹ 0.95 crore (31 December 2021: ₹ 0.95 crore and 31 March 2021: ₹ 10.91 crore), respectively, for which confirmations/ statements from banks have not been received. In the absence of such direct confirmations and alternate evidences, if any.

II (a) (iv) As at 31 March 2022, the Company has recognised net deferred tax assets amounting to ₹ 741.74 crore (31 December 2021: ₹ 739.28 crore and 31 March 2021: ₹ 715.99 crore) mainly on account of carried forward unused tax losses, unused tax credits and other taxable temporary differences. While the Company is confident of taxable profits being available against which unused tax losses can be utilized, the Company has not recognized deferred tax asset on the losses incurred effective 1 July 2021. Further, the Company is still evaluating the benefits of exercising the non-reversible option of paying further corporate tax at reduced rates in accordance with section 115BAA of the Income Tax Act, 1961.

Based on the expected profits from the unexecuted orders on hand/ future projects, outcome of the ongoing discussion with lenders for restructuring of loans and expected settlement of claims/ arbitration awards with customers, the Company's management is confident that sufficient future taxable income will be available against which such net deferred tax assets recognised as at 31 March 2022 will be realized.

iii) Auditors' comments on (i) or (ii) above	Included in details of auditor's qualifications stated above

III. Signatories:

	For **Hindustan Construction Company Limited**
For **Walker Chandiok & Co LLP**	**Ajit Gulabchand** Chairman & Managing Director
Shashi Tadwalkar Partner Membership No.: 101797	**Mahendra Singh Mehta** Audit Committee Chairman
	Rahul Rao Chief Financial Officer
Place: Mumbai Date : 12 May 2022	Place: Mumbai Date : 12 May 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Hindustan Construction Company Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

1. We have audited the accompanying consolidated financial statements of **Hindustan Construction Company Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates, joint ventures and joint operations, as listed in Annexure I, which comprise the Consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated 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 and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associates, joint ventures and joint operations, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the 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 consolidated state of affairs of the Group, its associates, joint ventures and joint operations, as at 31 March 2022, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. As stated in:

(i) Note 30.1 to the accompanying Statement, the Holding Company has accounted for managerial remuneration paid/ payable to Whole Time Directors (including Chairman and Managing Director) of the Holding Company aggregating ₹ 41.07 crore for the financial years ended 31 March 2020, 31 March 2021 and 31 March 2022, in excess of the limits prescribed under Section 197 of the Act, in respect of which approvals from the shareholders have been obtained as prescribed, however prior approval from the lenders of the Holding Company in accordance with Section 197 has not been obtained by the Holding Company.

Our audit report dated 23 June 2021 on the consolidated financial statements for the year ended 31 March 2021 was also qualified in respect of this matter.

ii) Note 19.3 to the accompanying Statement, the Holding Company's current borrowings, other current financial liabilities and liabilities of disposal group held for sale as at 31 March 2022 include balances amounting to ₹ 49.67 crore, ₹ 320.55 crore and ₹ 2.85 crore, respectively, in respect of which confirmations from the respective banks/ lenders have not been received. Further, confirmations from banks have not been received for balances with banks (included under cash and cash equivalents) and earmarked balances/ fixed deposits (included under bank balances other than cash and cash equivalents) as at 31 March 2022 amounting to ₹ 2.18 crore and ₹ 0.95 crore, respectively. In the absence of such confirmations from the banks/ lenders or sufficient and appropriate alternate audit evidence, we are unable to comment on the adjustments if any, that may be required to the carrying value of the aforementioned balances in the accompanying Statement.

Our audit report dated 23 June 2021 on the consolidated financial statements for the year ended 31 March 2021 was also qualified in respect of this matter.

iii) Note 10.1 to the accompanying Statement, the Holding Company has recognised net deferred tax assets amounting to ₹ 741.74 crore as at 31 March 2022 mainly on account of carried forward unused tax losses, unused tax credits and other taxable temporary differences on the basis of expected availability of future taxable profits for utilization of such deferred tax assets. However, in view of the continued losses incurred by the Holding Company and pending the implementation of the resolution plan as referred to in Note 2.1(vi) of the accompanying consolidated financial statements, we are unable to obtain sufficient appropriate audit evidence with respect to the current projections prepared by the management and therefore, are unable to comment on any adjustments that may be required to the carrying value of aforesaid net deferred tax assets as at 31 March 2022.

Our audit report dated 23 June 2021 on the consolidated financial statements for the year ended 31 March 2021 was also qualified in respect of this matter.

4. 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 Consolidated Financial Statements section of our report. We are independent of the Group, its associates, joint ventures and joint operations 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 consolidated 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 together with the audit evidence obtained

by the other auditors in terms of their reports referred to in paragraph 17 and 18 of the Other Matters section below, is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matters

5. **We draw attention to:**

(a) Note 37 to the accompanying consolidated financial statements, pertaining to matter on which following emphasis of matter has been included in the audit report dated 2 May 2022 on the financial statements of HREL Real Estate Limited, a subsidiary of the Holding Company, issued by an independent firm of Chartered Accountants, which is relevant to our opinion on the consolidated financial statements of the Group, and reproduced by us as under:

"Note XX to the accompanying financial statements, the Company had provided corporate guarantees and put options aggregating ₹ 6,069.65 crore (previous year: ₹ 5,764.70 crore) to the lenders of its erstwhile subsidiaries, Lavasa Corporation Limited (LCL) and Warasgaon Assets Maintenance Limited (WAML) in respect of amounts borrowed by these entities. LCL and WAML were admitted under the Corporate Insolvency and Resolution Process (CIRP) in accordance with the Insolvency and Bankruptcy Code, 2016 (IBC) dated 30 August 2018 and 20 December 2018, respectively and Resolution Professionals (RP) were been appointed by the Committee of Creditors (CoC) of the lenders of respective companies. The lenders, to whom these corporate guarantees and put options were furnished, have filed their claims with Resolution Professional and have also invoked the corporate guarantee/ put options issued by the Company. The National Company Law Tribunal, Mumbai Bench vide its order dated 26 February 2020, have approved the request of lenders of LCL and WAML to consolidate LCL, WAML and Dasve Convention Centre Limited (a subsidiary of LCL) and thereby get better valuation on liquidation. The Resolution Professional is in the process of formulating a resolution plan including identifying potential resolution applicant. The liability of the Company shall be determined once the debts due to these lenders are settled by Resolution Professional upon completion of the IBC process. Pending the outcome of the resolution process, no provision has been made in the financial statements by the management stating that the impact, if any is currently unascertainable".

(b) Note 39 to the accompanying consolidated financial statements pertaining to matter on which following emphasis of matters included in the audit report dated 9 May 2022 on the financial statements of Raiganj-Dalkhola Highways Limited, a step-down subsidiary of the Holding Company, issued by an independent firm of Chartered Accountants, vide their report on matters which are relevant to our conclusion on the consolidated financial statements of the Group, and reproduced by us as under:

"Note XX and XX of notes to accounts, the Company had taken term loans from consortium of banks and financial institution. The Company borrowings have been classified as non-performing assets by the lenders due to defaults in payment of related dues. Balances of outstanding borrowings from the lenders including interest thereon, except borrowings from Yes Bank, as recorded in books of accounts of Company are unconfirmed".

Our opinion is not modified in respect of the above matters.

Key Audit Matters

6. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, associates, joint ventures and joint operations, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

7. In addition to the matters described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
(a) Assessment of going concern basis of accounting (Refer note 2.1(vi) to the consolidated financial statements)	
As at 31 March 2022, the Group has accumulated losses aggregating ₹ 3,690.70 crore which has resulted in full erosion of its net worth. During the year, the Holding Company continued to default on payment to its lenders as explained in aforesaid note and has overdue payments to operational creditors out of which certain operational creditors have also applied before the National Company Law Tribunal ('NCLT') for debt resolution under the Insolvency and Bankruptcy Code, 2016, none of which has been admitted so far.	Our audit procedures included but were not limited to, the following in relation to assessment of appropriateness of going concern basis of accounting: • Obtained an understanding of the process followed by management for identifying events or conditions that could impact the Group's ability to continue as a going concern and process followed to assess the corresponding mitigating factors existing against such events or condition. Also, obtained an understanding around the methodology adopted by the Holding Company to assess their future business performance including the preparation of a cash flow forecast for the business;

Key audit matter	How our audit addressed the key audit matter
(a) Assessment of going concern basis of accounting (Refer note 2.1(vi) to the consolidated financial statements)	
While the above factors indicate doubt on the Group's ability to continue as a going concern, however, as detailed in aforesaid note, the Holding Company has taken into consideration the following mitigating factors in its assessment for going concern basis of accounting in preparation of the accompanying consolidated financial statements: • Expected successful implementation of the resolution plan with the lenders; • Time bound monetization of certain non-core assets; and • Holding Company's business plan for the next twelve months. Management has prepared future cash flow forecasts to assess its ability to operate as a going concern for a period of at least 12 months from the date of financial statements and concluded that the going concern basis of accounting used for preparation of the accompanying consolidated financial statements is appropriate with no material uncertainty over going concern. We have considered the assessment of management's evaluation of going concern basis of accounting as a key audit matter due to the pervasive impact thereof on the consolidated financial statements and the significant judgements and assumptions that are inherently subjective and dependent on future events, involved in preparation of cash flow projections and determination of the overall conclusion by the management.	• Evaluated the design and tested the operating effectiveness of key controls relating to management's assessment of going concern as above; • Obtained from the management, the projected cash flows for the next twelve months basis their future approved business plans; • Tested the appropriateness of the key assumptions used by the management that had the most material impact on the cash flow forecasts and discussed these assumptions with the management and with those charged with governance. • Performed independent sensitivity analysis to test the impact of the variations on the cash flows due to change in the key assumptions; • Inspected the relevant underlying documents for assessing the appropriateness of projected cash flow for the next 12 months; • Evaluated the management's assessment of the successful implementation of the resolution plan basis current status of requisite approvals from lenders, reading of the minutes of the meetings held and understanding obtained from the management; and • Assessed the appropriateness and adequacy of the disclosures made by the management in respect of going concern in accordance with the applicable accounting standards.

Key audit matter	How our audit addressed the key audit matter
(b) Uncertainties relating to recoverability of unbilled work-in-progress (contract assets), unbilled work-in-progress (included under assets of disposal group held for sale) and current trade receivables (Refer note 38 of the consolidated financial statements)	
The Holding Company, as at 31 March 2022, has unbilled work-in-progress (contract assets), unbilled work-in-progress (included under assets of a disposal group held for sale) and current trade receivables amounting to ₹ 909.12 crore, ₹ 223.43 crore and ₹ 277.03 crore, respectively, which represent various receivables in respect of closed/ substantially closed/ suspended/ terminated projects where the Company is currently under negotiations/ discussions/ arbitration/ litigation with the customers. Further, non-current trade receivables, current trade receivables and trade receivables (included under assets of a disposal group held for sale) as at 31 March 2022 includes ₹ 187.59 crore and ₹ 487.14 crore and ₹ 2,283.06 crore, respectively, representing claims awarded in arbitration (including interest thereon) in favour of the Holding Company which have subsequently been challenged by the customers in higher courts.	Our audit procedures included, but were not limited to, the following: • Obtained an understanding of the management process and evaluated the design and tested the effectiveness of key internal financial controls for assessing the recoverability of unbilled work-in-progress (contract assets), unbilled work-in-progress (included under assets of a disposal group held for sale) and trade receivables. • Discussed extensively with management regarding steps taken for recovering the amounts; • Assessed the reasonability of judgements exercised and estimates made by management with respect to the recoverability of these receivables and validated them with corroborating evidence;

Key audit matter	How our audit addressed the key audit matter
(b) Uncertainties relating to recoverability of unbilled work-in-progress (contract assets), unbilled work-in-progress (included under assets of disposal group held for sale) and current trade receivables (Refer note 38 of the consolidated financial statements)	
Management, based on contractual tenability of the claims/ receivables, progress of the negotiations/ discussions/ arbitration/ litigation and relying on the legal opinion obtained from independent legal counsel, has determined that no provision is required to be recognised for the aforementioned receivables Considering the materiality of the amounts involved, uncertainty associated with the outcome of the negotiations/ discussions/ arbitration/ litigation and significant management judgement involved in its assessment of recoverability, this was considered to be a key audit matter in the audit of the consolidated financial statements. Further, the aforementioned matter relating to recoverability of above discussed receivables as fully explained in Note 38 to the consolidated financial statements is also considered fundamental to the understanding of the users of financial statements.	• Verified contractual arrangements to support management's position on the tenability and recoverability of these receivables. • Obtained an understanding of the current period developments for respective claims/ arbitration awards pending at various stages of negotiations/ discussions/ arbitration/ litigation and corroborated the updates with relevant underlying documents. • Reviewed the legal and contractual experts' note and/ or legal opinion from independent legal counsel obtained by the management with respect to certain contentious matters; and • Evaluated the appropriateness and adequacy of the disclosures in the consolidated financial statements in accordance with the applicable accounting standards.

Key audit matter	How our audit addressed the key audit matter
(c) Recognition of contract revenue, margin and contract costs (Refer note 2.1 (xxiv) to the consolidated financial statements)	
The Group's revenue primarily arises from construction contracts which, by its nature, is complex given the significant judgements involved in the assessment of current and future contractual performance obligations. The Group recognizes contract revenue and the resultant profit/ loss on the basis of stage of completion determined based on the proportion of contract costs incurred at balance sheet date, relative to the total estimated costs of the contract at completion. The recognition of contract revenue and the resultant profit/ loss therefore rely on estimates in relation to forecast revenue and forecast contract costs. These contract estimates are reviewed by the management on a periodic basis. In doing so, the management is required to exercise judgement in its assessment of the revenue on contracts which may also include variable considerations that are recognised when the recovery of such consideration is highly probable. The judgment is also required to be exercised to assess the completeness and accuracy of forecast costs to complete.	Our audit procedures to address this key audit matter included, but were not limited to the following: • Evaluated the appropriateness of the Group's accounting policy for revenue recognition in accordance with Ind AS 115 – Revenue from contracts with customers; • Obtained an understanding of the Group's processes and evaluated the design and tested the operating effectiveness of key internal financial controls with respect to estimation of forecasted contract revenue and contracts costs; • For a sample of contracts, performed the following procedures: - inspected the underlying documents such as customer contract/ agreement and variation orders, if any, for the significant contract terms and conditions; - evaluated the identification of performance obligations of the contract;

Key audit matter	How our audit addressed the key audit matter
(c) Recognition of contract revenue, margin and contract costs (Refer note 2(xxiv) to the consolidated financial statements)	
Changes in these judgements, and the related estimates as contracts progress can result in material adjustments to revenue and margins. As a result of the above judgments, complexities involved and material impact on the related financial statement elements, this area has been considered a key audit matter in the audit of the consolidated financial statements.	- obtained an understanding of and evaluated the reasonableness of the assumptions applied in determining the forecasted revenue and cost to complete; - tested the existence and valuation of variable consideration with respect to the contractual terms and conditions and inspected the correspondence with customers; and - reviewed the legal and contracting experts' note and/ or legal opinion from independent legal counsel obtained by the management with respect to certain contentious matters; • For cost incurred to date, tested samples to appropriate supporting documents and performing cut-off procedures; • Tested the forecasted cost by obtaining executed purchase orders/ agreements/ relevant documents and evaluated the reasonableness of management judgements/ estimates; and • Evaluated the appropriateness and adequacy of the disclosures related to contract revenue and costs in the consolidated financial statements in accordance with the applicable accounting standards.

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

8. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Board Report, Report on Corporate Governance and Management Discussion and Analysis Report, but does not include the consolidated financial statements and our auditor's report thereon.

   Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, the modifications pertain to excess managerial remuneration accrued/ paid to whole time directors (including chairman and managing director), non-receipt of confirmations from banks/ financial institutions and realisability of deferred tax assets. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to these matters.

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

9. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates, joint ventures and joint operations in accordance with the 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. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group, and its associate companies, joint venture and joint operations companies covered under the Act are responsible for maintenance of adequate

accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

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

11. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associates, joint ventures and joint operations.

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

12. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 consolidated financial statements.

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

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls 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 ability of the Group and its associates, joint ventures and joint operations 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 Group and its associates, joint ventures and joint operations 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; and

    - Obtain sufficient appropriate audit evidence regarding the financial information/ financial statements of the entities or business activities within the Group, and its associates, joint ventures and joint operations, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

14. 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.

15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matter

17. We did not audit the financial statements / financial information of thirty (30) subsidiaries included in the accompanying consolidated financial statements, whose financial statements/ financial information reflects total assets of ₹ 5,738.08 crore and net liabilities of ₹ 451.41 crore as at 31 March 2022, total revenues of ₹ 6,224.96 crore and net cash inflows amounting to ₹ 81.93 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit/ loss (including other comprehensive income) of ₹ 2.57 crore for the year ended 31 March 2022, as considered in the consolidated financial statements, in respect of four (4) associates and two (2) joint ventures, whose financial statements/ information have not been audited by us. These financial statements/ information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, associates and joint ventures, are based solely on the reports of the other auditors.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

18. We did not audit the financial statements / financial information of (7) joint operations included in the accompanying consolidated financial statements, whose financial statements / financial information reflects total assets of ₹ 159.41 crore and net liabilities of ₹ 51.66 crore as at 31 March 2022, total revenues of ₹ 195.07 crore and net cash inflows amounting to ₹ 3.48 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements/ information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid joint operations, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid joint operations, are based solely on the audit reports of such other auditors.

    Further, of these joint operations, financial statements/ information of four (4) joint operations have been prepared in accordance with accounting principles generally accepted in India, including accounting standards issued by the ICAI. The Holding Company's management has converted the financial statements/ information of such joint operations in accordance with Ind AS. We have audited these conversion adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the balances and affairs of such joint operations, is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

19. We did not audit the financial information of (1) joint operations included in the accompanying consolidated financial statements, whose financial information reflects total assets of ₹ 0.13 crore and net liabilities of ₹ 2.97 crore as at 31 March 2022, total revenues of ₹ 0.07 crore and net cash outflows amounting to ₹ 0.04 crore for the year ended on that date, as considered in the consolidated financial statements. This financial information is unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid joint operation, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid joint operations, are based solely on such unaudited financial information. In our opinion and, according to the information and explanations given to us by the management, this financial information is not material to the Group.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matter with respect to our reliance on the financial information certified by the Holding Company management.

Report on Other Legal and Regulatory Requirements

20. As required by section 197(16) of the Act based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 17 and 18, on separate financial statements of the subsidiaries, associates, joint ventures and joint operations, we report that the Holding Company incorporated in India whose financial statements have been audited under the Act has not paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

    Further, we report that twenty-three (23) subsidiary companies and one (1) associate company incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary companies and associate company.

21. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, based on the consideration of the Order reports issued till date by us and by the respective other auditors as mentioned in paragraphs 17 and 18 above, of companies included in the consolidated financial statements and covered under the Act, refer Annexure II for details of qualifications and/ or adverse remarks given by respective auditors in the Order reports of such companies. The annexure also separately contains details of those companies included in the consolidated financial statements and covered under the Act for which the respective Order reports as required under Section 143(11) of the Act have not yet been issued.

22. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, associates, joint ventures and joint operations incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:

    a) We have sought and except for the possible effects of matters described in the Basis for Qualified Opinion section, 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 aforesaid consolidated financial statements;

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except for the possible effects of the matters described in Basis for Qualified Opinion section with respect to the financial statements of the Holding Company;

    c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) Except for the possible effects of the matters described in the Basis for Qualified Opinion section, in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

    e) the matters described in paragraph 3(iii) of the Basis for Qualified Opinion section may have an adverse effect on the functioning of the Holding Company; paragraph 5(a) of the Emphasis of Matters section may have an adverse effect on the functioning of HREL Real Estate Limited (a subsidiary of the Holding Company) and paragraphs 7(a) and 7(b) of Key Audit Matters section may have an adverse effect on the functioning of the Holding Company;

    f) On the basis of the written representations received from the directors of the Holding Company, and taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies, covered under the Act, none of the directors of the Group companies, its associate companies and joint venture companies covered under the Act, are disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act.

    g) The qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in paragraphs 3(i) to 3(iii) of the Basis for Qualified Opinion section with respect to the Holding Company;

    h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies, associate companies and joint venture companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure III' wherein we have expressed a modified opinion; and

    i) 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates, joint ventures and joint operations incorporated in India whose financial statements have been audited under the Act:

i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates, joint ventures and joint operations as at 31 March 2022, as detailed in Note 20.1, 36A(i), (ii), (iii), (iv), 37, 38 and 40 to the consolidated financial statements;

ii. provision has been made in these consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts, as detailed in note 21.2 to the consolidated financial statements;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and joint venture companies covered under the Act, during the year ended 31 March 2022;

iv. a. The respective managements of the Holding Company and its subsidiary companies, associate companies and joint venture companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associates and joint ventures respectively that, to the best of their knowledge and belief, as disclosed in note 51(v) to the consolidated 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 Holding Company or its subsidiary companies, its associate companies or its joint venture companies to or in any person(s) or entity(ies), 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 Holding Company, or any such subsidiary companies, its associate companies or its joint venture companies ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The respective managements of the Holding Company and its subsidiary companies, associate companies and joint venture companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associates and joint ventures respectively that, to the best of their knowledge and belief, as disclosed in the note 51(vi) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies, or its associate companies or its joint venture companies from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary companies , its associate companies or its joint venture companies 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, by us and that performed by the auditors of subsidiaries, associates and joint ventures, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Holding Company, its subsidiary companies, associate companies and joint venture companies have 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.: 101797
UDIN: 22101797AIVRBZ9176

Place: Pune
Date: 12 May 2022

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT

List of Entitites included in the consolidated financial statements

Subsidiary Companies	
HCC Contract Solutions Limited *(Formerly known as HCC Construction Limited)*	HCC Aviation Limited
Western Securities Limited	Steiner AG
HREL Real Estate Limited	Dhule Palesner Operations & Maintenance Limited
Panchkutir Developers Limited	HCC Power Limited
HCC Mauritius Enterprises Limited	HCC Realty Limited
Highbar Technologies Limited	HCC Operation and Maintenance Limited
HCC Infrastructure Company Limited	HCC Energy Limited
HCC Mauritius Investments Limited	Steiner Promotions et Participations SA
HRL Township Developers Limited	Steiner (Deutschland) GmbH
HRL (Thane) Real Estate Limited	VM + ST AG
Nashik Township Developers Limited	Steiner Leman SAS
Maan Township Developers Limited	Steiner India Limited
Manufakt8048 AG	Powai Real Estate Developer Limited
HCC Concessions Limited *	Prolific Resolution Private Limited (w.e.f. 8 March 2021)
Narmada Bridge Tollways Limited *	Baharampore-Farakka Highways Limited *
Badarpur Faridabad Tollways Limited *	Raiganj-Dalkhola Highways Limited *
Associates	
Highbar Technocrat Limited	Projektentwicklungsges.Parking Kunstmuseum AG (upto 31 March 2021)
Evostate AG	Evostate Immobillen AG
MCR Managing Corp. Real Estate	
Joint Venture / Joint Operations	
Kumagai-Skanska-HCC-Itochu Group	Farakka-Raiganj Highways Limited (upto 22 September 2020)
HCC-L&T Purulia Joint Venture	Alpine- HCC Joint Venture
Alpine- Samsung- HCC Joint Venture	HCC Samsung Joint Venture CC 34
Nathpa Jhakri Joint Venture	ARGE Prime Tower, Zürich
HCC- HDC Joint Venture	Werkarena Basel AG
HCC – VCCL Joint Venture	

* The aforementioned entities were Joint Venture of the Group and effective 20 August 2021 have become subsidiaries of the Holding Company.

ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 21 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

A) Followings are the qualifications/ adverse remarks reported by us and the other auditors in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2022 for which such Order reports have been issued till date and made available to us:

S No	Name of the entity	CIN	Holding Company / subsidiary / Associate / Joint Venture/ Joint operation	Clause number of the CARO report which is qualified or adverse
1	Western Securities Limited	U67120MH1985PLC037511	Subsidiary	Clause (iii)(b), (iii)(c) and (iv)
2	Highbar Technologies Limited	U72900MH2009PLC197299	Subsidiary	Clause (ix) and (xix)
3	Dhule Palesner Operations & Maintenance Limited	U93000MH2011PLC217639	Subsidiary	Clause (iii)(c)
4	HREL Real Estate Limited	U70100MH2005PLC154004	Subsidiary	Clause (iii)(b) and (iii)(c)
5	Panchkutir Developers Limited	U45201MH2006PLC165073	Subsidiary	Clause (iii)(b) and (iii)(c)
6	HCC Infrastructure Company Limited	U45400MH2010PLC210944	Subsidiary	Clause (iii)(c), and (xix)
7	HRL Township Developers Limited	U45201MH2006PLC163478	Subsidiary	Clause (iii)(b) and (iii)(c)
8	HRL (Thane) Real Estate Limited	U45201MH2006PLC163515	Subsidiary	Clause (i)(c)
9	Maan Township Developers Limited	U45200MH2007PLC167462	Subsidiary	Clause (i)(c), (iii)(b) and (iii)(c)
10	HCC Aviation Limited	U63033MH2008PLC182384	Subsidiary	Clause (iii)(b) and (iii)(c)
11	HCC Power Limited	U40300MH2011PLC218286	Subsidiary	Clause (iii)(b), (iii)(c), (xvi)(a) and (xix)
12	HCC Concessions Limited	U45202MH2008PLC178890	Subsidiary	(iii)(c), (xvi) and (xix)
13	Baharampore-Farakka Highways Limited	U45200MH2010PLC200748	Subsidiary	Clause (xx)(b)
14	Raiganj-Dalkhola Highways Limited	U45400MH2010PLC200734	Subsidiary	Clause (ix) and (xix)
15	HCC Energy Limited	U40300MH2015PLC267394	Subsidiary	Clause (iii)(b), (iii)(c), (xvi)(a) and (xix)

B) Following is the company included in the consolidated financial statements for the year ended 31 March 2022 audited by other auditor, for which the reports under section 143(11) of such companies have not yet been issued by the other auditor, as per information and explanation given to us by the management in this respect:

S No	Name of the entity	CIN	Subsidiary/ Associate/ Joint Venture
1	Steiner India Limited	U45203MH2011FLC221029	Subsidiary

ANNEXURE III TO THE INDEPENDENT AUDITOR'S REPORT

Annexure III to the Independent Auditor's Report of even date to the members of Hindustan Construction Company Limited on the consolidated financial statements for the year ended 31 March 2022

Independent Auditor's Report on the internal financial controls with reference to 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 consolidated financial statements of **Hindustan Construction Company Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates, joint ventures and joint operations as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its associate companies and its joint venture companies, which are companies covered under the Act, as at that date.

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

2. The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and its joint venture companies, which are companies covered under the Act, are 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 (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of 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 Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its associate companies and its joint venture companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the 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 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its associate companies and joint venture companies, as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial 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.

Qualified Opinion

8. According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31 March 2022:

   a) The Holding Company did not have an appropriate internal control system with respect to compliance with the provisions of section 197 of the Companies Act, 2013 relating to obtaining prior approval from lenders for payment/ accrual of remuneration exceeding the specified limits, as explained in Note 30.1 to the consolidated financial statements, which has resulted in a material misstatement in the value of Holding Company's employee benefit expenses, financial assets and its resultant impact on the loss after tax and the reserves and surplus including levy of fine, if any, on account of such non-compliance.

   b) The Holding Company's internal financial system with respect to assessment of recoverability of deferred tax assets, as explained in Note 10.1 to the consolidated financial statements, as per Ind AS 12 'Income Taxes' were not operating effectively, which could lead to a material misstatement in the carrying value of deferred tax assets and its resultant impact on loss after tax, reserves and surplus and related disclosures in respect thereof as at and for the year ended 31 March 2022.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

10. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, associate companies, and its joint venture companies; except for the possible effects of the material weakness described in paragraph 8(a) above on the achievement of the objectives of the control criteria, the Holding Company, subsidiary companies, associate companies and joint venture companies which are companies covered under the Act has, in all material respects, adequate internal financial controls with reference to consolidated financial statements as at 31 March 2022, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI, and except for the possible effects of the material weakness described in paragraph 8(b) above on the achievement of the objectives of the control criteria, the Group's internal financial controls with reference to financial statements were operating effectively as at 31 March 2022.

11. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Group and its associate company and its joint venture companies, which are companies covered under the Act, as at and for the year ended 31 March 2022, and these material weaknesses have affected our opinion on the consolidated financial statements of the Group, its associate companies and its joint venture companies and we have issued a qualified opinion on the consolidated financial statements.

Other Matter

12. We did not audit the internal financial controls with reference to financial statements in so far as it relates to eighteen (18) subsidiary companies, which are companies covered under the Act, whose financial statements / financial information reflect total assets of ₹ 1,833.30 crore and net liabilities of ₹ 288.75 crore as at 31 March 2022, total revenues of ₹ 277.42 crore and net cash flow amounting to ₹ 44.40 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹ 2.64 crore for the year ended 31 March 2022, in respect of one (1) associate company, which is a company covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies and associate companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary companies and its associate companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies and associate companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

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

Shashi Tadwalkar
Partner
Membership No.: 101797
UDIN: 22101797AIVRBZ9176

Place: Pune
Date: 12 May 2022

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

₹ crore

Particulars	Note No.	**As at 31 March 2022**	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3A	436.23	549.56
Right-of-use assets	3B	217.61	245.77
Capital work-in-progress	3C	0.68	1.61
Investment property	4	2.79	2.67
Goodwill	5	3.38	3.38
Other intangible assets	5	62.54	64.14
Intangible assets under development	5	-	-
Investments in associates and joint ventures	6	20.47	402.91
Financial assets			
Investments	6A	37.90	15.11
Trade receivables	7	235.75	-
Loans	8	57.32	67.44
Other financial assets	9	42.65	36.76
Deferred tax assets (net)	10	743.15	751.36
Income tax assets (net)	10	93.53	143.77
Other non-current assets	11	67.90	74.50
Total non-current assets		**2,021.90**	**2,358.98**
Current assets			
Inventories	12	484.84	479.60
Financial assets			
Investments	13	0.66	0.15
Trade receivables	7	2,090.96	4,501.79
Cash and cash equivalents	14	720.97	642.13
Bank balances other than cash and cash equivalents	15	821.42	619.49
Other financial assets	9	284.24	92.04
Unbilled work-in-progress (contract assets)	16	3,729.03	3,826.12
Other current assets	11	322.98	254.04
		8,455.10	**10,415.36**
Assets of disposal groups held for sale	17	3,719.00	6.49
Total current assets		**12,174.10**	**10,421.85**
TOTAL ASSETS		**14,196.00**	**12,780.83**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	151.31	151.31
Other equity	18A	(935.95)	(1,468.90)
Equity attributable to owners of the parent		**(784.64)**	**(1,317.59)**
Non-controlling interest		0.00 *	0.00 *
Total equity		**(784.64)**	**(1,317.59)**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	19	1,178.47	1,408.28
Lease liabilities		225.12	215.98
Other financial liabilities	20	1,554.89	1,508.17
Provisions	21	124.05	189.31
Deferred tax liabilities (net)	10	31.45	-
Total non-current liabilities		**3,113.98**	**3,321.74**
Current liabilities			
Financial liabilities			
Borrowings	19	612.81	3,124.93
Lease liabilities		1.70	27.70
Trade payables	22		
- Total outstanding dues of Micro Enterprises and Small Enterprises		80.00	48.02
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		2,986.50	2,999.40
Other financial liabilities	20	1,407.32	1,294.10
Other current liabilities	23	2,444.92	3,028.89
Current tax liability	10	99.20	0.74
Provisions	21	467.10	252.91
		8,099.55	**10,776.68**
Liabilities of disposal groups held for sale	24	3,767.11	-
Total current liabilities		**11,866.66**	**10,776.68**
TOTAL EQUITY AND LIABILITIES		**14,196.00**	**12,780.83**

* Represents amount less than ₹ 1 lakh

The accompanying notes form an integral part of the consolidated financial statements

This is the Consolidated Balance Sheet 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

Vithal P. Kulkarni
Company Secretary
ACS No. 6707

Place: Pune
Date : 12 May 2022

For and on behalf of the Board of Directors

Ajit Gulabchand	DIN : 00010827	*Chairman & Managing Director*
Arjun Dhawan	DIN : 01778379	*Vice Chairman & Whole Time Director*
Jaspreet Bhullar		*Chief Executive Officer*
Rahul P. Rao		*Chief Financial Officer*
Mahendra Singh Mehta	DIN : 00019566	*Directors*
Dr. Mita Dixit	DIN : 08198165	

Place: Mumbai
Date : 12 May 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

₹ crore

	Note No.	**Year ended 31 March 2022**	Year ended 31 March 2021
Continuing Operations			
Income			
Revenue from operations	25	10,669.73	8,248.42
Other income	26	152.13	86.57
Total income		**10,821.86**	**8,334.99**
Expenses			
Cost of materials consumed	27	865.06	525.57
Subcontracting expenses		7,112.79	5,834.87
Changes in inventories	28	(17.14)	(16.51)
Construction expenses	29	306.04	260.76
Employee benefits expense	30	931.54	954.85
Finance costs	31	1,030.47	1,001.06
Depreciation and amortisation expense	32	138.34	135.51
Other expenses	33	278.82	297.64
Total expenses		**10,645.92**	**8,993.75**
Profit / (loss) before exceptional items, share of profit of associates and joint ventures and tax from continuing operations		175.94	(658.76)
Exceptional items- Gain / (Loss)	34	106.10	(274.03)
Profit / (loss) before share of profit of associates and joint ventures and tax from continuing operations		282.04	(932.79)
Share of profit of associates and joint ventures (net)		224.04	65.44
Profit / (loss) before tax from continuing operations		506.08	(867.35)
Tax expense / (credit)	10		
Current tax		46.63	8.96
Deferred tax		39.80	(266.29)
		86.43	**(257.33)**
Profit / (loss) for the year from continuing operations (A)		**419.65**	**(610.02)**
Discontinued Operations			
Loss from discontinued operations		(7.02)	-
Tax expense of discontinued operations		(13.07)	-
Loss for the year from discontinued operations (after tax) (B)		**(20.09)**	**-**
Net profit / (loss) for the year from total operation (A) +(B)		**399.56**	**(610.02)**
Other comprehensive income			
(a) Items that will not be reclassified to profit or loss (net of tax)			
- Gain on fair value of defined benefit plans as per actuarial valuation		82.49	24.96
- Gain on fair value of equity instruments		7.09	5.70
(b) Items that will be reclassified to profit or loss			
- Translation gain / (loss) relating to foreign operations		(4.51)	28.27
Other comprehensive income for the year, net of tax (C)		**85.07**	**58.93**
Total comprehensive income / (loss) for the year, net of tax (A+B+C)		**484.63**	**(551.09)**
Net profit / (loss) for the year attributable to:			
Owners of the parent		419.65	(610.02)
Non-controlling interest		(0.00)*	0.00*
Other comprehensive income for the year attributable to:			
Owners of the parent		85.07	58.93
Non-controlling interest		(0.00)*	0.00*
Total comprehensive income / (loss) for the year attributable to:			
Owners of the parent		484.63	(551.09)
Non-controlling interest		(0.00)*	0.00*
Total comprehensive income / (loss) for the year attributable to the owner from :			
Continuing operations		504.72	(551.09)
Discontinued operations		(20.09)	-
Earnings / (Loss) per share (Face value of ₹ 1 each) - for continuing operations			
Basic and diluted (in ₹)	35	2.77	(4.03)
Earnings / (Loss) per share (Face value of ₹ 1 each) - for discontinued operations			
Basic and diluted (in ₹)	35	(0.13)	-
Earnings / (Loss) per share (Face value of ₹ 1 each) - for total operations			
Basic and diluted (in ₹)	35	2.64	(4.03)

* Represents amount less than ₹ 1 lakh

The accompanying notes form an integral part of the consolidated financial statements

This is the Consolidated 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

Shashi Tadwalkar
Partner
Membership No.: 101797

Vithal P. Kulkarni
Company Secretary
ACS No. 6707

Place: Pune
Date : 12 May 2022

For and on behalf of the Board of Directors

Ajit Gulabchand	DIN : 00010827	*Chairman & Managing Director*
Arjun Dhawan	DIN : 01778379	*Vice Chairman & Whole Time Director*
Jaspreet Bhullar		*Chief Executive Officer*
Rahul P. Rao		*Chief Financial Officer*
Mahendra Singh Mehta	DIN : 00019566	*Directors*
Dr. Mita Dixit	DIN : 08198165	

Place: Mumbai
Date : 12 May 2022

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

₹ crore

		Year ended 31 March 2022	Year ended 31 March 2021
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net profit / (loss) before tax	506.08	(867.35)
	Adjustments for:		
	Depreciation and amortisation expense	138.34	135.51
	Finance costs	1,030.47	1,001.06
	Interest income	(33.02)	(27.10)
	Gain on settlement of debt	(134.35)	-
	Loss on settlement with customer	-	274.03
	Share of profit of associates and joint ventures	(224.04)	(65.44)
	Dividend income	(1.14)	(1.05)
	Unrealised foreign exchange loss/ (gain) (net)	(3.92)	5.95
	Profit on disposal of property, plant and equipment (net)	(2.36)	(12.93)
	Provision no longer required written back	(24.05)	(23.32)
		745.93	**1,286.71**
	Operating profit before working capital changes	1,252.01	419.36
	Adjustments for changes in working capital:		
	Increase in inventories	(5.24)	(12.43)
	Increase in trade receivables	(37.64)	(134.46)
	(Increase) / decrease in current / non-current financial and other assets, and unbilled work-in-progress (contract assets)	97.42	(161.71)
	(Increase) / decrease in trade payables, other financial liabilities, other liabilities and provision	(574.60)	123.21
	Cash generated from operations	**731.95**	**233.97**
	Direct taxes refund / (paid) {net}	20.73	113.93
	Net cash generated from operating activities	**752.68**	**347.90**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment (including capital work-in-progress and capital advances / payables)	(89.25)	(74.81)
	Proceeds from sale of property, plant and equipment and assets held for sale (including advances received)	34.30	14.14
	Proceeds from sale of investments	-	9.00
	Investments in bank deposits	(201.04)	(53.06)
	Interest received	30.60	29.11
	Dividend received	1.14	1.05
	Net cash used in investing activities	**(224.25)**	**(74.57)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Repayment of non-current borrowings	(55.84)	(89.72)
	Proceeds from / (repayments of) short-term borrowings (net)	(158.99)	648.65
	Repayment of lease obligations	(19.01)	(34.72)
	Interest and other finance charges	(426.01)	(423.39)
	Net cash generated from/ (used in) financing activities	**(659.85)**	**100.82**
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**(131.42)**	**374.15**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

₹ crore

	Year ended 31 March 2022	Year ended 31 March 2021
Cash and cash equivalents at the beginning of the year	642.13	276.11
Impact of business combination (net of discontinued operations)	193.07	-
Unrealised foreign exchange gain/ (loss)	17.19	(8.13)
Cash and cash equivalents at the end of the year (Refer note 14)	720.97	642.13

Note:-
The cash flow statement has been prepared under the indirect method as set out in Ind AS 7- Statement of Cash Flows.

The accompanying notes form an integral part of the consolidated financial statements.

This is the Consolidated Cash Flow Statement 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

Vithal P. Kulkarni
Company Secretary
ACS No. 6707

Place: Pune
Date : 12 May 2022

For and on behalf of the Board of Directors

Ajit Gulabchand DIN : 00010827 *Chairman & Managing Director*
Arjun Dhawan DIN : 01778379 *Vice Chairman & Whole Time Director*
Jaspreet Bhullar *Chief Executive Officer*
Rahul P. Rao *Chief Financial Officer*
Mahendra Singh Mehta DIN : 00019566
Dr. Mita Dixit DIN : 08198165
Directors

Place: Mumbai
Date : 12 May 2022

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

a) Equity share capital (equity shares of ₹ 1 each)

Particulars	Issued, subscribed and paid	
	Number	₹ crore
As at 1 April 2020	**1,512,976,244**	**151.31**
Issue of equity shares	-	-
As at 31 March 2021	**1,512,976,244**	**151.31**
Issue of equity shares	-	-
As at 31 March 2022	**1,512,976,244**	**151.31**

b) Other equity

₹ crore

Particulars	Reserves and surplus							Other comprehensive income		Non-controlling interest	Total equity attributable to equity holders
	Capital reserve	Forfeited debentures account	Securities premium	Debenture redemption reserve	Foreign currency monetary translation reserve	General reserve	Retained earnings	Equity instruments at fair value through other comprehensive income	Translation loss relating to foreign operation (net)		
As at 1 April 2020	**31.49**	**0.02**	**2,650.87**	**54.99**	**7.08**	**180.24**	**(3,634.30)**	**(25.05)**	**(175.83)**	**0.00**	**(910.49)**
Loss for the year	-	-	-	-	-	-	(610.02)	-	-	0.00	(610.02)
Other comprehensive income for the year	-	-	-	-	-	-	24.96	5.70	28.27	0.00	58.93
Restatement of foreign currency monetary translation items	-	-	-	-	(4.60)	-	-	-	-	-	(4.60)
Amortisation of foreign currency monetary translation items	-	-	-	-	(2.72)	-	-	-	-	-	(2.72)
As at 31 March 2021	**31.49**	**0.02**	**2,650.87**	**54.99**	**(0.24)**	**180.24**	**(4,219.35)**	**(19.35)**	**(147.56)**	**0.00**	**(1,468.90)**
Profit for the year	-	-	-	-	-	-	399.56	-	-	-	399.56
Other comprehensive income for the year	-	-	-	-	-	-	82.49	7.09	(4.51)	-	85.07
Gain on fair valuation of previously held equity interest in a business combination (Refer note 50)	-	-	-	-	-	-	-	46.61	-	-	46.61
Restatement of foreign currency monetary translation items	-	-	-	-	3.84	-	-	-	-	-	3.84
Amortisation of foreign currency monetary translation items	-	-	-	-	(2.13)	-	-	-	-	-	(2.13)
As at 31 March 2022	**31.49**	**0.02**	**2,650.87**	**54.99**	**1.47**	**180.24**	**(3,737.30)**	**34.35**	**(152.07)**	**0.00**	**(935.95)**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

NATURE AND PURPOSE OF RESERVES

i. Capital reserve

The Group recognizes profit or loss on purchase or cancellation (including forfeiture) of its own equity instruments to capital reserve.

ii. Forfeited debentures account

The Group recognizes profit or loss on purchase or cancellation (including forfeiture) of its own debentures to forfeited debentures account.

iii. Securities premium

Securities premium is used to record the premium received on issue of shares or debentures. This account is utilised in accordance with the provisions of the Companies Act, 2013 (the 'Act').

iv. Debenture redemption reserve

The Act requires that where a Company issues debentures, it shall create a debenture redemption reserve out of profits of the Company available for payment of dividend. The Company is required to maintain a Debenture Redemption Reserve of 25% of the value of the debentures issued, either by a public issue or a private placement basis. The amounts credited to the debenture redemption reserve cannot be utilised by the Company except to redeem debentures.

v. Foreign currency monetary translation reserve

Exchange difference arising on translation of the long term monetary items is accumulated in separate reserve within equity. The cumulative amount is reclassified to the Statement of Profit and Loss over the life of the monetary asset / liability on a straight line basis.

vi. General reserve

Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of net profit to general reserve has been withdrawn.

vii. Retained earnings

Retained earnings represents the profits/ losses that the Group has earned / incurred till date including gain / (loss) on fair value of defined benefits plans as adjusted for distributions to owners, transfer to other reserves etc.

viii. Other comprehensive income

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within FVTOCI reserve within equity. The Group transfers amount from this reserve to retained earnings when the relevant equity securities are disposed off.

ix. Translation loss relating to foreign operation (net)

The Group recognised exchange differences arising on translation of the foreign operations in other comprehensive income and accumulated in 'Translation loss relating to foreign operation (net)' in other equity..

* Represents amount less than ₹ 1 lakh

The accompanying notes form an integral part of the consolidated financial statements.

This is the Consolidated 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

Vithal P. Kulkarni
Company Secretary
ACS No. 6707

Place: Pune
Date : 12 May 2022

For and on behalf of the Board of Directors

Ajit Gulabchand	DIN : 00010827	*Chairman & Managing Director*
Arjun Dhawan	DIN : 01778379	*Vice Chairman & Whole Time Director*
Jaspreet Bhullar		*Chief Executive Officer*
Rahul P. Rao		*Chief Financial Officer*
Mahendra Singh Mehta	DIN : 00019566	*Directors*
Dr. Mita Dixit	DIN : 08198165	

Place: Mumbai
Date : 12 May 2022

NOTE 1 CORPORATE INFORMATION

Hindustan Construction Company Limited (the "Holding Company", "Parent" or "HCC") is a public limited company incorporated and domiciled in India. The Company having CIN L45200MH1926PLC001228, is principally engaged in the business of providing engineering and construction services. Its shares are listed on two recognised stock exchanges in India- the Bombay Stock Exchange and the National Stock Exchange. The registered office of the Company is located at Hincon House, LBS Marg, Vikhroli (West), Mumbai- 400 083, India.

The consolidated financial statements comprises the financial statements of the Company and its subsidiaries (the Company and its subsidiaries referred to as the "Group") and its associates and joint arrangements. The Group is principally engaged in the business of providing engineering and construction services, real estate, and infrastructure. These consolidated financial statements ("the financial statements") of the Group for the year ended 31 March 2022 were authorised for issue in accordance with resolution of the Board of Directors on 12 May 2022.

NOTE 2.1 SIGNIFICANT ACCOUNTING POLICIES

i Basis of preparation

The financial statements of the Group have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules as amended from time to time and guidelines issued by Securities and Exchange Board of India (SEBI) to the extent applicable.

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

The Group's financial statements are reported in Indian Rupees, which is also the Group's functional currency, and all values are rounded to the nearest crores (INR 0,000,000), except when otherwise indicated. Amount presented as "0.00* " are non zero numbers rounded off in crore.

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to Act. 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. The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with other notes required to be disclosed under the notified Ind AS and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

ii. Operating cycle for current and 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 Group as per the guidance set out in Schedule III to the Act. Operating cycle for the business activities of the Group 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.

iii. Principles of consolidation

The financial statements have been prepared on the following basis:

a. Subsidiaries

- The consolidated financial statements incorporate the financial statements of the Holding Company and its subsidiaries. For this purpose, an entity which is, directly or indirectly, controlled by the Parent Company is treated as subsidiary. The Parent Company together with its subsidiaries constitute the Group. Control exists when the Parent Company, directly or indirectly, has power over the investee, is exposed to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

- Consolidation of a subsidiary begins when the Parent Company, directly or indirectly, obtains control over the subsidiary and ceases when the Parent Company, directly or indirectly, loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Statement of Profit and Loss from the date the Parent Company, directly or indirectly, gains control until the date when the Parent Company, directly or indirectly, ceases to control the subsidiary.

- The consolidated financial statements of the Group combines financial statements of the Parent Company and its subsidiaries line-by-line by adding together the like items of assets, liabilities, income and expenses. All intra-group assets, liabilities, income, expenses and unrealised profits/losses on intra-group transactions are eliminated on consolidation. The accounting policies of subsidiaries have been harmonised to ensure the consistency with the policies adopted by the Parent Company. The consolidated financial statements have been presented to the extent possible, in the same manner as Parent Company's standalone financial statements.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests and have been shown separately in the financial statements.

- Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Company.

- The gains/losses in respect of part divestment/ dilution of stake in subsidiary companies not resulting in ceding of control, are recognised directly in other equity attributable to the owners of the Parent Company.

- The gains/ losses in respect of divestment of stake resulting in ceding of control in subsidiary companies are recognised in the Statement of Profit and Loss. The investment representing the interest retained in a former subsidiary, if any, is initially recognised at its fair value with the corresponding effect recognised in the Statement of Profit and Loss as on the date the control is ceded. Such retained interest is subsequently accounted as an associate or a joint venture or a financial asset.

b. Investments in joint venture and associates

When the Group has with other parties joint control of the arrangement and rights to the net assets of the joint arrangement, it recognises its interest as joint venture. Joint control exists when the decisions about the relevant activities require unanimous consent of the parties sharing the control. When the Group has significant influence over the other entity, it recognises such interests as associates. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control over the entity.

The results, assets and liabilities of joint venture and associates are incorporated in the consolidated financial statements using equity method of accounting after making necessary adjustments to achieve uniformity in application of accounting policies, wherever applicable. An investment in associate or joint venture is initially recognised at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the joint venture or associate. Gain or loss in respect of changes in other equity of joint ventures or associates resulting in dilution of stake in the joint ventures and associates is recognised in the Statement of Profit and Loss. On acquisition of investment in a joint venture or associate, any excess of cost of investment over the fair value of the assets and liabilities of the joint venture, is recognised as goodwill and is included in the carrying value of the investment in the joint venture and associate. The excess of fair value of assets and liabilities over the investment is recognised directly in equity as capital reserve. The unrealised profits/ losses on transactions with joint ventures are eliminated by reducing the carrying amount of investment.

The carrying amount of the equity accounted investments are tested for impairment in accordance with the policy.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

c. Interests in joint operations

In accordance with Ind AS 111 - Joint Arrangements, when the Group has joint control of the arrangement based on contractually determined right to the assets and obligations for liabilities, it recognises such interests as joint operations. Joint control exists when the decisions about the relevant activities require unanimous consent of the parties sharing the control. In respect of its interests in joint operations, the Group recognises its share in assets, liabilities, income and expenses line-by-line in the standalone financial statements of the entity which is party to such joint arrangement which then becomes part of the consolidated financial statements of the Group when the financial statements of the Parent Company and its subsidiaries are combined for consolidation.

d. Business combination / Goodwill on consolidation

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

The excess of the:

- Consideration transferred;

- Amount of any non-controlling interest in the acquired business, and

- Acquisition-date fair value of any previous equity interest in the acquired business

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase is recognized directly in equity as capital reserve.

Goodwill arising on consolidation is not amortised, however, it is tested for impairment annually. In the event of cessation of operations of a subsidiary, the unimpaired goodwill is written off fully. Business combinations arising from transfers of interests in entities that are under common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

e. Notes to the financial statements represent notes involving items which are considered material and are accordingly disclosed. Materiality for the purpose is assessed in relation to the information contained in the financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or a parent having no bearing on the true and fair view of the financial statements has not been disclosed in these financial statements.

iv. 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.

v. Key accounting estimates and assumptions

The key estimates and 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, are described below. The Group 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 Group. 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.

a. Estimation uncertainty related to the global health pandemic on COVID-19

The Group's operations have significantly recovered from the impact of COVID-19 pandemic and there are no significant continuing impact on the operations and financial statements of the Group as at 31 March 2022. The Management continuous to closely monitor the current developments and possible effects of COVID-19 pandemic on it's financial condition, liquidity and operations.

b. Contract estimates

The Group, being a part of construction industry, prepares budgets in respect of each project to compute project profitability. The two major components of contract estimate are 'claims arising during construction period' (described below) and 'budgeted costs to complete the contract'. While estimating these components, there are significant assumptions considered by the management. Due to such complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

c. Recoverability of claims

The Group has incurred costs in respect of over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work etc. which have been recognised as variable consideration. These claims are at various stages of negotiation/discussion with the clients or under arbitration. The realisability of these claims are estimated based on contractual terms, historical experience with similar claims as well as legal opinion obtained from internal and external experts, wherever necessary. Changes in facts of the case or the legal framework may impact realisability of these claims.

d. Deferred tax assets

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization 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 consideres the applicable tax rates, scheduled reversal of deferred 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 Group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

e. 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.

f. Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease required significant judgement. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group revises the lease term if there is a change in non-cancellable period of a lease.

g. Useful lives of property, plant and equipment, investment property, right of use assets and intangible assets

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of assets are determined by the management at the time of acquisition of asset and reviewed periodically, including at each financial year. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

h. Provisions and contingent liabilities

A provision is recognised when the Group has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

vi. Going concern

As at 31 March 2022, the Group has accumulated losses aggregating ₹ 3,690.70 crore which has resulted in full erosion of its net worth. The Holding Company continues to default on payment to lenders along with overdue to operational creditors. Certain operational creditors have also applied before the National Company Law Tribunal ('NCLT') for debt resolution under the Insolvency and Bankruptcy Code, 2016, none of which has been admitted so far. The above factors indicate that events or conditions exist, which may cast significant doubt on the entity's ability to continue as a going concern.

The Holding Company is in the process of finalising a resolution plan with it's lenders to restructure it's debt. As per the resolution plan with lenders of the Holding Company, including resolution of debts of an erstwhile subsidiary, whose liabilities were taken over by the Holding Company in earlier years, economic and beneficial interest of a portion of the arbitration awards and claims of the Holding Company along with liabilities, represented by debt and accrued interest, will be transferred to a wholly owned subsidiary of the Holding Company (Also refer note 17.2). As at date, the resolution plan has been approved by the respective Board/ Committees of 100% lenders making the resolution plan binding on all lenders. The resolution plan is expected to be implemented by July 2022.

Based on the expected successful implementation of the resolution plan with lenders as well as the Holding Company's business plans, the management is confident of time-bound monetisation of assets including arbitration awards, claims and other assets and is confident of meeting the obligations as they fall due. Accordingly, the Management considers it appropriate to prepare these consolidated financial statements on a going concern basis.

vii. Fair value measurement

The Group measures financial instruments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, In the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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).

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

viii. 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 Group 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.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

ix. Capital work-in-progress

Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure.

x. Investment property

Investment properties are held to earn rentals or for capital appreciation, or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined on an annual evaluation based on the reckoner value with the main inputs being comparable transactions and industry data.

Depreciation on investment properties (building) is provided on the straight-line method, computed on the basis of useful lives as prescribed in Schedule II to the Act i.e.

60 years. The residual values, useful lives and method of depreciation are reviewed at the end of each financial year and the effect of any change in the estimates of useful lives/residual value is accounted on prospective basis.

xi. Intangible assets

Intangible assets are stated at cost, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably, less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets mainly comprise of toll roads and computer software. Computer software represents license fees and implementation cost for software and other application software acquired / developed for in-house use.

The Group recognises an intangible asset arising from a service concession arrangement when it has a right to charge for usage of the concession infrastructure. An intangible asset received as Consideration for providing construction or upgrade services in a service concession arrangement is measured at fair value on initial recognition by reference to the fair value of the services provided. Subsequent to initial recognition, the intangible asset is measured at cost, which includes capitalised borrowing costs, less accumulated amortisation and accumulated impairment losses.

The estimated useful life of an intangible asset in a service concession arrangement is the period from when the Group is able to charge the public for the use of the infrastructure to the end of the concession period.

xii. Non-current assets or disposal group held for sale

Non-current assets or disposal group (including liabilities directly associated with those assets of a disposal group) that are available for immediate sale and where the sale is highly probable of being completed within one year from the date of classification are considered and classified as assets held for sale. Non-current assets or disposal group held for sale are measured at the lower of carrying amount or fair value less costs to sell except financial assets within the scope of Ind AS 109- Financial Instruments. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of asset held for sale has been estimated using observable inputs such as price quotations.

xiii. Depreciation and amortisation

Depreciation is provided for property, plant and equipment so as to expense the cost less residual value over their estimated useful lives on a straight line basis, except Building and sheds which is depreciated using WDV method. Intangible assets are amortised from the date they are available for use, over their estimated useful lives. The useful lives are as per Schedule II to the Act except in case of certain assets, where the useful life is based on technical evaluation by management.

Asset category	Useful life (in years)
Building and sheds	3 to 60
Leasehold improvements	As per the period of lease or estimated useful life determined by management's expert, whichever is lower.
Plant and equipment	2 to 14
Furniture fixtures and office equipment	5 to 10
Heavy Vehicles	3 to 12
Light Vehicles	8 to 10
Helicopter / Aircraft	12 to18
Speed boat	13
Computers	3
Intangible assets	3 to 5

The estimated useful life and residual values are reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

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

Depreciation on additions is provided on a pro-rata basis, from the date on which asset is ready to use.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are accounted in the Statement of Profit and Loss under Other income or Other expenses.

xiv. 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.

Initial recognition and measurement

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company's business model refers to how it manages it's financial assets to generate cash flows. The business model determines whether the cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

a Financial assets

i) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in 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 through Other Comprehensive Income**

  Financial assets are measured at Fair Value through Other Comprehensive Income ('FVOCI') 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 and associates) which are not held for trading, the Group 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 Group 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 profit or loss (FVTPL)**

  Any financial asset which does not meet the criteria for categorization as financial asset at amortized cost or at FVTOCI, is classified as financial asset at FVTPL. Financial assets included within the FVTPL category are subsequently measured at fair value with all changes recognized in the statement of profit and loss.

ii) Impairment of financial assets

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

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Group 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 Group 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 impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss."

iii) De-recognition of financial assets

The Group 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 Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.
If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity, if any, is recognised in profit or loss, except in case of equity instruments classified as FVOCI, where such cumulative gain or loss is not recycled to statement of profit and loss.

b Equity instruments and financial liabilities

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

i) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group 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.

ii) Financial liabilities

- **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 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.

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 Group issues optionally convertible debentures, 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.

Where the terms of a financial liability is re-negotiated and the Group 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."

- **Financial guarantee contracts**

Financial guarantee contracts issued by the Group 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.

- **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.

xv. 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. Group's provident fund contribution, in respect of certain employees of the Company and its Indian subsidiaries is made to a government administered fund, and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Group has no further obligations beyond the monthly contributions.

b. Defined benefit plan

In respect of certain employees, provident fund contributions are made to a trust administered by the Group. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Group. Accordingly, the contribution paid or payable and the interest shortfall, if any, is recognised as an expense in the period in which services are rendered by the employee.

The Group also provides for gratuity which is a defined benefit plan the liabilities of which are 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 year of plan amendment or curtailment. The classification of the Group's obligation into current and non-current is as per the actuarial valuation report.

In case of foreign subsidiaries, the post-employment benefit plan, in the form of a pension, qualify as defined benefit plans. For the purposes of determining the defined benefit obligation at the reporting date, the total defined benefit obligations, made by an independent actuary using the projected unit credit method, are compared to the fair value of the plan assets and resultant surplus or shortfall is recognised as an asset or liability, respectively. Re-measurement, comprising of actuarial gains and losses, in respect of this pension plan are recognised in the OCI, in the period in which they occur.

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.

xvi. Contract assets

Contract revenue earned in excess of certification are classified as contract assets (which we refer as unbilled work-in-progress). A contract asset is initially recognised for revenue earned from engineering and construction services because the receipt of consideration is conditional on successful completion of the service. Upon completion of the service and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables. Contract assets are subject to impairment assessment.

xvii. Contract liabilities

Certification in excess of contract revenue are classified as contract liabilities (which we refer to as due to customer). A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer)

xviii. Inventories

a. Construction materials, stores, spares and fuel

The stock of construction materials, stores, spares and fuel is valued at cost or net realisable value ('NRV'), whichever is lower. Cost is determined on weighted average basis and includes all applicable cost of bringing the goods to their present location and condition. Net realisable value is estimated selling price in ordinary course of business less the estimated cost necessary to make the sale.

b. Land and development rights

Undeveloped land (including development costs) and finished units which are held for sale are valued at the lower of construction costs and net selling price.

c. Project work in progress

Land and construction / development expenses are accumulated under "Project work-in-progress" and the same are valued at lower of cost or net realizable value.

Cost of land purchased / acquired by the Group includes purchase / acquisition price plus stamp duty and registration charges.

Construction / development expenditure includes cost of development rights, all direct and indirect expenditure incurred on development of land/ construction, attributable interest and financial charges and overheads relating to site management and administration less incidental revenues arising from site operations.

xix. Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand and short-term deposits with an original maturity of three month or less, which are subject to an insignificant risk of changes in value.

xx. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM is the Chief Executive Officer of the Group, who assesses the financial performance and position of the Group and makes strategic decisions. The CODM reviews revenue and gross profit as the performance indicators and does not review the total assets and liabilities for each reportable segment. The measurement of each segment's revenues, expenses and assets is consistent with the accounting policies that are used in preparation of the Group's consolidated financial statements. The Group's operations predominantly relate to 'Engineering and Construction', 'Infrastructure' and 'Real Estate'. Other business segments contribute less than 10% of the total revenue and have been grouped as 'Others'. Segments have been identified taking into account the nature of activities of the parent company, its subsidiaries and joint ventures, the differing risks and returns, the organization structure and internal reporting system.

xxi. Borrowing costs

Borrowing costs consist of interest and other costs that the Group 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.

xxii. Foreign exchange translation of foreign projects and accounting of foreign exchange transaction

a. Initial recognition

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. However, for practical reasons, the Group uses a monthly average rate if the average rate approximate is the actual rate at the date of the transactions.

b. Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

c. Treatment of exchange difference

Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Group are recognised as income or expense in the Statement of Profit and Loss.

Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset and exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Translation Account" and amortised over the remaining life of the concerned monetary item.

xxiii. Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight line basis over the expected lives of the related assets and presented with other income.

xxiv.Revenue recognition

a. Revenue from construction contracts

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration, the Company expects to receive in exchange for those products or services.

The Company evaluates whether the performance obligations in engineering and construction services are satisfied at a point in time or over time. The performance obligation is transferred over time if one of the following criteria is met:

- As the entity performs, the customer simultaneously receives and consumes the benefits provided by the entity's performance.
- The entity's performance creates or enhances an asset (e.g., work in progress) that the customer controls as the asset is created or enhanced.
- The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

The percentage-of-completion of a contract is determined by the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

Transaction price, including variable consideration, is the amount of consideration to which the Group expects to be entitled in exchange for transferring good or service to a customer excluding amounts collected on behalf of a third party. Variations in contract work, claims and incentive payments are included as 'variable consideration' in contract revenue only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and are capable of being reliably measured. At each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

For performance obligations in which control is not transferred over time, control is transferred as at a point in time.

Advance payments received from contractee for which no services are rendered are presented as 'Advance from contractee'.

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 Group presents revenues net of indirect taxes in its Statement of Profit and Loss.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in Statement of Profit and Loss immediately in the period in which such costs are incurred.

b. Software development and servicing revenue

Revenue from software development on fixed price, fixed time frame contracts, including system development and integration contracts, where there is no uncertainty as to measurement or collectability is recognized as per percentage of completion method. Revenue from last billing date to the Balance Sheet date is recognized as unbilled revenue. Stage of completion is measured by reference to the proportion that service cost incurred for work performed to date bears to the estimated total service cost. Service cost incurred to date excludes costs that relate to future activity on the contract. Such costs are recognized as an asset and are classified as unbilled revenue as due from customers.

Servicing revenue is recognized over the term of servicing contract. For sales of services, revenue is recognized in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of actual services provided as a proportion of the total services to be provided.

Time and material contracts is recognized as and when the related services are provided.

Annual maintenance service contracts are recognized proportionately over the period in which services are rendered.

Revenue from sale of user licenses for software applications is recognized on transfer of the title/ product, in accordance with the sales contract. Revenue from product sales are shown as net of all applicable taxes and discounts.

c. Interest on arbitration awards

Interest on arbitration awards, being in the nature of additional compensation as per the terms of the contract is recognised as other operating revenue that reflects the consideration the Company has received or expects to receive on favourable arbitration awards.

xxv. Other income

a. Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable EIR.

b. Dividend income

Dividend is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend.

c. 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 Group and the amount of income can be measured reliably.

d. Rental income

Rent is recognised on time proportionate basis.

e. Finance and other income

Finance income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable EIR. Other income is accounted for on accrual basis. Where the receipt of income is uncertain, it is accounted for on receipt basis.

xxvi. Income tax

Income tax expense comprises of current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

a. Current tax

Current 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. 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.

b. Deferred 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.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

The Group recognises deferred tax liability for all taxable temporary differences associated with investments in subsidiaries and associates, except to the extent that both of the following conditions are satisfied:

- When the Group is able to control the timing of the reversal of the temporary difference; and
- It is probable that the temporary difference will not reverse in the foreseeable future

xxvii. Leases

The Group's lease asset classes primarily consist of leases for vehicles, building and shed. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange of the consideration.

At the date of the commencement of the lease, the Group recognises a right-of-use asset representing its right to use the underlying asset for the lease term and a corresponding lease liability for all the lease arrangements in which it is a lease, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The estimated useful life of the assets are determined on the same basis as those of property, plant and equipment.

Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Carrying amount of right-of-use asset is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The future lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. For a lease with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

Right-of-use assets have been separately presented in the Balance Sheet and the Lease liability is presented under Other financial liabilities. Further, lease payments have been classified as financing cash flows.

xxviii. Impairment of non-financial assets

As at each Balance Sheet date, the Group 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 Group 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, including impairment on inventories, 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.

When the Group 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.

xxix. 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 parent 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 parent 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).

xxx. Provisions, contingent liabilities and contingent assets

A provision is recognised when the Group 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 Group. 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.

xxxi. Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as estimated amount of contracts remaining to be executed on capital account and not provided for.

xxxii. Provision for warranty

In case of real estate projects of a subsidiary, the estimated liability for warranty is recorded on the building and its components during the construction period. These estimates are established using historical information on the nature, frequency and average cost of obligations and management estimates regarding possible future incidence based on corrective actions during the construction period under warranty phase.

xxxiiii. Treasury shares

Treasury shares represents own equity instruments reacquired by the Holding Company or other members of the Consolidated Group, which are deducted from the equity of the acquiring entity. Treasury shares held is disclosed separately in the financial statements.

xxxiv. Share issue expenses

Share issue expenses are charged off against available balance in the Securities premium.

xxxv. Share based payments

Certain employees of the Group are entitled to remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants. The stock compensation expense is determined based on the Group's estimate of equity instruments that will eventually vest using fair value in accordance with Ind-AS 102, Share based payment.

xxxvi. Exceptional items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

Note 2.2 Recent accounting pronouncements

Amendment to Ind AS 16, Property, Plant and Equipment

The Ministry of Corporate Affairs ("MCA") vide notification dated 23 March 2022, has issued an amendment to Ind AS 16 which specifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).

Amendment to Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

MCA vide notification dated 23 March 2022, has issued an amendment to Ind AS 37 which specifies that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

Amendment to Ind AS 103, Business Combinations

MCA vide notification dated 23 March 2022, has issued an amendment to Ind AS 103 and has added a new exception in the standard for liabilities and contingent liabilities.

Amendment to Ind AS 109, Financial Instruments

MCA vide notification dated 23 March 2022, has issued an amendment to Ind AS 109 which clarifies that which fees an entity should include when it applies the '10%' test in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

NOTE 3A PROPERTY, PLANT AND EQUIPMENT

₹ crore

	Freehold land	Building and sheds	Leasehold improvements	Plant and equipment	Furniture, fixtures and office equipment	Vehicles	Speed boat	Computers	Total
Gross carrying value (at deemed cost)									
As at 1 April 2020	31.80	108.19	2.85	800.19	91.75	52.41	1.04	6.31	1,094.54
Adjustments [Refer sub note (iii)]	-	-	-	(2.88)	-	-	-	-	(2.88)
Additions	-	-	-	232.71	0.52	8.44	-	0.43	242.10
Disposals	-	-	-	(57.38)	(1.95)	(1.89)	-	-	(61.22)
As at 31 March 2021	**31.80**	**108.19**	**2.85**	**972.64**	**90.32**	**58.96**	**1.04**	**6.74**	**1,272.54**
Additions	0.00	-	-	8.06	0.22	3.39	-	0.48	12.15
Acquisition through business combination (Refer note 50)	0.61		0.93	0.22	1.11	0.85		0.69	4.42
Disposals	-	-	-	(167.93)	(0.01)	(5.04)	-	-	(172.99)
Transferred from assets classified as held for sale (Refer note 17.1)	6.48	-	-	-	-	-	-	-	6.48
Transferred to Assets of disposal groups held for sale (Refer note 17.3)	(0.61)	-	-	(0.50)	(0.40)	(0.61)	-	(0.17)	(2.30)
As at 31 March 2022	**38.28**	**108.19**	**3.78**	**812.49**	**91.24**	**57.54**	**1.04**	**7.74**	**1,120.30**
Accumulated depreciation									
As at 1 April 2020	-	85.71	1.11	508.15	43.52	26.08	0.54	2.96	668.07
Depreciation charge	-	1.34	0.30	80.14	12.95	3.04	0.11	1.22	99.10
Accumulated depreciation on disposals	-	-	-	(42.91)	-	(1.29)	-	-	(44.20)
As at 31 March 2021	**-**	**87.05**	**1.41**	**545.38**	**56.47**	**27.83**	**0.65**	**4.18**	**722.97**
Depreciation charge [Refer note (v) below]	-	1.04	0.30	85.91	8.61	2.87	0.11	1.16	100.00
Acquisition through business combination (Refer note 50)	-	-	0.93	0.08	1.16	0.39		0.63	3.19
Accumulated depreciation on disposals	-	-	-	(137.51)	-	(3.53)	-	-	(141.04)
Transferred to Assets of disposals group held for sale (Refer note 17.3)	-	-	-	(0.09)	(0.37)	(0.43)	-	(0.17)	(1.06)
As at 31 March 2022	**-**	**88.09**	**2.64**	**493.77**	**65.87**	**27.13**	**0.76**	**5.80**	**684.06**
Net carrying value									
As at 31 March 2021	31.80	21.14	1.44	427.26	33.85	31.13	0.39	2.56	549.56
As at 31 March 2022	**38.28**	**20.10**	**1.14**	**318.72**	**25.37**	**30.41**	**0.28**	**1.94**	**436.23**

Notes:

(i) Refer note 19 for information of property, plant and equipment pledged as security against borrowings of the Group.

(ii) Refer note 36(B)(i) for disclosure of contractual commitments for acquisition of Property, plant and equipment.

(iii) Adjustments represents exchange loss arising on long-term foreign currency monetary items.

(iv) * represents amount less than ₹ 1 lakh.

(v) Includes depreciation expense of ₹ 0.07 crore in respect of discontinued operations.

NOTE 3B RIGHT-OF-USE ASSETS

₹ crore

	Buildings	Vehicles	Total
Gross carrying value			
As at 1 April 2020	303.78	0.94	304.72
Additions	1.99	-	1.99
Disposals	-	-	-
As at 31 March 2021	**305.77**	**0.94**	**306.71**
Additions	2.16	-	2.16
Disposals	-	-	-
As at 31 March 2022	**307.93**	**0.94**	**308.87**

NOTE 3B RIGHT-OF-USE ASSETS

₹ crore

	Buildings	Vehicles	Total
Accumulated depreciation			
As at 1 April 2020	28.97	0.57	29.54
Depreciation Charge	31.10	0.30	31.40
Accumulated depreciation on disposals	-	-	-
As at 31 March 2021	**60.07**	**0.87**	**60.94**
Depreciation Charge	30.25	0.07	30.32
Accumulated depreciation on disposals	-	-	-
As at 31 March 2022	**90.32**	**0.94**	**91.26**
Net carrying value			
As at 31 March 2021	245.70	0.07	245.77
As at 31 March 2022	**217.61**	**-**	**217.61**

Note: Refer note 42 for Ind AS 116- Leases and the related disclosures

NOTE 3C CAPITAL WORK-IN-PROGESS ('CWIP')

₹ crore

	As at 31 March 2022	As at 31 March 2021
Opening balance	1.61	178.41
Additions during the year	2.52	0.94
Capitalised during the year	(3.45)	(177.74)
Closing balance	**0.68**	**1.61**

NOTE: CWIP AGEING SCHEDULE

₹ crore

	As at 31 March 2022			As at 31 March 2021		
	Projects in progress	**Projects temporarily suspended**	**Total**	Projects in progress	Projects temporarily suspended	Total
Less than 1 year	-	-	-	-	-	-
1-2 years	-	-	-	-	-	-
2-3 years	-	-	-	0.93	-	0.93
More than 3 years (Refer notes below)	-	0.68	0.68	-	0.68	0.68
Total	**-**	**0.68**	**0.68**	**0.93**	**0.68**	**1.61**

Notes:

i) Projects temporarily suspended represents expenses incurred for the construction of a sewage plant the construction of which is expected to be completed by year ended 31 March 2023.

ii) There are no projects which has exceeded its cost compared to its original plan.

NOTE 4 INVESTMENT PROPERTY

₹ crore

	Land	Building	Total
Gross carrying value (at deemed cost)			
As at 1 April 2020	2.09	2.36	4.45
Additions	-	-	-
Disposals	-	-	-
As at 31 March 2021	**2.09**	**2.36**	**4.45**
Additions	-	-	-
Acquisition through business combination (Refer note 50)	0.41	-	0.41
Disposals	-	-	-
Transferred to Assets of disposals group held for sale (Refer note 17.3)	(0.26)	-	(0.26)
As at 31 March 2022	**2.24**	**2.36**	**4.60**

NOTE 4 INVESTMENT PROPERTY

₹ crore

	Land	Building	Total
Accumulated depreciation			
As at 1 April 2020	-	1.75	1.75
Depreciation charge	-	0.03	0.03
As at 31 March 2021	**-**	**1.78**	**1.78**
Depreciation charge	-	0.03	0.03
As at 31 March 2022	**-**	**1.81**	**1.81**
Net carrying value			
As at 31 March 2021	2.09	0.58	2.67
As at 31 March 2022	**2.24**	**0.55**	**2.79**

Information regarding income and expenditure of Investment Property

₹ crore

	Year ended 31 March 2022	Year ended 31 March 2021
Rental income derived from investment properties	0.54	0.54
Direct operating expenses (including repairs and maintenance) generating rental income	(0.09)	(0.05)
Gain arising from investment properties before depreciation and indirect expenses	0.45	0.49
Less : Depreciation	(0.03)	(0.03)
Gain arising from investment properties before indirect expenses	0.42	0.46

Note:
(i) The fair value of the investment properties held by the Group as at the Balance Sheet date is ₹ 15.80 crore (31 March 2021 : ₹ 15.45 crore).
(ii) The Group has fair valued its Investment properties during the year, however the valuation is not done by the registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017.

NOTE 5 OTHER INTANGIBLE ASSETS AND GOODWILL

₹ crore

	Computer software	Other Intangible assets	Total	Goodwill	Intangible assets under development
Gross carrying value (at deemed cost)					
As at 1 April 2020	89.31	-	89.31	3.38	-
Additions	5.59	-	5.59	-	-
As at 31 March 2021	**94.90**	**-**	**94.90**	**3.38**	**-**
Acquisition through business combination (Refer note 50)	-	956.57	956.57	-	38.79
Additions	6.46	-	6.46	-	116.34
Transferred from Intangible assets under development	-	57.19	57.19	-	(57.19)
Transferred to Assets of disposals group held for sale (Refer note 17.3)	-	-	-	-	(97.94)
Disposals	-	(1,013.76)	(1,013.76)	-	-
As at 31 March 2022	**101.36**	**-**	**101.36**	**3.38**	**-**
Accumulated amortisation					
As at 1 April 2020	25.79	-	25.79	-	-
Amortisation charge	4.97	-	4.97	-	-
As at 31 March 2021	**30.76**	**-**	**30.76**	**-**	**-**
Acquisition through business combination (Refer note 50)	-	243.45	243.45	-	-
Amortisation charge (Refer note 5.3 below)	8.06	31.23	39.28	-	-
Transferred to Assets of disposals group held for sale (Refer note 17.3)	-	(274.68)	(274.68)	-	-
As at 31 March 2022	**38.82**	**-**	**38.82**	**-**	**-**

NOTE 5 OTHER INTANGIBLE ASSETS AND GOODWILL...Contd.

₹ crore

	Computer software	Other Intangible assets	Total	Goodwill	Intangible assets under development
Net carrying value					
As at 31 March 2021	64.14	-	64.14	3.38	-
As at 31 March 2022	**62.54**	**-**	**62.54**	**3.38**	**-**

Note 5.1 Impairment testing for goodwill

Goodwill is tested for impairment annually in accordance with the Group's procedure for determining the recoverable amount of such assets. The recoverable amount is determined based on the fair value of the underlying net assets of the entity. The fair value measurement has been categorised as level 3 fair value based on the inputs to the valuation technique used. Based on the above, no impairment provision is considered necessary as the recoverable value exceeded the carrying value.

Note 5.2 Intangible Asset Under Development Ageing

₹ crore

Ageing	**As at 31 March 2022**	As at 31 March 2021
Less than 1 year	9,793.80	-
Reclassification as held for sale (Refer note 17.3)	(9,793.80)	-
Total	-	-

Note 5.3 Includes amortisation expense of ₹ 31.23 crore in respect of discontinued operations.

NOTE 6 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

₹ crore

		As at 31 March 2022	As at 31 March 2021
Investments at deemed cost			
i)	in associates in India	15.97	13.34
ii)	in associates outside India	4.50	3.71
iii)	in joint venture in India	-	385.86
iv)	in joint venture outside India	0.00 *	0.00*
Total investments in associates and joint ventures		**20.47**	**402.91**
Detailed list of investments in associates and joint ventures			
Investments at deemed cost, unquoted and fully paid up			
i)	**In associates in India**		
	Highbar Technocrat Limited	15.97	13.34
	99,940 (31 March 2021: 99,440) equity shares of ₹ 10 each		
		15.97	**13.34**
ii)	**In associates outside India**		
	Evostate AG	3.66	2.42
	300 (31 March 2021: 300) equity shares of CHF 1,000 each		
	MCR Managing Corp	0.84	1.29
	30 (31 March 2021: 30) equity shares of CHF 1,000 each		
		4.50	**3.71**

NOTE 6 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

₹ crore

		As at 31 March 2022	As at 31 March 2021
iii)	**In joint ventures in India**		
	HCC Concessions Limited (Refer note 6.2)		
	Nil (31 March 2021: 50,000) equity shares of ₹ 10 each; and	-	573.48
	Nil (31 March 2021: 2,867,151) Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each	-	285.98
		-	**859.46**
	Less: Share of loss from joint venture accounted under equity method	-	(473.60)
		-	**385.86**
iv)	**In joint ventures outside India**		
	Werkarena Basel AG	0.00*	0.00*
	500 (31 March 2021: 500) equity shares of CHF 1,000 each		
		0.00	**0.00**
		20.47	**402.91**

* Represents amount less than ₹ 1 lakh

Note 6.1 The Group's share of profit / (loss) of associates and joint ventures is as follows:

₹ crore

	As at 31 March 2022	As at 31 March 2021
From joint ventures		
HCC Concessions Limited (Refer note 6.2)	-	(473.60)
Werkarena Basel AG	0.00*	0.00*
From associates		
Highbar Technocrat Limited	16.98	14.34
Evostate AG	(16.50)	(19.07)
MCR Managing Corp	3.13	3.13
Projektentwicklungsges, Parking AG Basel #	-	2.70
	3.61	**(472.50)**

* Represents amount less than ₹ 1 lakh
# liquidated w.e.f. 31 March 2021

Note 6.2

Pursuant to the Securities Purchase Agreement entered during the current year between Xander Investment Holding XXVI Limited ('Xander') and the Holding Company along with certain group entities, Xander's shareholding (14.55%) in HCC Concessions Limited ('HCL'), has been bought back by the Holding Company. Consequent to the buy back, effective 20 August 2021, HCL (including its subsidiaries) ceases to be joint ventures of the Group and become wholly owned subsidiaries. Also refer note 50.

NOTE 6A INVESTMENTS

₹ crore

		As at 31 March 2022	As at 31 March 2021
I.	Investments in debentures	15.46	-
II.	Other investments in equity shares at fair value through Other Comprehensive Income		
	In India	19.67	12.54
	Outside India	2.77	2.57
Total non-current investments		**37.90**	**15.11**

NOTE 6A INVESTMENTS...Contd.

₹ crore

Detailed list of non-current investments		As at 31 March 2022	As at 31 March 2021
I.	**Investments in debentures**		
	Farakka Raiganj Highways Limited (Refer note 6A.1 below)	15.46	-
	291,055,946 (31 March 2021- Nil) Non-Convertible Debentures		
		15.46	**-**
II.	**Other investments in equity shares at fair value through Other Comprehensive Income**		
	In India		
	Khandwala Securities Limited	0.01	0.01
	3,332 (31 March 2021: 3,332) equity shares of ₹ 10 each, fully paid- quoted		
	Housing Development Finance Corporation Limited	3.64	3.81
	15,220 (31 March 2021: 15,220) equity shares of ₹ 2 each, fully paid- quoted		
	HDFC Bank Limited	0.73	0.75
	5,000 (31 March 2021: 5,000) equity shares of ₹ 10 each, fully paid- quoted		
	Shushrusha Citizens Co-Op. Hospitals Limited	0.00*	0.00*
	100 (31 March 2021 : 100) equity shares of ₹ 100 each, fully paid- unquoted		
	Hincon Finance Limited	15.29	7.98
	120,000 (31 March 2021 : 120,000) equity shares of ₹ 10 each, fully paid- unquoted		
		19.67	**12.54**
	Outside India		
	Radio- und Fernsehgenossenschaft Zürich-Schaffhausen	0.00*	0.00*
	1 (31 March 2021 : 1) equity shares of CHF 50 each, unquoted		
	Opernhaus Zürich AG	0.05	0.04
	10 (31 March 2021 : 10) equity shares of CHF 900 each, unquoted		
	Genossenschaft Theater für den Kt. Zürich	0.00*	0.00*
	1 (31 March 2021 : 1) equity shares of CHF 300 each, unquoted		
	Betriebsges. Kongresshaus Zürich AG	0.33	0.30
	30 (31 March 2021 : 30) equity shares of CHF 1,000 each, unquoted		
	AG Hallenstadion Zürich	0.00*	0.00*
	10 (31 March 2021 : 10) equity shares of CHF 100 each, unquoted		
	MTZ Medizinishces Therapiezentrum	0.40	0.39
	50 (31 March 2021 : 50) equity shares of CHF 1,000 each, unquoted		
	Mobimo Holding AG	1.79	1.58
	720 (31 March 2021 : 720) equity shares of CHF 29 each, quoted		
	Namenaktien Messe Zürich	0.04	0.03
	10 (31 March 2021 : Nil) equity shares of CHF 50 each, quoted		
	MCH Group AG	0.16	0.23
	2,100 (31 March 2021 : 2,100) equity shares of CHF 10 each, quoted		
		2.77	**2.57**
	Total non-current investments (6 + 6A)	**58.37**	**418.02**
* Represents amount less than ₹ 1 lakh			
Details:			
Aggregate value of non-current investments is as follows:			
(i)	Aggregate value of unquoted investments	52.00	411.62
(ii)	Aggregate value of quoted investments and market value thereof	6.37	6.41
(iii)	Aggregate value of impairment of investments	-	-

Note 6A Investments Contd....

₹ crore

Detailed list of non-current investments		As at 31 March 2022	As at 31 March 2021
(i)	Investments carried at cost	20.47	402.91
(ii)	Investments carried at fair value through profit or loss	15.46	-
(iii)	Investments carried at fair value through Other Comprehensive Income	22.44	15.11

Note 6A.1 : During the previous year, the Subordinate debt (including interest) given by the HCC Concessions Limited ('HCON') to Farakka Raiganj Highways Limited ('FRHL') was converted into non convertible debenture, amounting to ₹ 105.88 crore (par value @ 1 each). As per terms agreed, the redemption of debentures are based on occurrence of certain events and redemption amount specified in Share purchase agreement signed with Cube Highways and Infrastructure II Pte. Limited ('CHIPL'). FRHL has concluded conciliation with NHAI and signed settlement agreement on 30 March 2021, for a closure of all outstanding disputes and claims between the parties. Therefore, HCON has fair valued its Non Convertible Debenture based on certainty of redemption event in the near future. Consequently, the NCD were fair valued as at 31 March 2021 at the redemption value of ₹ 217.06 crore

During the current year, 767,709,226 debentures have been redeemed for ₹ 219.60 crore (including interest) representing the redemption value of non-convertible debenture including interest from date of redemption. The oustanding 291,055,946 debentures continue to be carried at fair value at its redemption value under non-current investments.

NOTE 7 TRADE RECEIVABLES

₹ crore

	As at 31 March 2022	As at 31 March 2021
Non-current		
Trade receivables ^ (Refer note 38)	235.75	-
Total non-current trade receivables	**235.75**	**-**
Current		
Trade receivables ^^ (Refer notes 7.1 and 38)	4,377.29	4,501.79
[Including retention ₹ 866.95 crore (31 March 2021: ₹ 787.85 crore)		
Less: Transferred to assets of disposal groups held for sale (Refer notes 17.2 and 17.3)	(2,286.33)	-
Total current trade receivables	**2,090.96**	**4,501.79**
Total trade receivables	**2,326.71**	**4,501.79**

^ Presented net off advance received against favourable arbitration awards ₹ 784.92 crore (31 March 2021: Nil)
^^ Presented net off advance received against work bill / arbitration awards / claim of ₹ 2,453.41 crore (31 March 2021: ₹ 2,738.80 crore)

₹ crore

	As at 31 March 2022	As at 31 March 2021
Break-up of security details		
Trade receivables considered good- secured	-	-
Trade receivables considered good- unsecured	2,326.71	4,501.79
Trade receivables which have significant increase in credit risk	-	-
Trade receivables- credit impaired	3.14	3.01
Total	**2,329.85**	**4,504.81**
Loss allowance	(3.14)	(3.01)
Total trade receivables	**2,326.71**	**4,501.79**

Note 7.1 Non-current trade receivables and current trade receivables as at 31 March 2022 include ₹ 187.59 crore (net of advances ₹ 784.92 crore) and ₹ 2,770.14 crore (net of advances ₹ 2,453.41 crore), respectively, representing claims awarded in arbitration in favour of the Holding Company and which have been challenged by the customers in courts. Out of the above, net arbitration award of ₹ 2,283.06 crore has been reclassified as Assets of disposal groups held for sale (refer note 17.2).

Note 7 Trade receivables Contd....

Note 7.2 There are no trade receivables due from any director or any officer of the Group, either severally or jointly with any other person, or from any firms or private companies in which any director is a partner, a director or a member.

Note 7.3 Trade receivables (other than receivables on account of claims awarded in arbitration in favour of the Company) are non-interest bearing and are generally on terms of 30 to 90 days except retention deposits which are due after completion of the defect liability period of the respective projects.

Note 7.4 Trade receivables (including classified as Assets of disposal groups held for sale) ageing schedule:

₹ crore

As at 31 March 2022		Outstanding for following periods from due date of payment						
		Not due	Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed trade receivables- considered good	495.16	327.23	67.13	512.69	93.31	159.79	1,655.31
(ii)	Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Undisputed trade receivables- credit impaired	-	-	-	-	-	-	-
(iv)	Disputed trade receivables- considered good	-	537.94	186.77	415.43	313.96	1,503.63	2,957.73
(v)	Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed trade receivables- credit impaired	-	-	-	-	-	-	-
		495.16	**865.17**	**253.90**	**928.12**	**407.27**	**1,663.42**	**4,613.04**

₹ crore

As at 31 March 2021		Outstanding for following periods from due date of payment						
		Not due	Less than 6 months	6 Months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed trade receivables- considered good	395.38	698.77	258.18	125.53	139.75	135.63	1,753.24
(ii)	Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Undisputed trade receivables- credit impaired	-	-	-		-	-	-
(iv)	Disputed trade receivables- considered good	-	320.25	108.05	433.81	576.33	1,310.11	2,748.55
(v)	Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed trade receivables- credit impaired	-	-	-	-	-	-	-
		395.38	**1,019.02**	**366.23**	**559.34**	**716.08**	**1,445.74**	**4,501.79**

Note: Refer note 16 for details of unbilled dues i.e. contract assets.

NOTE 8 NON-CURRENT LOANS

₹ crore

	As at 31 March 2022	As at 31 March 2021
Loans to related parties	57.32	67.44
Total non-current loans	**57.32**	**67.44**
Break-up of security details		
Loans considered good- secured	-	-
Loans considered good- unsecured	57.32	67.44
Loans which have significant increase in credit risk	-	-
Loans- credit impaired	-	-
Total	**57.32**	**67.44**
Loss allowance	-	-
Total loans	**57.32**	**67.44**

NOTE 9 OTHER FINANCIAL ASSETS

₹ crore

	As at 31 March 2022	As at 31 March 2021
Non-current		
Security deposits	33.46	28.12
Bank deposits with maturity of more than 12 months	0.27	1.16
Compensation in lieu of termination	24.56	23.12
	58.29	**52.40**
Less: loss allowance	(15.64)	(15.64)
Total non-current financial assets	**42.65**	**36.76**
Current		
Security deposits	36.36	36.34
Compensation in lieu of termination	192.44	15.02
Interest accrued on deposits / advances	10.68	8.26
Other receivables	51.57	33.58
Less : Transferred to assets of a disposal group held for sale (Refer note 17.3)	(0.68)	-
	290.37	**93.20**
Less: Loss allowance	(6.13)	(1.15)
Total current financial assets	**284.24**	**92.04**
Total other financial assets	**326.89**	**128.81**

NOTE 10 INCOME TAX ASSETS (NET) AND CURRENT TAX LIABILITY

i. The following table provides the details of income tax assets and liabilities:

₹ crore

		As at 31 March 2022	As at 31 March 2021
a)	Income tax assets	306.41	343.07
	Less : Transferred to assets of a disposal group held for sale (Refer note 17.3)	(7.79)	-
		298.62	**343.07**
b)	xIncome tax liabilities	304.29	200.04
Income tax assets (net) [a-b]		**(5.67)**	**143.03**
Income tax assets in certain entities		93.53	143.77
Current tax liabilities in case on certain entities		99.20	0.74
Net income tax assets/ (liability)		**(5.67)**	**143.03**

NOTE 10 INCOME TAX ASSETS (NET) AND CURRENT TAX LIABILITY Contd.

ii. The gross movement in the income tax assets / liabilities is as follows:

₹ crore

	As at 31 March 2022	As at 31 March 2021
Net income tax asset at the beginning	143.03	265.92
Income tax refund (net)	(20.73)	(113.93)
Impact of business combination	(73.54)	-
Transferred to assets of disposal groups held for sale (Refer note 17.3)	(7.80)	-
Current income tax expense	(46.63)	(8.96)
Net income tax assets/ (liability) at the end	**(5.67)**	**143.03**

iii. Income tax expense comprises:

₹ crore

	As at 31 March 2022	As at 31 March 2021
Current tax expense	46.63	8.96
Deferred tax charge / (credit)	39.80	(266.29)
Income tax charge / (credit) [net] in the Statement of Profit and Loss	**86.43**	**(257.33)**
Deferred tax charge in Other Comprehensive Income	(0.14)	0.70
Tax charge / (credit) [net]	**86.29**	**(256.63)**

iv. A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit / (loss) before income taxes is as below:

₹ crore

	As at 31 March 2022	As at 31 March 2021
Profit / (loss) before income tax	506.08	(867.35)
Applicable tax rate in India	34.944%	34.944%
Computed expected tax charge / (credit)	**176.84**	**(303.09)**
Effect of difference in tax rates of overseas subsidiaries	(66.60)	(2.02)
Effect of tax on profit / loss of associates and joint ventures	(77.39)	(22.87)
Effect of expenses not allowed for tax purpose	10.47	29.44
Effect of income not considered for tax purpose	(17.80)	(6.16)
Impact of non recognision of deferred tax	46.66	-
Utilization of unrecognized loss carryforwards from prior years	(0.48)	-
Impact of change in tax rate	9.95	46.58
Others	4.78	0.79
Income tax charge / (credit) [net] in the Statement of Profit and Loss	**86.43**	**(257.33)**

v. Components of deferred income tax assets and liabilities arising on account of temporary differences are:

₹ crore

	As at 31 March 2022	As at 31 March 2021
(A) Deferred tax assets (Refer note 10.1)		
(a) Business loss / unabsorbed depreciation / MAT credit entitlements	1,413.19	2,224.03
(b) Impairment allowance for receivables / other assets	0.65	0.65
(c) Timing difference on tangible and intangible assets' depreciation and amortisation	44.29	41.33
(d) Expense allowable on payment basis	166.86	164.99
	1,624.99	**2,431.00**

NOTE 10 INCOME TAX ASSETS (NET) AND CURRENT TAX LIABILITY...Contd.

₹ crore

	As at 31 March 2022	As at 31 March 2021
(B) Deferred tax liabilities		
(a) Arbitration Awards	(881.70)	(1,679.50)
(b) Others	(31.59)	(0.14)
	(913.29)	**(1,679.64)**
Deferred tax assets (net) (A) - (B)	**711.70**	**751.36**
Deferred tax liabilities in case of certain entities	743.15	751.36
Deferred tax assets in case of certain entities	31.45	-
Net deferred tax assets	**711.70**	**751.36**

vi. Movement in components of deferred tax assets and deferred tax liabilities are as follows:

₹ crore

	Business loss / unabsorbed depreciation / MAT credit entitlements	Impairment allowance on receivables / other assets	Timing difference on tangible and intangible assets' depreciation and amortisation	Arbitration awards	Expense allowable on payment basis and others	Other	Total
At 1 April 2020	2,289.55	0.65	60.96	(1,998.40)	133.01	-	485.77
(Charged) / credited							
- to profit or loss	(65.52)	-	(19.63)	318.90	32.69	(0.14)	266.29
- to other comprehensive income	-	-	-	-	(0.70)	-	(0.70)
At 31 March 2021	**2,224.03**	**0.65**	**41.33**	**(1,679.50)**	**164.99**	**(0.14)**	**751.36**
(Charged) / credited							
- to profit or loss	(810.84)	-	2.96	797.80	1.73	(31.45)	(39.80)
- to other comprehensive income	-	-	-	-	0.14	-	0.14
As at 31 March 2022	**1,413.19**	**0.65**	**44.29**	**(881.70)**	**166.86**	**(31.59)**	**711.70**

Note 10.1: As at 31 March 2022, the Holding Company has recognised net deferred tax assets amounting to ₹ 741.74 crore (31 March 2021: ₹ 715.99 crore) mainly on account of carried forward unused tax losses, unused tax credits and other taxable temporary differences. While the Holding Company is confident of taxable profits being available against which unused tax losses can be utilized, the Holding Company has not recognized deferred tax asset on the losses incurred effective 1 July 2021. Further, the Holding Company is still evaluating the benefits of exercising the non-reversible option of paying further corporate tax at reduced rates in accordance with section 115BAA of the Income Tax Act, 1961.

Based on the expected profits from the unexecuted orders on hand/ future projects, outcome of the ongoing discussion with lenders for restructuring of loans and expected settlement of claims/ arbitration awards with customers, the Holding Company's management is confident that sufficient future taxable income will be available against which such net deferred tax assets recognised as at 31 March 2022 will be realized.

Note 10.2: Deferred tax liabilities on undistributed earnings of the Group subsidiaries have not been provided as such earnings are deemed to be reinvested in the business and the Group is able to control the timing of the reversals of temporary differences associated with these investments.

Note 10.3: There are unused tax losses in the Group companies for which no deferred tax asset has been recognised as the Group believes that availability of taxable profit against which such temporary difference can be utilised, is not probable.

NOTE 11 OTHER ASSETS

₹ crore

	As at 31 March 2022	As at 31 March 2021
Non-current		
Capital advances	1.29	0.97
Balances with government authorities	65.52	70.42
Less : Transferred to assets of a disposal group held for sale (Refer note 17.3)	(0.78)	-
Prepaid expenses	1.87	3.11
Total other non-current assets	**67.90**	**74.50**
Current		
Advance to suppliers and subcontractors	131.22	167.05
Balances with government authorities	171.14	89.72
Prepaid expenses	11.55	7.44
Other assets	39.22	19.55
	353.13	**283.76**
Less : Transferred to assets of disposal groups held for sale (Refer note 17.3)	(0.42)	-
Total other current assets	**352.71**	**283.76**
Less: Loss allowance	(29.73)	(29.72)
	322.98	**254.04**
Total other assets	**390.88**	**328.54**

NOTE 12 INVENTORIES

₹ crore

	As at 31 March 2022	As at 31 March 2021
Land and development rights	308.69	291.55
Construction raw material, stores and spares	170.05	182.15
Fuel and others	6.10	5.90
Total inventories	**484.84**	**479.60**

NOTE 13 CURRENT INVESTMENTS

₹ crore

	As at 31 March 2022	As at 31 March 2021
Investments in others carried at fair value through profit and loss		
Investment in mutual funds	0.66	0.15
Total current investments	**0.66**	**0.15**
Detailed list of current investments		
Investments in mutual funds		
Essel Liquid Fund Growth plan :	0.02	0.02
72.422 Units (31 March 2021 :72.422 Units)		
Canara Rebeco Mutual Fund	0.50	-
1,976.26 units (31 March 2021 :Nil)		
ICICI Money Market Fund	0.01	0.01
709,181 units (31 March 2021 : 683,157 units)		
SBI Premier Liquid Fund	0.13	0.12
1205,366 units (31 March 2021: 1,205,366 units)		
	0.66	**0.15**

NOTE 13 CURRENT INVESTMENTS

₹ crore

	As at 31 March 2022	As at 31 March 2021
Details:		
Aggregate value of current investments is as follows:		
(i) Aggregate value of unquoted investments	0.66	0.15
(ii) Aggregate value of quoted investments and market value thereof	-	-
(iii) Aggregate value of impairment in the value of investments	-	-
(i) Investments carried at cost	-	0.00*
(ii) Investments carried at amortised cost	-	-
(iii) Investments carried at fair value through profit and loss	0.66	0.15

* Represents amount less than ₹ 1 lakh

NOTE 14 CASH AND CASH EQUIVALENTS

₹ crore

	As at 31 March 2022	As at 31 March 2021
Balances with banks (Refer note 19.4)		
- in current accounts	576.04	467.01
- in deposit account with original maturity upto 3 months	212.81	174.45
Cash on hand	0.99	0.67
Less : Transferred to assets of disposal groups held for sale (Refer note 17.3)	(68.87)	-
Total cash and cash equivalents	**720.97**	**642.13**

NOTE 15 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ crore

	As at 31 March 2022	As at 31 March 2021
Bank deposits with maturity of more than 3 months and less than 12 months (Refer note 18.5 and notes below)	977.63	619.49
Less : Transferred to assets of disposal groups held for sale (Refer note 17.3)	(156.21)	-
Total bank balances other than cash and cash equivalents	**821.42**	**619.49**

Notes:
i) includes ₹ 7,600 (31 March 2021: ₹ 7,600) which is held in abeyance due to legal cases pending.
ii) Includes ₹ 26.04 crore (31 March 2021: ₹ 35.40 crore) held as margin money against arbitration awards

Note 15.1 There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31 March 2022

NOTE 16 UNBILLED WORK-IN-PROGRESS (CONTRACT ASSETS)

₹ crore

	As at 31 March 2022	As at 31 March 2021
Unbilled work-in-progress (contract assets) ^	4,088.43	3,826.12
Less: Transferred to Assets of disposal groups held for sale (refer note 17.2)	(359.40)	-
Total Unbilled work-in-progress (contract assets)	**3,729.03**	**3,826.12**

^ Net of advance received against work bill ₹ 103.14 crore (31 March 2021: ₹ 152.82 crore)

NOTE 17 ASSETS OF DISPOSAL GROUPS HELD FOR SALE

₹ crore

		As at 31 March 2022	As at 31 March 2021
a)	**Freehold land (Refer note 17.1)**		
	Freehold land	6.49	6.49
	Less: Asset reclassified to Property, plant and equipment	(6.49)	-
		-	-
b)	**Assets of a disposal group held for sale (Refer note 17.2)**		
	- Trade receivables	2,283.06	-
	- Unbilled work-in-progress (contract assets)	359.40	-
		2,642.46	**-**
c)	**Assets of a disposal group held for sale (Refer note 17.3)**		
	Property, plant and equipment	1.24	-
	Intangible asset	739.08	-
	Investment property	0.26	-
	Intangible asset under development	97.94	-
	Other non current asset	0.78	-
	Trade receivables	3.27	-
	Cash and cash equivalent	68.87	-
	Other bank balance	156.21	
	Non-current tax assets (net)	7.80	-
	Other current asset	0.41	-
	Other financial asset	0.68	-
		1,076.54	**-**
Total assets of a disposal group held for sale		**3,719.00**	**6.49**

Note 17.1 During the year ended 31 March 2020, the Holding Company had entered into an agreement with a subsidiary company to develop a parcel of freehold land situated at Vikhroli under the registration district of Mumbai suburban city. An advance of ₹ 20.20 crore was also received as per the terms of the agreement. However, the completion of the sale transaction has been significantly delayed due to COVID-19.

Considering the present market conditions, the Holding Company does not foresee to complete the transaction in the next twelve months and the sale no longer classifies as 'highly probable' in accordance with Ind AS 105- Non-current Assets Held for Sale and Discontinued Operations. Accordingly, the same has been re-classified as "Property, plant and equipment".

Note 17.2 Pursuant to the proposed resolution plan with lenders, which has become binding due to receipt of requisite approval by lenders, the economic and beneficial interest of certain arbitration awards and claims of the Holding Company along with liabilities, represented by debt and accrued interest, will be transferred to a wholly owned subsidiary of the Holding Company. The Board of Directors and shareholders of the Holding Company have approved the resolution plan at their meetings held on 27 May 2021 and 29 June 2021, respectively. In accordance with Ind AS 105- Non-current Assets Held for Sale and Discontinued Operations, the assets (represented by arbitration award and claims) and liabilities (represented by debt and accrued interest / charges) qualify as assets and liabilities of a disposal group held for sale. Consequently, as at 31 March 2022, trade receivables and unbilled work-in-progress (contract assets) aggregating ₹ 2,283.06 crore and ₹ 359.40 crore, respectively, have been classified as assets of a disposal group held for sale. Similarly, as at 31 March 2022, current borrowings, trade payables and other current financial liabilities amounting to ₹ 2,448.94 crore, ₹ 22.30 crore and ₹ 470.80 crore, respectively, have been classified as liabilities of a disposal group held for sale. The Company expects the resolution plan to be implemented by 31 July 2022.

Note 17.3 HCC Concessions Limited ('HCON'), on 1 February 2022, has entered into a binding term sheet for 100% stake sale of its subsidiary i.e Baharampore Farakka Highways Limited ('BFHL'), for a equity consideration of ₹ 600 crores subject to closing adjustments and requisite approvals. Additionally, HCON would be entitled to certain earn-outs (contingent on traffic/ revenue projections) and share of certain future revenue share from BFHL over the concessions period, which is expected to be material.

Pursuant to the above, BFHL has been presented as discontinued operations in accordance with Ind AS 105- Non-current Assets Held for Sale and Discontinued Operations. The requisite disclosures in accordance with Ind AS 105 are given below:

NOTE 17 ASSETS OF DISPOSAL GROUPS HELD FOR SALE...Contd.

Financial performance and cash flow operations pertaining to discontinued operations

₹ crore

	For the year ended 31 March 2022
Total income	188.57
Total expenses	195.59
Loss before tax	**(7.02)**
Exceptional item	-
Tax expenses	(13.07)
Loss after tax	**(20.09)**
Other comprehensive income from discontinued operations	-
Net cash generated from operating activities	309.48
Net cash used in investing activities	(0.02)
Net cash used in financing activities	(30.79)
Net cash generated from discontinued operations	**278.68**

* In accordance with Ind AS 105, disclosures for prior period are also required to be presented in respect of discontinuing operations. However, as BFHL has become subsidiary of the Group effective 20 August 2021, requisite disclosures under Ind AS 105 have been presented effective 20 August 2021.

NOTE 18 EQUITY SHARE CAPITAL

₹ crore

	As at 31 March 2022		As at 31 March 2021	
	Number	Amount	Number	Amount
Authorised share capital				
Equity shares of ₹ 1 each	2,000,000,000	200.00	2,000,000,000	200.00
Total authorised share capital	**2,000,000,000**	**200.00**	**2,000,000,000**	**200.00**
Issued, subscribed and paid-up equity share capital:				
Equity shares of ₹ 1 each, fully paid up	1,512,976,244^	151.31	1,512,976,244^	151.31
^excludes 13,225 equity shares forfieted by the Holding Company				
Total issued, subscribed and paid-up equity share capital	**1,512,976,244**	**151.31**	**1,512,976,244**	**151.31**

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

	Number	₹ crore
As at 1 April 2020	**1,512,976,244**	**151.31**
Issued during the year	-	-
As at 31 March 2021	**1,512,976,244**	**151.31**
Issued during the year	-	-
As at 31 March 2022	**1,512,976,244**	**151.31**

b. Terms/ rights attached to equity shares:

The Holding Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity share is entitled to one vote per share. The Holding Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend, if any.

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTE 18 EQUITY SHARE CAPITAL..Contd.

c. Shareholding of more than 5%:

Name of the Shareholder	**As at 31 March 2022**		As at 31 March 2021	
	No. of shares	**% held**	No. of shares	% held
Arya Capital Management Private Limited	244,013,391	16.13%	244,013,391	16.13%
Hincon Holdings Limited	216,023,600	14.28%	216,023,600	14.28%
Asia Opportunities IV (Mauritius) Limited	115,462,961	7.63%	115,462,961	7.63%
HDFC Trustee Company Limited	73,580,077	4.86%	88,027,596	5.82%

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

d. Bonus shares/ buy back/shares for consideration other than cash issued 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

e. Shareholding of promoters

As at 31 March 2022

Name of Promoters	**As at 31 March 2022**		As at 31 March 2021		% Change during the year
	No. of shares held	**% of total shares**	No. of shares held	% of total shares	
Arya Capital Management Private Limited	244,013,391	16.13%	244,013,391	16.13%	-
Hincon Holdings Limited	216,023,600	14.28%	216,023,600	14.28%	-
Hincon Finance Limited	62,261,186	4.12%	62,261,186	4.12%	-
Ajit Gulabchand	2,117,294	0.14%	2,117,294	0.14%	-
Shalaka Investment Private Limited	538,000	0.04%	538,000	0.04%	-
Anjani Ashwin Parekh	251,400	0.02%	251,400	0.02%	-
Shalaka Gulabchand Dhawan	10,000	0.00%*	10,000	0.00%*	-

As at 31 March 2021

Name of Promoters	As at 31 March 2021		As at 31 March 2020		% Change during the year
	No. of shares held	% of total shares	No. of shares held	% of total shares	
Arya Capital Management Private Limited	244,013,391	16.13%	244,013,391	16.13%	-
Hincon Holdings Limited	216,023,600	14.28%	216,023,600	14.28%	-
Hincon Finance Limited	62,261,186	4.12%	62,261,186	4.12%	-
Ajit Gulabchand	2,117,294	0.14%	2,117,294	0.14%	-
Shalaka Investment Private Limited	538,000	0.04%	538,000	0.04%	-
Anjani Ashwin Parekh	251,400	0.02%	251,400	0.02%	-
Shalaka Gulabchand Dhawan	10,000	0.00%*	10,000	0.00%*	-

* represents less than 0.01%

NOTE 18 EQUITY SHARE CAPITAL..Contd.

f. Pursuant to the approval of the shareholders at the Extra Ordinary General Meeting/ Annual General Meeting held in earlier years, the allotment committee of the Board of Directors at its meetings held on various dates allotted collectively to the lenders 236,304,020 equity shares of face value of ₹ 1 each aggregating ₹ 828.35 crore and 14,671,590 optionally convertible debentures (OCDs) of face value of ₹ 1,000 each at par (carrying coupon rate of 0.01% p.a.) aggregating ₹ 1,467.16 crore on preferential basis as part of the Scheme for Sustainable Structuring of Stressed Assets (S4A Scheme). The implementation of the S4A Scheme and the consequent allotment of equity shares/ OCDs have been made in respect of all the lenders.

NOTE 18A OTHER EQUITY

₹ crore

	Reserves and surplus							Other comprehensive income		Non-controlling interest	Total equity attributable to equity holders
	Capital reserve	Forfeited debentures account	Securities premium	Debenture redemption reserve	Foreign currency monetary translation reserve	General reserve	Retained earnings	Equity instruments at fair value through other comprehensive income	Translation loss relating to foreign operation (net)		
As at 1 April 2020	31.49	0.02	2,650.87	54.99	7.08	180.24	(3,634.30)	(25.05)	(175.83)	0.00 *	(910.49)
Loss for the year	-	-	-	-	-	-	(610.02)	-	-	0.00*	(610.02)
Other comprehensive income for the year	-	-	-	-	-	-	24.96	5.70	28.27	0.00*	58.93
Restatement of foreign currency monetary translation items	-	-	-	-	(4.60)	-	-	-	-	-	(4.60)
Amortisation of foreign currency monetary translation items	-	-	-	-	(2.72)	-	-	-	-	-	(2.72)
As at 31 March 2021	**31.49**	**0.02**	**2,650.87**	**54.99**	**(0.24)**	**180.24**	**(4,219.35)**	**(19.35)**	**(147.56)**	**0.00 ***	**(1,468.89)**
Profit for the year	-	-	-	-	-	-	399.56	-	-	- *	399.56
Other comprehensive income for the year	-	-	-	-	-	-	82.49	7.09	(4.51)	- *	85.07
Gain on fair valuation of previously held equity interest in a business combination (Refer note 50)	-	-	-	-	-	-	-	46.61	-	-	46.61
Restatement of foreign currency monetary translation items	-	-	-	-	3.84	-	-	-	-	-	3.84
Amortisation of foreign currency monetary translation items	-	-	-	-	(2.13)	-	-	-	-	-	(2.13)
As at 31 March 2022	**31.49**	**0.02**	**2,650.87**	**54.99**	**1.47**	**180.24**	**(3,737.30)**	**34.35**	**(152.07)**	**0.00 ***	**(935.95)**

NOTE 18 EQUITY SHARE CAPITAL..Contd.

Nature and purpose of reserves

i. Capital reserve

The Group recognizes profit or loss on purchase or cancellation (including forfeiture) of its own equity instruments to capital reserve.

ii. Forfeited debentures account

The Group recognizes profit or loss on purchase or cancellation (including forfeiture) of its own debentures to forfeited debentures account.

iii. Securities premium

Securities premium is used to record the premium received on issue of shares or debentures. This account is utilised in accordance with the provisions of the Companies Act, 2013 (the 'Act').

iv. Debenture redemption reserve

The Act requires that where a Company issues debentures, it shall create a debenture redemption reserve out of profits of the Company available for payment of dividend. The Company is required to maintain a Debenture Redemption Reserve of 25% of the value of the debentures issued, either by a public issue or a private placement basis. The amounts credited to the debenture redemption reserve cannot be utilised by the Company except to redeem debentures.

v. Foreign currency monetary translation reserve

Exchange difference arising on translation of the long term monetary items is accumulated in separate reserve within equity. The cumulative amount is reclassified to the Statement of Profit and Loss over the life of the monetary asset / liability on a straight line basis.

vi. General reserve

Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of net profit to general reserve has been withdrawn.

vii. Retained earnings

Retained earnings represents the profits/ losses that the Group has earned / incurred till date including gain / (loss) on fair value of defined benefits plans as adjusted for distributions to owners, transfer to other reserves etc.

viii. Other comprehensive income

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within FVTOCI reserve within equity. The Group transfers amount from this reserve to retained earnings when the relevant equity securities are disposed off.

ix. Translation loss relating to foreign operation (net)

The Group recognised exchange differences arising on translation of the foreign operations in other comprehensive income and accumulated in 'Translation loss relating to foreign operation (net)' in other equity.

* Represents amount less than ₹ 1 lakh

NOTE 19 BORROWINGS

₹ crore

	As at 31 March 2022	As at 31 March 2021
I. Non-current borrowing:		
Secured		
A. 0.01% Optionally Convertible Debentures (OCDs)		
(i) From banks	854.22	1,084.24
(ii) From others	88.29	111.38
B. Foreign Currency Term Loans from banks	213.57	207.08
C. Rupee Term Loans (RTL-A)	-	1.71
D. Other term loans		
(i) From banks	590.55	-
(ii) From others	87.61	-
Less : Transferred to liabilities of a disposal group held for sale [Refer notes 17.3 and 24(ii)]	(678.16)	
	1,156.08	**1,404.41**
Unsecured		
A. Foreign Currency Term Loan from bank	22.39	-
B. Rupee term loan from others		3.87
Total non-current borrowings	**1,178.47**	**1,408.28**
II. Current borrowing:		
Secured		
i) Current maturities of long-term debts:		
(a) Non-Convertible Debentures	41.12	63.37
(b) Foreign Currency Term Loans from others	72.04	69.63
(c) Rupee Term Loans (RTL-A)		
(i) From banks	53.61	67.32
(ii) From others	25.90	25.35
(d) Rupee Term Loans (RTL-1)		
(i) From banks	47.91	66.87
(ii) From others	41.93	44.80
(e) Rupee Term Loans (RTL-2)		
(i) From banks	287.37	316.09
(ii) From others	37.93	38.35
(f) Working Capital Term Loan from Banks (WCTL-2)		
(i) From banks	4.52	4.91
(ii) From others	11.08	11.06
(g) 0.01% Optionally Convertible Debentures (OCDs)		
(i) From banks	225.68	-
(ii) From others	23.09	-
(h) Other term loans		
(ii) From banks	86.51	305.64
(ii) From others	-	6.04
	958.69	**1,019.43**

NOTE 19 BORROWINGS..Contd.

₹ crore

	As at 31 March 2022	As at 31 March 2021
ii) Cash credit facilities (Repayable on demand)	1,154.31	1,123.39
iii) Other working capital loans from banks	784.05	753.31
Unsecured		
i) Current maturities of long-term borrowings		
- Foreign Currency Term Loan from bank	-	50.79
ii) Loans from related party	0.10	24.13
iii) Other bank loans	164.60	153.88
Total	**3,061.75**	**3,124.93**
Less: Transferred to liabilities of disposal groups held for sale [Refer notes 17.2 and 24(i)]	(2,448.94)	-
Total current borrowings	**612.81**	**3,124.93**
Total borrowings	**1,791.28**	**4,533.21**

19.1 Details of security and terms of repayment

(a) Non-Convertible Debentures (NCDs)

₹ crore

		As at 31 March 2022	As at 31 March 2021
i)	**Axis**		
	These debentures were classified as RTL-1. These debentures carried an interest yield of 11.50% p.a. and were repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. These were secured by way of registered mortgage over 231.66 acres of land of Lavasa Corporation Limited ('LCL'), situated in 5 villages namely Village Admal, Bhode, Gadle, Padalghar and Ugavali in taluka Mulshi, District Pune, Maharashtra. Same has been fully repaid in the current year.	-	14.81
ii)	**LIC**		
	These debentures are classified as RTL-1. These debentures carry an interest yield of 11.50% p.a. and were repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021 and the Company is in default of repayment thereof.	41.12	48.56
		41.12	**63.37**

(b) 0.01% Optionally Convertible Debentures (OCDs)

OCDs have been issued to the lenders of the Holding Company as part of the S4A Scheme with a tenor of 10 years and a coupon of 0.01% with an interest yield of 11.50% p.a. in yield equalization compounded on a quarterly basis. After the expiry of eighteen months from the issuance, the OCDs were to be converted into non-convertible debentures in case of non-occurrence of event of default as per the guidelines of the S4A Scheme. Pursuant to the exemption provided by the Securities and Exchange Board of India ('SEBI') from the application of Regulation 75 of SEBI ICDR regulations to the Company, the tenure of OCD has been extended for a further 8.5 years beyond the statutorily prescribed period of 18 months. The lenders have an option to convert the OCDs into equity shares of the Company, in accordance with the terms thereof including in case of any event of default or default in payment during the 10 years from the date of issuance of respective OCDs. The repayment of the OCD commences from the 6th anniversary of the allotment date. Details of maturity have been provided below.

Date of Repayment	₹ crores
30 September 2022	248.77
30 September 2023	249.48
30 September 2024	233.59
30 September 2025	225.16
30 September 2026	234.28

NOTE 19 BORROWINGS...Contd.

Security details

1. First ranking *pari passu* charge on all of the Holding Company's Property, plant and equipment (immovable and movable) [excluding the Specified Assets and Excluded Assets]; and
2. Second ranking and *pari passu* security interest by way of a legal mortgage over the First, Second and the Fifth Mortgaged Properties as specified in the mortgage deed. The security perfection has been completed on the OCD facilities issued as part of the S4A scheme.

Collateral security pari-passu with all S4A lenders:

1. HREL Real Estate Limited (HREL) has provided Corporate guarantee for the outstanding facilities of the Holding Company.
2. First *par-passu* charge on Pledge of 85,767,617 equity shares of the Company and second charge on 154,151,669 equity shares of the Company held by Hincon Finance Limited and Hincon Holdings Limited.
3. Personal guarantee of the Chairman and Managing Director of the Holding Company.

(c) Foreign Currency Term Loans

₹ crore

		As at 31 March 2022	As at 31 March 2021
(i)	**Export-Import Bank of India**		
	The loan availed by HCC Mauritius Enterprise Limited, a subsidiary company, has been restructured with a cut-off date of 30 June 2017, bearing an interest rate of LIBOR 3M + 500 bps per annum payable quarterly. The spread over LIBOR would be subject to change in case of (a) drawal beyond availability period and / or (b) changes in market conditions. This loan shall be repaid in 31 quarterly instalments commencing from 30 September 2017 from the date of first drawal ending on 31 March 2025. This loan is secured by exclusive charge on (i) corporate guarantee by Holding Company (ii) pledge of equity shareholding of the borrower held by Holding Company (iii) a first charge over specific fixed assets of Holding Company having written down value of ₹ 50 crore (at the time of original sanction in May 2010) (iv) pledge of 33% equity share holding of Steiner AG, held by HMEL, a subsidiary company (v) non disposal undertaking for non-disposal of shareholding in Steiner AG or any other SPV created for the purpose of acquition.	41.45	40.19
(ii)	**Export-Import Bank of India**		
	The loan availed by HCC Mauritius Investment Limited, a subsidiary company, has been restructured with a cut-off date of 30 June 2017, bearing an interest rate of LIBOR 3M + 500 bps per annum payable quarterly. The spread over LIBOR would be subject to change in case of (a) drawal beyond availability period and / or (b) changes in market conditions. This loan shall be repaid in 31 quarterly instalments commencing from 30 September 2017 from the date of first drawal ending on 31 March 2025. This loan is secured by exclusive charge on (i) corporate guarantee by Holding Company (ii) pari-passus first charge over specific fixed assets of Holding Company (also encumbered for term loan availed by HMEL from Exim bank for acquisition of 66% of the equity shares of Steiner AG) (iii) corporate guarantee by HMEL (iv) pledge of 66% equity share holding of Steiner AG, held by HMEL, a subsidiary company (including pari-passu pledge on 33% shares encumbered for term loan availed by HMEL from Exim bank) (v) pledge of 100% equity shares of HMIL held by Holding Company (vi) pledge of 34% equity shares of Steiner AG, held by HMIL, a subsidiary company.	172.12	166.89

NOTE 19 BORROWINGS..Contd.

(c) Foreign Currency Term Loans

₹ crore

	As at 31 March 2022	As at 31 March 2021
(iii) Foreign Currency Term Loan from Bank		
This loan was repayable in 26 monthly instalments commencing from 31 May 2019 and ending on 30 June 2021. However, during the current year, the Holding Company has entered into an amendment agreement with the lender wherein the parties have agreed to restructure the outstanding amounts for USD 6.89 million with fixed interest rate of 1.91% p.a. compounded annually, repayable in 3 structured instalments commencing from 31 December 2028 and ending on 31 December 2030.	22.39	50.79
(iv) Asia Opportunities (IV) Mauritius Limited - External Commercial Borrowings (ECB)		
The ECB loan of Holding Company carries a floating interest rate equal to 3 month LIBOR plus 350 basis points and was repayable in three quarterly instalments commencing from 31 December 2019. The facility is secured by first charge by way of hypothecation of plant and machinery acquired under the facility described in the first schedule to the memorandum of hypothecation.	72.04	69.63

(d) Rupee Term Loans (RTL-A)

RTL-A carries interest rate of 11.75% p.a., payable monthly, over the five years commencing 25 May 2017. Refer note 19.1.1 for security details.

(e) Rupee Term Loans 1 (RTL-1) and Rupee Term Loans 2 (RTL-2)

RTL- 1 and RTL- 2 carry an interest yield of 11.50% p.a. and are repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. Refer note 19.1.1 for security details.

(f) Working Capital Term Loan from Banks (WCTL-2)

Working Capital Term Loan (WCTL-2) carries an interest rate ranging from 11.10% p.a. to 11.75% p.a. (floating) linked to Monitoring Institution's base rate. These are repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. Refer note 19.1.1 for security details.

(g) Other term loans from banks

₹ crore

	As at 31 March 2022	As at 31 March 2021
i) Term Loan from ICICI bank carrying interest rate of ICICI Base Rate (9.25% p.a.) plus 2.25% p.a. This loan is repayable within 10 years in 28 structured quarterly instalments commencing from 15 April 2016 and ending on 15 January 2023. This term loan is secured by: a) first exclusive charge on the current assets and fixed assets of the borrower (subsidiary company) b) mortgage over land situated at Kavsar, Thane, Maharashtra (32 acres) of HRL (Thane) Real Estate Limited on first *pari-passu* basis c) Pledge over 30% shareholding of HREL in HRL (Thane) Real Estate Limited d) Pledge over 30% shareholding of HCC in Highbar Technologies Limited.	9.16	8.21

NOTE 19 BORROWINGS...Contd.

₹ crore

		As at 31 March 2022	As at 31 March 2021
ii)	Term loans are repayable in 16 consecutive quarterly instalments commencing from the third year of the loan, Carrying floating interest rate ranging from 10.75% to 12.25% p.a. The loans are secured by way of : a) Extension of the Charge on the pledge of shares of HICL in HCC Concessions Ltd ('HCL') already charged to the bank at HICL. b) First *Pari Passu* Charge on all assets of HICL c) Extension of second *pari passu* charge over entire assets of HICL [Including movable and immovable property, plant and equipment (if any) and current assets], excluding investments, both present and future provided for the bank facility at HICL for Loan amount of ₹ 88.00 crore. d) Corporate guarantee of HICL in a form and manner acceptable to the bank (Refer Note 34.1)"	-	21.86
iii)	Loan carries an interest rate ranging between 10.65% to 11.25% p.a. The loan has been secured as follows: a) First *Pari passu* charge on all assets of the HICL b) Extension of Pledge of Shares HICL in HCL already pledged with the bank for the HICL c) Unconditional and irrevocable Guarantee from HICL d) Unconditional and irrevocable Guarantee from the Holding Company e) Extension of the second *pari passu* charge over entire assets of HICL f) Pledge over 30% equity shares of HCC Power Ltd held by HICL in favour of IDBI g) Trusteeship Services Ltd as Security Trustee for TL1, TL2, TL3 & TL4 sanctioned by lender to HCC Power Limited, to be reduced to 15% on repayment of 50% of the sanctioned facilities. h) Terms of repayment : Term loans are repayable in 20 consecutive quarterly instalments commencing from the third year of the loan as set forth in sanction letter dated 10 December 2015.(Refer Note 34.1)	-	236.60
iv)	Carrying floating interest rate ranging from 10.75% to 11.25% p.a, repayable in 20 structured quarterly installments commencing from February 2019 and ending on December 2022 (Refer Note 34.1) Secured by Unconditional and Irrevocable Corporate Guarantee of HREL Real Estate Limited & Undertaking from HCC Infrastructure Company Limited The HICL has entered into a novation agreement with Charosa Wineries Limited and Yes Bank Limited pursuant to the Resolution Plan of Charosa Wineries Limited whereby the loan from Yes Bank Ltd. amounting to ₹ 37.73 crore borrowed by Charosa Wineries Limited alongwith its rights and Liabilities under the Loan Agreement will be transferred to Dhule Palesner Operations & Maintenance Limited.	-	37.73
v)	Carrying floating interest rate ranging from 10.75% to 12.25% p.a, repayable in 7 structured quarterly installments commencing from September 2020 and ending on March 2022 (Refer Note 34.1)	-	1.24

NOTE 19 BORROWINGS...Contd.

₹ crore

		As at 31 March 2022	As at 31 March 2021
	Term loans are repayable in 16 consecutive quarterly instalments commencing from the third year of the loan		
	Extension of the Charge on the pledge of shares of HCC Infrastructure Company Limited (HICL) in HCC Concessions Ltd already charged to the bank at HCC Infrastructure Company Limited. Extension of second pari passu charge over entire assets of HICL(Including movable and immovable fixed assets(If any) and current assets), excluding investments, both present and future provided for the bank facility at HICL for Loan amount of ₹ 88,00,00,000		
	Corporate guarantee of HCC Infrastructure Company Limited in a form and manner acceptable to the bank		
	First *Pari Passu* Charge on all assets of Borrower		
vi)	Carrying interest rate ranging 9.75% to 10.75 % p.a. repayable in 52 unstructured quarterly installments commencing from March 2016 and ending in 30 June 2029.	590.55	-
vii)	Carrying interest rate of 10.75% p.a. repayable in 52 consecutive quarterly installments from June 2018 and ending on March 2031	73.03	-
viii)	Carrying interest rate ranging 9.75 % to 11.00% p.a. repayable in 52 unstructured quarterly installments commencing from June 2018 and ending on September 2031.	87.61	-
ix)	Carrying interest rate of 10.75% p.a.repayable in 52 consecutive quarterly installments from June 2018 and ending on March 2031	4.32	-
	Less : Transferred to liabilities of a disposal group held for sale [Refer notes 17.3 and 24(ii)]	(678.16)	-
		86.51	**305.64**
(h)	**Term loans from others**		
	Carrying 12.75% interest rate p.a, repayable in 34 structured monthly installments commencing from June 2019	-	6.04
	The loans are secured by way of :		
	a) Subservient charge (yet to create) on proceed from an arbitration award in favour of a Group Company to the extent of ₹ 7 crore		
	b) An subservient charge on the claim receivables to the extent of loan outstanding under the Deed of Hypothecation.		
		-	**6.04**

(i) Cash credit facilities

The Cash credit facilities carry a floating interest rate equal to 6 month ICICI MCLR plus 285 basis points and are repayable on demand.

(j) Working capital loan

Working Capital Loans carry a floating interest rate equal to 6 month ICICI MCLR plus 285 basis points. Loans aggregating ₹ 636.56 crore (31 March 2021: ₹ 718.56 crore, which were contractually repayable between 30 June 2019 and 31 March 2021 and the Holding Company has defaulted in the repayment thereof.

(k) Working capital demand loans availed by Steiner AG:

Working Capital Demand Loan from bank include loan facilities availed by Steiner AG, a subsidiary company, aggregating ₹ 147.49 crore (31 March 2021: ₹ 34.75 crore) secured by first charge by way of a (i) mortgage on land in favour of a foreign bank (Project: Vista Nobile) (ii) mortgage on a land in favour of a foreign bank (Project: BASF Wandenswil)

NOTE 19 BORROWINGS...Contd.

₹ crore

	As at 31 March 2022	As at 31 March 2021
II. Unsecured		
(a) Loan availed by Steiner AG from Credit Suisse, Switzerland	-	3.87
	-	**3.87**

(b) Other bank loan

As at 31 March 2022, bank guarantees aggregating ₹ 164.60 crore (31 March 2021: ₹ 153.88 crore) have been encashed by customers/ suppliers of the Holding Company. Pursuant to the encashment of guarantees, these amounts were demanded by the respective banks and the Holding Company has defaulted in the repayment thereof. Consequently, these dues have been presented as "other bank loans" under current borrowings. These loans carry a floating interest rate equal to 6 month ICICI MCLR plus 285 basis points.

Note 19.1.1 RTL-A, RTL-1, RTL-2 and WCTL-2 are secured in the form of:

1. The parcel of land (immovable non-residential property) admeasuring 22 acres and 24 gunthas at Tara Village, Panvel Taluka described as the First Mortgaged Properties.
2. All the present and future movable assets of the Holding Company (excluding 'Current Assets' and 'Specified Assets') as the Second Mortgaged Properties.
3. All the present and future current assets of the Holding Company (other than those forming part of 'Additional Assets') as the Third Mortgaged Properties.
4. All of the 'Additional Assets' collectively referred to as the Fourth Mortgaged Properties.
5. All of the 'Specified Assets' collectively referred to as the Fifth Mortgaged Properties.

The terms 'Current Assets', 'Specified Assets' and 'Additional Assets' have been defined in the MRA.

The above security having ranking in respect to RTL1 and RTL-A are as below:

1. A first ranking and *pari passu* security interest by way of legal mortgage over the First Mortgaged Properties and Second Mortgaged Properties.
2. A second ranking and *pari passu* security interest by way of legal mortgage over the Third Mortgaged Properties, Fourth Mortgaged Properties and the Fifth Mortgaged Properties.

The above security having ranking in respect to RTL2 and WCTL2 are as below:

A second ranking and *pari passu* security interest by way of legal mortgage over all the Mortgaged Properties.

Collateral security *pari-passu* with lenders defined in MRA:

1. HREL Real Estate Limited has provided Corporate guarantee for the above outstanding facilities of the Company.
2. First *pari-passu* charge on 154,151,669 shares of the Company and second charge on 85,767,617 equity shares of the Company held by Hincon Holdings Limited and Hincon Finance Limited.
3. Personal guarantee of the Chairman and Managing Director of the Company.

NOTE 19 BORROWINGS...Contd.

Note 19.1.2 Security and terms for Cash Credit Facilities and Other Working Capital Demand Loan:

1. The parcel of land (immovable non-residential property) admeasuring 22 acres and 24 gunthas at Tara Village, Panvel Taluka described as the First Mortgaged Properties.
2. All the present and future movable assets of the Borrower (excluding 'Current Assets' and 'Specified Assets') as the Second Mortgaged Properties.
3. All the present and future current assets of the Borrower (other than those forming part of 'Additional Assets') as the Third Mortgaged Properties.
4. All of the 'Additional Assets' collectively referred to as the Fourth Mortgaged Properties.
5. All of the 'Specified Assets' collectively referred to as the Fifth Mortgaged Properties.

The above security having ranking as below:

1. A first ranking and *pari passu* security interest by way of legal mortgage over the Third and Fourth Mortgaged Properties.
2. In the form of a second ranking and *pari passu* security interest by way of a legal mortgage over the First, Second and the Fifth Mortgaged Properties.

   Collateral security *pari-passu* with lenders defined in MRA are same as indicated in note 19.1.1.

   The securities towards working capital facilities also extend to guarantees given by the banks on behalf of the Company.

   The terms 'Current Assets', 'Specified Assets' and 'Additional Assets' have been defined in the MRA.

Note 19.2 Net debt reconciliation

An analysis of net debt and the movement in net debt for the year ended 31 March 2022 and 31 March 2021 is as follows:

₹ crore

	31 March 2022	31 March 2021
Cash and cash equivalents	720.97	642.13
Current borrowings (including interest accrued)	4,111.80	3,554.86
Non-current borrowings (including interest accrued)	2,692.93	2,216.59
Net debt	**6,083.76**	**5,129.32**

₹ crore

	Cash and cash equivalents	Non-current borrowings	Current borrowings	Total
	(A)	(B)	(C)	(D) = B + C- A
Net debt as at 1 April 2020	**276.11**	**2,182.67**	**2,534.74**	**4,441.30**
Cash flows (net)	374.15	(89.72)	648.65	184.78
Exchange loss	(8.13)	-	-	8.13
Interest expense	-	234.79	378.96	613.75
Reclassification	-	(19.99)	19.99	-
Interest paid	-	(91.16)	(27.48)	(118.64)
Net debt as at 31 March 2021	**642.13**	**2,216.59**	**3,554.86**	**5,129.32**

NOTE 19 BORROWINGS..Contd.

₹ crore

	Cash and cash equivalents	Non-current borrowings	Current borrowings	Total
	(A)	(B)	(C)	(D) = B + C- A
Cash flows (net)	61.65	(55.84)	(158.99)	(276.48)
Exchange loss	17.19	-	-	(17.19)
Addition due to business combination	-	789.89	-	789.89
Gain on one-time settlement	-	(31.34)	(74.76)	(106.10)
Reclassification	-	(455.32)	455.32	-
Interest expense	-	269.72	544.85	814.57
Interest paid	-	(40.78)	(209.47)	(250.25)
Net debt as at 31 March 2022	**720.97**	**2,692.93**	**4,111.80**	**6,083.76**

Note 19.3 In respect of below balances, direct confirmations from lenders of the Holding Company has not been received:

₹ crore

	As at 31 March 2022	As at 31 March 2021
Current borrowings	49.67	2.10
Other current financial liabilities	320.55	616.09
Liabilities of a disposal group held for sale	2.85	-
	373.07	**618.19**

In the absence of confirmations/ statements from lenders, the Holding Company has provided for interest (including penal interest) based on the interest rate specified in the agreement or latest communication available from the respective lenders and interest has been computed on the balance of loans as per Holding Company's records. The Holding Company's management believes that amount payable will not exceed the liability provided in the financial results in respect of these borrowings.

Further, balances with banks (included under cash and cash equivalents) and earmarked balances/ fixed deposits (included under bank balances other than cash and cash equivalents) as at 31 March 2022 include balances amounting to ₹ 2.18 crore (31 March 2021: ₹ 2.10 crore) and ₹ 0.95 crore (31 March 2021: ₹ 10.91 crore), respectively, for which confirmations/ statements from banks have not been received.

NOTE 19 BORROWINGS...Contd.

Note 19.4 Default in repayment of Borrowings

As at 31 March 2022, the Company has defaulted in repayment of borrowings (non-current and currrent) including interest thereon. The item-wise breakup is as under:

₹ crore

Sr.No.	Particulars	Period	Principal	Interest
1	Non-Convertible Debentures	91 to 180 days	1.49	0.02
		181 to 365 days	2.98	0.23
2	Term Loans from Banks	Upto 30 days	-	0.09
		31 to 90 days	13.65	21.82
		91 to 180 days	20.83	14.39
		181 to 365 days	52.02	97.99
		> 365 days	305.59	117.79
3	Term Loans from Financial Institutions	31 to 90 days	1.55	7.93
		91 to 180 days	6.86	4.19
		181 to 365 days	20.44	26.19
		> 365 days	157.40	36.95
4	Working Capital Demand Loans	> 365 days	636.57	44.84
5	Cash Credit Facilities	> 365 days	493.74	118.98
6	Other Bank Loans	91 to 180 days	10.73	1.02
		> 365 days	153.89	47.34
Total			**1,877.74**	**539.77**

As at 31 March 2021, the Company has defaulted in repayment of borrowings (non-current and currrent) including interest thereon. The item-wise breakup is as under:

₹ crore

Sr. No.	Particulars	Period	Principal	Interest
1	Non-Convertible Debentures	31 to 90 days	5.71	1.30
		91 to 180 days	5.71	0.92
		181 to 365 days	5.71	2.22
2	Term Loans from Banks	Upto 30 days	-	0.08
		31 to 90 days	45.45	32.15
		91 to 180 days	54.06	33.17
		181 to 365 days	370.00	77.02
		> 365 days	139.57	47.99
3	Term Loans from Financial Institutions	31 to 90 days	11.53	4.64
		91 to 180 days	9.41	3.60
		181 to 365 days	56.30	11.47
		> 365 days	133.51	30.56
4	Working Capital Demand Loans	> 365 days	529.75	31.63
5	Cash Credit Facilities	31 to 90 days	155.18	1.59
		91 to 180 days	0.14	0.15
		181 to 365 days	13.81	-
		> 365 days	436.49	58.79
6	Other Bank Loans	91 to 180 days	9.10	0.68
		181 to 365 days	56.63	6.25
		> 365 days	88.16	14.32
Total			**2,126.23**	**358.52**

NOTE 19 BORROWINGS...Contd.

Note 19.5 Reconciliation of stock statement submitted to the consortium banks with books of account where borrowings have been availed based on security of current assets:

By Holding Company

₹ crore

Quarter ended	Name of the Bank	Particulars	Amount as per books of accounts	Amount reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
30 June 2021	ICICI Bank, Punjab National Bank, Indian Bank, Union Bank of India, Canara Bank, State Bank of India, IDBI Bank Limited, Jammu & Kashmir Bank, Standard Chartered Bank, Bank of Baroda, Federal Bank, DBS Bank	Inventory and Unbilled work-in-progress	2,741.38	2,160.21	581.17	Refer note below
		Trade Receivables	4,285.78	2,410.07	1,875.71	
30 September 2021		Inventory and Unbilled work-in-progress	2,796.76	2,205.14	591.62	Refer note below
		Trade Receivables	3,800.76	1,631.40	2,169.36	
31 December 2021		Inventory and Unbilled work-in-progress	2,989.20	2,287.09	702.11	Refer note below
		Trade Receivables	3,961.10	1,713.78	2,247.32	

₹ crore

Quarter ended	Name of the Bank	Particulars	Amount as per books of accounts	Amount reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
30 June 2020	ICICI Bank, Punjab National Bank, Indian Bank, Union Bank of India, Canara Bank, State Bank of India, IDBI Bank Limited, Jammu & Kashmir Bank, Standard Chartered Bank, Bank of Baroda, Federal Bank, DBS Bank	Inventory and Unbilled work-in-progress	2,788.06	2,288.74	499.32	Refer note below
		Trade Receivables	4,379.89	3,131.96	1,247.93	
30 September 2020		Inventory and Unbilled work-in-progress	2,873.91	2,403.03	470.89	Refer note below
		Trade Receivables	4,373.87	3,224.20	1,149.67	
31 December 2020		Inventory and Unbilled work-in-progress	2,947.78	2,435.00	512.78	Refer note below
		Trade Receivables	4,269.95	3,238.29	1,031.66	
31 March 2021		Inventory and Unbilled work-in-progress	2,609.82	1,969.90	639.92	Refer note below
		Trade Receivables	4,398.21	2,592.58	1,805.63	

i) Difference is mainly on account of arrangement with banks/ financial institution, which requires the Holding Company to submit the details of inventory, trade receivable, unbilled work-in-progress excluding projects executed as joint operations and projects which are closed/ suspended/ terminated etc.

ii) No other group company has availed borrowings based on security of current assets.

NOTE 20 OTHER FINANCIAL LIABILITIES

₹ crore

	As at 31 March 2022	As at 31 March 2021
Non-current		
Security deposits	0.13	0.59
Interest accrued but not due	1,014.86	944.15
Financial liabilities of erstwhile subsidiary assumed [Refer notes 20.1(i)]	490.20	513.73
Financial guarantees	49.70	49.70
Total non-current financial liabilities	**1,554.89**	**1,508.17**
Current		
Interest accrued but not due (Refer notes 19.3 and 20.2)	445.77	149.82
Interest accrued and due (Refer note 19.3)	604.28	400.30
Unpaid dividends	0.00*^	0.00*^
Financial liabilities of erstwhile subsidiary assumed [Refer notes 19.3 and 20.1(ii) and (iii)]	494.56	434.97
Others		
- Due to employees	97.93	91.63
- Liability for capital goods	6.46	7.42
- Interest payable on contractee advances	213.44	178.80
- Other liabilities	18.53	31.16
	1,880.97	**1,294.10**
Less: Transferred to liabilities of a disposal group held for sale (Refer notes 17.2, 17.3 and 24)	(473.65)	-
Total current financial liabilities	**1,407.32**	**1,294.10**
Total other financial liabilities	**2,962.21**	**2,802.27**
* Represents amount less than ₹ 1 lakh ^ Includes ₹ 7,600 (31 March 2021: ₹ 7,600) which is held in abeyance due to legal cases pending		
Other financial liabilities carried at amortised cost	2,962.21	2,802.27
Other financial liabilities carried at FVPL	-	-

Note 20.1 Details of security and terms of repayment

Liability towards invocation of put options and corporate guarantees by lenders of Lavasa Corporation Limited ('LCL')

(i) Pursuant to sanction letters entered with lenders of LCL during earlier years, liabilities aggregating ₹ 865.23 crore were taken over by the Holding Company at ₹ 515 crore. As per the sanction letters, these liabilities carried an interest of 9.50% p.a. compounded quarterly with effect from 1 October 2018 and were to be repaid by 31 March 2023 from realization of certain identified claims. However, as per the current resolution plan, which has been approved by the respective Board/ Committees of 100% lenders making the resolution plan binding on all lenders, the aforesaid lenders of LCL would be repaid as per the revised payment plan between March 2023 to June 2029. Pending the implementation of the resolution plan, the differential between the liability pursuant to the put option agreement and the liability as per the revised sanction letter mentioned above, has been reported under contingent liabilities in the financial statements [Refer note 36(A)(v)].

(ii) Further, certain lenders of LCL had invoked corporate guarantees of the Holding Company during earlier years. Accordingly, the liability of ₹ 232.20 crore has been recognised by the Holding Company. These liabilities carried an interest of 9.50% p.a. compounded quarterly with effect from 1 October 2018. As per the current resolution plan, remaining liability towards invocation of corporate guarantees shall be repaid between 30 June 2029 and 30 June 2031. Pending the implementation of the resolution plan, no adjustments have been given in the financial statements.

(iii) HCC Operations and Maintainence Limited ('HOML'), a step down subsidiary, had signed a Debenture Sale Purchase (DSP) agreement on 29 September 2017 with certain debenture holders for purchase of debentures issued by Lavasa Corporation Limited (LCL), in the event of any default for an aggregate consideration of ₹ 138 crore plus Interest @ 10.27 % per annum. Pursuant to default by LCL, HOML has assumed liability of LCL towards these debentures amounting to ₹ 239.32 crore as at 31 March 2022.

NOTE 20 OTHER FINANCIAL LIABILITIES..Contd.

Note 20.2: Includes ₹ 178.56 crore (31 March 2021: ₹ 135.83 crore) and ₹ 204.62 crore (31 March 2021: ₹ 120.19 crore) in respect of non-current interest accrued but not due and current interest accrued but not due respectively, towards financial liabilities of LCL assumed as mentioned in Note 20.1 above.

NOTE 21 PROVISIONS

₹ crore

	As at 31 March 2022	As at 31 March 2021
Non-current		
Provision for employee benefits		
- Gratuity	50.70	127.46
- Pension fund	6.62	6.55
- Compensated absences	12.09	13.14
Provision for warranty (Refer note 21.1)	54.64	42.16
Provision for major maintenance	67.93	-
Less: Transferred to liabilities of a disposal group held for sale (Refer note 17.3 and 24)	(67.93)	-
Total non-current provisions	**124.05**	**189.31**
Current		
Provision for employee benefits		
- Gratuity	6.74	8.08
- Pension fund	6.09	5.70
- Leave entitlement and compensated absences	3.14	4.96
Provision for warranty (Refer note 21.1)	126.19	106.10
Provision for foreseeable losses	324.94	128.07
Provision for major maintenance (Refer notes below)	47.94	-
Less: Transferred to liabilities of a disposal group held for sale	(47.94)	-
Total current provisions	**467.10**	**252.91**
Total provisions	**591.15**	**442.22**

Note 2.1 Detail of provision in respect of warranty is as stated below:

₹ crore

	As at 31 March 2022	As at 31 March 2021
Opening provision as at the beginning of the year	148.26	155.98
Addition during the year	69.43	37.18
Utilized during the year	(36.86)	(44.90)
Closing provision as at the end of the year	**180.83**	**148.26**
Non current	**54.64**	**42.16**
Current	**126.19**	**106.10**
Total	**180.83**	**148.26**

This provision represent estimates made towards estimated liability arising out of contractual obligations in respect of warranties.

After the handover of the building there is a warranty liability, which lasts between 2 and 10 years, depending on the building and its components. During construction the warranty provision is recorded based on past experience and, in general, remains unchanged during construction. Actual warranty costs are recorded against the warranty provision of projects in warranty phase (pool approach). As per closing date, future warranty costs are estimated and if needed the warranty provisions are increased or released. The subsequent major cash flows of remaining provisions will take place over next five years

Note 21.1 The Group has adequately recongized expected losses on projects wherever it was probable that total contract costs will exceed total contract revenue.

* Represents amount less than ₹ 1 lakh

NOTE 22 TRADE PAYABLES

₹ crore

		As at 31 March 2022	As at 31 March 2021
-	Total outstanding dues of micro enterprises and small enterprises	80.07	48.02
	Less: Transferred to Liabilities of a disposal group held for sale	(0.07)	-
		80.00	**48.02**
-	Total outstanding dues of creditors other than micro enterprises and small enterprises	3,026.27	2,999.40
	Less: Transferred to Liabilities of disposal groups held for sale	(39.77)	-
		2,986.50	**2,999.40**
Total trade payables		**3,066.50**	**3,047.42**

Note 22.1 Trade payables are non-interest bearing and are normally settled as per the payment terms stated in the contract.

Note 22.2 Trade payables and liabilities for capital goods (under other current financial liabilities) as at 31 March 2022 include ₹ 36.43 crore and ₹ 3.26 crore, respectively, to parties situated outside India. These balances are pending for settlement due to financial difficulties presently being faced by the Holding Company and have resulted in delay in remittance of payments beyond the timeline stipulated by the FED Master Direction No. 17/2016-17, under the Foreign Exchange Management Act, 1999. The Company is in the process of regularising these defaults by filing necessary applications with the appropriate authority for condonation of delay. Pending conclusion of the aforesaid matters, the amount of penalty, if any, that may be levied, is not ascertainable but also not expected to be material to the consolidated financial statements, and accordingly, the consolidated financial statements do not include any adjustments that may arise due to such delay/ default.

Note 22.3 Trade payables ageing schedule (including transferred to Liabilities of disposal groups held for sale):

₹ crore

As at 31 March 2022		Outstanding for following periods from due date of payment						
		Not due	Unbilled	Less than 1 year	1 -2 years	2 -3 years	More than 3 years	Total
(i)	MSME	-	-	70.77	2.22	4.61	2.47	80.07
(ii)	Others	476.64	1,346.20	829.27	87.88	45.61	240.67	3,026.27
(iii)	Disputed dues – MSME	-	-	-	-	-	-	-
(iv)	Disputed dues- Others	-	-	-	-	-	-	-
		476.64	**1,346.20**	**900.04**	**90.10**	**50.22**	**243.14**	**3,106.34**

₹ crore

As at 31 March 2021		Outstanding for following periods from due date of payment						
		Not due	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	-	-	30.44	9.03	2.47	6.07	48.02
(ii)	Others	441.48	1,181.20	1,033.79	18.78	59.07	265.08	2,999.40
(iii)	Disputed dues – MSME	-	-	-	-	-	-	-
(iv)	Disputed dues- Others	-	-	-	-	-	-	-
		441.48	**1,181.20**	**1,064.23**	**27.81**	**61.54**	**271.15**	**3,047.42**

NOTE 23 OTHER LIABILITIES

₹ crore

	As at 31 March 2022	As at 31 March 2021
Current		
Revenue received in advance (Due to customers)	798.84	1,143.93
Advance from:		
- contractee	1,556.14	1,765.64
- National Highway Authorities of India (NHAI)	6.56	-
Statutory dues payable	38.25	50.01
Payable to NHAI	3.99	-
Other liabilities	51.79	69.31
	2,455.57	**3,028.89**
Less: Transferred to Liabilities of disposal groups held for sale (Refer note 17.3 and 24)	(10.65)	-
Total other current liabilities	**2,444.92**	**3,028.89**

NOTE 24 LIABILITIES OF DISPOSAL GROUPS HELD FOR SALE

₹ crore

	As at 31 March 2022	As at 31 March 2021
i) Liabilities of a disposal group held for sale (Refer note 17.2)		
a) Current borrowings	2,448.94	-
b) Other financial liabilities	470.80	-
c) Trade payables	22.30	-
	2,942.04	
ii) Liabilities of a disposal group held for sale (Refer note 17.3)		
a) Trade payables	17.54	-
b) Non-current borrowings	678.16	-
c) Other current financial liabilities	2.86	-
d) Provisions	115.86	-
e) Other current liabilities	10.65	-
	825.07	
Total Liabilities of disposal groups held for sale	**3,767.11**	**-**

NOTE 25 REVENUE FROM OPERATIONS

₹ crore

	Year ended 31 March 2022	Year ended 31 March 2021
Sale of products and services:		
a) Construction revenue	10,204.82	7,954.80
b) Royalty income	2.95	-
c) Operation and maintenance fees	10.64	34.99
d) Sale of software products and licenses	2.73	7.63
	10,221.14	**7,997.42**
Other operating revenue:		
a) Interest on arbitration awards	424.54	227.68
b) Provision no longer required written back	24.05	23.32
	448.59	**251.00**
Total revenue from operations	**10,669.73**	**8,248.42**

NOTE 25 REVENUE FROM OPERATIONS..Contd.

Disclosure in accordance with Ind AS 115 Revenue from Contracts with Customers

(a) Disaggregated revenue information

Revenue disaggregation as per industry vertical has been included in segment information (Refer note 49)

(b) Unsatisfied performance obligations

The aggregate amount of transaction price allocated to performance obligations that are unsatisfied as at the end of reporting period is ₹ 20,867 crore (31 March 2021: ₹ 23,631 crore). Most of the Group's contracts have a life cycle of four to five years. Management expects that around 35%- 40% of the transaction price allocated to unsatisfied contracts as of 31 March 2022 will be recognised as revenue during next reporting period depending upon the progress on each contracts. The remaining amounts are expected to be recognised over the next three to four years. The amount disclosed above does not include variable consideration.

(c) Contract balances

(i) Movement in contract balances during the year:

₹ crore

	Contract assets (unbilled work-in-progress)	Contract liabilities (due to customers)	Net contract balance
Balance as at 1 April 2020	3,643.01	981.86	2,661.15
Net increase	183.11	162.07	21.04
Balance as at 31 March 2021	**3,826.12**	**1,143.93**	**2,682.19**
Net increase	262.31	(345.09)	607.40
Balance as at 31 March 2022^	**4,088.43**	**798.84**	**3,289.59**

^ includes ₹ 359.40 crore classified as assets of a disposal group held for sale (Refer note 16 and 17.2)

Note: Increase in contract assets is primarily due to lesser certification of progress bills as compared to revenue for the year in certain projects/ entities. Further, contract liability has increased due to lesser recognition of revenue as compared to progress bills raised during the year in certain projects/ entities.

(ii) Revenue recognised during the year from opening balance of contract liability amounts to ₹ 1,031.73 crore (31 March 2021: ₹ 923.44 crore)

(iii) Revenue recognised during the year from the performance obligation satisfied upto previous year amounts to ₹ 479.01 crore (31 March 2021: ₹ 4.63 crore)

(d) Out of the total revenue recognised during the year, ₹ 10,632.09 crore (31 March 2021: ₹ 8,190.11 crore) is recognised over a period of time and ₹ 37.64 crore (31 March 2021: ₹ 58.31 crore) is recognised at a point in time.

(e) There are no reconciliation items between revenue from contracts with customers and revenue recognised with contract price.

(f) Cost to obtain or fulfill the contract:

i. Amount of amortisation recognised in Statement of Profit and Loss during the year : Nil

ii. Amount recognised as contract assets as at 31 March 2022 : Nil

NOTE 26 OTHER INCOME

₹ crore

		Year ended 31 March 2022	Year ended 31 March 2021
a)	Interest income:	61.27	27.10
b)	Dividend from non-current investments	1.14	1.05
c)	Other non-operating income:		
-	Rental income	0.54	0.54
-	Profit on disposal of property, plant and equipment (net)	2.36	12.93
-	Exchange gain (net)	3.92	-
-	Fees for sale of projects	63.35	37.58
-	Miscellaneous	19.55	7.37
		89.72	**58.42**
Total other income		**152.13**	**86.57**

NOTE 27 COST OF CONSTRUCTION MATERIALS CONSUMED

₹ crore

	Year ended 31 March 2022	Year ended 31 March 2021
Inventory at beginning of the year	182.15	187.52
Add: Purchases	876.91	537.01
	1,059.06	**724.53**
Less: Sale of scrap and unserviceable material	(23.95)	(16.81)
	1,035.11	**707.72**
Less: Inventory at the end of the year	(170.05)	(182.15)
Total cost of construction materials consumed	**865.06**	**525.57**

NOTE 28 CHANGE IN INVENTORIES

₹ crore

	Year ended 31 March 2022	Year ended 31 March 2021
Opening inventory	291.55	275.04
Less: Closing inventory	(308.69)	(291.55)
Total changes in inventories	**(17.14)**	**(16.51)**

NOTE 29 CONSTRUCTION EXPENSES

₹ crore

		Year ended 31 March 2022	Year ended 31 March 2021
a)	Power, fuel and water	137.83	129.47
b)	Insurance	20.87	29.43
c)	Rent (Refer note 42)	98.43	65.23
d)	Transportation	27.45	18.33
e)	Others	21.46	18.30
Total construction expenses		**306.04**	**260.76**

NOTE 30 EMPLOYEE BENEFITS EXPENSE

₹ crore

		Year ended 31 March 2022	Year ended 31 March 2021
a)	Salaries and wages	797.68	817.15
b)	Contribution to provident and other funds	67.63	70.44
c)	Staff welfare	66.23	67.26
Total employee benefits expense		**931.54**	**954.85**

Note 30.1 The Holding Company has accrued/ paid managerial remuneration to Chairman and Managing Director ('CMD') and Whole Time Director ('WTD') for the period 1 April 2019 to 31 March 2022 in excess of the limits prescribed under sec 197 of the Act as follows:

₹ crore

Financial Year	Designation	Remuneration accrued	Remuneration Paid	Remuneration as per prescribed limit	Excess remuneration accrued/ paid	Excess remuneration paid held in trust
		(a)	(b)	(c)	(d = a- c)	(e = b- c)
2019-20	CMD & Whole Time Director	13.57	3.75	-	13.57	3.75
2020-21		13.50	1.44	-	13.50	1.44
2021-22		14.00	1.80	-	14.00	1.80
Total		**41.07**	**6.99**	**-**	**41.07**	**6.99**

While the approval for payment of the aforementioned managerial remuneration has been obtained from the shareholders, the requisite prior approval from lenders are yet to be obtained, which the Holding Company expects to obtain along side implementation of the resolution plan.

NOTE 31 FINANCE COSTS

₹ crore

		Year ended 31 March 2022	Year ended 31 March 2021
Interest expense on:			
-	debentures	289.49	309.56
-	term loan and cash credit	396.70	370.55
-	financial liabilities of an erstwhile subsidiary assumed	127.08	112.18
-	lease liabilities (Refer note 42)	3.41	3.41
-	others	146.38	158.32
Other borrowing costs			
-	guarantee commission	62.37	39.15
-	other finance charges	5.04	7.89
Total finance costs		**1,030.47**	**1,001.06**

NOTE 32 DEPRECIATION AND AMORTISATION EXPENSE (REFER NOTES 3A, 3B, 4 AND 5)

₹ crore

		Year ended 31 March 2022	Year ended 31 March 2021
a)	Depreciation of tangible assets	99.93	99.10
b)	Depreciation on right-of-use assets	30.32	31.40
c)	Depreciation of investment properties	0.03	0.03
d)	Amortisation of intangible assets	8.06	4.97
Total depreciation and amortisation expense		**138.34**	**135.51**

NOTE 33 OTHER EXPENSES

₹ crore

			Year ended 31 March 2022	Year ended 31 March 2021
a)	Stationery, postage, telephone and advertisement		4.67	4.36
b)	Travelling and conveyance		8.15	5.63
c)	Rates and taxes		24.12	75.20
d)	Professional fees		37.27	48.42
e)	Repairs and maintenance- building		4.02	3.60
f)	Repairs and maintenance- others		11.12	17.45
g)	Directors' sitting fees		0.77	0.86
h)	Auditors' remuneration:			
	i) Audit fees	4.12		4.02
	ii) Tax audit fees	0.20		0.20
	iii) Limited review fees	1.00		1.00
	iv) Certification fees	0.54		0.86
	v) Reimbursement of out of pocket expenses	0.02		0.02
			5.88	**6.10**
i)	General office expenses		25.05	12.38
j)	Operation and maintenance		121.70	74.47
k)	Selling and distribution expenses		5.66	5.34
l)	Exchange loss (net)		-	9.28
m)	Computer maintenance and development		7.42	6.98
n)	Miscellaneous expenses		22.99	27.57
Total other expenses			**278.82**	**297.64**

NOTE 34 EXCEPTIONAL ITEMS

₹ crore

		Year ended 31 March 2022	Year ended 31 March 2021
a)	Loss on settlement with a customer (net)	-	(274.03)
b)	Gain on one-time settlement of debt [Refer note 34.1 below]	106.10	-
Total exceptional items - Gain / (loss)		**106.10**	**(274.03)**

Note 34.1 Gain on one-time settlement of debt

Pursuant to an one time settlement between HICL along with its subsidiaries namely HCC Power Limited, HCC Operations and Maintenance Limited and Dhule Palesar Operation and Maintenance Limited with its lenders, the total outstanding debt (including interest thereon) aggregating ₹ 371.10 crore was settled for ₹ 265 crore. The settlement amount has been fully repaid during the year and the resultant gain of ₹ 106.10 crore has been recognised and presented as an exceptional item.

NOTE 35 EARNINGS/ (LOSS) PER SHARE (EPS)

			Year ended 31 March 2022	Year ended 31 March 2021
Basic and diluted EPS				
Earnings/ (Loss) per share (Face value of ₹ 1 each) - for continuing operations				
A.	Profit / (loss) computation for basic earnings per share of ₹ 1 each			
	Net profit / (loss) as per the Consolidated Statement of Profit and Loss available for equity shareholders	(₹ crore)	419.65	(610.02)
B.	Weighted average number of equity shares for EPS computation	(Nos)	1,512,976,244	1,512,976,244
C.	EPS- Basic and Diluted	(₹)	2.77	(4.03)
Earnings/ (Loss) per share (Face value of ₹ 1 each) - for discontinued operations				
A.	Profit / (loss) computation for basic earnings per share of ₹ 1 each			
	Net profit / (loss) as per the Consolidated Statement of Profit and Loss available for equity shareholders	(₹ crore)	(20.09)	-
B.	Weighted average number of equity shares for EPS computation	(Nos)	1,512,976,244	-
C.	EPS- Basic and Diluted	(₹)	(0.13)	-
Earnings/ (Loss) per share (Face value of ₹ 1 each) - for total operations				
A.	Profit / (loss) computation for basic earnings per share of ₹ 1 each			
B.	Weighted average number of equity shares for EPS computation	(Nos)	1,512,976,244	1,512,976,244
C.	EPS- Basic and Diluted	(₹)	2.64	(4.03)

Equity shares to be issued to certain lenders pursuant to implementation of S4A Scheme and to lenders pursuant to Right to Recompense do not presently qualify as potential equity shares and hence have not been considered in the determination of diluted earnings per share.

NOTE 36 CONTINGENT LIABILITIES AND COMMITMENTS

₹ crore

		As at 31 March 2022	As at 31 March 2021
A.	**CONTINGENT LIABILITIES**		
(i)	Claims not acknowledged as debts by the Group	181.32	202.41
(ii)	Income tax liability that may arise in respect of which the Group is in appeals	132.01	100.90
(iii)	Sales tax liability / works contract tax liability / service tax / customs liability that may arise in respect of matters in appeal	205.53	215.85
(iv)	Put option given to lenders of Lavasa Corporation Limited to sell debentures to the Holding Company in the event of default (including interest and penal charges thereon) (Refer note 20.1)	976.60	672.09
(v)	Counter indemnities given to banks in respect of contracts executed	1,207.45	1,204.09
(vi)	Other	0.99	-

Note : It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. The Group does not expect any reimbursements in respect of the above contingent liabilities except in respect of matters stated in (iv) and (vi) above. Future cash outflows in respect of the above are determinable only on receipt of judgments / decisions pending with various forums / authorities. The Group does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof.

₹ crore

		As at 31 March 2022	As at 31 March 2021
B.	**Commitments**		
(i)	Capital Commitment (net of advances)	294.08	38.48
(ii)	Corporate guarantees (Refer note 37)	6,069.65	5,764.70
(iii)	Other Commitments	1.25	-

Note 37 : HREL Real Estate Limited ('HREL'), a subsidiary company, has provided corporate guarantees and put options to the lenders of its erstwhile subsidiaries namely Lavasa Corporation Limited ('LCL') and Warasgaon Assets Maintenance Limited ('WAML') in respect of amounts borrowed by these subsidiaries, the aggregate liability in respect of which as at 31 March 2022 stands at ₹ 6,069.65 crore.

LCL and WAML have been admitted under the Corporate Insolvency and Resolution Process in accordance with the Insolvency and Bankruptcy Code, 2016 (IBC) dated 30 August 2018 and 20 December 2018, respectively, and Resolution Professionals ('RP') have been appointed by the Committee of Creditors (CoC) of respective companies. The lenders, to whom these corporate guarantees and put options were furnished, have filed their claims with RP which is presently under the IBC process and have also invoked the corporate guarantee/ put options issued by the HREL. The National Company Law Tribunal, Mumbai Bench vide its order dated 26 February 2020, have approved the request of lenders of LCL and WAML to consolidate LCL, WAML and Dasve Convention Centre Limited (a subsidiary of LCL) and thereby get better valuation on liquidation. RP is in the process of formulating a resolution plan including identifying potential resolution applicant. The liability of HREL shall be determined once the debts due to these lenders are settled by RP upon completion of the IBC process. Pending the outcome of the resolution process, no provision has been considered necessary in the consolidated financial statements as at and for the year ended 31 March 2022, as impact, if any, is currently unascertainable.

Note 38 : Unbilled work-in-progress (contract assets), unbilled work-in-progress (included under assets of a disposal group held for sale) and current trade receivables includes ₹ 909.12 crore (31 March 2021: ₹ 833.67 crore), ₹ 223.43 crore (31 March 2021: Nil) and ₹ 277.03 crore (31 March 2021: ₹ 295.33 crore), respectively, outstanding as at 31 March 2022 representing receivables from customers based on the terms and conditions implicit in the contracts and other receivables in respect of closed/ substantially closed/ suspended/ terminated projects. Further, non-current trade receivables, current trade receivables and trade receivables (included under assets of a disposal group held for sale) as at 31 March 2022 includes receivables of ₹ 187.59 crore (31 Match 2021: Nil), ₹ 487.14 crore (31 March 2021: ₹ 2,748.55 crore) and ₹ 2,283.06 crore (31 March 2021: Nil) [net of advances of ₹ 3,238.33 crore (31 March 2021: ₹ 2,738.80 crore)], respectively, representing claims awarded in arbitration, including interest thereon, in favour of the Company which have been challenged by the customers in higher courts. These aforementioned receivables are mainly in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work; for which Holding Company is at various stages of negotiation/ discussion with the clients or under arbitration/ litigation. Considering the contractual tenability, progress of negotiations/ discussions/ arbitration/ litigations and as legally advised in certain contentious matters, the management is confident of recovery of these receivables.

Note 39 : Short term borrowings and other current financial liabilities of Raiganj Dalkhola Highways Limited ('RDHL'), as at 31 March 2022 includes ₹ 52.95 crore and ₹ 50.25 crore, respectively in respect of which, in the absence of confirmation from the lenders/ bankers, RDHL has provided for interest and other penal charges based on the latest communication available from the lenders/ bankers at the interest rate specified in the agreements. RHDL's management believes that amount payable on settlement will not exceed the liability provided in books in respect of these borrowings.

Note 40 : The Notification under Section 3C(1) under the Maharashtra Slum Area (Improvement & Redevelopment) Act, 1971 declaring the land parcel at Vikhroli (East) held by the Panchkutir Developers Limited ('PDL'), a subsidiary of Holding Company, as "Slum Rehabilitation Area" has been challenged by some persons and appeals preferred are pending in the Bombay High Court. Similarly, a suit filed in the High Court by some persons for declaration that they are Lessees of the said property is also pending. Suit filed by PDL for vacant and peaceful possession of part of the said land is in the Small Causes Court, Mumbai. On 12 December 2021, Small Causes Court passed ex-parte Decree & Judgement in PDL's favour. The opposite party has filed application to set aside the order of Decree and Judgement.

NOTE 41 INTEREST IN OTHER ENTITIES

a) Joint operations (unincorporated entities)

The Group's share of interest in joint operations is set out below:

Name of the entity	**% of ownership interest held by the Group**		Name of the ventures' partner	Principal place of business	Principal activities
	31 March 2022	31 March 2021			
HCC- L&T Purulia Joint Venture	57.00	57.00	Larsen and Toubro Limited	India	Construction
Nathpa Jhakri Joint venture	40.00	40.00	Impregilio-Spa, Italy	India	Construction
Kumagai- Skanska- HCC- Itochu Joint Venture	19.60	19.60	Skanska, Kumagai	India	Construction
Alpine- Samsung-HCC Joint Venture	33.00	33.00	Itochu, Alpine Meyreder Bau, Samsung Corporation	India	Construction
Alpine- HCC Joint Venture	49.00	49.00	Alpine Meyreder Bau	India	Construction
HCC- Samsung Joint Venture CC-34	50.00	50.00	Samsung C&T Corporation	India	Construction
HCC- HDC Joint Venture	55.00	55.00	Hyundai Development Company	India	Construction
HCC- VCCL Joint Venture	50.00	50.00	Vensar Constructions Co Ltd	India	Construction
ARGE Prime tower	-	45.00	Losinger Construction AG	Switzerland	Construction

i) Classification of joint arrangements

The joint venture agreements in relation to the above mentioned joint operations require unanimous consent from all the parties for all relevant activities. All co-venturers have direct rights to the assets of the joint venture and are also jointly and severally liable for the liabilities incurred by the joint venture. These joint ventures are therefore classified as a joint operation and the Group recognises its direct right to the jointly held assets, liabilities, revenue and expenses. In respect of these contracts (assessed as AOP under the Income tax laws), the services rendered to the joint ventures are accounted as income on accrual basis.

₹ crore

		As at 31 March 2022	As at 31 March 2021
ii)	**Summarised balance sheet**		
	Total assets	159.54	171.03
	Total liabilities	214.17	230.33
iii)	**Contingent liability as at reporting date**		
	Contingent liability	13.28	13.28
	Capital and other commitment	-	-

NOTE 41 INTEREST IN OTHER ENTITIES...Contd.

₹ crore

		Year ended 31 March 2022	Year emded 31 March 2021
iv)	**Summarised statement of profit and loss account**		
	Revenue from operations	192.37	227.38
	Other income	2.77	1.08
	Total expenses (including taxes)	**197.28**	**215.30**

NOTE 42 LEASES - IND AS 116

A. Impact on transition to Ind AS 116

The Group has made use of the following practical expedients available in its transition to Ind AS 116.

(a) The Group will not reassess whether a contract is or contains a lease. Accordingly, the definition of lease in accordance with Ind AS 17 will continue to be applied to lease contracts entered by the Group or modified by the Group before 1 April 2019.

(b) The Group has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment. Consequently, the Group has recorded its lease liability using the present value of remaining lease payments, discounted using the incremental borrowing rate at the date of initial application and the right-of- use asset at its carrying amount as if the standard had been applied since the commencement date of the lease but discounted using the incremental borrowing rate at the date of initial application.

(c) The Group excluded the initial direct costs from measurement of the Right-of-use (RoU) asset at the date of initial application.

The weighted average incremental borrowing rate applied to lease liabilities by the Group is in the range of 1.3% to 12.50%.

Right-of-use assets:

The net carrying value of right-of-use assets as at 31 March 2022 amounts to ₹ 217.61 crore (31 March 2021 amounts to ₹ 245.77 crore) have been disclosed on the face of the balance sheet.

Lease liabilities:

(i) As at 31 March 2022, the obligations under leases amounts to ₹ 226.82 crore (31 March 2021 amounts to ₹ 243.68 crore), which have been classified to lease liabilities on the face of balance sheet.

(ii) The following is the movement in lease liabilities:

₹ crore

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	**243.68**	**278.40**
Additions during the year	2.16	1.99
Finance cost accrued during the year	3.41	3.41
Payment of lease liabilities	(19.01)	(34.72)
Translation difference	(3.42)	(5.40)
Balance at the end of the year	**226.82**	**243.68**

(iii) The table below provides details regarding the contractual maturities (undiscounted) of lease liabilities:

₹ crore

Lease Liabilities		Contractual cash flows			
	Carrying amount	Total	0-1 year	1-5 years	5 years and above
31 March 2022	**226.82**	**268.41**	**28.73**	**239.68**	**-**
31 March 2021	243.68	288.36	30.87	257.49	-

NOTE 42 LEASES - IND AS 116...Contd.

2 **During the year ended 31 March 2022, the Group recognised the following in the Statement of Profit and Loss:**

(i) Depreciation expense from right-of-use assets of ₹ 30.32 crore (31 March 2021 ₹ 31.40 crore) (Refer note 32)

(ii) Finance cost on lease liabilities of ₹ 3.41 crore (31 March 2021 ₹ 3.41 crore) (Refer note 33)

(iii) Rent expense amounting to Nil (31 March 2021 Nil) and ₹ 98.43 crore (31 March 2021 ₹ 65.23 crore) pertaining to leases of low-value assets and leases with less than twelve months of lease term, respectively, have been included under rent expense (Refer note 29).

3. Cash outflow in respect of lease liabilities for the year ended 31 March 2022 amounts to ₹ 19.01 crore (31 March 2021: ₹ 34.72 crore).

NOTE 43 DISCLOSURE IN ACCORDANCE WITH IND AS 24 RELATED PARTY DISCLOSURES

A. Names of related parties and nature of relationship

		Country of incorporation	Group's holding as at (%)	
			31 March 2022	31 March 2021
a)	**Joint venture**			
	HCC Concession Limited (upto 19 August 2021)	India	- #	85.45
	Narmada Bridge Tollways Limited (upto 19 August 2021)	India	- #	85.45
	Badarpur Faridabad Tollways Limited (upto 19 August 2021)	India	- #	85.45
	Baharampore-Farakka Highways Limited (upto 19 August 2021)	India	- #	85.45
	Farakka-Raiganj Highways Limited (upto 22 September 2022)	India	- #	-
	Raiganj-Dalkhola Highways Limited (upto 19 August 2021)	India	- #	86.91
	Werkarena Basel AG (w.e.f. 19 September 2019)	Switzerland	50.00	50.00
b)	**Associates**			
	Evostate AG	Switzerland	30.00	30.00
	Evostate Immobilien AG (Subsidiary of Evostate AG)	Switzerland	30.00	30.00
	MCR Managing Corp. Real Estate	Switzerland	30.00	30.00
	Projektentwicklungsges. Parking Kunstmuseum AG **	Switzerland	-	38.64
	Highbar Technocrat Limited	India	49.00	49.00

c)	**Other related parties**	**Relationship**
	Gulabchand Foundation (formed under section 25 of the erstwhile Companies Act, 1956)	Other related party
	Hincon Holdings Limited	Other related party
	Hincon Finance Limited	Other related party
	Shalaka Investment Private Limited	Other related party
	Aarya Capital Management Private Limited	Other related party
	HCC Employee's Provident Fund	Post-employment contribution plan
	Stiftung der Steniner AG (Steiner pension foundation)	Post-employment benefit plan

d)	**Key Management Personnel and relative of Key Management Personnel**	
	Mr. Ajit Gulabchand	Chairman and Managing Director
	Mr. Arjun Dhawan	Group Chief Executive Officer and Whole Time Director (upto 22 March 2022) and
		Vice Chairman and Whole Time Director (w.e.f. 23 March 2022)
	Mr. Mukul Sarkar	Nominee Director
	Mr. N. R. Acharyulu	Independent Director
	Dr. Mita Dixit	Independent Director
	Mr. Anil C. Singhvi	Independent Director (upto 23 December 2021)

NOTE 43 DISCLOSURE IN ACCORDANCE WITH IND AS 24 RELATED PARTY DISCLOSURES...Contd.

Mr. Arun Karambelkar	Non-Executive, Non-Independent Director (w.e.f. 23 June 2021)
Mr. Mahendra Singh Mehta	Independent Director
Mr. Santosh Janakiram Iyer	Independent Director
Mr. Vithal P. Kulkarni	Company Secretary (upto 12 May 2022)
Mr. Nitesh Jha	Company Secretary (w.e.f. 12 May 2022)
Mr. Rahul Rao	Chief Financial Officer (w.e.f. August 12, 2021)
Mr. U.V. Phani Kumar	Chief Executive Officer- E&C (upto 23 March 2022)
Mr. Jaspreet Bhullar	Chief Executive Officer (w.e.f. March 23, 2022)

Pursuant to initiation of the Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code, 2016 ('IBC') against Lavasa Corporation Limited (LCL), effective 30 August 2018, the Holding Company has lost control / significant influence over LCL and its subsidiaries, associates and joint ventures. Accordingly, the above entities cease to be subsidiaries, associates and joint ventures of the Holding Company effective 30 August 2018

Refer note 6.2

** Liquidated from December 2021

B. Nature of transactions

₹ crore

	Year ended 31 March 2022	Year ended 31 March 2021
Transactions with related parties:		
Revenue from operations		
Joint ventures		
- Baharampore Farakka Highways Limited (upto 19 August 2021)	13.28	21.61
- Farakka Raiganj Highways Limited (upto 22 September 2021)	-	13.30
- Werkarena Basel AG	172.66	137.20
	185.94	**172.11**
Interest expenses on Inter corporate deposit		
Joint ventures		
- HCC Concessions Limited (upto 19 August 2021)	1.43	1.40
	1.43	**-**
Finance income on corporate guarantees		
Joint ventures		
- HCC Concessions Limited (upto 19 August 2021)	0.69	1.92
	0.69	**1.92**
Rendering of services		
Joint ventures		
- Baharampore Farakka Highways Limited (upto 19 August 2021)	-	0.06
- Farakka Raiganj Highways Limited (upto 22 September 2021)	-	0.03
Associate		
- Highbar Technocrat Limited	0.22	0.56
	0.22	**0.65**
Reimbursement of expenses		
Joint ventures		
- HCC Concessions Limited (upto 19 August 2021)	0.14	0.75

NOTE 43 DISCLOSURE IN ACCORDANCE WITH IND AS 24 RELATED PARTY DISCLOSURES...Contd.

₹ crore

	Year ended 31 March 2022	Year ended 31 March 2021
Associates		
- Highbar Technocrat Limited	0.77	0.45
- Other related parties		
Other related parties		
- Hincon Finance Limited	0.26	0.52
	1.17	**1.72**
Professional fees		
Associates		
- Highbar Technocrat Limited	3.83	11.89
	3.83	**11.89**
Other services received		
Other related party		
- Hincon Holding Limited	0.24	0.48
	0.24	**0.48**
Inter corporate deposit taken		
Joint ventures		
- HCC Concessions Limited (upto 19 August 2021)	-	34.36
	-	**34.36**
Inter corporate deposits given during the year		
Joint ventures		
- HCC Concessions Limited (upto 19 August 2021)	–	0.52
Associate		
- Evostate AG	2.69	19.91
	2.69	**20.43**
Inter corporate deposit given by Group, repaid during the year		
Joint ventures		
- HCC Concessions Limited (upto 19 August 2021)	-	3.60
- Werkarena Basel AG	-	4.78
	-	**8.37**
Inter corporate deposits repaid		
Joint ventures		
- HCC Concessions Limited (upto 19 August 2021)	-	10.28
	-	**10.28**

NOTE 43 DISCLOSURE IN ACCORDANCE WITH IND AS 24 RELATED PARTY DISCLOSURES.Contd.

₹ crore

	Year ended 31 March 2022	Year ended 31 March 2021
Remuneration paid / accrued		
Key management personnel		
- Mr. Ajit Gulabchand	7.00	7.00
- Mr. Arjun Dhawan	7.00	6.50
- Mr. Vithal P. Kulkarni	1.16	0.80
- Mr. U. V. Phani Kumar	3.04	2.64
- Mr. Rahul Rao	0.73	-
- Mr. Jaspreet Bhullar	0.31	-
- Mr. Shailesh Sawa	-	0.41
- Mr. Anil Chandani	-	0.36
	19.24	**17.71**
Directors' sitting fees paid / accrued		
Key management personnel		
- Mr. Sharad M. Kulkarni	-	0.11
- Mr. Anil C. Singhvi	0.10	0.16
- Mr. N. R. Acharyulu	0.16	0.19
- Mr. Samuel Joseph	0.04	-
- Mr. Santosh Jankiram Iyer	0.11	0.11
- Mr. Mahendra Singh Mehta	0.18	0.16
- Mr. Mukul Sarkar	0.05	0.06
- Dr. Mita Dixit	0.11	0.07
	0.75	**0.86**

Outstanding balances:

₹ crore

	As at 31 March 2022	As at 31 March 2021
Outstanding receivables		
Trade receivables		
Joint ventures		
- Baharampore Farakka Highways Limited (upto 19 August 2021)	-	3.51
- Badarpur Faridabad Tollways Limited (upto 19 August 2021)	-	0.62
- Werkarena Basel AG	16.95	-
Associate		
- Highbar Technocrat Limited	0.35	0.51
	17.30	**4.64**
Unbilled work-in-progress		
Joint ventures		
- Raiganj Dalkhola Highways Limited (upto 19 August 2021)	-	42.30

NOTE 43 DISCLOSURE IN ACCORDANCE WITH IND AS 24 RELATED PARTY DISCLOSURES...Contd.

₹ crore

	As at 31 March 2022	As at 31 March 2021
	-	**42.30**
Interest receivable		
Joint venture		
- HCC Concessions Limited (upto 19 August 2021)	-	0.78
	-	**0.78**
Other receivables		
Joint ventures		
- Badarpur Faridabad Tollways Limited (upto 19 August 2021)	-	0.42
- HCC Concessions Limited (upto 19 August 2021)	-	1.64
- Baharampore Farakka Highways Limited (upto 19 August 2021)	-	0.00*
- Raiganj Dalkhola Highways Limited (upto 19 August 2021)	-	0.00*
Other related parties		
- Hincon Finance Limited	-	1.00
- Hincon Holdings Limited	0.01	0.03
	0.01	**3.09**
Inter corporate deposits		
Joint ventures		
- HCC Concessions Limited (upto 19 August 2021)	-	16.12
- Werkarena Basel AG	**34.71**	31.37
Associate		
- Evostate AG	22.61	19.95
	57.32	**67.44**
Outstanding payables		
Advance taken towards sale of investment		
Joint ventures		
- HCC Concessions Limited (upto 19 August 2021)	-	3.00
	-	**3.00**
Inter corporate deposits taken		
Joint ventures		
- HCC Concessions Limited (upto 19 August 2021)	-	24.07
	-	**24.07**
Other payables		
Joint ventures		
- HCC Concessions Limited (upto 19 August 2021)	-	0.00*
- Baharampore Farakka Highways Limited (upto 19 August 2021)	-	58.55
- Raiganj Dalkhola Highways Limited (upto 19 August 2021)	-	89.98
Associates		
- Highbar Technocrat Limited	1.90	1.82
Other related parties		
- Hincon Holdings Limited	0.01	0.00*
	1.91	**150.35**
Retention payable		
Associates		
- Highbar Technocrat Limited	0.72	0.72

NOTE 43 DISCLOSURE IN ACCORDANCE WITH IND AS 24 RELATED PARTY DISCLOSURES...Contd...

₹ crore

	As at 31 March 2022	As at 31 March 2021
	0.72	**0.72**
Due to customers		
Joint ventures		
- Baharampore Farakka Highways Limited (upto 19 August 2021)	-	61.49
	-	**61.49**
Interest payable on inter corporate deposits		
Joint ventures		
- HCC Concessions Limited (upto 19 August 2021)	-	1.29
	-	**1.29**
Remuneration payable (net)		
Key management personnel		
- Mr. Ajit Gulabchand	17.39	11.52
- Mr. Arjun Dhawan	16.77	10.51
- Mr. Rahul Rao	0.10	-
- Mr. Jaspreet Bhullar	0.32	-
- Mr. U. V. Phani Kumar	0.15	0.21
- Mr. Vithal P. Kulkarni	0.08	0.07
	34.81	**22.31**
Directors' sitting fees payable		
Key management personnel		
- Mr. N. R. Acharyulu	-	0.01
	-	**0.01**

* represents amount less than ₹ 1 lakh.

Notes:

(i) The above figure does not include provisional gratuity liability valued by an actuary, as separate figures are not available.

(ii) Refer Note 19 for personal guarantee provided by CMD, shares pledged and other security created in respect of borrowing by the Holding Company or the related parties.

NOTE 44 FINANCIAL INSTRUMENTS

The fair value of the financial assets are included at amounts at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value:

(a) Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments.

(b) Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

NOTE 44 FINANCIAL INSTRUMENTS...Contd...

A Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2022 are as follows:

₹ crore

Particulars	Refer note	Amortised cost	Fair value through profit or loss	Fair value through Other Comprehensive Income	Total carrying value
Assets:					
Investments:					
Investments in equity shares (unquoted)	6, 6A	-	-	16.07	16.07
Investments in equity shares (quoted)	6A	-	-	6.37	6.37
Investments in debentures	6A	-	15.46	-	15.46
Investment in mutual funds (unquoted)	13	-	0.66	-	0.66
Trade receivables	7	4,613.04	-	-	4,613.04
Loans	8	57.32	-	-	57.32
Other financial assets	9	326.90	-	-	326.90
Cash and cash equivalents	14	720.97	-	-	720.97
Bank balances other than cash and cash equivalents	15	821.42	-	-	821.42
Liabilities:					
Borrowings (including current maturities of long-term debts)	19	4,918.38	-	-	4,918.38
Trade payables	22	3,106.34	-	-	3,106.34
Lease liabilities		226.82	-	-	226.82
Other financial liabilities	20	3,435.86	-	-	3,435.86

The carrying value and fair value of financial instruments by categories as at 31 March 2021 were as follows:

₹ crore

Particulars	Refer note	Amortised cost	Fair value through profit or loss	Fair value through Other Comprehensive Income	Total carrying value
Assets:					
Investments:					
Investments in equity shares (unquoted)	6, 6A	-	-	8.70	8.70
Investments in equity shares (quoted)	6, 6A	-	-	6.41	6.41
Investment in mutual funds (unquoted)	13	-	0.15	-	0.15
Trade receivables	7	4,501.79	-	-	4,501.79
Loans	8	67.44	-	-	67.44
Others financial assets	9	128.80	-	-	128.80
Cash and cash equivalents	14	642.13	-	-	642.13
Other bank balances	15	619.49	-	-	619.49
Liabilities:					
Borrowings (including current maturities of long-term debts)	19	4,533.21	-	-	4,533.21
Trade payables	22	3,047.42	-	-	3,047.42
Lease liabilities		243.68	-	-	243.68
Other financial liabilities	20	2,802.28	-	-	2,802.28

NOTE 44 FINANCIAL INSTRUMENTS... Contd...

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:

₹ crore

	31 March 2022			31 March 2021		
	Level 1	**Level 2**	**Level 3**	Level 1	Level 2	Level 3
Investments in equity shares (quoted)	6.37	-	-	6.41	-	-
Investments in equity shares (unquoted)	-	15.29	0.78	-	7.98	0.72
Investments in debentures (unquoted)	-	15.46	-	-	-	-
Investment in mutual funds (unquoted)	-	0.66	-	-	0.15	-

NOTE 45 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks, market risk, credit risk and liquidity risk. The Group'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, foreign 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

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit/ (loss) by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

₹ crore

	Year ended 31 March 2022	Year ended 31 March 2021
Increase in basis points	100 basis points	
Reduction in profit/ increase in loss	21.81	17.57
Decrease in basis points	100 basis points	
Increase in profit/ reduction of loss	(21.81)	(17.57)

b Foreign currency risk

The Group has several balances in foreign currency and consequently the Group is exposed to foreign exchange risk. The exchange rate between the rupee and foreign currencies has changed substantially in recent years, which has affected the results of the Group, and may fluctuate substantially in the future. The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

The following table analyses foreign currency risk from financial instruments as at 31 March 2022.

₹ crore

	USD	**EUR**	**SEK**	**CHF**	**SGD**	**CAD**
Assets						
Advance to suppliers	0.75	6.62	0.40	-	-	1.20
Trade receivables	0.25	15.71	-	324.99	-	-
Bank balances (including deposit accounts)	0.30	0.08	-	972.76	-	-
Other financial assets	-	-	-	49.03	-	-
Unbilled work-in-progress (contract assets)	-	9.10	-	1,337.21	-	-
	1.30	**31.51**	**0.40**	**2,683.99**	**-**	**1.20**

NOTE 45 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES... Contd...

₹ crore

	USD	EUR	SEK	CHF	SGD	CAD
Liabilities						
Borrowings	340.26	-	-	151.70	-	-
Advance from contractee	-	52.60	-	-	-	-
Trade payables	20.74	19.51	0.08	1,244.35	0.14	-
Interest accrued	41.74	-	-	-	-	-
	402.74	**72.11**	**0.08**	**1,396.05**	**0.14**	**-**
Net assets / (liabilities)	**(401.44)**	**(40.60)**	**0.32**	**1,287.94**	**(0.14)**	**1.20**

The following table analyses foreign currency risk from financial instruments as at 31 March 2021.

₹ crore

	USD	EUR	SEK	CHF	AUD
Assets					
Advance to suppliers	0.73	10.23	0.91	-	-
Trade receivables	0.73	15.35	-	96.05	-
Bank balances (including deposit accounts)	0.67	0.14	-	934.86	-
Unbilled work-in-progress (contract assets)	-	12.79	-	1,556.71	-
	2.13	**38.51**	**0.91**	**2,587.62**	**-**
Liabilities					
Borrowings	328.88	-	-	38.65	-
Advance from contractee	0.74	54.17	-	-	-
Trade payables	18.64	24.46	0.26	1,335.10	0.26
Interest accrued	31.07	-	-	-	-
	379.33	**78.63**	**0.26**	**1,373.75**	**0.26**
Net assets / (liabilities)	**(377.20)**	**(40.12)**	**0.65**	**1,213.87**	**(0.26)**

Sensitivity analysis

A reasonably possible change in foreign exchange rates by 5% (31 March, 2021 : 5%) would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables in particular interest rates remain constant.

₹ crore

	Year ended 31 March 2022	Year ended 31 March 2021
Favourable movement	50 basis points	
Increase	42.36	39.85
Unfavourable movement	50 basis points	
Decrease	(42.36)	(39.85)

c Equity price risk

The Group's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group 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 Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

As at 31 March 2022, the exposure to listed equity securities including mutual fund at fair value was ₹ 6.37 crore (31 March 2021: ₹ 6.40 crore). A movement (decrease / increase) of 10% in the value of listed securities could have an impact of approximately ₹ 0.64 crore on the Other Comprehensive Income or equity attributable to owners of parent. These changes would not have a material effect on the profit or loss of the Group.

ii Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. The maximum exposure of the financial assets are contributed by trade receivables and bank balances other than cash and cash equivalents.

NOTE 45 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES...Contd...

a Trade Receivable

Trade receivables are typically unsecured and are derived from revenue earned from two main classes of trade receivables i.e. receivables from government promoted agencies and receivables from private parties. A substantial portion of the Group's trade receivables are from government promoted agencies having strong credit worthiness where the Holding Company does not have a history of credit losses, except during the previous year where the Holding Company entered into one-time settlements with a customer in order to realise monies urgently to tie up its cashflow deficit for its operations which was exceptional in nature and not expected to be recurring in nature. Further, even with respect to private parties, given the credit profile of the customers, there are no history of material credit losses. Accordingly, expected credit loss from trade receivables, if any, are not expected to be material.

	As at 31 March 2022		As at 31 March 2021	
	₹ crore	%	₹ crore	%
Trade receivable				
- from government / government promoted agencies	3,841.69	83.28	3,903.23	86.70
- from private parties	771.35	16.72	598.56	13.30
Total trade receivables ^	**4,613.04**	**100.00**	**4,501.79**	**100.00**

^ includes balances classified assets of a disposal group held for sale and liabilities of a disposal group held for sale

b Financial assets other than trade receivables

Financial assets other than trade receivables comprise of cash and cash equivalents, bank balances other than cash and cash equivalents, loan to employees and other financial assets. The Group monitors the credit exposure on these financial assets on a case-to-case basis. Based on the Group's historical experience, the credit risk on other financial assets is also low.

The Group is engaged in business segments viz. Engineering and Construction, Infrastructure, Real Estate and Others.

₹ crore

	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from external customers:		
India	4,722.20	2,633.28
Outside India	5,947.53	5,615.14
Total revenue from operations	**10,669.73**	**8,248.42**

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

₹ crore

	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from top customer	803.10	288.07
Revenue from top five customers	2,399.95	1,327.14

For the year ended 31 March 2022, Nil (31 March 2021: Nil) customer, individually, accounted for more than 10% of the revenue from operation.

c Credit risk on cash and cash equivalents is limited as the Group generally invest in deposits with banks and financial institutions with high credit ratings..

iii Liquidity risk

Liquidity is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. The Group'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 Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

NOTE 45 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES...Contd...

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

₹ crore

	Less than 1 year #	1 - 5 years	More than 5 years	Total
As at 31 March 2022				
Borrowings (including current maturities of long-term debts and interest accrued)	3,876.02	1,992.38	53.55	5,921.95
Trade payables	2,734.59	331.91	-	3,066.50
Other financial liabilities	830.44	718.46	-	1,548.89
Total	**7,441.05**	**3,042.75**	**53.55**	**10,537.34**
As at 31 March 2021				
Borrowings (including current maturities of long-term debts and interest accrued)	3,674.99	1,983.19	369.25	6,027.43
Trade payables	2,749.43	298.12	-	3,047.55
Other financial liabilities	788.63	821.49	-	1,610.12
Total	**7,213.05**	**3,102.80**	**369.25**	**10,685.10**

includes loan repayable on demand

NOTE 46 CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the owners holders of the parent. The Group 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 Group 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 Group may return capital to shareholders, issue new shares or adjust the dividend payment to shareholders (if permitted). Consistent with others in the industry, the Group monitors its capital using the gearing ratio which is total debt (excluding interest accrued) divided by total capital.

₹ crore

	As at 31 March 2022	As at 31 March 2021
Total debt	4,240.22	4,533.21
Total equity	(784.64)	(1,317.59)
Total debt to equity ratio (Gearing ratio)	**(5.40)**	**(3.44)**

^ includes ₹ 2,448.94 crore representing balance classified under Liabilities of a disposal group held for sale (Refer note 24).

In the long run, the Group's strategy is to maintain a gearing ratio closer to 1.50.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure requirements. Breaches in meeting the financial covenants would permit the lenders to immediately call loans and borrowings. Subsequent to restructuring of the borrowings, there have been no communications from the banks in this regard which might have a negative impact on the gearing ratio.

NOTE 47 INTEREST IN OTHER ENTITIES

4.1 Subsidiaries

The Group's subsidiaries as at 31 March 2022 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

Name of the entity	Country of incorporation	Ownership interest held by the group (%) ^		Ownership interest held by non controlling interests (%)		Principal activities
		31 March 2022	31 March 2021	**31 March 2022**	31 March 2021	
Steiner AG	Switzerland	100.00	100.00	-	-	Engineering and construction
Steiner Promotions et Participations SA	Switzerland	100.00	100.00	-	-	Engineering and construction
Steiner (Deutschland) GmbH	Germany	100.00	100.00	-	-	Engineering and construction
VM + ST AG	Switzerland	100.00	100.00	-	-	Engineering and construction
Steiner Leman SAS	France	100.00	100.00	-	-	Engineering and construction
Steiner India Limited	India	100.00	100.00	-	-	Engineering and construction
Manufakt8048 AG	Switzerland	100.00	100.00	-	-	Engineering and construction
HCC Construction Limited	India	100.00	100.00	-	-	Engineering and construction
HCC Mauritius Enterprises Limited	Mauritius	100.00	100.00	-	-	Engineering and construction
HCC Mauritius Investments Limited	Mauritius	100.00	100.00	-	-	Engineering and construction
HCC Infrastructure Company Limited	India	100.00	100.00	-	-	Infrastructure- Toll Management
HCC Concessions Limited	India	100.00 #	-	-	-	Infrastructure- Concessionaries services
Baharampore-Farakka Highways Limited	India	100.00 #	-	-	-	Infrastructure- Toll Management
Narmada Bridge Tollway Ltd	India	100.00 #	-	-	-	Infrastructure- Toll Management
Raiganj-Dalkhola Highways Limited	India	100.00 #	-	-	-	Infrastructure- Toll Management
Badarpur Faridabad Tollway Ltd	India	100.00#	-	-	-	Infrastructure- Toll Management
HCC Operation and Maintenance Limited	India	100.00	100.00	-	-	Infrastructure- Operation and Maintenance of Road
Dhule Palesner Operations & Maintenance Limited	India	100.00	100.00	-	-	Infrastructure- Operation and Maintenance of Road
HCC Power Limited	India	100.00	100.00	-	-	Infrastructure- Power Development
HCC Energy Limited	India	100.00	100.00	-	-	Infrastructure- Power Development

NOTE 47 INTEREST IN OTHER ENTITIES...Contd..

Name of the entity	Country of incorporation	Ownership interest held by the group (%) ^		Ownership interest held by non controlling interests (%)		Principal activities
		31 March 2022	31 March 2021	**31 March 2022**	31 March 2021	
HREL Real Estate Limited	India	100.00	100.00	-	-	Real Estate Development
Panchkutir Developers Limited	India	100.00	100.00	-	-	Real Estate Development
HRL (Thane) Real Estate Limited	India	100.00	100.00	-	-	Real Estate Development
HRL Township Developers Limited	India	100.00	100.00	-	-	Real Estate Development
Nashik Township Developers Limited	India	100.00	100.00	-	-	Real Estate Development
Maan Township Developers Limited	India	100.00	100.00	-	-	Real Estate Development
Powai Real Estate Developer Limited	India	100.00	100.00	-	-	Real Estate Development
HCC Realty Limited	India	100.00	100.00	-	-	Real Estate Development
Western Securities Limited	India	97.87	97.87	2.13	2.13	Others- Insurance auxlliary services
Highbar Technologies Limited	India	100.00	100.00	-	-	Others- Information Technology Consulting
HCC Aviation Limited	India	100.00	100.00	-	-	Others- Aircraft services
Prolific Resolution Private Limited (w.e.f. 8 March 2021)	India	100.00	100.00	-	-	Others- Services of recovering, assessing Managing claim, awards etc

^ including through subsidiary companies

47.1(i) Pursuant to initiation of the Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code, 2016 ('IBC') against Lavasa Corporation Limited (LCL), effective 30 August 2018, the Holding Company has lost control / significant influence over LCL and its subsidiaries, associates and joint ventures. Accordingly, the above entities cease to be subsidiaries, associates and joint ventures of the Holding Company effective 30 August 2018.

Refer note 6.2

47.2 Non-controlling interest (NCI)

The following table summarises the information relating to each of the subsidiaries that has NCI. The amounts disclosed for each subsidiary are before intra-group eliminations

₹ crore

	Western Securities Limited	
	31 March 2022	31 March 2021
NCI percentage	**2.13%**	**2.13%**
Summarised balance sheet		
Current assets (A)	0.56	1.29
Non-current assets (B)	2.48	1.89
Current liabilities (C)	0.69	0.55
Non-current liabilities (D)	0.15	0.59
Net assets (A+B-C-D)	**2.20**	**2.04**
Net assets attributable to NCI	**0.05**	**0.04**

NOTE 47 INTEREST IN OTHER ENTITIES...Contd..

₹ crore

	Western Securities Limited	
	31 March 2022	31 March 2021
Summarised statement of profit and loss		
Revenue from operations	0.15	0.31
Profit/(loss) for the year	**0.12**	**0.38**
Other comprehensive income/(loss)	0.03	0.02
Total comprehensive income	**0.15**	**0.40**
Profit/(loss) allocated to NCI	0.00*	0.01
OCI allocated to NCI	0.00*	0.00*
Total comprehensive income allocated to NCI	**0.00***	**0.01**
Summarised cash flows		
Cash flow from operating activities	(0.15)	(0.10)
Cash flow from investing activities	**(0.61)**	**(0.56)**
Cash flow from financing activities	**-**	**-**
Net increase/ (decrease) in cash and cash equivalents	**(0.76)**	**(0.66)**

* Represents amount less than ₹ 1 lakh

47.3 Interest in associates and joint ventures

₹ crore

	Note	Carrying amount as at	
		31 March 2022	31 March 2021
Interest in associates	See (A) below	20.47	17.05
Interest in joint ventures	See (B) below	0.00 *	385.86
		20.47	**402.91**

(A) Interest in associates

The Group's associates as at 31 March 2022 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

₹ crore

Name of the entity	Country of incorporation	Ownership interest (%)	Carrying amount as at ^		Principal activities
			31 March 2022	31 March 2021	
Evostate AG	Switzerland	30.00	3.66	2.42	Real estate development
MCR Managing Corporate Real Estate AG	Switzerland	30.00	0.84	1.29	Real estate development
Highbar Technocrat Limited	India	49.00	15.97	13.34	IT services
			20.47	**17.05**	
Less: Impairment allowance			-	-	
Total			**20.47**	**17.05**	

^^ Unlisted entity- no quoted price available

Refer note 47.4 for the summarised financial information of associates. The information disclosed reflects the amount presented in the financial statement of the relevant associates and not Group's share of those amounts. They have been amended to reflect adjustments made by the Group when using the equity method, including fair value adjustments at the time of acquisition and modifications for difference in accounting policies.

Group share of capital commitment and contingent liability in relation to its interest in associates is Nil.

NOTE 47 INTEREST IN OTHER ENTITIES...Contd..

(B) Interest in joint ventures

The Group's joint ventures as at 31 March 2022 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

₹ crore

Name of the entity	Country of incorporation	Ownership interest (%)	Carrying amount as at ^		Principal activities
			31 March 2022	31 March 2021	
HCC Concessions Limited	India	100.00^^	- ^^	385.86	Concessionaries services
Baharampore-Farakka Highways Limited	India	100.00^^	- ^^	0.00*	Toll management
Farakka-Raiganj Highways Limited	India	100.00^^	- #	- #	Toll management
Raiganj-Dalkhola Highways Limited	India	100.00^^	-^^	-	Toll management
Werkarena Basel AG	Switzerland	50.00	0.00 *	0.00*	Real Estate Development
			0.00	**385.86**	

* Represents amount less than ₹ 1 lakh.
^ Unlisted entity- no quoted price available
^^ Ceases to be joint venture effective 19 August 2021.
# Ceases to be joint venture effective 22 September 2020.

Refer Note 47.5 for the table below provide summarised financial information of joint ventures. The information disclosed reflects the amount presented in the financial statement of the relevant joint ventures and not Group's share of those amounts. They have been amended to reflect adjustments made by the Group when using the equity method, including fair value adjustments at the time of acquisition and modifications for difference in accounting policies.

Group share of capital commitment and contingent liability in relation to its interest in joint ventures is as below:

₹ crore

	As at 31 March 2022	As at 31 March 2021
Contingent liability		
Claims not acknowledged as debts by the Joint ventures	- #	526.41
Income Tax liability in appeals	- #	6.85
Sales Tax Liability in appeals	- #	10.44
Corporate guarantees given to banks	- #	437.28
Counter indemnities given to banks in respect of contracts executed by subsidiaries of the Joint ventures*	- #	64.09
The Joint ventures have not made provision for cumulative dividend payable excluding dividend distribution tax, towards 0.001% cumulative convertible preference shares, in absence of distributable profits.	-	0.03

* Pledge of unencumbered equity shares of the BFHL held by HCC Infrastructure Company Limited (to the extent of proportionate amount of bank guarantee furnished)

Provident Fund

Based on the judgement by the Honorable Supreme Court dated 28 February 2019, past provident fund liability, is not determinable at present, in view of uncertainty on the applicability of the judgement to the Joint ventures with respect to timing and the components of its compensation structure. In absence of further clarification, the Joint ventures have been advised to await further developments in this matter to reasonably assess the implications on its financial statements, if any.

Commitments	**31 March 2022**	31 March 2021
Other capital commitment (net of advances)	-#	261.87

Ceases to be joint venture effective 19 August 2021. Refer note 6.2

NOTE 47 INTEREST IN OTHER ENTITIES...Contd..

Note 47.4 Table below provide summarised financial information for associates

₹ crore

	MCR Managing Corporate Real Estate AG		Highbar Technocrat Limited AG		Evostate AG	
	31 March 2022	31 March 2021	**31 March 2022**	31 March 2021	**31 March 2022**	31 March 2021
Summarised Balance Sheet						
Current assets (A)	3.24	6.17	57.36	49.38	181.95	65.74
Non-current assets (B)	-	-	8.15	9.11	0.81	13.94
Current liabilities (C)	0.41	1.90	32.04	30.00	166.97	66.25
Non-current liabilities (D)	-	-	0.94	1.34	-	-
Net assets (A+B-C-D)	**2.83**	**4.27**	**32.53**	**27.15**	**15.79**	**13.43**
Summarised Statement of Profit and Loss						
Revenue	-	0.19	104.88	101.20	96.44	-
Profit/(loss) for the year (A)	(1.61)	0.04	5.58	6.28	2.24	(0.10)
Other comprehensive income (B)	-	-	(0.20)	0.16	-	-
Total comprehensive income (A+B)	**(1.61)**	**0.04**	**5.38**	**6.44**	**2.24**	**(0.10)**

* Represents amount less than ₹ 1 lakh

NOTE 47.5 TABLE BELOW PROVIDE SUMMARISED FINANCIAL INFORMATION FOR JOINT VENTURES:

₹ crore

	Raiganj-Dalkhola Highways Limited		Baharampore-Farakka Highways Limited		Farakka-Raiganj Highways Limited	
	31 March 2022	31 March 2021	**31 March 2022**	31 March 2021	**31 March 2022**	31 March 2021
Summarised Balance Sheet						
Cash and cash equivalents	-^^	0.07	-^^	23.73	-^	-^
Other assets	-^^	267.42	-^^	446.56	-^	-^
Current assets (A)	**-^^**	**267.49**	**-^^**	**470.29**	**-^**	**-^**
Non-current assets (B)	**-^^**	**0.53**	**-^^**	**777.13**	**-^**	**-^**
Financial liabilities (excluding trade and other payable and provision)	-^^	126.00	-^^	95.17	-^	-^
Other liabilities	-^^	0.01	-^^	113.43	-^	-^
Current liabilities (C)	**-^^**	**126.01**	**-^^**	**208.60**	**-^**	**-^**
Financial liabilities (excluding trade and other payable and provision)	-^^	67.75	-^^	679.39	-^	-^
Other liabilities	-^^	-	-^^	67.93	-^	-^
Non-current liabilities (D)	**-^^**	**67.75**	**-^^**	**747.32**	**-^**	**-^**
Net assets (A+B-C-D)	**-^^**	**74.26**	**-^^**	**291.50**	**-^**	**-^**

₹ crore

	For the period 1 April 2021 to 20 August 2021 ^^	For the year ended 31 March 2021	**For the period 1 April 2021 to 20 August 2021 ^^**	For the year ended 31 March 2021	**For the year ended 31 March 2022**	For the period 1 April 2020 to 22 September 2020
Summarised Statement of Profit and Loss						
Revenue (A)	**-**	**-**	**63.53**	**362.64**	**-^**	**74.08**
Construction cost	-	-	3.90	-	-^	
Depreciation and amortization	-	-	17.27	32.94	-^	24.51

NOTE 47 INTEREST IN OTHER ENTITIES...Contd..

₹ crore

	For the period 1 April 2021 to 20 August 2021 ^^	For the year ended 31 March 2021	**For the period 1 April 2021 to 20 August 2021 ^^**	For the year ended 31 March 2021	**For the year ended 31 March 2022**	For the period 1 April 2020 to 22 September 2020
Finance Cost	7.05	15.39	25.86	52.28	-^	161.88
Other Expenses	0.01	0.46	14.65	106.04	-^	38.91
Total Expenses (B)	7.06	15.85	61.68	191.26	-^	225.30
Profit before tax (C=A-B)	**(7.06)**	**(15.85)**	**1.84**	**171.38**	**-^**	**(151.22)**
Tax Expense (D)	-	-	0.33	29.50	-^	-
Profit for the year (E=C-D)	(7.06)	(15.85)	1.51	141.88	-^	(151.22)
Other Comprehensive Income (F)	**-**	**-**	**-**	**-**	**-^**	**-**
Total comprehensive income (G=E+F)	**(7.06)**	**(15.85)**	**1.51**	**141.88**	**-^**	**(151.22)**

^ Ceases to be a joint venture effective 22 September 2020

^^ Ceases to be a joint venture effective 20 August 2021 - Refer note 6.2.

₹ crore

	HCC Concessions Limited		Werkarena Basel AG	
	31 March 2022	31 March 2021	**31 March 2022**	31 March 2021
Summarised Balance Sheet				
Cash and cash equivalents	-^^	55.61	4.32	1.83
Other assets	-^^	538.39	375.84	210.08
Current assets (A)	**-^^**	**594.00**	**380.16**	**211.91**
Non-current assets (B)	**-^^**	**1,218.35**	**-**	**-**
Financial liabilities (excluding trade and other payable and provision)	-^^	246.67	0.47	1.15
Other liabilities	-^^	118.21	235.85	-
Current liabilities (C)	**-^^**	**364.88**	**236.32**	**1.15**
Financial liabilities (excluding trade and other payable and provision)	-^^	758.74	-	125.49
Other liabilities	-^^	68.34	138.86	-
Non-current liabilities (D)	**-^^**	**827.08**	**138.86**	**125.49**
Net assets (A+B-C-D)	**-^^**	**620.39**	**4.98**	**85.27**
Summarised Statement of Profit and Loss				
Revenue (A)	**80.89**	**491.70**	**0.47**	**-**
Employee benefit expenses			-	-
Depreciation and amortization	17.29	33.02	-	-
Finance Cost	33.58	89.54	4.49	2.10
Other Expenses	20.41	125.00	2.35	1.30
Total Expenses (B)	**71.28**	**247.56**	**6.84**	**3.39**
Profit/ (Loss) before Exceptional items (C=A-B)	**9.61**	**244.14**	**(6.36)**	**(3.40)**
Exceptional items (D)	354.54	(108.07)	-	-
Tax Expense (E)	104.93	28.56		
Profit for the year from continued business (F=C-D-E)	**259.22**	**107.51**	**(6.36)**	**(3.40)**
Loss from discontinued business (G)	**-**	**(33.20)**	**-**	**-**
Profit for the year (H=F+G)	259.22	74.31	(6.36)	(3.40)
Other Comprehensive Income (I)	-	(0.15)	-	-
Total comprehensive income (J=H+I)	**259.22**	**74.16**	**(6.36)**	**(3.40)**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

NOTE 48 ADDITIONAL INFORMATION PURSUANT TO PARA 2 OF GENERAL INSTRUCTIONS FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

Name of the entity	Country of incorporation	% of voting power as at 31 March 2022	Net assets / (liabilities) i.e. total assets minus total liabilities		Share in profit / (loss) [including discontinued operation]		Share in other comprehensive income		Share in total comprehensive income / (loss)	
			As % of consolidated net assets / (liabilities)	Amount (₹ crore)	As % of consolidated profit / (loss)	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of consolidated total comprehensive income	Amount (₹ crore)
Hindustan Construction Company Limited	India	-	61.28%	468.33	-39.53%	(153.10)	10.46%	7.86	-31.41%	(145.24)
Subsidiaries										
Indian										
HCC Real Estate Limited	India	100%	-70.17%	(536.30)	0.81%	3.15	-	-	0.68%	3.15
HCC Infrastructure Company Limited	India	100%	7.49%	57.22	60.52%	234.40	-	0.00*	50.69%	234.41
HCC Construction Limited	India	100%	0.00%	0.00	0.00%	(0.00)*	-	-	0.00%	(0.00)
Panchkutir Developers Limited	India	100%	5.49%	41.97	0.00%	(0.01)	-	-	0.00%	(0.01)
Maan Township Developers Limited	India	100%	-1.48%	(11.33)	0.00%	(0.01)	-	-	0.00%	(0.01)
HRL Township Developers Limited	India	100%	-0.07%	(0.54)	0.00%	(0.00)*	-	-	0.00%	(0.00)
Western Securities Limited	India	97.87%	0.29%	2.20	0.03%	0.11	0.05%	0.04	0.03%	0.15
Highbar Technologies Limited	India	100%	0.33%	2.55	0.20%	0.77	0.20%	0.15	0.20%	0.92
Prolific Resolution Private Limited	India	100%	0.00%^	(0.03)	0.00%^	(0.03)	0.00%^	0.00*	0.00%^	(0.03)
Foreign										
Steiner AG	Switzerland	100%	108.85%	831.88	80.51%	311.84	94.70%	71.16	82.82%	383.00
HCC Mauritius Enterprises Limited	Mauritius	100%	-8.22%	(62.81)	-2.49%	(9.66)	-3.92%	(2.94)	-2.73%	(12.61)
HCC Mauritius Investments Limited	Mauritius	100%	-3.78%	(28.86)	-0.04%	(0.15)	-1.48%	(1.11)	-0.27%	(1.25)
TOTAL			**100.00%**	**764.28**	**100.00%**	**387.31**	**100.00%**	**75.15**	**100.00%**	**462.46**
a) Adjustments arising out of consolidation				(1,548.92)		12.25		9.92		22.17
b) Non-controlling interest in subsidiaries				0.00*		(0.00)*		(0.00)*		(0.00)*
TOTAL				**(784.64)**		**399.56**		**85.07**		**484.63**

* Represents amount less than ₹ 1 lakh

NOTE 49 The Group has disclosed business segment as the primary segment. Segments have been identified taking into account the nature of activities of the parent company, its subsidiaries and joint ventures, the differing risks and returns, the organization structure and internal reporting system. Also, refer note 45(ii) for information on revenue from major customers.

The Group's operations predominantly relate to 'Engineering and Construction', 'Infrastructure' and 'Real Estate'. Other business segments contribute less than 10% of the total revenue and have been grouped as 'Others'.

The segment revenue, segment results, segment assets and segment liabilities include respective amounts identifiable to each of the segment and also amounts allocated on a reasonable basis.

₹ crore

	Year ended 31 March 2022	Year ended 31 March 2021
Segment revenue		
Engineering and construction	10,621.73	8,212.11
Infrastructure	54.07	35.11
Real estate	0.07	-
Others	5.01	10.53
Less: Inter segment revenue	(11.15)	(9.33)
Revenue from continuing operations	**10,669.73**	**8,248.42**
Revenue from discontinued operations	**249.12**	**-**
Total revenue from total operation	**10,918.85**	**8,248.42**
Segment results		
Engineering and construction	1,141.22	313.14
Infrastructure	26.16	10.91
Real estate	(0.08)	(0.12)
Others	(1.92)	(1.48)
Less: Unallocable expenditure (net of unallocable income)	(989.44)	(981.21)
Profit / (loss) before exceptional items, share of profit / (loss) of associates and joint ventures and tax from continuing operations	**175.94**	**(658.76)**
Exceptional items		
- Engineering and construction	-	(274.03)
- Infrastructure	106.10	-
Profit / (loss) before share of profit/ (loss) of associates and joint ventures and tax from continuing operations	**282.04**	**(932.79)**
Profit/ (loss) before tax from discontinued operations (Refer note 12)	**(7.02)**	**-**
Profit/ (loss) before tax from total operations	**275.02**	**(932.79)**

₹ crore

	As at 31 March 2022	As At 31 March 2021
Segment assets		
- Engineering and construction	11,928.66	11,356.88
- Infrastructure	234.03	47.12
- Real estate	41.63	39.28
- Others	19.40	22.41
- Unallocable assets	895.74	1,315.14
Assets from continuing operations	13,119.46	12,780.83
Assets from discontinued operations	1,076.54	-
Total assets from continuing and discontinued operations	**14,196.00**	**12,780.83**

₹ crore

	As at 31 March 2022	As At 31 March 2021
Segment liabilities		
- Engineering and construction	10,317.25	7,731.86
- Infrastructure	419.66	273.36
- Real estate	56.95	56.88
- Others	4.14	7.06
- Unallocable liabilities	3,357.57	6,029.26
Liabilities from continuing operations	14,155.57	14,098.42
Liabilities from discontinued operations	825.07	-
Total liabilities from continuing and discontinued operations	**14,980.64**	**14,098.42**

The Holding Company is domiciled in India. The amount of its assets broken down by location is shown in the below table:

₹ crore

	As at 31 March 2022	As At 31 March 2021
Asset		
- In India	10,291.21	8,886.54
- Outside India	3,904.79	3,894.29
	14,196.00	**12,780.83**

Notes:

(i) Segment asset excludes current and non-current investments, deferred tax assets and income tax assets, which is included under unallocable assets.

(ii) Segment liabilities excludes borrowings, current maturities of long term debts, deferred tax liability, accrued interest and non-controlling interests, which is included under unallocable liabilities.

NOTE 50 BUSINESS COMBINATION

a) Summary of acquisition

HCC Infrastructure Company Limited ('HICL') held a 85.45% stake in HCC Concessions Limited ('HCL') and the balance 14.55% was held by Xander Investment Holding XXVI Limited ('Xander'). Based on the contractually agreed sharing of control for HCL, the entity was classified as a Joint Venture of the Group. During the current year, pursuant to the Securities Purchase Agreement entered between Xander Investment Holding XXVI Limited ('Xander') and the Holding Company along with other group entities, Xander's shareholding (14.55%) in HCL has been completely bought back. Consequent to the buy back, effective the acquisition date i.e. 20 August 2021, HCL (including its subsidiaries) ceases to be joint venture of the Group and becomes a wholly owned subsidiary.

The fair value as of the acquisition date for each major class of assets acquired and liabilities assumed:

	₹ crore
Property plant and equipment	1.23
Investment property	0.41
Other intangible assets	713.12
Intangible assets under development	38.79
Investments	15.46
Loans	190.07
Other financial assets	186.20
Deferred tax assets	0.53
Income tax assets (net)	14.23
Other assets	234.91

	₹ crore
Trade Receivables	73.60
Cash and cash equivalents	418.38
Borrowings	(734.35)
Other financial liabilities	(243.02)
Provisions	(124.45)
Trade payables	(14.18)
Current tax liabilities	(95.08)
Other current liabilities	(13.95)
Fair value of identifiable net assets acquired	**661.90**

At the acquisition date, the Group remeasured at fair value its previously held equity interest in HCL and the resultant gain of ₹ 46.61 crore has been recognised in other comprehensive income.

The aforementioned accounting for business combination has been carried out on a provisional basis and adjustments to the amounts of the assets/ liabilities recognised as at acquisition date, if any, will be retrospectively adjusted during the measurement period.

Revenue and Profit contribution

(a) The acquired business (including discontinued operations) contributed to the Group's revenue from operation to the tune of ₹ 214.34 crore and incurred loss before tax of ₹ 45.25 crore to the group for the period 21 August 2021 to 31 March 2022.

(b) Revenue and net profit after tax of the combined entity for the current year would have been ₹ 10,740.06 crore and ₹ 525.00 crore, respectively, as though the acquisition date for the aforementioned business combination occurred as of the beginning of the current year.

NOTE 51 OTHER DISCLOSURES

(i) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group do not have any transactions with companies struck off.

(iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

(iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Group 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:

   (a) 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

   (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Group 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 Group shall:

   (a) 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

   (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vii) The Group does not have 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.

(viii) None of the Group entities have been declared wilful defaulter by any bank or financial institution or government or any government authority.

(ix) The Group has complied with the number of layers prescribed under the Companies Act, 2013.

NOTE 52 * represents amount less than ₹ 1 lakh.

NOTE 53 Figures for the previous year have been regrouped/ rearranged, wherever considered necessary, to confirm to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 efffective 1 April 2021.

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

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

Shashi Tadwalkar
Partner
Membership No.: 101797

Vithal P. Kulkarni
Company Secretary
ACS No. 6707

Place: Pune
Date : 12 May 2022

For and on behalf of the Board of Directors

Ajit Gulabchand	DIN : 00010827	*Chairman & Managing Director*
Arjun Dhawan	DIN : 01778379	*Vice Chairman & Whole Time Director*
Jaspreet Bhullar		*Chief Executive Officer*
Rahul P. Rao		*Chief Financial Officer*
Mahendra Singh Mehta	DIN : 00019566	*Directors*
Dr. Mita Dixit	DIN : 08198165	

Place: Mumbai
Date : 12 May 2022

ANNEXURE I

Statement of Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results (Consolidated)

Statement on Implication of Audit Qualifications for the Financial Year ended 31 March 2022

[See Regulation 33/52 of the SEBI (LODR) Amendment Regulations, 2016)]

₹ crore

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover/Total Income	10,821.86	Not ascertainable [Refer notes II (a) (i) to (iii) below]
	2	Total Expenditure	10,645.92	Not ascertainable [Refer notes II (a) (i) to (iii) below]
	3	Exceptional items	106.10	Not ascertainable [Refer notes II (a) (i) to (iii) below]
	4	Net Profit/(Loss) for the year after tax	419.65	Not ascertainable [Refer notes II (a) (i) to (iii) below]
	5	Earnings/(Loss) per Share	2.77	Not ascertainable [Refer notes II (a) (i) to (iii) below]
	6	Total Assets	14,196.00	Not ascertainable [Refer notes II (a) (i) to (iii) below]
	7	Total Liabilities	14,980.64	Not ascertainable [Refer notes II (a) (i) to (iii) below]
	8	Net Worth	(784.64)	Not ascertainable [Refer notes II (a) (i) to (iii) below]
	9	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	**Audit Qualification**			
	a.	**Details of Audit Qualification:**		
			(i)	Note 6 to the accompanying Statement, the Holding Company has accounted for managerial remuneration paid / payable to Whole Time Directors (including Chairman and Managing Director) of the Holding Company aggregating ₹ 41.07 crore for the financial years ended 31 March 2020, 31 March 2021 and 31 March 2022, in excess of the limits prescribed under Section 197 of the Act, in respect of which approvals from the shareholders have been obtained as prescribed, however prior approval from the lenders of the Holding Company in accordance with Section 197 has not been obtained by the Holding Company.
			(ii)	Note 9 to the accompanying Statement, the Holding Company's current borrowings, other current financial liabilities and liabilities of disposal group held for sale as at 31 March 2022 include balances amounting to ₹ 49.67 crore, ₹ 320.55 crore and ₹ 2.85 crore, respectively, in respect of which confirmations from the respective banks / lenders have not been received. Further, confirmations from banks have not been received for balances with banks (included under cash and cash equivalents) and earmarked balances/ fixed deposits (included under bank balances other than cash and cash equivalents) as at 31 March 2022 amounting to ₹ 2.18 crore and ₹ 0.95 crore, respectively. In the absence of such confirmations from the banks / lenders or sufficient and appropriate alternate audit evidence, we are unable to comment on the adjustments if any, that may be required to the carrying value of the aforementioned balances in the accompanying Statement.
			(iii)	Note 5 to the accompanying Statement, the Holding Company has recognised net deferred tax assets amounting to ₹ 741.74 crore as at 31 March 2022 mainly on account of carried forward unused tax losses, unused tax credits and other taxable temporary differences on the basis of expected availability of future taxable profits for utilization of such deferred tax assets.

₹ crore

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
			However, in view of the continued losses incurred by the Holding Company and pending the implementation of the resolution plan as referred to in Note 8 of the accompanying Statement, we are unable to obtain sufficient appropriate audit evidence with respect to the current projections prepared by the management and therefore, are unable to comment on any adjustments that may be required to the carrying value of aforesaid net deferred tax assets as at 31 March 2022	
	b.	**Type of Audit Qualification:**	Qualified Opinion	
	c.	**Frequency of Qualification:**	Qualification II (a) (i)- Included since review report for the quarter / period ended 31 December 2019; Qualification II (a) (ii) and II a) (iii)- Included since audit report for the quarter and year ended 31 March 2020;	
	d.	**For Audit Qualifications where the impact is quantified by the auditor, Management views:**	Not Applicable	
	e.	**For Audit Qualifications where the impact is not quantified by the auditor:**		
		i) Management's estimation on the impact of audit qualification:	Not ascertainable	
		ii) If management is unable to estimate the impact, reasons for the same:	II (a) (i) The Holding Company has accrued / paid managerial remuneration to Chairman and Managing Director ('CMD') and Whole Time Director ('WTD') for the period 1 April 2019 to 31 March 2022 in excess of the limits prescribed under sec 197 of the Act as follows:	

₹ crore

Financial Years	Remuneration accrued	Remuneration paid	Excess remuneration accrued/paid	Excess remuneration paid held in trust
2019-20	13.57	3.75	13.57	3.75
2020-21	13.50	1.44	13.50	1.44
2021-22	14.00	1.80	14.00	1.80
Total	**41.07**	**6.99**	**41.07**	**6.99**

While the approval for payment of the aforementioned managerial remuneration has been obtained from the shareholders, the requisite prior approval from lenders are yet to be obtained, which the Holding Company expects to obtain along side implementation of the resolution plan. In absence of the requisite approval from lenders for remuneration accrued/ paid to CMD/WTD for the aforementioned years.

II (a) (ii) In respect of below balances, direct confirmations from lenders have not been received:

₹ crore

Particulars	As at		
	31 March 2022	31 December 2021	31 March 2021
Current borrowings	49.67	52.79	2.10
Other current financial liabilities	320.55	653.27	616.09
Liabilities of a disposal group held for sale	2.85	106.22	-
Total	**373.07**	**812.28**	**618.19**

In the absence of confirmations / statements from lenders, the Holding Company has provided for interest (including penal interest) based on the interest rate specified in the agreement or latest communication available from the respective lenders. The Holding Company's management believes that amount payable will not exceed the liability provided in the financial results in respect of these borrowings.

₹ crore

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
				Further, balances with banks (included under cash and cash equivalents) and earmarked balances / fixed deposits (included under bank balances other than cash and cash equivalents) as at 31 March 2022 include balances amounting to ₹ 2.18 crore (31 December 2021: ₹ 0.93 crore and 31 March 2021: ₹ 2.10 crore) and ₹ 0.95 crore (31 December 2021: ₹ 0.95 crore and 31 March 2021: ₹ 10.91 crore), respectively, for which confirmations / statements from banks have not been received. In the absence of such direct confirmations and alternate evidences, if any.
			II (a) (iii)	As at 31 March 2022, the Holding Company has recognised net deferred tax assets amounting to ₹ 741.74 crore (31 December 2021: ₹ 739.28 crore and 31 March 2021: ₹ 715.99 crore) mainly on account of carried forward unused tax losses, unused tax credits and other taxable temporary differences. While the Holding Company is confident of taxable profits being available against which unused tax losses can be utilized, the Holding Company has not recognized deferred tax asset on the losses incurred effective 1 July 2021. Further, the Holding Company is still evaluating the benefits of exercising the non-reversible option of paying further corporate tax at reduced rates in accordance with section 115BAA of the Income Tax Act, 1961. Based on the expected profits from the unexecuted orders on hand / future projects, outcome of the ongoing discussion with lenders for restructuring of loans and expected settlement of claims / arbitration awards with customers, the Holding Company's management is confident that sufficient future taxable income will be available against which such net deferred tax assets recognised as at 31 March 2022 will be realized.
	iii)	**Auditors' comments on (i) or (ii) above**	Included in details of auditor's qualifications stated above	

III. Signatories:

For **Walker Chandiok & Co LLP**

Shashi Tadwalkar
Partner
Membership No.: 101797

Place: Mumbai
Date : 12 May 2022

For **Hindustan Construction Company Limited**

Ajit Gulabchand
Chairman & Managing Director

Mahendra Singh Mehta
Audit Committee Chairman

Rahul Rao
Chief Financial Officer

Place: Mumbai
Date : 12 May 2022

FORM AOC-I

Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Statement containing silent features of the financial statement of subsidaries \ associates \ joint venture

Part "A": Subsidiaries

₹ crore

Sr. No.	Name of the subsidiary	Reporting currency / Exchange rate	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Deferred Tax	Profit after taxation	Proposed Dividend	Extent of Holding (In Percentage)
1	HCC Construction Limited	INR	0.05	(0.05)	0.03	0.03	-	-	(0.00)^	-	-	(0.00)^	-	100%
2	Highbar Technologies Limited	INR	6.25	(18.65)	21.50	33.90	1.01	4.86	(1.81)	0.06	-	(1.87)	-	100%
3	Panchkutir Developers Limited	INR	1.40	40.57	102.64	60.67	-	-	(0.01)	-	-	(0.01)	-	100%
4	HCC Operations & Maintenance Limited	INR	0.05	(44.53)	131.05	175.53	0.02	23.31	17.88	7.36	-	10.52	-	100%
5	HCC Power Limited	INR	0.50	44.58	115.79	70.71	0.05	-	87.82	17.48	-	70.35	-	100%
6	HCC Energy Limited	INR	0.05	(1.06)	116.84	117.85	-	-	(0.63)	-	-	(0.63)	-	100%
7	HCC Infrastructure Company Limited	INR	0.25	418.66	964.08	545.17	864.14	23.45	33.64	0.06	-	33.58	-	100%
8	Dhule Palesner Operations & Maintenance Limited	INR	0.50	(48.10)	76.10	123.70	-	-	1.68	-	-	1.68	-	100%
9	HCC Concessions Limited*	INR	288.93	356.79	751.43	105.71	15.46	39.15	373.33	120.81	(0.47)	252.99		100%
10	Narmada Bridge Tollway Limited*	INR	0.05	0.52	1.06	0.49		-	(0.41)	-	-	(0.41)		100%
11	Badarpur Faridabad Tollway Limited*	INR	98.00	(105.44)	2.97	10.40			(0.04)	-	-	(0.04)		100%
12	Baharampore-Farakka Highways Limited*	INR	217.25	37.79	1,100.09	845.06	-	249.12	(23.39)	13.07	-	(36.45)		100%
13	Raiganj-Dalkhola Highways Limited*	INR	137.15	(81.37)	268.03	212.25	-	-	(18.49)	-	-	(18.49)		100%
14	Steiner India Limited	INR	19.64	46.71	89.18	22.83	-	8.29	0.24	0.04	-	0.19	-	100%
15	HREL Real Estate Limited	INR	66.19	(574.42)	68.87	577.09	19.52	-	3.08	-	-	3.08	-	100%
16	Western Securities Limited	INR	2.00	0.20	3.04	0.84	0.22	0.15	0.16	0.03	0.02	0.12	-	97.87%
17	HCC Aviation Limited	INR	0.05	(15.84)	0.05	15.85	-	-	(0.00)^	-	-	(0.00)^	-	100%
18	HCC Realty Limited	INR	0.05	(0.05)	0.03	0.03	-	-	(0.00)^	-	-	(0.00)^	-	100%
19	HRL (Thane) Real Estate Limited	INR	0.10	(22.95)	19.00	41.85	-	-	0.08	-	-	0.08	-	100%
20	HRL Township Developers Limited	INR	0.10	(0.64)	0.05	0.59	-	-	(0.00)^	-	-	(0.00)^	-	100%
21	Maan Township Developers Limited	INR	0.10	(11.43)	10.83	22.16	-	-	(0.01)	-	-	(0.01)	-	100%
22	Nashik Township Developers Limited	INR	0.10	(1.90)	0.12	1.92	-	-	(0.00)^	-	-	(0.00)^	-	100%
23	Powai Real Estate Developers Limited	INR	0.05	(0.07)	0.00^	0.02	-	-	(0.00)^	-	-	(0.00)^	-	100%
24	Prolific Resolution Private Limited	INR	0.00^	(0.03)	0.00^	0.04	-	-	(0.03)	-	-	(0.03)	-	100%

Part "A": Subsidiaries

₹ crore

Sr. No.	Name of the subsidiary	Reporting currency / Exchange rate	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Deferred Tax	Profit after taxation	Proposed Dividend	Extent of Holding (In Percentage)
Foreign Subsidiary Companies														
1	HCC Mauritius Investment Limited	INR	7.54	(36.40)	214.72	243.58	33.54	7.92	(0.15)	-	-	(0.15)	-	100%
		USD	0.10	(0.48)	2.85	3.23	0.44	0.11	(0.00)^	-	-	(0.00)^	-	
2	HCC Mauritius Enterprises Limited	INR	37.74	(100.55)	243.09	305.90	243.03	-	(9.66)	-	-	(9.66)	-	100%
		USD	0.50	(1.33)	3.22	4.06	3.22	-	(0.13)	-	-	(0.13)	-	
3	Steiner AG, Zurich	INR	324.94	670.87	3,251.80	2,255.60	189.72	6,085.43	435.13	0.81	69.43	364.90	-	100%
		CHF	4.03	8.31	40.28	27.94	2.35	75.38	5.39	0.01	0.86	4.52	-	
4	Steiner (Deutschland)GmbH Paderborn	INR	77.11	(18.21)	84.46	25.56	-	-	1.10	-	-	1.10	-	100%
		EUR	1.02	(0.24)	1.12	0.34	-	-	0.01	-	-	0.01	-	
5	VM & ST AG, Zurich	INR	8.07	0.02	8.16	0.07	-	-	(0.05)	-	-	(0.05)	-	100%
		CHF	0.10	0.00^	0.10	0.00^	-	-	(0.00)^	-	-	(0.00)^	-	
6	Steiner Leman SAS	INR	0.57	(0.23)	0.36	0.02	-	-	(0.08)	-	-	(0.08)	-	100%
		EUR	0.01	(0.00)^	0.00^	0.00^	-	-	(0.00)^	-	-	(0.00)^	-	
7	Steiner Promotions et Participations SA	INR	24.22	(6.14)	194.35	176.27	0.54	68.83	(5.93)	-	-	(5.93)	-	100%
		CHF	0.30	(0.08)	2.41	2.18	0.01	0.85	(0.07)	-	-	(0.07)	-	
8	Manufakt8048 AG, Zurich	INR	0.81	(0.29)	12.25	11.74	-	-	(0.02)	-	-	(0.02)	-	100%
		CHF	0.01	(0.00)^	0.15	0.15	-	-	(0.00)^	-	-	(0.00)^	-	

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

₹ crore

Sr. No.	Name of Associates/Joint Ventures	Highbar Technocrat Limited	Evostate AG (Incl. Evostate Immobilien AG)	MCR Managing Corporate Real-estate AG	Werkarena Basel AG
1	Latest audited balance sheet date	31-Mar-22	31-Dec-21	31-Dec-21	31-Mar-22
2	Date on which the associate or joint venture was associated or acquired	21-Jul-16	1-May-10	31-May-17	30-Sep-19
3	Shares of associate/joint ventures held by the company at the year end				
	-Number	99,940	300	30	500
	-Amount of investment in associates/joint venture	15.97	3.66	0.84	-
	-Extend of holding %	49.00%	30.00%	30.00%	50.00%
4	Description of how there is significant influence	Associate- Significant Influence over Share Capital	Associate- Significant Influence over Share Capital	Associate- Significant Influence over Share Capital	Joint Venture
5	Reason why the associate/joint venture is not consolidated	Consolidated - Equity Method	Consolidated - Equity Method	Consolidated - Equity Method	NA
6	Wheather company has commenced the operations	Yes	Yes	Yes	Yes
7	Networth attributable to shareholders as per latest audited balance sheet	32.53	13.82	2.84	4.98
8	Profit / Loss for the year	5.58	(0.18)	(1.62)	(6.47)
	i. considered in consolidation	2.64	(0.05)	(0.49)	(3.24)
	ii. Not considered in consolidation	2.94	(0.12)	(1.13)	(3.24)

Disclosure mandated by Schedule III by way of additional information

	Name of Entity		Net assets(Total assets- Total Liablities)		Share in profit or loss	
			Amount (₹ crore)	As % of consolidated Net Asset	Amount (₹ crore)	As % of consolidated Profit or Loss
	Consolidated		(784.64)		399.56	
	Parent Company					
	Hindustan Construction Company Limited		468.33	-59.69%	(153.10)	-38.32%
	Indian Subsidiary Companies					
1	HCC Construction Limited		0.00^	0.00%	(0.00)^	0.00%
2	Highbar Technologies Limited		(12.40)	1.58%	(1.87)	-0.47%
3	Panchkutir Developers Limited		41.97	-5.35%	(0.01)	0.00%
4	HCC Operations & Maintenance Limited		(44.48)	5.67%	10.52	2.63%
5	HCC Power Limited		45.08	-5.75%	70.35	17.61%
6	HCC Energy Limited		(1.01)	0.13%	(0.63)	-0.16%
7	HCC Infrastructure Company Limited		418.91	-53.39%	33.58	8.40%
8	Dhule Palesner Operations & Maintenance Limited		(47.60)	6.07%	1.68	0.42%
9	HCC Concessions Limited*		645.72	-82.29%	252.99	63.32%
10	Narmada Bridge Tollway Limited*		0.57	-0.07%	(0.41)	-0.10%
11	Badarpur Faridabad Tollway Limited*		(7.44)	0.95%	(0.04)	-0.01%
12	Baharampore-Farakka Highways Limited*		255.04	-32.50%	(36.45)	-9.12%
13	Raiganj-Dalkhola Highways Limited*		55.78	-7.11%	(18.49)	-4.63%
14	Steiner India Limited		66.35	-8.46%	0.19	0.05%
15	HREL Real Estate Limited		(508.22)	64.77%	3.08	0.77%
16	Western Securities Limited		2.20	-0.28%	0.12	0.03%
17	HCC Aviation Limited		(15.79)	2.01%	(0.00)^	0.00%
18	HCC Realty Limited		0.00^	0.00%	(0.00)^	0.00%
19	HRL (Thane) Real Estate Limited		(22.85)	2.91%	0.08	0.02%
20	HRL Township Developers Limited		(0.54)	0.07%	(0.00)^	0.00%
21	Maan Township Developers Limited		(11.33)	1.44%	(0.01)	0.00%
22	Nashik Township Developers Limited		(1.80)	0.23%	(0.00)^	0.00%
23	Powai Real Estate Developers Limited		(0.02)	0.00%	(0.00)^	0.00%
24	Prolific Resolution Private Limited		(0.03)	0.00%	(0.03)	-0.01%
	Foreign Subsidiary Companies					
1	HCC Mauritius Investment Limited	INR	(28.86)	3.68%	(0.15)	-0.04%
		USD	(0.38)		(0.00)^	
2	HCC Mauritius Enterprises Limited	INR	(62.81)	8.00%	(9.66)	-2.42%
		USD	(0.83)		(0.13)	
3	Steiner AG, Zurich	INR	995.81	-126.91%	364.90	91.33%
		CHF	12.34		4.52	
4	Steiner (Deutschland)GmbH Paderborn	INR	58.90	-7.51%	1.10	0.27%
		EUR	0.78		0.01	
5	VM & ST AG, Zurich	INR	8.09	-1.03%	(0.05)	-0.01%
		CHF	0.10		(0.00)^	
6	Steiner Leman SAS	INR	0.33	-0.04%	(0.08)	-0.02%
		CHF	0.00^		(0.00)^	
7	Steiner Promotions et Participations SA	INR	18.08	-2.30%	(5.93)	-1.48%
		CHF	0.22		(0.07)	
8	Manufakt8048 AG, Zurich	INR	0.51	-0.07%	(0.02)	-0.01%
		CHF	0.01		(0.00)^	

Name of Entity		Net assets(Total assets-Total Liablities)		Share in profit or loss	
		Amount (₹ crore)	As % of consolidated Net Asset	Amount (₹ crore)	As % of consolidated Profit or Loss
Joint Ventures					
Foreign					
1 Werkarena Basel AG	INR	4.98	-0.63%	(6.47)	-1.62%
	CHF	0.19		(0.08)	
Associate Companies					
Indian					
1 Highbar Technocrat Limited	INR	32.53	-4.15%	2.64	0.66%
Foreign					
1 Evostate AG (Incl. Evostate Immobilien AG)	INR	13.82	-1.76%	(0.05)	-0.01%
	CHF	0.17		(0.00)^	
2 MCR Managing Corporate Real-estate AG	INR	2.84	-0.36%	(0.49)	-0.12%
	CHF	0.06		(0.01)	
3 Evostate Immobilien AG	INR	7.51	-0.96%	(1.10)	-0.28%
	CHF	0.09		(0.01)	

*Pursuant to the Securities Purchase Agreement entered during the current year between Xander Investment Holding XXVI Limited ('Xander') and the Holding Company along with certain group entities, Xander's shareholding (14.55%) in HCC Concessions Limited ('HCL'), has been bought back by the Holding Company. Consequent to the buy back, effective 20 August 2021, HCC Concessions Limited (including its subsidiaries) ceases to be joint ventures of the Group and become wholly owned subsidiaries.

^ Represents amount less than (Rupee sign) 1 Lakh.

NOTICE

NOTICE is hereby given that the Ninety-Sixth Annual General Meeting of the Members of Hindustan Construction Company Ltd. (''the Company'') will be held on Thursday, September 29, 2022 at 11.00 a.m. through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") to transact the following businesses:-

ORDINARY BUSINESS

1. **Adoption of the Audited Standalone and Consolidated Financial Statements of the Company**

   To receive, consider and adopt:

a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022 including the Audited Standalone Balance Sheet as at March 31, 2022 and the Standalone Statement of Profit and Loss for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon; and

b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022 including the Audited Consolidated Balance Sheet as at March 31, 2022 and the Consolidated Statement of Profit and Loss for the year ended on that date together with the Report of the Auditors thereon.

2. **Appointment of Mr. Arun Karambelkar (DIN:02151606), who retires by rotation and being eligible, offers himself for re-appointment as a Director**

   To consider and, if thought fit, to pass the following resolution as a **Ordinary Resolution:**

   "RESOLVED THAT pursuant to Section 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any amendment(s) thereto or any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Arun Karambelkar (DIN:02151606) who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

SPECIAL BUSINESS

3. **Re-appointment of Mr. Santosh Janakiram (DIN:06801226), as an Independent Director of the Company**

   To consider and, if thought fit, to pass the following resolution as a **Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, if any, and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Santosh Janakiram (DIN:06801226), who has given declaration that he meets with the criteria of independence and qualifies for being re-appointed as an Independent Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 consecutive years upto the conclusion of the 101st Annual General Meeting of the Company to be held in the calendar year 2027.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution."

4. **Re-appointment of Mr. Mahendra Singh Mehta (DIN: 00019566), as an Independent Director of the Company**

   To consider and, if thought fit, to pass the following resolution as a **Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, if any, and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Mahendra Singh Mehta (DIN: 00019566), who has given declaration that he meets with the criteria of independence and qualifies for being re-appointed as an Independent Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 consecutive years upto the conclusion of the 101st Annual General Meeting of the Company to be held in the calendar year 2027.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution."

5. **Ratification of Remuneration of Cost Auditors for the financial year 2021-22**

   To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Section 148 (3) and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any amendment(s) thereto or any statutory modification(s) and/ or re-enactment thereof, for the time being in force), the remuneration payable to M/s. Joshi Apte & Associates, Cost Accountants (Firm Registration No. 00240), appointed by the Board of Directors of the Company as Cost

Auditors to conduct the audit of the cost records of the Company for the financial year 2021-22 amounting to ₹ 2,85,000/-(Rupees Two Lakhs Eighty-Five Thousands Only) plus applicable taxes and reimbursement of out-of-pocket expenses, in connection with the said audit, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution."

6. Payment of Remuneration to Mr. Ajit Gulabchand, Chairman and Managing Director of the Company for the period April 01, 2022 to March 31, 2023

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 196 and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendments thereto or statutory modifications or re-enactment thereof for the time being in force) and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and subject to such other consents and approvals as may be necessary and subject to such conditions and modifications as may be imposed or prescribed by any authority while granting such consents, if any, the approval be and is hereby accorded for making payment of the following remuneration to Mr. Ajit Gulabchand, Chairman & Managing Director of the Company for the period April 01, 2022 to March 31, 2023 notwithstanding loss/inadequacy of profits during the said financial year:

(Amount in ₹)

Financial Year	Annual Salary	Perquisites & Allowances (Per annum)	Retirals (Per annum)	Total (Per annum)
2022-23	2,56,51,163	2,56,51,163	36,97,674	5,50,00,000

In addition, Mr. Ajit Gulabchand be provided the following perquisites for the said financial year, which are not included in the computation of remuneration:

a) Provision for use of Company's car for office duties and telephone and other communication facilities at residence.

b) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961or any amendments thereto or any modifications or statutory re-enactment thereof and/or any rules/ regulations made there under.

c) PF and Gratuity/Insurances as per the Rules of the Company and Superannuation to the extent of ₹ 1,50,000 p.a. over & above remuneration.

d) One month's leave for every eleven months of service and such other benefits in accordance with the Rules of the Company.

e) Encashment of leave at the end of the tenure.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the "Board")(which term shall be deemed to include any duly authorized Committee thereof, for the time being exercising the powers conferred on the Board, including the Nomination and Remuneration Committee) be and is hereby authorized to revise, amend, alter and/or vary the terms and conditions in relation to the above remuneration in such manner as may be permitted in accordance with the provisions of the Act and/or to the extent as may be required, by the concerned authority, if any, while according its approval and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties and/or doubts that may arise in this regard in order to implement and give effect to this Resolution."

7. Payment of Remuneration to Mr. Arjun Dhawan, Vice Chairman and Whole-time Director of the Company for the period April 01, 2022 to March 31, 2025

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 196 and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendments thereto or statutory modifications or re-enactment thereof for the time being in force) and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and subject to such other consents and approvals as may be necessary and subject to such conditions and modifications as may be imposed or prescribed by any authority while granting such consents, if any, the approval be and is hereby accorded for making payment of the following remuneration to Mr. Arjun Dhawan, Vice Chairman & Whole-time Director of the Company for the period April 01, 2022 to March 31, 2025 notwithstanding loss/inadequacy of profits during the said financial years:

(Amount in ₹)

Financial Year	Annual Salary	Perquisites & Allowances (Per annum)	Retirals (Per annum)	Total (Per annum)
2022-23	2,33,25,581	2,33,25,581	33,48,838	5,00,00,000
2023-24	2,56,51,163	2,56,51,163	36,97,674	5,50,00,000
2024-25	2,79,76,744	2,79,76,744	40,46,512	6,00,00,000

In addition, Mr. Arjun Dhawan be provided the following perquisites for the said financial years, which are not included in the computation of remuneration:

a) Provision for use of Company's car for office duties and telephone and other communication facilities at residence.

b) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961 or any amendments thereto or any modifications or statutory re-enactment thereof and / or any rules / regulations made there under.

c) PF and Gratuity/Insurances as per the Rules of the Company and Superannuation to the extent of ₹ 1,50,000 p.a. over & above the remuneration.

d) One month's leave for every eleven months of service and such other benefits in accordance with the Rules of the Company.

e) Encashment of leave at the end of the tenure.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the "Board") (which term shall be deemed to include any duly authorized Committee thereof, for the time being exercising the powers conferred on the Board, including the Nomination and Remuneration Committee) be and is hereby authorized to revise, amend, alter and/or vary the terms and conditions in relation to the above remuneration in such manner as may be permitted in accordance with the provisions of the Act and/or to the extent as may be required, by the concerned authority, if any, while according its approval and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties and/or doubts that may arise in this regard in order to implement and give effect to this Resolution."

8. Payment of a consolidated amount in lieu of the remuneration (accrued, but not paid) to Mr. Ajit Gulabchand, Chairman & Managing Director of the Company for the period April 01, 2019 to March 31, 2022

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendments thereto or statutory modifications or re-enactment thereof for the time being in force) and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and subject to such other consents and approvals as may be necessary and subject to such conditions and modifications as may be imposed or prescribed by any authority while granting such consents, if any, the approval be and is hereby accorded for making payment of a consolidated amount of ₹ 21 crore (Rupees Twenty-One crore Only) in lieu of the remuneration (accrued, but not paid, subject to adjustment of amount of ₹ 3,74,24,920/- already paid) to Mr. Ajit Gulabchand, Chairman & Managing Director of the Company for the period April 01, 2019, to March 31, 2022.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the "Board")(which term shall be deemed to include any duly authorized Committee thereof, for the time being exercising the powers conferred on the Board, including the Nomination and Remuneration Committee) be and is hereby authorized to revise, amend, alter and/or vary the terms and conditions in relation to the above remuneration in such manner as may be permitted in accordance with the provisions of the Act and/or to the extent as may be required, by the concerned authority, if any, while according its approval and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties and/or doubts that may arise in this regard in order to implement and give effect to the this Resolution."

9. Payment of a consolidated amount in lieu of the remuneration (accrued, but not paid) to Mr. Arjun Dhawan, Vice Chairman & Whole-time Director of the Company for the period April 01, 2019 to March 31, 2022

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendments thereto or statutory modifications or re-enactment thereof for the time being in force) and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and subject to such other consents and approvals as may be necessary and subject to such conditions and modifications as may be imposed or prescribed by any authority while granting such consents, if any, the approval be and is hereby accorded for making payment of a consolidated amount of ₹ 20,64,93,590 (Rupees Twenty crore Sixty Four Lacs Ninety Three Thousand Five Hundred Ninety Only) (inclusive of leave encashment of ₹ 1,14,93,590/-) in lieu of the remuneration (accrued, but not paid, subject to adjustment of amount of ₹ 2,66,70,200/- already paid) to Mr. Arjun Dhawan, Vice Chairman & Whole-time Director of the Company for the period April 01, 2019, to March 31, 2022.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the "Board")(which term shall be deemed to include any duly authorized Committee thereof, for the time being exercising the powers conferred on the Board, including the Nomination and Remuneration Committee) be and is hereby authorized to revise, amend, alter and/or vary the terms and conditions in relation to the above remuneration in such manner as may be permitted in accordance with the provisions of the Act and/or to the extent as may be required, by the concerned authority, if any, while according its approval and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties and/or doubts that may arise in this regard in order to implement and give effect to the this Resolution."

10. Issue of Securities of the Company

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 42, 62, 71 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the rules made thereunder (including any amendment(s) thereto or any statutory modification(s) and/or re-enactment thereof, for the time being in force) and all other applicable laws and regulations including the Foreign Exchange Management Act, 1999 ("FEMA"), the Foreign Exchange Management (Non Debt Instruments) Rules, 2019, as amended, including any statutory modification(s) or re-enactment(s) thereof, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended and modified from time to time and such other statutes, notifications, clarifications, circulars, rules and regulations, as may be applicable, issued by Government of India ("GOI"), Reserve Bank of India ("RBI"), Stock Exchanges, Securities and Exchange Board of India ("SEBI") including the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Regulations") as amended and modified from time to time and such other statutes, notifications, clarifications, circulars, rules and regulations, as may be applicable and in accordance with enabling provisions in the Memorandum and Articles of Association of the Company and/or stipulated in the listing agreements entered into by the Company with the Stock Exchanges where the Equity Shares of the Company are listed and subject to such approvals, consents, permissions and sanctions, if any, of the GOI, SEBI, RBI, Stock Exchanges and any other relevant statutory/governmental/ regulatory authorities (the "Concerned Authorities") as may be required and applicable and further subject to such terms and conditions as may be prescribed or imposed by any of the Concerned Authorities while granting such approvals, consents, permissions and sanctions, as may be necessary, which may be agreed upon by the Board of Directors of the Company as deemed appropriate (hereinafter referred to as Board, which term includes a committee constituted by the Board or any person authorized by the Board to exercise the powers conferred on the Board by this Resolution), consent be and is hereby accorded to the Board to create, issue, offer and allot (including with provisions for reservation on firm and/ or competitive basis, of such part of issue and for such categories of persons as may be permitted), Equity Shares and/or Equity Shares through depository receipts including American Depository Receipts (ADRs), Global Depository Receipts (GDRs) and/or Foreign Currency Convertible Bonds (FCCBs), Fully Convertible Debentures (FCDs), Partly Convertible Debentures (PCDs), Optionally Convertible Debentures (OCDs), and/or other securities convertible into Equity Shares at a later date, at the option of the Company and/or the holder(s) of such securities or with or without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the Equity Shares or otherwise, whether rupee denominated or denominated in foreign currency (collectively referred as "Securities"), as the Board at its sole discretion or in consultation with underwriters, merchant bankers, financial advisors or legal advisors may at any time decide, by way of one or more public or private offerings/placement in domestic and/or one or more international market(s), with or without a green shoe option, or issued/ allotted through Qualified Institutions Placement (QIP) in accordance with the SEBI Regulations, or by any one or more combinations of the above or otherwise and at such time or times and in one or more tranches, to any eligible investors including residents and/or non-residents and/or qualified institutional buyers and/or institutions/banks/lenders against repayment/ restructuring of debts and/or corporate bodies and/ or individuals and/or trustees and/or stabilizing agent or otherwise, whether or not such investors are Members of the Company, as may be deemed appropriate by the Board and as permitted under applicable laws and regulations, for an aggregate amount not exceeding ₹ 1000 crore (Rupees One Thousand crore only) on such terms and conditions and in such manner as the Board may in its sole discretion decide including the timing of the issue(s)/offering(s), the investors to whom the Securities are to be issued, terms of issue, issue price, number of Securities to be issued, the Stock Exchanges on which such securities will be listed, finalization of allotment of the Securities on the basis of the subscriptions received including details on face value, premium, rate of interest, redemption period, manner of redemption, amount of premium on redemption, the ratio/ number of Equity Shares to be allotted on redemption/ conversion, period of conversion, fixing of record date or book closure dates, etc., as the case may be, prescribe any terms or a combination of terms in respect of the Securities in accordance with local and/or international practices including conditions in relation to offer, early redemption of Securities, debt service payments, voting rights, variation of price and all such terms as are provided in domestic and/or international offerings and any other matter in connection with, or incidental to the issue, in consultation with the merchant bankers or other advisors or otherwise, together with any amendments or modifications thereto ("the Issue").

RESOLVED FURTHER THAT the Securities to be created, issued, offered and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and the Equity Shares to be allotted in terms of this resolution shall rank *pari-passu* in all respects with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT if the issue or any part thereof is made for a QIP, FCDs, PCDs, OCDs or any other Securities, which are convertible into or exchangeable with the Equity Shares of the Company (hereinafter collectively referred as "Other Specified Securities" and together with Equity Shares of the Company (hereinafter referred as "Specified Securities") within the meaning of the SEBI Regulations or any combination of Specified Securities as may be decided by the Board, issued for such purpose, the same shall be fully paid-up and the allotment of such Specified Securities shall be completed within twelve months from the date of this resolution or such other time as may be allowed under the SEBI Regulations, from time to time, at such price being not less than the price determined in accordance with the pricing formula provided under the SEBI Regulations and the Specified Securities shall not be eligible to be sold except as may be permitted, from time to time, under the SEBI Regulations.

RESOLVED FURTHER THAT the Company may, in accordance with applicable laws, also offer a discount of such percentage as permitted under applicable laws on the price calculated in accordance with the pricing formula provided under the SEBI Regulations.

RESOLVED FURTHER THAT in the event of issue of Specified Securities by way of a QIP, the 'Relevant Date' on the basis of which the price of the Specified Securities shall be determined as specified under SEBI Regulations, shall be the date of the Meeting in which the Board or the Committee of Directors duly authorized by the Board decides to open the proposed issue of Specified Securities or such other date as may be decided by the Board and as permitted by the SEBI Regulations, subject to any relevant provisions of applicable laws, rules and regulations, as amended from time to time, in relation to the proposed issue of the Specified Securities.

RESOLVED FURTHER THAT in the event of issue of Other Specified Securities, the number of Equity Shares and/or conversion price in relation to Equity Shares that may be issued and allotted on conversion shall be appropriately adjusted for corporate actions including bonus issue, rights issue, split and consolidation of share capital, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring exercise.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of Securities may have such features and attributes or any terms or combination of terms that provide for the tradability and free transferability thereof in accordance with the prevalent market practices in the capital markets, including but not limited to, the terms and conditions relating to variation of the price or period of conversion of Other Specified Securities into Equity Shares or for issue of additional Securities and such of these Securities to be issued, if not subscribed, may be disposed of by the Board, in such manner and/or on such terms including offering or placing them with banks/lenders/financial institutions/mutual funds or otherwise, as the Board may deem fit and proper in its absolute discretion, subject to applicable laws, rules and regulations.

RESOLVED FURTHER THAT in the event the Securities are proposed to be issued as American Depository Receipts ("ADRs") or Global Depository Receipts ("GDRs"), pursuant to the provisions of the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 and other applicable pricing provisions issued by the Ministry of Finance, the relevant date for the purpose of pricing the Equity Shares to be issued pursuant to such issue shall be the date of the Meeting in which the Board or duly authorised committee of directors decides to open such issue after the date of this resolution or such other date as may be decided by the Board subject to the relevant provisions of the applicable law, rules and regulations as amended from time to time, in relation to the proposed issue of the Securities.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution and any issue, offer and allotment of Securities, the Board be and is hereby authorized to take all such actions, give such directions and to do all such acts, deeds, things and matters connected therewith, as it may, in its absolute discretion deem necessary, desirable or incidental thereto including, without limitation, the determination of terms and conditions for issuance of Securities, the number of Securities that may be offered in domestic and/or international markets and proportion thereof, timing for issuance of such Securities and shall be entitled to vary, modify or alter any of the terms and conditions, as it may deem expedient, the entering into and executing arrangements/ agreements for managing, underwriting, marketing, listing of Securities, trading, appointment of merchant banker(s), advisor(s), registrar(s), trustee(s), paying and conversion agent(s) and any other advisors, professionals, intermediaries and all such agencies as may be involved or concerned in such offerings of Securities and to issue and sign all deeds, documents, instruments and writings and to pay any fees, commission, costs, charges and other outgoings in relation thereto and to settle all questions whether in India or abroad, for the issue and executing other agreements, including any amendments or supplements thereto, as necessary or appropriate and to finalise, approve and issue any document(s) including, but not limited to, prospectus, offer documents and/or letter of offer and/or circular, documents and agreements including conducting all requisite filings with GOI, RBI, SEBI, Stock Exchanges, if required, and any other concerned authority in India or outside, and to give such directions that may be necessary in regard to or in connection with any such issue, offer and allotment of Securities and utilization of the issue proceeds, as it may in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members or otherwise, to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution, and accordingly any such action, decision or direction of the Board shall be binding on all the Members of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Equity Shares or Securities or instruments representing the same, as described above, the Board be and is hereby authorised on behalf of the Company to seek listing of any or all of such Securities on one or more Stock Exchanges in India or outside India and the listing of Equity Shares underlying the ADRs and/or GDRs on the Stock Exchanges in India.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company to give effect to the aforesaid resolution and thereby such Committee of Directors or one or more such Directors as authorized, are empowered to take such steps and to do all such acts, deeds, matters and things and accept any alterations or modifications as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in this regard."

By Order of the Board
For **Hindustan Construction Company Ltd.**

Nitesh Kumar Jha
Company Secretary

Registered Office:
Hincon House,
Lal Bahadur Shastri Marg,
Vikhroli (West),
Mumbai 400 083

Place: Mumbai
Date: September 2, 2022

NOTES – FORMING PART OF THE NOTICE

1. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 ("the Act"), in respect of the businesses mentioned under Item numbers 3 to 10 of the Notice dated September 2, 2022 is appended hereto.

Details of the Director in pursuance of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Secretarial Standards-2 on General Meetings, as applicable are annexed to this Notice.

2. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 08, 2021 and Circular No. 21/2021 dated December 14, 2021 and all other relevant circulars issued from time to time ("MCA Circulars"), physical attendance of the Members to the AGM venue is not required and General Meeting can be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM).

In compliance with the Companies Act, 2013, the SEBI Listing Regulations and the MCA Circulars, the 96th Annual General Meeting of the Company (AGM) is being held through VC/OAVM and Members can attend and participate in the ensuing AGM through VC/OAVM.

The detailed procedure for participating in the AGM through VC/OAVM is annexed herewith (Refer serial no. 16) and is also available at the Company's website i.e. www.hccindia.com.

3. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the Members is not available for this AGM and accordingly, the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-Voting (Refer para 1 of 'General Guidelines for Shareholders' mentioned under serial no. 16).

4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

6. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

7. The SEBI has decided that securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019. In view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialize shares that are held by them in physical form. Members can contact the Company or Company's Registrar and Transfer Agents, TSR Consultants Private Limited (TCPL) for assistance in this regard.

8. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, September 23 2022 to Thursday, September 29, 2022 (both days inclusive) for the purpose of the AGM of the Company.

9. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available for inspection in the electronic form (scanned copy) by the Members during the AGM. All documents referred to in the Notice will also be available for inspection in the electronic form (scanned copy) without any fee by the Members from the date of circulation of this Notice up to the date of AGM i.e. Thursday, September 29, 2022. Members seeking to inspect such documents can send an email to secretarial@hccindia.com.

10. In compliance with the provisions of Section 129(3) of the Act, the Audited Financial Statements include the Consolidated Financial of the Company as defined in the Act for consideration and adoption by the Members of the Company.

11. The Members are requested to:

a) Intimate change in their registered address, if any, to TCPL at C-101, 1st Floor, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai-400083 in respect of their holdings in physical form.

b) Notify immediately any change in their registered address to their Depository Participants in respect of their holdings in electronic form.

c) Non-Resident Indian Members are requested to inform TCPL immediately of the change in residential status on return to India for permanent settlement.

Please note that in accordance with the provisions of Section 72 of the Act, Members are entitled to make nominations in respect of the Equity Shares held by them. Members desirous of making nominations may procure the prescribed form SH-13 from TCPL and have it duly filled, signed and sent back to them, in respect of shares held in physical form. Members holding shares in Dematerialised mode should file their nomination with their Depository Participant (DP).

12. Green Initiative

The MCA and the SEBI have encouraged paperless communication as a contribution to greener environment.

In compliance with the aforesaid MCA Circulars and the SEBI Circulars dated May 12, 2020 and January 15, 2021, the copy of the Annual Report for the financial year 2021-22 including Audited Financial Statements, Board's Report etc. and Notice of the 96th Annual General Meeting of the Company, *inter-alia*, indicating the process and manner of remote e-Voting is being sent by electronic mode, to all those Members whose e-mail IDs are registered with their respective Depository Participants.

Members who have not registered their email address and holding shares in physical mode are requested to register their e-mail IDs with TCPL and Members holding shares in Demat mode are requested to register their e-mail IDs with the respective Depository Participants (DPs) in case the same is still not registered.

If there is any change in the e-mail ID already registered with the Company, Members are requested to immediately notify such change to TCPL in respect of shares held in physical form and to their respective DPs in respect of shares held in electronic form.

Members may also note that the Notice of the 96th AGM and the Annual Report for the financial year 2021-22 of the Company are also available on the Company's website www.hccindia.com.

13. Appointment of Director

Relevant details of the Directors pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations"), as amended, read with Secretarial Standards-2 on General Meetings are provided in Annexure A to the Explanatory Statement to the Notice.

14. IEPF Disclosures

Pursuant to Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund Rules), 2016 ('the IEPF Rules'), during the year under review, no amount of Unclaimed dividend and corresponding equity shares were due to be transferred to IEPF account.

Members are further requested to note that no claims shall lie against the Company with respect to the unclaimed dividend and share(s) transferred to the IEPF pursuant the IEPF Rules.

15. Voting

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended) and the MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a Member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

Any Member holding shares in physical form and non-individual Members, who acquires shares of the Company and becomes Member of the Company after the Notice is sent through e-mail and holding shares as of the cut-off date i.e., Thursday, September 22, 2022, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for Remote e-Voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free nos. 1800 1020 990 and 1800 22 44 30. In case of Individual Member holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Thursday, September 22, 2022 may follow steps mentioned in this Notice of the AGM under "Access to NSDL e-Voting system."

In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.hccindia.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e., www.evoting.nsdl.com

AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020, MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020, MCA Circular No. 2/2021 dated January 13, 2021, Circular No. 19/2021 dated December 08, 2021 and Circular No. 21/2021 dated December 14, 2021.

16. The Instructions for Members for remote e-Voting and joining General Meeting are as under:-

The remote e-Voting period begins on Sunday, September 25, 2022 (9.00 a.m.) and ends on Wednesday, September 28, 2022 (5.00 p.m.).The remote e-Voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Thursday, September 22, 2022 may cast their vote electronically. The voting right of Shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Thursday, September 22, 2022.

If a person was a Member as on the date of dispatch of the notice but has ceased to be a Member as on the cut-off date i.e. Thursday, September 22, 2022, he/she shall not be entitled to vote. Such person should treat this Notice for information purpose only.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

For Members whose e-mail addresses are registered with the Company /depositories

Step 1**:** Log-in to NSDL e-Voting system at https:// www.evoting.nsdl.com

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on step 1 are mentioned below:

How to Log-in to NSDL e-Voting website?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual Meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual Shareholders holding securities in demat mode is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open.
	You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider- NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual Meeting & voting during the Meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
	3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.
	Click on options available against company name or e-Voting service provider- NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual Meeting & voting during the Meeting.
	4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.

Type of Shareholders	Login Method
	3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual Meeting & voting during the Meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll-free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for Shareholders other than Individual Shareholders holding securities in demat mode and Shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e., IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e., Cast your vote electronically.

4. **Your User ID details are given below:**

Manner of holding shares i.e., Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8-Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. **Password details for Shareholders other than Individual Shareholders are given below:**

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e., a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8-digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in process for those Shareholders whose email ids are not registered.

6. **If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:**

   a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual Meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Shareholders

1. Institutional Shareholders (i.e., other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to evoting.hcc@gmail.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll-free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre, Manager, NSDL at evoting@nsdl.co.in.

Process for those Shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-Voting for the resolutions set out in this Notice:

1. In case shares are held in physical mode please provide Folio No., Name of Shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to secretarial@hccindia.com.

2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to secretarial@hccindia.com. If you are an Individual Shareholder holding securities in demat mode, you are requested to refer to the login method explained at step **1 (A) i.e., Login method for e-Voting and joining virtual Meeting for Individual Shareholders holding securities in demat mode**.

3. Alternatively, Shareholder/Members may send a request to evoting@nsdl.co.in for procuring user id and password for e-Voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

17. THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.

2. Only those Members/ Shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-Voting.

5. Members who are present in the Meeting through video conferencing facility and have not cast their vote on the resolutions through remote e-Voting, shall be allowed to vote through e-Voting system during the Meeting.

6. The Members who have cast their votes by remote e-Voting prior to the AGM may also attend and participate in the AGM but they shall not be entitled to cast their vote again at the AGM.

7. Members can opt for only one mode of voting i.e. either by remote e-Voting or voting at the AGM by electronic voting. In case Members cast their votes through both the modes, voting done by remote e-Voting shall prevail and the votes cast at the AGM shall be treated as invalid.

18. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General Meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/ folio number, PAN, mobile number via email at secretarial@hccindia.com latest by Sunday, September 25, 2022 (5:00 p.m.). Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

19. Mr. B. Narasimhan, Proprietor, B N & Associates, Practicing Company Secretary (Membership No. FCS 1303 and Certificate of Practice No. 10440) has been appointed as the Scrutinizer to scrutinize the remote e-Voting process and voting at AGM, in a fair and transparent manner and he has communicated willingness to be appointed and shall be available for the same purpose.

20. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter, unblock the votes cast through remote e-Voting and make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing. The voting results along with the consolidated Scrutinizer's Report shall be submitted to the Stock Exchanges i.e., BSE and NSE within two working days of conclusion of the AGM by the Company.

21. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company and on the website of NSDL immediately after the declaration of results by the Chairman or a person authorized by him in writing.

    The results shall also be uploaded on the BSE Listing Portal and on the NSE NEAPS Portal.

22. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the 96th Annual General Meeting i.e Thursday, September 29, 2022.

By Order of the Board
For **Hindustan Construction Company Ltd.**

Nitesh Kumar Jha
Company Secretary

Registered Office:
Hincon House,
Lal Bahadur Shastri Marg,
Vikhroli (West),
Mumbai 400 083

Place: Mumbai
Date: September 2, 2022

ANNEXURE TO THE NOTICE

AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013 ("THE ACT"), THE FOLLOWING EXPLANATORY STATEMENT SETS OUT ALL MATERIAL FACTS RELATING TO THE BUSINESSES MENTIONED UNDER ITEM NUMBERS 3 TO 10 OF THE ACCOMPANYING NOTICE DATED SEPTEMBER 2, 2022.

Item No. 3

At the 93rd Annual General Meeting ("AGM") of the Company held on September 26, 2019, Mr. Santosh Janakiram was appointed as an Independent Director for a term of 3 consecutive years i.e. upto the conclusion of 96th AGM to be held in the calendar year 2022. Accordingly, his tenure is ending at the ensuing AGM.

The Company has received declaration from Mr. Santosh Janakiram that he continues to meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015 ("SEBI Listing Regulations").

In terms of Section 149 and the other applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, Mr. Santosh Janakiram being eligible has offered himself for re-appointment. The Company has received a notice in writing from a Member under Section 160 of the Companies Act 2013, signifying the intention to propose the candidature of Mr. Santosh Janakiram, for the office of Director in the Company along with his consent to act as such and a declaration to the effect that he is not disqualified to act as a Director of the Company along with his consent to act as such and a declaration to the effect that he is not disqualified to act as a Director of the Company.

Based on the performance evaluation carried out by the Board, and after reviewing the declaration submitted by Mr. Santosh Janakiram and pursuant to the recommendation of the Nomination and Remuneration Committee, the Board at its Meeting held on May 12, 2022 has formed an opinion that Mr. Santosh Janakiram is meeting the criteria of independence as per the provisions of Section 149 of the Act and rules made thereunder read with the requirements of SEBI Listing Regulations and that he is independent of the management. In view of the same, it has recommended the re-appointment of Mr. Santosh Janakiram as an Independent Director for a second term of 5 consecutive years upto the conclusion of the 101st Annual General Meeting of the Company to be held in calendar year 2027, subject to approval of the Members.

Brief profile of Mr. Santosh Janakiram is as under:

Mr. Santosh Janakiram is a senior partner in and head of Cyril Amarchand Mangaldas' Infrastructure and Finance Group. He has rich experience in banking, projects, project financing, structured financing, acquisition financing and private equity and represents developers, sponsors, lenders and contractors in infrastructure and project finance transactions. He is also involved in various infrastructure sectors, including energy, transportation and mining.

Chambers and Partners have since 2009 considered him a 'Leading Lawyer' in India in the Projects, Infrastructure and Energy sector. He has been named a 'Leading Lawyer' in Banking, Energy and Infrastructure, Project Development and Project Finance by IFLR1000 and Who's Who Legal Project Finance. Santosh has been ranked as a 'Notable Lawyer' for Projects, Infrastructure and Energy and has been recognized as a "key player in the market" by Chambers Asia Pacific in 2018 and "he is regarded as a very creative, responsive and smart lawyer who is able to handle extremely complicated deals" by Chambers Asia Pacific in 2019. Legal 500 has ranked him as a 'Leading Individual' in 2019.

He has acted on a number of landmark transactions, including advising the Indian Lenders on the restructuring of the Dabhol Power Project and advising the syndicate of lenders including State Bank of India, International Finance Corporation, Asian Development Bank and other national and international financial agencies in the 4000 MW Mundra Ultra-mega Power Project which is the first project to be financed by offshore lenders post Dabhol. He has advised on various domestic and international bond transactions (including high yields) with innovative structuring within a complex regulatory framework including the 1 billion USD bond issuance by Greenko which is the largest high yield by a private sector player.

He has led the development of the Renewable and New Energy practice in the last few year. He has also advised on various mergers and acquisitions in the renewable energy and infrastructure sector including the acquisition by Global Infrastructure Partners of wind and solar assets of Equis Funds which is the largest clean energy acquisition deal in the world.

Mr. Santosh Janakiram does not hold by himself or for any other person on a beneficial basis, any Equity Shares in the Company.

Copy of the draft letter of appointment of Mr. Santosh Janakiram as an Independent Director, setting out the terms and conditions is available for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that Mr. Santosh Janakiram's continuance on the Board as an Independent Director of the Company would be of immense benefit to the Company.

Accordingly, the Board recommends the resolution contained at Item No. 3 of this notice for approval of the Members as a Special Resolution.

Except Mr. Santosh Janakiram, none of the Directors, Key Managerial Personnel or their respective relatives are in any way concerned or interested, financially or otherwise, in the resolution mentioned at Item No. 3 of this Notice except to the extent of their respective shareholding in the Company, if any.

This Explanatory Statement alongwith Annexure to the Notice provides the relevant details relating to re-appointment of Mr. Santosh Janakiram that may be regarded as adequate disclosure under the Companies Act, 2013 and SEBI Listing Regulations read with Secretarial Standards-2 on General Meetings.

Item No. 4

At the 93rd Annual General Meeting ("AGM") of the Company held on September 26, 2019, Mr. Mahendra Singh Mehta was appointed as an Independent Director for a term of 3 consecutive years i.e. upto the conclusion of 96th AGM to be held in the calendar year 2022. Accordingly, his tenure is ending at the ensuing AGM.

The Company has received declaration from Mr. Mahendra Singh Mehta that he continues to meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015 ("SEBI Listing Regulations").

In terms of Section 149 and the other applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, Mr. Mahendra Singh Mehta being eligible has offered himself for re-appointment. The Company has received a notice in writing from a Member under Section 160 of the Companies Act 2013, signifying the intention to propose the candidature of Mr. Mahendra Singh Mehta, for the office of Director in the Company along with his consent to act as such and a declaration to the effect that he is not disqualified to act as a Director of the Company along with his consent to act as such and a declaration to the effect that he is not disqualified to act as a Director of the Company.

Based on the performance evaluation carried out by the Board, and after reviewing the declaration submitted by Mr. Mahendra Singh Mehta and pursuant to the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on May 12, 2022 has formed an opinion that Mr. Mahendra Singh Mehta is meeting with the criteria of independence as per the provisions of Section 149 of the Act and rules made thereunder read with the requirements of SEBI Listing Regulations and that he is independent of the management. In view of the same, it has recommended the re-appointment of Mr. Mahendra Singh Mehta as an Independent Director for a second term of 5 consecutive years upto the conclusion of the 101st Annual General Meeting of the Company to be held in calendar year 2027, subject to approval of the Members.

Brief profile of Mr. Mahendra Singh Mehta is as under:

Mr. Mehta is a doyen in metal, mining, power and infrastructure industry with his main career with Vedanta Group in leadership roles at Asset Level and Group Level. He has been through the scale up journey of Vedanta over his decade and half experience, where he has been involved with large acquisitions and their integration and global asset creation. Mr. Mehta also had a short stint as CEO of Reliance Infrastructure where he played transformational role in enhancing operational performance of Discoms at Delhi and Cement plant. In Last 3 years, he has been focused on experimenting with different areas essentially in Distressed Assets and Turnarounds through his engagements with Edelweiss Asset Reconstruction Company and Liberty House.

Mr. Mahendra Singh Mehta does not hold by himself or for any other person on a beneficial basis, any Equity Shares in the Company.

Copy of the draft letter of appointment of Mr. Mahendra Singh Mehta as an Independent Director, setting out the terms and conditions is available for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that Mr. Mahendra Singh Mehta's continuance on the Board as an Independent Director of the Company would be of immense benefit to the Company.

Accordingly, the Board recommends the resolution contained at item no. 4 of the accompanying notice for approval of the Members as a Special Resolution.

Except Mr. Mahendra Singh Mehta, none of the Directors, Key Managerial Personnel or their respective relatives are in any way concerned or interested, financially or otherwise, in the resolution mentioned at Item No. 4 of this Notice except to the extent of their respective shareholding in the Company, if any.

This Explanatory Statement alongwith Annexure to the Notice provides the relevant details relating to re-appointment of Mr. Mahendra Singh Mehta that may be regarded as adequate disclosure under the Companies Act, 2013 and SEBI Listing Regulations read with Secretarial Standards-2 on General Meetings.

Item No. 5

The Board of Directors, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s Joshi Apte & Associates, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ended March 31, 2022.

In terms of the provisions of Section 148(3) of the Act read with Rule 14 the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors, as recommended by the Audit Committee and approved by the Board of Directors, is required to be ratified by the Members.

The remuneration payable to M/s. Joshi Apte & Associates, Cost Auditors of the Company for conducting the audit of the cost records for the financial year ended March 31, 2022, as recommended by the Audit Committee, and approved by the Board of Directors at its Meeting held on Augus 4, 2022 will not exceed ₹ 2,85,000/- (Rupees Two Lakhs Eighty-Five Thousands Only) plus applicable taxes and reimbursement of out-of-pocket expenses.

Accordingly, approvalof the Members is sought for passing the ordinary resolution as set out at Item No. 5 of the accompanying Notice to ratify the remuneration payable to the Cost Auditors for the financial year ended March 31, 2022.

None of the Directors, Key Managerial Personnel or their respective relatives are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No.5 of the Notice except to the extent of their respective shareholding in the Company, if any.

ITEM NO. 6

The Members of the Company, in their Annual General Meeting held on July 12, 2018, had approved by Special Resolution, appointment of Mr. Ajit Gulabchand as the Managing Director designated as Chairman & Managing Director of the Company for a period of 5 years commencing from April 1, 2018, and ending on March 31, 2023.

The Board of Directors ("the Board") in its Meeting held on March 23, 2022, has, based on the recommendation made by the Nomination and Remuneration Committee, approved the payment of the following remuneration to Mr. Ajit Gulabchand, Chairman & Managing Director for a period of one year commencing from April 01, 2022, subject to compliance of the applicable provisions of the Companies Act, 2013 and approval of the Members of the Company:

(Amount in ₹)

Financial Year	Annual Salary	Perquisites & Allowances (Per annum)	Retirals (Per annum)	Total (Per annum)
2022-23	2,56,51,163	2,56,51,163	36,97,674	5,50,00,000

Note:

(i) For the purpose of calculating perquisites & allowances as a part of the remuneration of Mr. Ajit Gulabchand, the same will be evaluated as per the Income Tax Rules, 1962 for Valuation of Perquisites read with the Income Tax Act, 1961 or any amendments thereto or any modifications or statutory re-enactment thereof and/or any other Rules or Regulations framed for the said purpose. In the absence of any such provision for valuation of any perquisites & allowances in the said Rules, the same will be evaluated at its actual cost to the Company.

ii) In addition to the above, Mr. Ajit Gulabchand will be entitled to the following perquisites, which shall not be included in the computation of the ceiling on remuneration:

a) Provision for use of Company's car for office duties and telephone and other communication facilities at residence shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

b) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961 or any amendments thereto or any modifications or statutory re-enactment thereof and / or any rules / regulations made there under.

c) PF and Gratuity/Insurances as per the Rules of the Company and Superannuation to the extent of ₹ 1,50,000 pa over & above remuneration.

d) One month's leave for every eleven months of service and such other benefits in accordance with the Rules of the Company.

e) Encashment of leave at the end of the tenure.

As the Company might have no profits/inadequate profits during tenure of Mr. Ajit Gulabchand, it can pay to him the abovementioned remuneration in accordance with the provisions of the Schedule V, read with Section 197 of the Companies Act, 2013 and of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirement) Regulation 2015 with the approval of the Members by way of Special Resolution.

The Members are informed that since there is re-organization of debt of the company pursuant to Master Framework & Implementation Agreement ("MFIA") entered into with the Lenders, there is no default of the lenders subsisting as on that date.

Accordingly, in accordance with the provisions of Sections 196 and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendments thereto or statutory modifications or re-enactment thereof for the time being in force) and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the Members is hereby sought by way of Special Resolution for payment of the abovementioned remuneration to Mr. Ajit Gulabchand.

Details of Mr. Ajit Gulabchand in pursuance of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Secretarial Standards-2 on General Meetings, as applicable along with the Statement containing required information pursuant to Section II of Schedule V of Companies Act, 2013 are annexed to this Notice.

The draft supplementary agreement to be entered into between the Company and Mr. Ajit Gulabchand in this regard is available for inspection by the Members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day of the Company, excluding Saturday, till the date of the Annual General Meeting.

The Board recommends the passing of the Special Resolution set out at Item No. 6 of this Notice for approval by the Members of the Company.

Except for Mr. Ajit Gulabchand, who is interested to the extent of remuneration payable to him under Resolution placed under Item Nos. 6 and Mr. Arjun Dhawan, Vice Chairman & Whole-time Director of the Company, being relative of Mr. Ajit Gulabchand who is deemed to be directly/indirectly concerned or interested in the said Resolution, none of the other Directors, Key Managerial Personnel or their respective relatives are in any way concerned or interested, financially or otherwise, in the Resolution mentioned at Item Nos. 6 of this Notice, except to the extent of their respective shareholding in the Company, if any.

ITEM NO. 7

The Board of Directors ("the Board") in its Meeting held on March 23, 2022, had, based on the recommendation made by the Nomination and Remuneration Committee, re-appointed Mr. Arjun Dhawan as a Whole-time Director of the Company for a period of 5 years with effect from April 01, 2022, subject to approval of the Members of the Company and also appointed him as Vice Chairman of the Board.

As recommended by the Nomination and Remuneration Committee, the Board had, in its Meeting held on March 23, 2022, also approved the payment of following remuneration for a period of 3 years with effect from April 01, 2022 subject to approval of the Members of the Company to be obtained post receipt of consent of the Lenders as envisaged in Schedule V of the Companies Act, 2013 or after implementation of Resolution Plan resulting in Company having no default subsisting, whichever is earlier.

(Amount in ₹)

Financial Year	Annual Salary	Perquisites & Allowances (Per annum)	Retirals (Per annum)	Total (Per annum)
2022-23	2,33,25,581	2,33,25,581	33,48,838	5,00,00,000
2023-24	2,56,51,163	2,56,51,163	36,97,674	5,50,00,000
2024-25	2,79,76,744	2,79,76,744	40,46,512	6,00,00,000

Note:

i) For the purpose of calculating perquisites & allowances as a part of the remuneration of Mr. Arjun Dhawan, the same will be evaluated as per the Income Tax Rules, 1962 for Valuation of Perquisites read with the Income Tax Act, 1961 or any amendments thereto or any modifications or statutory re-enactment thereof and/or any other Rules or Regulations framed for the said purpose. In the absence of any such provision for valuation of any perquisites & allowances in the said Rules, the same will be evaluated at its actual cost to the Company.

ii) In addition to the above, Mr. Arjun Dhawan would be entitled to the following perquisites, which would not be included in the computation of the ceiling on remuneration:

a) Provision for use of Company's car for office duties and telephone and other communication facilities at residence shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

b) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961 or any amendments thereto or any modifications or statutory re-enactment thereof and / or any rules / regulations made there under.

c) PF and Gratuity/Insurances as per the Rules of the Company and Superannuation to the extent of ₹ 1,50,000 pa over & above remuneration.

d) One month's leave for every eleven months of service and such other benefits in accordance with the Rules of the Company.

e) Encashment of leave at the end of the tenure.

In order to comply with the provisions of Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which mandates the Listed Companies to obtain approval of the Members in the next General Meeting or within a time period of three months from the date of appointment/re-appointment of a Director by the Board, the approval of the Members of the Company was obtained by way of a Special Resolution for the re-appointment of Mr. Arjun Dhawan as Whole-time Director of the Company for a period of 5 years w.e.f. April 01, 2022.

As per the abovementioned Resolution, the proposal for obtaining approval of the Members for payment of remuneration to Mr. Arjun Dhawan as referred above was required to be placed in the General Meeting to be held post receipt of consent of the Lenders as envisaged in Schedule V of the Companies Act, 2013 or after implementation of the Resolution Plan, resulting in Company having no default to its lenders subsisting, whichever is earlier.

The Members are informed that since there is re-organization of debt of the company pursuant to Master Framework & Implementation Agreement ("MFIA") entered into with the Lenders, there is no default of the lenders subsisting as on that date.

Accordingly, in accordance with the provisions of Sections 196 and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendments thereto or statutory modifications or re-enactment thereof for the time being in force) and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the Members is hereby sought by way of Special Resolution for payment of the abovementioned remuneration.

Details of Mr. Arjun Dhawan in pursuance of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Secretarial Standards-2 on General Meetings, as applicable along with Statement containing required information pursuant to Section II of Schedule V of the Act are annexed to this Notice.

The agreement entered between the Company and Mr. Arjun Dhawan with respect to his re-appointment is available for inspection by the Members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day of the Company, excluding Saturday, till the date of the Annual General Meeting.

The Board recommends the passing of the Special Resolution set out at Item No. 7 of this Notice for approval by the Members of the Company.

Except for Mr. Arjun Dhawan, who is interested to the extent of remuneration payable to him under Resolutions placed under Item Nos. 7 and Mr. Ajit Gulabchand, Chairman & Managing Director of the Company, being relative of Mr. Arjun Dhawan who is deemed to be directly/indirectly concerned or interested in the said Resolution, none of the other Directors, Key Managerial Persons or their respective relatives are in any way concerned or interested, financially or otherwise, in the Resolution mentioned at Item Nos. 7 of this Notice, except to the extent of their respective shareholding in the Company, if any.

ITEM NO. 8

The Members of the Company, in their Annual General Meeting held on July 12, 2018, had approved by Special Resolution, appointment of Mr. Ajit Gulabchand as the Managing Director & designated as Chairman & Managing Director of the Company for a period of 5 years commencing from April 1, 2018, and ending on March 31, 2023, and had also approved payment of remuneration of ₹ 3,28,38,600/- per annum to him for a period of one year commencing from April 01, 2018, which was revised by the Members in their Annual General Meeting held on September 26, 2019, to ₹ 7,00,00,000/- per annum for a period of three years commencing from April 01, 2019, along with certain perquisites, subject to compliance of the applicable provisions of the Companies Act, 2013.

Except for a sum of ₹ 3,74,24,920/-, no remuneration has been paid by the Company to him for the financial years 2019-22 for want of Lenders' approval as required under Section 197 read with Schedule V of the Companies Act, 2013. Accordingly, a sum of ₹ 17,25,75,080/- has been accrued to him, yet not paid by the Company.

Members are informed that since there is re-organization of debt of the Company pursuant to Master Framework & Implementation Agreement ("MFIA") entered with the Lenders, there is no default of the Lenders subsisting as on that date.

Mr. Ajit Gulabchand has spearheaded the Company's transformation from a construction major into a diversified infrastructure group of global scale, developing and building responsible infrastructure through next practices. The result is a business that plays a leading role in meeting the massive infrastructure needs of India, leveraging best-in-class equipment and technology, knowledge-driven processes, and innovation-led next practices.

Alongside his responsibilities at HCC, Mr. Gulabchand has been a vocal advocate of sustainable development and is regarded as a spokesperson for India's infrastructure sector in global forums. He is a signatory member of Caring for Climate, United Nation's action platform for business and a signatory member of WEF's CEO Climate Leaders. He has also been a frequent invitee to ministerial business delegations from the Government of India to various countries aimed at attracting foreign investments into the Indian infrastructure sector.

Considering the rich experience and contribution of Mr. Gulabchand and multi-faceted responsibilities shouldered by him and considering the fact he has not been paid the abovementioned remuneration, the Board, based on the recommendation made by NRC, has aproved payment of a consolidated amount of ₹ 21 crore in lieu of the accrued remuneration to Mr. Ajit Gulabchand, Chairman & Managing Director of the Company for the period April 01, 2019, to March 31, 2022, subject to adjustment of amount already paid.

As the Company is having no profits/ inadequate profits, hence, approval of the Members is hereby sought by way of Special Resolution with respect to the above proposal in accordance with the provisions of Section 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013.

Details of Mr. Ajit Gulabchand in pursuance of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Secretarial Standards-2 on General Meetings, as applicable along with the Statement containing required information pursuant to Section II of Schedule V of Companies Act, 2013 are annexed to this Notice.

The Board recommends the passing of the Special Resolution set out at Item No. 8 of this Notice for approval by the Members of the Company.

Except for Mr. Ajit Gulabchand, who is interested to the extent of remuneration payable to him under Resolution placed under Item No. 8 and Mr. Arjun Dhawan, Vice Chairman & Whole-time Director of the Company, being relative of Mr. Ajit Gulabchand who is deemed to be directly/indirectly concerned or interested in the said Resolution, none of the other Directors, Key Managerial Personnel or their respective relatives are in any way concerned or interested, financially or otherwise, in the Resolution mentioned at Item No. 8 of this Notice, except to the extent of their respective shareholding in the Company, if any.

ITEM NO. 9

The Members of the Company, at their Annual General Meeting held on July 06, 2017, had approved by Special Resolution, appointment of Mr. Arjun Dhawan as the Group CEO & Whole-time Director of the Company for a period of 5 years commencing from April 01, 2017, and had also approved payment of an overall remuneration of a sum of ₹ 6,00,00,000/- per annum to him for a period of 3 years commencing from April 01, 2017, which was revised by the Members in their Annual General Meeting held on September 26, 2019, to ₹ 6,00,00,000/-, ₹ 6,50,00,000/- and ₹ 7,00,00,000/- per annum respectively, for the financial years 2019-20, 2020-21 and 2021-22 respectively, along with certain perquisites, subject to compliance of the applicable provisions of the Companies Act, 2013.

Except for a sum of ₹ 2,66,70,200/-, no remuneration has been paid by the Company to him for the financial years 2019-22 for want of Lenders' approval as required under Section 197 read with Schedule V of the Companies Act, 2013. Accordingly, a sum of ₹ 17,98,23,390/- (inclusive of leave encashment of ₹ 1,14,93,590/-) has been accrued to him, yet not paid by the Company.

Members are informed that since there is re-organization of debt of the Company pursuant to Master Framework & Implementation Agreement ("MFIA") entered with the Lenders, there is no default of the Lenders subsisting as on that date.

Mr. Arjun Dhawan is the Vice Chairman and Whole-time Director of Hindustan Construction Company Limited (HCC). After taking the reins of the Company, he has ensured that HCC remains strongly anchored to India's development efforts in the core sectors spanning transportation, power, water supply and urban infrastructure. His leadership has driven HCC's sustainability and resilience through an extremely challenging period in the Company's history.

He manages a turnover of ₹10,670 crore across the HCC Group of companies spanning businesses in Engineering & Construction, Real Estate Development, and Infrastructure Concessions and having a knowledge asset of more than 1,700 officers, including 1,100 engineers and 13,000 workers across project sites.

Considering the rich experience and contribution of Mr. Dhawan and multi-faceted responsibilities shouldered by him and considering the fact he has not been paid the abovementioned remuneration, the Board, based on the recommendation made by Nomination and Remuneration Committee, has approved payment of a consolidated amount of ₹ 20,64,93,590/- (inclusive of leave encashment of ₹ 1,14,93,590/-) in lieu of the accrued remuneration to Mr. Arjun Dhawan, Vice Chairman & Whole-time Director of the Company for the period April 01, 2019, to March 31, 2022, subject to adjustment of amount already paid.

As the Company is having no profits/ inadequate profits, hence, approval of the Members is hereby sought by way of Special

Resolution with respect to the above proposal in accordance with the provisions of Section 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013.

Details of Mr. Arjun Dhawan in pursuance of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Secretarial Standards-2 on General Meetings, as applicable along with the Statement containing required information pursuant to Section II of Schedule V of Companies Act, 2013 are annexed to this Notice.

The Board recommends the passing of the Special Resolution set out at Item No. 9 of this Notice for approval by the Members of the Company.

Except for Mr. Arjun Dhawan, who is interested to the extent of remuneration payable to him under Resolutions placed under Item No. 9 and Mr. Ajit Gulabchand, Chairman & Managing Director of the Company, being relative of Mr. Arjun Dhawan who is deemed to be directly/indirectly concerned or interested in the said Resolution, none of the other Directors, Key Managerial Persons or their respective relatives are in any way concerned or interested, financially or otherwise, in the Resolution mentioned at Item No. 9 of this Notice, except to the extent of their respective shareholding in the Company, if any.

Item No.10

The Special Resolution contained in the Notice under Item No. 10 relates to a resolution by the Company enabling the Board of Director to create, issue, offer and allot Equity Shares, GDRs, ADRs, Foreign Currency Convertible Bonds, Convertible Debentures and such other Securities as stated in the resolution (the 'Securities') at such price as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the issue, offer, and allotment shall be made considering the prevalent market conditions and other relevant factors and wherever necessary, in consultation with merchant bankers, advisors, underwriters, etc., inclusive of such premium, as may be determined by the Board in one or more tranche(s), subject to SEBI (ICDR) Regulations and other applicable laws, rules and regulations.

The resolution also enables the Board to issue Securities for an aggregate amount not exceeding ₹ 1000 crore or its equivalent in any foreign currency.

The Board shall issue Securities pursuant to this special resolution to meet long term working capital and capital expenditure requirements of the Company and its subsidiaries, joint ventures and affiliates, investment in subsidiaries (including overseas subsidiaries), joint ventures and affiliates, repayment/restructuring of debts due to lenders/banks/institutions, strengthening the Balance Sheet of the Company, tap acquisition opportunities, business ventures/projects and other general corporate purposes.

The special resolution also authorizes the Board of Directors of the Company to undertake a Qualified Institutions Placement with Qualified Institutional Buyers (QIBs) in the manner as prescribed under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, (the 'SEBI Regulations') for raising capital. The pricing of the Specified Securities to be issued to QIBs pursuant to the said SEBI Regulations shall be freely determined subject to such price not being less than the price calculated in accordance with the relevant provisions of the said SEBI Regulations.

The detailed terms and conditions for the offer will be determined by the Board in consultation with the advisors, merchant bankers, underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevalent market conditions from time to time and in accordance with the applicable provisions of law, rules and regulations and other relevant factors.

The Equity Shares allotted or arising out of conversion of any Securities would be listed. The issue/allotment/conversion of Securities would be subject to the receipt of regulatory approvals, if any. Further, the conversion of Securities held by foreign investors, into Equity Shares would be subject to the permissible foreign shareholding limits/cap specified by Reserve Bank of India from time to time.

Pursuant to the provisions of Sections 42, 62 and 71 of the Act including any rules made thereunder and any other provision of the said Act, as may be applicable and the relevant provisions of the listing agreements with the stock exchanges and any other applicable laws, the issue of securities comprising equity shares, foreign currency convertible bonds, ADR's, GDR's, non-convertible debentures and/or issue of debentures on private placement, convertible debentures, etc., will require the prior approval of the Members by way of a special resolution.

The special resolution as set out at Item No. 10, is an enabling resolution and if passed, will have the effect of permitting the Board to issue and allot Securities to Investors, who may or may not be existing Members of the Company.

The Board believes that the proposed enabling special resolution is in the interest of the Company and therefore, recommends the resolution for Members' approval. Accordingly, approval of the Members is sought for passing special resolution as set out at Item No. 10 of accompanying Notice for issuance of securities of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 10 of this Notice except to the extent of their respective shareholding in the Company, if any.

By Order of the Board
For **Hindustan Construction Company Ltd.**

Nitesh Kumar Jha
Company Secretary

Registered Office:
Hincon House,
Lal Bahadur Shastri Marg,
Vikhroli (West),
Mumbai 400 083

Place: Mumbai
Date: September 2, 2022

Statement containing required information pursuant to Section II of Schedule V of the Companies Act, 2013 for item nos. 6, 7, 8 and 9 is as under:

General information:

(1)	Nature of industry	Engineering and Construction
(2)	Date or expected date of commencement of commercial production	Not Applicable
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable

(4) Financial performance based on given indicators:

Financial year 2021-22:	(₹ in crore)
Revenue from Operations:	4,666.28
Loss after Tax:	(153.10)

(5) Foreign investments or collaborations, if any.

As on June 30, 2022 the Foreign Portfolio Investments (FPIs) holds 17,90,39,106 (11.83%) Equity Shares of the Company of ₹1 each.

There is no foreign collaboration for any equity investment.

II. Information about the appointee/managerial person

(1) Background details

Mr. Ajit Gulabchand

Mr. Ajit Gulabchand is the Chairman & Managing Director of the Company. He has nearly four decades of enriched experience in the Infrastructure and Construction business and has served the Board of the Company, as Managing Director from April 1, 1983 and was elevated as the Chairman of the Company in May 1994. Since then, he has been re-appointed for a term of 5 (five) years each. His last re-appointment as Managing Director, designated as Chairman & Managing Director of the Company, was approved by the Members at the Annual General Meeting held on July 12, 2018 for a period of 5 years with effect from April 1, 2018, based on the justification placed before the Members, for his re-appointment after attainment of 70 years of age, including payment of remuneration for FY 2018-19 in accordance with Schedule V of the Act. Thereafter, his remuneration was approved by the Members at the Annual General Meeting held on September 26, 2019 for 3 years with effect from April 1, 2019 upto March 31, 2022.

Mr. Arjun Dhawan

Mr. Arjun Dhawan is the Vice Chairman & Whole-time Director of the Company. Tenure of Mr. Arjun Dhawan, who was appointed by the Members of the Company at their Annual General Meeting held on July 06, 2017, as the Group CEO & Whole-time Director of the Company for a period of 5 years commencing from April 01,2017, was expiring on March 31, 2022 and hence, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its Meeting held on March 23, 2022, has re-appointed Mr. Arjun Dhawan as a Whole-time Director of the Company, for a period of 5 years w.e.f. April 1, 2022, and same was approved by the Members in their Extra Ordinary General Meeting held on June 22, 2022. Board has also appointed him as Vice Chairman of the Board with effect from March 23, 2022.

(2) Past remuneration

Mr. Ajit Gulabchand

The details of remuneration paid/payable to Mr. Ajit Gulabchand, Chairman & Managing Director for the last three financial years is as given below:

Financial year	Total (Annual Salary, Perquisites, Allowances and Retirals) in ₹*
2019-20	7,00,00,000
2020-21	7,00,00,000
2021-22	7,00,00,000

* The remuneration payable to Mr. Ajit Gulabchand for the Financial Year 2019-20, 2020-21 & 2021-22 is in accordance with the approval granted by the Nomination and Remuneration Committee, the Board of Directors, and Shareholders subject to lenders' approval. However, same is not yet paid to him pending lenders' approval.

Mr. Arjun Dhawan

The details of remuneration paid/payable to Mr. Arjun Dhawan, Group CEO & Whole-time Director for the last three financial years is as given below:

Financial year	Total (Annual Salary, Perquisites, Allowances and Retirals) in ₹*
2019-20	6,00,00,000
2020-21	6,50,00,000
2021-22	7,00,00,000

* The remuneration payable to Mr. Arjun Dhawan for the Financial Year 2019-20, 2020-21 & 2021-22 is in accordance with the approval granted by the Nomination and Remuneration Committee, the Board of Directors, and Shareholders subject to lenders' approval. However, same is not yet paid to him pending lenders' approval.

(3) Recognition or awards

Mr. Ajit Gulabchand

Mr. Gulabchand has been a vocal advocate of sustainable development and is regarded as a spokesperson for India's infrastructure sector in global forums. He is a signatory member of Caring for Climate, United Nation's action platform for business and a signatory member of WEF's CEO Climate Leaders. He has also been a frequent invitee to ministerial business delegations from the Government of India to various countries aimed at attracting foreign investments into the Indian infrastructure sector.

Mr. Arjun Dhawan

Mr. Dhawan is an active member of the World Economic Forum. Within the WEF's Strategic Infrastructure Initiative, he helps develop best practices to promote well-structured, bankable infrastructure projects globally. Mr. Dhawan also serves as a member of the Confederation of Indian Industry's (CII) Infrastructure Council.

(4) Job profile and suitability

Mr. Ajit Gulabchand

Mr. Ajit Gulabchand has spearheaded the Company's transformation from a construction major into a diversified infrastructure group of global scale, developing and building responsible infrastructure through next practices. The result is a business that plays a leading role in meeting the massive infrastructure needs of India, leveraging best-in-class equipment and technology, knowledge-driven processes, and innovation-led next practices.

During the challenging time of COVID19 pandemic, Mr. Ajit Gulabchand had steered the company successfully through the pandemic with minimal loss of life through effective measures and protocols, while also ensuring that the operations were not adversely impacted.

Amid all the ups and downs, Mr. Gulabchand with his visionary zeal has pursued the course for the Company, transforming the company from a construction major into a diversified infrastructure group of global scale.

In the present complex and challenging business environment, there is a continuing need to formulate competitive strategies and review the business on an ongoing basis to provide the much-needed impetus to bolster the growth prospects of the Company. This necessitates the higher involvement of Mr. Gulabchand in managing the overall affairs of the Company.

Mr. Arjun Dhawan

Mr. Arjun Dhawan is the Vice Chairman and Whole-time Director of Hindustan Construction Company Limited (HCC). After taking the reins of the Company, he has ensured that HCC remains strongly anchored to India's development efforts in the core sectors spanning transportation, power, water supply and urban infrastructure. His leadership has driven HCC's sustainability and resilience through an extremely challenging period in the Company's history.

He manages a turnover of ₹10,670 crore across the HCC Group of companies spanning businesses in Engineering & Construction, Real Estate Development, and Infrastructure Concessions and having a knowledge asset of more than 1,700 officers, including 1,100 engineers and 13,000 workers across project sites.

Under his leadership, the Company has been executing large and complex infrastructure projects of national importance and has delivered numerous engineering marvels include Bogibeel Bridge, India's longest rail-cum-road Bridge in Assam, Kishanganga Hydro Power Project, NHPC's largest 330MW EPC on the LoC in J&K, DGNP's dry dock in Mumbai for India's aircraft carrier, Farakka Raiganj Highways Ltd., Elevated Road, Kolkata, Sainj Hydro Power Project, Sawra Kuddu HEP,Delhi Metro, etc.

Furthermore, he has led the successful development of ₹ 7,500 crore of NHAI concessions through Public Private Partnership with the Indian Government, which have generated great value for HCC.

Mr. Dhawan has steered the Company through a very challenging period by enhancing liquidity, streamlining costs and operations for accelerated project execution, augmenting internal capabilities in the Company's core business of Engineering & Construction, and managing and mitigating risks in a volatile macro-environment. He has been instrumental in overseeing the completion of HCC's resolution plan with lenders, including legacy liabilities guaranteed by HCC to erstwhile subsidiary, Lavasa.

Prior to starting his career at HCC, Mr. Dhawan acquired expertise in the area of investment management across various businesses and industries. As Managing Director of Arya Capital Management in Mumbai and with Trellus Management Company and Banc of America Securities in New York, Mr. Dhawan managed portfolios of equity and distressed investments. He began his career as an Investment Banker in New York with the Leveraged Finance Groups of Donaldson, Lufkin & Jenrette and Credit Suisse First Boston. His transaction experience covers leveraged buyout, high yield, M&A, and equity transactions in the automotive, energy, healthcare, media, and telecom industries.

Mr. Dhawan has a bachelor's degree in Mathematics & Economics from Middlebury College and holds an MBA from Harvard Business School.

(5) Remuneration proposed

Mr. Ajit Gulabchand

Details of the total remuneration comprising, inter-alia, Salary, Perquisites and Allowances together with Retirals, payable to Mr. Ajit Gulabchand, Chairman & Managing Director for period April 01, 2022 to March 31, 2023 is as given below:

(Amount in ₹)

Financial Year	Annual Salary	Perquisites & Allowances (Per annum)	Retirals (Per annum)	Total (Per annum)
2022-23	2,56,51,163	2,56,51,163	36,97,674	5,50,00,000

Apart from above, it is proposed to make payment of a consolidated amount of ₹ 21 crore in lieu of the accrued remuneration to Mr. Ajit Gulabchand, Chairman & Managing Director of the Company for the period April 01, 2019, to March 31, 2022, subject to adjustment of amount already paid.

Mr. Arjun Dhawan

The details of Remuneration proposed to be paid to Mr. Arjun Dhawan, Vice Chairman & Whole-time Director for the period April 01, 2022 to March 31, 2025, is as given below:

Amount (in ₹)

Financial Year	Annual Salary	Perquisites & Allowances (Per annum)	Retirals (Per annum)	Total (Per annum)
2022-23	2,33,25,581	2,33,25,581	33,48,838	5,00,00,000
2023-24	2,56,51,163	2,56,51,163	36,97,674	5,50,00,000
2024-25	2,79,76,744	2,79,76,744	40,46,512	6,00,00,000

Apart from above, it is proposed to make payment of a consolidated amount of ₹ 20,64,93,590/- (inclusive of leave encashment of ₹ 1,14,93,590/-) in lieu of the accrued remuneration to Mr. Arjun Dhawan, Vice Chairman & Whole-time Director of the Company for the period April 01, 2019, to March 31, 2022, subject to adjustment of amount already paid.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

Mr. Ajit Gulabchand

While proposing the managerial remuneration for Mr. Ajit Gulabchand, the remuneration trends for the private sector industry have been considered and analysis of compensation trends in Indian publicly listed companies has been taken into account.

Considering the rich experience and contribution of Mr. Gulabchand and multi-faceted responsibilities shouldered by him and considering the fact he has not been paid the abovementioned remuneration for the period April 01, 2019, to March 31, 2022, it is well justified that he be paid proposed remuneration.

Mr. Arjun Dhawan

While proposing the managerial remuneration for Mr. Arjun Dhawan, the remuneration trends for the private sector industry have been considered and analysis of compensation trends in Indian publicly listed companies has been taken into account.

Considering the rich experience and contribution of Mr. Dhawan and multi-faceted responsibilities shouldered by him and considering the fact he has not been paid the abovementioned remuneration for the period April 01, 2019, to March 31, 2022, it is well justified that he be paid proposed remuneration.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any

Mr. Ajit Gulabchand, Chairman & Managing Director is father in law of Mr. Arjun Dhawan, Vice Chairman and Whole-time Director.

Save and except for the remuneration set out in the resolutions at Item Nos. 6 & 8 of the AGM Notice for Mr. Ajit Gulabchand, remuneration set out in resolution at Item Nos. 7 & 9 of the AGM Notice for Mr. Arjun Dhawan and to the extent of their respective shareholdings in the Company, neither of them has any other pecuniary relationship, directly or indirectly with the Company or with any other managerial personnel of the Company.

III. OTHER INFORMATION:

(1) Reasons of loss or inadequate profits

During the year, project performance was affected due to various restrictions imposed by Government authorities due to the 2nd wave of COVID19 and the new variant Omicron. Remobilizing the required manpower at Projects and streamlining the supply chain management remained challenging. Despite the above challenges, projects have made additional efforts to remobilize the required workmen and strengthen the supply chain management with improved vendor management. Though clients have agreed to sanction the extension of time as per Government guidelines, most clients are yet to sanction payment for compensation for the lockdown period and the 2nd wave of COVID19.

(2) Steps taken or proposed to be taken for improvement

HCC has undertaken several initiatives to strengthen its balance sheet and streamline operations for accelerated project execution that is reflected in the performance for FY 2021-22. Some of these initiatives are explained below:

NHAI Conciliations & Realisation of BOT (SPV) Asset Sales

In FY 2020-21, the Company had initiated a conciliation process with NHAI to generate liquidity in the face of prolonged litigations and their associated costs. The Company successfully completed five conciliations within its PPP/BOT arm, HCC Concessions (HCON), and one conciliation in HCC, thereby receiving a total sum of ₹ 1,849 crore. In September 2020, the Company completed the sale of its largest BOT asset, Farakka Raiganj Highways Ltd. to Cube Highways and Infrastructure V Pte. Ltd. (Cube) for an enterprise value of ₹ 1508 crore, generating substantial liquidity for the group.

In February 2022, HCON executed a binding term sheet to sell its Baharampore-Farakka Highways Limited asset to Cube, at an enterprise value of ₹ 1,279 crore. Furthermore, HCON will be entitled to a material revenue share for the life of the concession. The transaction is subject to closing adjustments, customary due diligence and approvals, including from the NHAI and the lenders.

Strategic Developments at HCC Infrastructure

In August 2021, an exit was provided to the Xander Group, which held a 14.5% stake in HCC Concessions since 2011. Thereafter, 100% of the economic interest of HCON vested with the Company. In addition, HCC Infrastructure group of companies became debt free after closing all loans with Yes Bank Ltd. in September 2021.

In the month of November 2021, scheme of merger of HCC Concessions Ltd, HCC Power Ltd, Dhule Palesnar Operation & Maintenance Ltd and HCC Power Ltd with HCC Infrastructure Company Ltd U/s 230 to 232 of the Companies Act, 2013 has been filed with NCLT in order to reorganize the legal entities in the group structure to ensure optimized corporate holding structure and reduction in the multiplicity of legal and regulatory compliances at optimized cost.

Debt Resolution Plan

The carve-out of a material portion of HCC's debt along with commensurate award assets to an SPV results in a long-awaited solution to the asset-liability mismatch faced by HCC on account of delayed realization of its arbitration awards vis-a-vis Government Agencies. The Company has received final board approvals from all its lenders and achieved a closure of all documentation. Delays in approvals from Lenders and the impact of COVID19 had led to an inordinate delay in plan execution, with expected completion in Q2 FY 2022-23. The focus of HCC is now squarely on growth as it expects to secure new orders with full access to its working capital and bonding limits.

Under this debt resolution plan,, ₹ 2,854 crore worth of liability is being transferred by HCC to subsidiary Prolific Resolution Pvt Ltd. (SPV) along with the economic interest in arbitration awards and claims of ₹ 6,508 crore to the SPV. The Board approved the plan on 27 May 2021 subject to necessary approvals.

This SPV will have an external investor controlling atleast 51% and HCC holding balance shares. The SPV debt being significantly over-collateralised is expected to be fully serviced from its own receivables. The underlying arbitration awards carry interest, which will appropriately meet the SPV lenders' liabilities that also accrue interest. The return on investment to the identified investor entity will be capped and HCC will extend its corporate guarantee to lenders of SPV, which have back ended repayment schedule starting FY 2026-27. On repayment of the SPV liability, it is expected that the surplus awards and claims will flow back to the benefit of HCC, which is expected to be material in value.

The plan also entails divestment of identified non-core assets in HCC and conciliation/ realization of identified awards and claims (remaining in HCC after carve out) to the tune of ₹ 1,549 crore, which will be utilized for operations and growth.

Execution of Arbitration Awards

Consequent to the amendments to the Arbitration & Conciliation Act, 1996 (as amended in 2015), together with the Supreme Court of India setting aside Section 87 of the Arbitration and Conciliation Act, there would henceforth not be any automatic stay on the execution of Arbitration Awards. Earlier, a stay was granted at the mere filing of a challenge to an Award and would sometimes continue for years until the Court had time to hear the matter. Today, due to HCC's efforts in the Supreme Court, all Awards may be executed, resulting in the deposit/collection of monies.

Furthermore, due to various pro-business policy frameworks by Govt, we expect Arbitration Awards' realization to be swifter, leading to more efficient dispute resolution in the long run.

To avoid litigations, the GOI in the Union Budget has proposed a conciliation mechanism for resolving disputes in the construction industry. Para 135 of Budget provides as under:

> *135. To have ease of doing business for those who deal with Government or CPSE's and carry out Contracts, I propose to set up a Conciliation Mechanism and mandate its use for quick resolution of Contractual disputes. This will instil confidence in private sector investors and contractors.*

This mechanism is likely to spur private investment in the infrastructure sector, which is considerably problematic due to the mechanical challenging of awards and long delays in dispute resolution. The above mechanism-specific mandate to the CPSEs will go a long way in helping the Contractors and the Govt agencies to ensure the infrastructure projects are completed with minimum delays as the disputes would be settled and the money would be available during the performance of the Contracts.

(3) Expected increase in productivity and profits in measurable terms

The Company has been working on various strategic initiatives to improve operations and profitability of the Company by focusing on its core competence of highly skilled EPC jobs where competitive pressures are less and margins are higher.

DISCLOSURES:

Details of the proposed remuneration to Mr. Ajit Gulabchand, Chairman & Managing Director and Mr. Arjun Dhawan, Vice Chairman & Whole-time Director have been fully set out in the respective Special Resolutions at Item Nos. 6,7, 8 and 9. Further, the disclosures required in terms of Schedule V of the Act have been made in the Corporate Governance Report.

ANNEXURE A (FOR ITEM NUMBERS 2, 3, 4, 6, 7, 8 AND 9)

Details of the Directors in pursuance of the Companies Act, 2013 and the SEBI Listing Regulations read with Secretarial Standards-2 on General Meetings, as applicable.

1	**Name of the Director**	**Mr. Arun Karambelkar**
	DIN	02151606
	Date of Birth	September 25, 1955
	Qualification	B.E. (Mechanical), M.B.A.
	Date of Appointment	June 23, 2021
	Brief Resume alongwith Justification Note	As provided in the Explanatory Statement to the AGM Notice under Item No. 2.
	Relationship with Directors	None
	Expertise in specific functional areas	Diverse experience in Construction Industry
	No. of Board Meetings attended during the year	4
	Directorships held in other Companies and Bodies Corporate	Steiner India Limited Capacit'e Infraprojects Limited
	Chairman/Member of the Committee of the Board of Directors in other Companies	**Capacit'e Infraprojects Limited** Audit Committee - Chairman Stakeholder Relationship Committee - Member Nomination and Remuneration Committee - Member Risk Management Committee - Member Corporate Social Responsibility Committee - Member
	Number of Shares held in the Company	Nil
2	**Name of the Director**	**Mr. Santosh Janakiram**
	DIN	06801226
	Date of Birth	August 22, 1978
	Qualification	Bar Council of Maharashtra and Goa
	Date of Appointment	June 17, 2019
	Brief Resume alongwith Justification Note	As provided in the Explanatory Statement to the AGM Notice under Item No. 3.
	Relationship with Directors	None
	Expertise in specific functional areas	Banking; Infrastructure and Financing
	No. of Board Meetings attended during the year	6
	Directorships held in other Companies and Bodies Corporate	Andor Fontech Ltd. 3D Future Technologies Pvt. Ltd. Sociallending Technologies and Holdings Pvt. Ltd.
	Chairman/Member of the Committee of the Board of Directors in other Companies	**Andor Fontech Ltd.** Audit Committee - Member Stakeholder Committee - Chairman Nomination and Remuneration Committee - Member Corporate Social Responsibility Committee - Chairman
	Number of Shares held in the Company	Nil
3	**Name of the Director**	**Mr. Mahendra Singh Mehta**
	DIN	00019566
	Date of Birth	December 09, 1955
	Qualification	Bachelor of Mechanical Engineering, MBM Engineering College, MBA- IIM Ahmedabad.
	Date of Appointment	June 17, 2019
	Brief Resume alongwith Justification Note	As provided in the Explanatory Statement to the AGM Notice under Item No. 4.
	Relationship with Directors	None
	Expertise in specific functional areas	Metal, Mining, Power and Infrastructure
	No. of Board Meetings attended during the year	6
	Directorships held in other Companies and Bodies Corporate	ESL Steels Limited Talwandi Sabo Power Limited
	Chairman/Member of the Committee of the Board of Directors in other Companies	**ESL Steels Ltd.** Audit Committee - Member Nomination and Remuneration Committee - Member **Talwandi Sabo Power Limited** Nomination and Remuneration Committee - Member
	Number of Shares held in the Company	Nil

4	**Name of the Director**	**Mr. Ajit Gulabchand**
	DIN	00010827
	Date of Birth	June 28, 1948
	Qualification	Graduate of Mumbai University - B.COM (Hons.)
	Date of Appointment	Appointed on the Board of HCC, as Managing Director since April 1, 1983, and later as the Chairman since May 1994.
	Brief Resume alongwith Justification Note	As provided in Statement containing required information pursuant to Section II of Schedule V of the Companies Act, 2013.
	Relationship with Directors	He is father-in-law of Mr. Arjun Dhawan, Vice Chairman & Whole-time Director and is not related to any other Director of the Company.
	Expertise in specific functional areas	Enriched experience in the Construction Industry nearly four decades.
	No. of Board Meetings attended during the year	6
	Directorships held in other Companies and Bodies Corporate	Hincon Holdings Ltd. Hincon Finance Ltd. Western Securities Ltd. Shalaka Investment Pvt. Ltd. Champali Garden Pvt. Ltd. Gulabchand Foundation Steiner AG, Switzerland HCC Mauritius Enterprises Ltd. HCC Mauritius Investment Ltd.
	Chairman/Member of the Committee of the Board of Directors in other Companies	**Hincon Holdings Ltd.** Stakeholders Relationship Committee - Member
	Number of Shares held in the Company	21,17,294
5	**Name of the Director**	**Mr. Arjun Dhawan**
	DIN	01778379
	Date of Birth	July 19, 1976
	Qualification	MBA from Harvard Business School and BA in Mathematics and Economics from Middlebury College.
	Date of Appointment	April 1, 2017 (Re- appointment : April 1, 2022)
	Brief Resume alongwith Justification Note	As provided in Statement containing required information pursuant to Section II of Schedule V of the Companies Act, 2013.
	Relationship with Directors	He is son-in-law of Mr. Ajit Gulabchand, Chairman & Managing Director and is not related to any other Director of the Company.
	Expertise in specific functional areas	Expertise in construction, infrastructure development, general management and investment management.
	No. of Board Meetings attended during the year	6
	Directorships held in other Companies and Bodies Corporate	Baharampore-Farakka Highways Ltd. HCC Concessions Ltd. Steiner India Ltd. HCC Infrastructure Company Ltd. AVG Hotels Pvt. Ltd. Arya Capital Management Pvt. Ltd. (Debt Listed) Maharani Holdings Pvt. Ltd. and Dhawan Management Pvt. Ltd.
	Listed Entities from which resigned as a Director in past 3 years	Arya Capital Management Pvt. Ltd. (Debt Listed)
	Chairman/Member of the Committee of the Board of Directors in other Companies including listed Companies, if any	**HCC Concessions Ltd.** Nomination and Remuneration Committee - Member Corporate Social Responsibility Committee - Chairman Executive Committee - Chairman **Baharampore – Farakka Highways Ltd.** Nomination and Remuneration Committee - Member Corporate Social Responsibility Committee - Chairman
	Number of Shares held in the Company	Nil

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IMPORTANT FINANCIAL STATISTICS

Year	Paid Up Capital		Reserves	Debentures	Fixed Assets		Turnover	Net Profit	Dividend paid on Preference and Equity shares	Equity
	Equity ₹ Lacs	Preference ₹ Lacs	₹ Lacs	₹ Lacs	Gross Block ₹ Lacs	Net Block ₹ Lacs	₹ Lacs	₹ Lacs	₹ Lacs	Dividend %
1926-27	4.00	—	0.30	—	0.58	0.58	N.A.	0.98	0.80	20.00
1927-28	4.00	—	0.30	—	0.53	0.53	N.A.	0.98	0.80	20.00
1928-29	4.00	—	0.25	—	0.53	0.53	N.A.	1.38	1.40	35.00
1929-30	4.00	—	0.25	—	0.50	0.50	N.A.	0.81	0.70	17.50
1930-31	4.00	—	0.25	—	0.84	0.84	N.A.	0.12	-	-
1931-32	4.00	—	0.25	—	0.94	0.64	N.A.	0.44	0.40	10.00
1932-33	8.00	—	0.25	—	1.78	1.28	N.A.	2.19	2.00	25.00
1933-34	8.00	—	0.19	—	3.16	2.66	N.A.	2.67	2.80	35.00
1934-35	12.00	—	0.24	—	3.42	2.82	N.A.	2.19	2.00	16.33
1935-36	12.00	—	0.48	—	4.71	3.96	9.40	1.86	1.75	14.50
1936-37	12.00	—	0.56	—	7.30	6.40	62.96	1.81	—	—
1937-38	12.00	—	0.70	—	8.08	7.18	69.04	-1.90	—	—
1938-39	12.00	—	0.70	—	6.85	5.95	45.50	0.31	—	—
1939-40	12.00	—	0.70	—	6.02	5.12	90.39	3.58	2.40	20.00
1940-41	12.00	—	1.70	—	5.36	4.46	184.58	4.28	4.20	35.00
1941-42	12.00	25.00	1.70	—	4.70	3.80	510.53	7.45	6.18	45.00
1942-43	12.00	25.00	1.70	—	4.66	3.01	574.57	10.59	8.76	60.00
1943-44	12.00	25.00	1.70	—	4.89	1.74	466.69	10.33	8.56	60.00
1944-45	12.00	25.00	2.70	—	3.87	—	—	10.14	1.56	—
1945-46	12.00	25.00	9.70	—	3.99	0.04	175.47	12.89	4.56	25.00
1946-47	12.00	25.00	17.70	—	10.46	6.31	165.70	10.92	4.56	25.00
1947-48	36.00	25.00	1.70	—	12.40	8.25	249.76	8.26	4.56	8.33
1948-49	36.00	25.00	5.70	—	14.46	10.31	263.14	11.20	4.56	8.33
1949-50	36.00	25.00	12.70	—	18.52	14.37	202.49	9.75	5.16	10.00
1950-51	36.00	25.00	15.70	—	21.38	16.23	239.24	9.10	5.16	10.00
1951-52	36.00	25.00	18.70	—	21.89	15.94	299.04	6.22	5.16	10.00
1952-53	36.00	25.00	19.00	—	24.30	17.35	231.57	8.16	5.16	10.00
1953-54	36.00	25.00	21.50	—	24.09	16.64	—	10.65	5.16	10.00
1954-55	36.00	25.00	24.00	—	24.06	14.11	345.62	15.34	5.16	10.00
1955-56	36.00	25.00	25.35	—	27.93	16.01	415.54	17.73	6.06	12.50
1956-57	36.00	25.00	23.34	—	29.42	17.01	769.15	12.46	6.06	12.50
1957-58	36.00	25.00	51.11	—	37.16	25.06	928.37	15.22	6.06	12.50
1958-59	36.00	25.00	66.70	—	38.48	24.10	1080.85	24.37	8.76	20.00
1959-60	36.00	25.00	97.62	—	563.22	210.51	913.84	31.88	8.76	20.00
1960-61	36.00	25.00	129.34	—	575.97	202.46	1037.66	31.08	8.76	20.00
1961-62	72.00	25.00	144.75	—	635.20	225.06	1280.33	59.68	11.45	20.00
1962-63	72.00	25.00	218.32	—	673.22	259.40	1476.12	30.86	15.96	20.00
1963-64	72.00	25.00	280.29	—	744.67	281.65	1837.79	84.51	37.56	50.00
1964-65	72.00	25.00	389.13	—	889.87	364.65	2169.89	120.79	44.76	60.00
1965-66	180.00	25.00	389.81	—	977.45	401.22	2021.32	114.64	46.43	25.00
1966-67	252.00	25.00	391.81	—	1154.51	503.28	1994.93	72.76	46.92	18.00
1967-68	252.00	25.00	427.26	—	1250.05	524.60	1689.72	55.35	31.80	12.00
1968-69	252.00	25.00	472.14	—	1420.94	614.79	2249.82	36.61	31.80	12.00
1969-70	252.00	25.00	492.31	—	1473.64	577.23	2574.57	28.86	31.80	12.00
1970-71	252.00	25.00	468.44	—	1541.99	527.99	2256.93	-37.01	1.56	—
1971-72	252.00	25.00	355.07	—	1580.80	471.42	2294.29	-140.47	1.56	—
1972-73	252.00	25.00	260.62	120.00	1677.91	491.34	2478.09	-136.27	1.56	—
1973-74	252.00	25.00	216.33	120.00	1776.09	481.58	2962.99	-55.7	—	—
1974-75	252.00	25.00	301.11	120.00	1825.94	462.49	3006.50	61.65	—	—
1975-76	252.00	25.00	320.23	120.00	1890.47	471.69	2529.62	15.98	19.81	6.00
1976-77	252.00	25.00	435.82	120.00	1994.99	508.35	3485.71	-46.25	51.96	20.00
1977-78	252.00	25.00	384.81	96.00	2111.14	594.75	2903.63	145.71	16.68	6.00
1978-79	252.00	25.00	387.43	80.42	2170.42	595.93	3146.53	21.38	24.24	9.00
1979-80	252.00	25.00	409.90	64.85	2255.96	582.63	4181.76	45.31	24.24	9.00
1980-81	252.00	25.00	608.98	49.28	3122.81	1152.64	6916.96	233.58	39.36	15.00
1981-82	252.00	25.00	755.81	45.71	3991.44	1598.37	10989.86	184.07	39.36	15.00
1982-83	252.00	25.00	1861.51	42.14	4744.49	2745.66	11021.23	422.90	39.36	15.00
1983-84	628.54	25.00	2046.45	38.57	5022.30	2748.32	10989.89	513.13	81.46	15.00
1984-85	629.96	25.00	2253.89	1035.00	5627.17	3052.75	9178.04	231.06	96.06	15.00
1985-86	629.98	25.00	2057.21	1035.00	6329.50	3311.65	8426.38	-195.12	1.56	—
1986-87	630.00	25.00	1710.57	1035.00	6578.91	3102.10	9885.49	-346.64	—	—
1987-88	630.00	25.00	1672.72	990.83	6445.07	2653.76	12334.37	21.98	59.83	9.00
1988-89 (14 months)	630.00	25.00	1772.71	1032.15	6282.70	2308.82	12223.19	202.61	102.62	16.00
1989-91 (18 months)	630.00	—	1820.25	1421.60	6685.51	2477.79	12794.33	161.05	113.46	18.00
1991-92 (15 months)	775.13	—	1824.84	1031.78	6318.24	2015.47	11232.57	64.95	60.36	8.00
1992-93	775.90	—	2006.60	800.65	7033.20	2488.91	11072.27	275.01	93.25	12.00
1993-94	775.98	—	2624.81	547.16	7949.79	3101.73	14292.85	812.48	194.27	25.00
1994-95	776.79	—	3955.22	451.73	8442.89	2899.08	22037.40	1562.96	232.96	30.00
1995-96	2002.55	—	5499.23	7120.58	9890.04	4770.48	24695.24	1050.63	304.84	17.50
1996-97	2003.04	—	5559.82	7206.41	16083.41	10493.38	31170.13	324.51	200.03	10.00
1997-98	2003.04	—	5771.45	7133.23	17112.45	10743.31	37563.57	431.97	200.03	10.00
1998-99	2003.04	—	6348.45	7059.89	27251.87	18942.28	62540.25	924.66	300.46	15.00
99-2000	2003.04	—	8043.55	6962.16	29566.64	19839.21	53077.22	2139.83	400.66	20.00
2000-01	2003.05	—	10145.17	6142.13	34454.43	23602.22	56585.93	2653.54	500.83	25.00
2001-02 (9 months)	2003.06	—	9986.63	5819.92	41916.96	28851.20	46394.16	4274.91	600.72	30.00
2002-03	2003.06	—	11948.68	7000.00	48911.08	35820.96	78923.25	2865.64	800.96	40.00
2003-04	2003.06	—	14387.18	7000.00	54821.32	36943.13	117135.67	3567.98	1001.20	50.00
2004-05	2293.61	—	33004.80	9800.00	62076.02	43804.21	157654.05	7401.96	1375.77	60.00
2005-06	2563.16	—	86418.93	8933.33	77280.60	59949.11	202814.87	12479.81	1793.75	70.00
2006-07	2563.16	—	87845.40	17966.67	110118.56	74616.08	239450.36	3675.96	1921.87	75.00
2007-08	2563.16	—	96323.45	16900.00	140970.45	95307.98	310434.07	10875.74	2050.00	80.00
2008-09	2563.16	—	96403.00	20500.00	168283.00	112819.00	351832.00	12535.00	2050.00	80.00
2009-10	3033.16	—	148683.00	18333.00	181418.00	114969.00	386297.00	8144.00	2426.00	80.00
2010-11	6066.00	—	146153.00	16667.00	198749.00	118428.00	414905.00	7100.00	2426.00	40.00
2011-12	6066.00	—	123944.00	22000.00	205622.00	112447.00	401060.00	-22225.00	—	—
2012-13	6066.00	—	110211.00	22000.00	206289.00	101039.00	383865.00	-13764.00	—	—
2013-14	6066.00	—	118673.00	22000.00	202580.00	91540.00	411349.00	8064.00	—	—
2014-15	6459.00	—	132286.00	21010.00	200646.00	78474.00	430114.00	8165.00	—	—
2015-16	7792.00	—	178491.00	18730.00	194985.00	66908.00	419090.00	8497.00	—	—
2016-17 (IND-AS)	10108.00	—	258890.00	14469.00	198988.00	59547.00	419594.00	8092.00	—	—
2017-18	10155.00	—	267339.00	11024.00	207258.00	59794.00	457508.00	6589.00	—	—
2018-19 (Restated)	15131.00	—	120232.00	10382.00	190284.00	41809.00	460349.00	-193506.00	—	—
2019-20	15131.00	—	102743.00	8259.00	185085.00	34547.00	364364.00	-18259.00	—	—
2020-21	15131.00	—	46055.00	6337.00	196138.00	48042.00	258974.00	-55956.00	—	—
2021-22	15131.00	—	31702.00	4112.00	170233.00	37232.00	466628.00	-14524.00	—	—

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Cover image

Anji Khad Bridge, Jammu & Kashmir