

# MEHTA & PAI

CHARTERED ACCOUNTANTS

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Mumbai - 400 034.

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CA. SURESH S. MEHTA  
B.Com.(Hons.), F.C.A.

CA. ARUN K. PAI  
B.Com.(Hons.), F.C.A.

## Independent Auditors' Report

To,  
The Members of,  
HCC Construction Limited,

## Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **HCC Construction Limited** (the Company'), which comprise the Balance Sheet as at March 31, 2018, the statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules made there under.

This responsibility also includes 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 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the Ind AS financial statement in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about



whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Ind AS financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of financial position of the Company as at March 31, 2018 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Government of India – Ministry of Corporate Affairs, in terms of sub-section (11) of section 143 of the Act, we enclose in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and statement of changes in equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rule issued



thereunder.

- (e) On the basis of the written representations received from the Directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;



**FOR MEHTA & PAI**

Chartered accountants

ICAI firm registration No.113591W

**SURESH MEHTA**

Partner

Membership No.: 032230

Place : Mumbai

Date : **30 APR 2018**

## ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date on the financial statements for the year ended on March 31, 2018 of HCC Construction Limited )

- (i) The company doesn't have any Fixed Assets and accordingly, the provisions of sub-clauses (a), (b) and (c) clause (i) of the Order are not applicable to the Company.
- (ii) In absence of inventories clauses (ii) of the Order is not applicable to the Company.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, sub-clause (a), (b) and (c) are not applicable.
- (iv) In the absence of loans, investments, guarantees and security provided, provisions of section 185 and 186 of the Companies Act, 2013 are not applicable.
- (v) The Company has not accepted any deposits from the public to which the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 or the Companies (Acceptance of Deposit) Rules 2014 or the directives issued by the Reserve Bank of India apply.
- (vi) We have been informed that the Company is not required to maintain cost records under sub-section (1) of section 148 of the Companies Act, 2013, which has been relied upon.
- (vii) During the year there were no employees in the employment of the Company. Accordingly the directions relating to Provident Fund and Employee's State Insurance are not applicable to the Company. Further, based on our examination of the records maintained during the year, the Company is not liable to make any payments towards duty of customs, duty of excise, cess, sales tax and value added tax. The Company has been generally regular in depositing income tax and service tax dues along with cess thereon with the appropriate authority and there are no undisputed amounts payable there of which are outstanding, as at March 31, 2018 for a period of more than six months from the date they became payable.\
- (viii) According to the records of the Company, there are no dues of income tax, sales tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.
- (ix) According to the information and explanations given to us, the Company has not taken any money from any financial institution, bank or debenture holder, and hence clause 3(viii) is not applicable to the Company.

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

**FOR MEHTA & PAI**

Chartered accountants

ICAI firm registration No.113591W

*mehta*  
**SURESH MEHTA**

Partner

Membership No.: 032230

Place : Mumbai

Date : **30 APR 2018**

## **Annexure-B to Auditor's report**

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

We have audited the internal financial controls over financial reporting of **HCC Construction Limited** ("the Company") as of 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

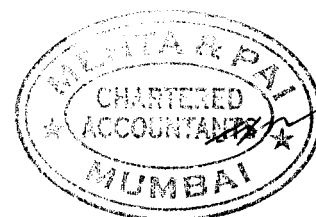
#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



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

### **Meaning of Internal Financial Controls over Financial Reporting**

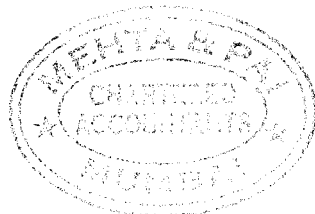
A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



**FOR MEHTA & PAI**

Chartered accountants

ICAI firm registration No.113591W

*A.S. Mehta*  
**SURESH MEHTA**

Partner

Membership No.: 032230

Place : Mumbai

Date : **30 APR 2018**

**BALANCE SHEET AND STATEMENT OF PROFIT & LOSS  
FOR THE YEAR ENDED 31ST MARCH 2018**

**HCC CONSTRUCTION LIMITED**



**HCC CONSTRUCTION LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH 2018**

PARTICULARS	Note No.	31st March 2018	31st March 2017
		Rs.	Rs.
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>		-	-
<b>CURRENT ASSETS</b>			
Financial Assets			
Cash and Cash Equivalents	2	4,68,791	632
Other Current Assets	3	21,133	-
<b>TOTAL</b>		<b>4,89,924</b>	<b>632</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	5	5,00,000	5,00,000
<b>OTHER EQUITY</b>			
Reserve and surplus	6	(2,99,597)	(6,94,018)
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITY</b>		-	-
<b>CURRENT LIABILITY</b>			
Other Current Liabilities	7	1,49,070	1,46,570
Provisions	8	1,40,450	48,079
<b>TOTAL</b>		<b>4,89,924</b>	<b>632</b>
Significant Accounting Policies and Notes to Accounts	1		

As per our report of even date

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

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



**For HCC Construction Ltd**

**ARUN V. KARAMBELKAR**

Director

*S.D. Jeur*  
**S.D. JEUR**

Director

*R.V.R. Kishore*  
**R.V.R. KISHORE**

Director

*R.P. Purohit*  
**R. P. PUROHIT**

Director

PLACE : Mumbai

DATED : **30 APR 2018**

**HCC CONSTRUCTION LIMITED**

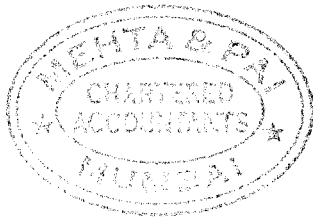
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2018**

	Particulars	Note No.	For the Year ended	For the Year ended
			31st March 2018	31st March 2017
			Rs.	Rs.
I	<b>REVENUE FROM OPERATIONS</b>		-	-
II	<b>OTHER INCOME</b>	9	5,15,000	-
	Total Income (I+II+III)		5,15,000	-
-IV	<b>EXPENSES</b>			
	Other Expenses	10	43,541	48,785
	<b>Total Expenses (IV)</b>		43,541	48,785
V	<b>Profit / (Loss) before exceptional items and Tax</b>		4,71,459	(48,785)
VI	Exceptional Items		-	-
VII	<b>Profit Before Tax(IV - V)</b>		4,71,459	(48,785)
VIII	<b>TAX EXPENSE</b>			
	Current Tax		98171	-
	MAT Cr. Entitlement.		(21,133)	-
			77,038	-
			-	-
IX	<b>Profit(Loss) for the year from the continuing operations</b>		3,94,421	(48,785)
X	<b>Profit / (Loss) for the year from the discontinuing operations</b>		-	-
XI	Tax Expense from discontinuing operations		-	-
XII	<b>Profit / (Loss) for the year from the discontinuing operations</b>		-	-
XIII	<b>LOSS FOR THE YEAR</b>		3,94,421	(48,785)
	Earning per Share (Basic & Diluted) (Face Value of Rs. 10/- per Share)		7.89	(0.98)
	Significant Accounting Policies and Notes to Accounts	1		

As per our report of even date

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

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



**For HCC Construction Ltd**

**ARUN V. KARAMBELKAR** Director

**S.D.JEUR** Director

**R.V.R.KISHORE** Director

**R. P. Purohit** Director

PLACE : Mumbai

DATED : **30 APR 2018**

**HCC CONSTRUCTION LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018**

	YEAR ENDED 31.03.2018 (Amount in Rs)	YEAR ENDED 31.03.2017 (Amount in Rs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Loss before tax as per Statement of Profit & Loss	3,94,421	(48,785)
Operating loss before working capital changes	<u>3,94,421</u>	<u>(48,785)</u>
Adjustments for :		
Trade & Other receivable	(21,133)	
Other payables	<u>94,871</u>	23,434
	73,738	23,434
Cash generated from operations	<u>4,68,160</u>	<u>(25,351)</u>
Direct Taxes Paid	-	-
Net cash flow from operating activities	<u>4,68,160</u>	<u>(25,351)</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>	-	-
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>	-	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>4,68,160</b>	<b>(25,351)</b>
<b>CASH AND CASH EQUIVALENTS AS AT 01/04/2017 (OPENING BALANCE)</b>	<b>631</b>	<b>25,982</b>
<b>CASH AND CASH EQUIVALENTS AS AT 31/03/2018 (CLOSING BALANCE)</b>	<b>4,68,791</b>	<b>631</b>

As per our report attached

For HCC Construction Ltd

For MEHTA & PAI  
Chartered Accountants  
Registration No. 113591W

ARUN V. KARAMBELKAR

Director

*S.D. Jeur*  
S.D. JEUR

Director

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

*R.V.R. Kishore*  
R.V.R. KISHORE

Director

PLACE : Mumbai

Dated : 30/04/2018

*R.P. Purohit*  
R. P. Purohit

Director

HCC CONSTRUCTION LIMITED

STATEMENT OF CHANGES IN EQUITY

Particulars	Equity share capital	Other Equity	Total
		Reserves and Surplus	
		Retained Earnings	
Balance as of April 1, 2017	5,00,000	(6,94,018)	(1,94,018)
Changes in equity for the Year ended 31.03.2018			
Profit / (Loss) during the year	-	3,94,421	3,94,421
Balance at the end of 31.03.2018	5,00,000	(2,99,597)	2,00,403

As per our report of even date

For MEHTA & PAI  
Chartered Accountants  
Registration No. 113591W

For HCC Construction Ltd

(SURESH MEHTA)  
Partner  
Membership No. 32230



ARUN V. KARAMBELKAR Director

S.D. JEUR Director

R.V.R. KISHORE Director

PLACE : Mumbai  
DATED :

30 APR 2018

R. P. Purohit Director

# HCC CONSTRUCTION LIMITED

## Summary of significant accounting policies and other explanatory information to the financial statements as at and for the Year ended 31st March 2018

### Note No 1 :

#### 1.1 Basis of Preparation of Financial Statements

The financial statements ("the financial statements") of HCC Construction Ltd ("the Company") have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified by the Companies (Accounting Standards) Rules, 2015 in respect of Section 133 of the Companies Act, 2013 ("the Act").

The financial statements upto year ended 31 March 2016 were prepared in accordance with the Accounting Standards notified by the Companies (Accounting Standards) rules, read with rule 7 to the Companies (Accounts) Rules, 2014 (as amended) in respect of Section 133 of the Act ("previous GAAP"). These financial statements are the first financial statements of the Company under Ind AS. Refer note no 1.3, for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flow.

The financial statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities, share based payments and contingent consideration that are measured at fair values, on an accrual basis of accounting.

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.

#### 1.2 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.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets and provisions and contingent liabilities.

#### 1.3 Financial Instruments

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

##### (a) Financial Assets

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

##### i) Financial Assets at Amortised Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is 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 method.

##### ii) Financial Assets Measured at Fair Value

- (a) A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. When appropriate, the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, 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.
- (b) 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.
- (c) Contingent assets are neither recognised nor disclosed in the financial statements.

#### 1.6 Finance Cost

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. Other borrowing costs are charged to the Statement of Profit and Loss in the period in which it is accrued. Also, the EIR amortisation is included in finance costs.

#### 1.7 Revenue Recognition

##### (a) Revenue from operations

The Company follows the percentage completion method, based on the stage of completion at the Balance Sheet date, taking into account the contractual price and revision thereto by estimating total revenue including claims/variations as per Ind AS 11 and total cost till completion of the contract and the profit so determined proportionate to the percentage of the actual work done.

##### (b) Interest and Other Income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

Other income is accounted for on accrual basis. Where the receipt of income is uncertain it is accounted for on receipt basis.

#### 1.8 Taxation

Tax on Income for the current year is computed in accordance with the provisions of the Income Tax Act, 1961.


The deferred tax charge or credit is recognized using the tax rates and tax laws that have been enacted on the Balance sheet date. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. At each balance sheet date, recognized and unrecognized deferred tax assets are reviewed.

#### 1.9 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to the equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of shares outstanding during the year. For the purpose of calculating diluted earning per share, net profit or loss for the year attributable to equity shareholders and weighted number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

#### 1.10 Segment Reporting

The Company's operation is considered under one segment "Real-Estate Development" for internal reporting provided to the chief operating decision maker. Therefore, the Company's business does not fall under different operational segments as defined by Ind AS 108 - "Operating Segments" referred to in Section 133 of the Companies Act, 2013.



**HCC CONSTRUCTION LIMITED****Notes Forming Part of Financial Statements As On 31st March 2018**

(All amounts are in INR Rupees, unless stated otherwise)

**Note 4 Financial Instrument****Financial risk management**

The companies activities exposes it to market risk, liquidity risk and credit risk.

This note explains the source of risk which the entity is exposed to and how the entity is manage the risk.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management</b>
Credit risk	Cash and cash equivalents, financial assets measured at amortised cost.	Aging analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Market risk — foreign exchange	-	-	-
Market risk — interest rate	-	-	-
Liquidity risk	Borrowings, Trade Payables and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Management of the Company provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk, use of derivative financial instrument and non-derivative financial instrument, and investments of excess liquidity.

**(a) Credit Risk**

The company is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the company. Credit risk arises from cash and cash equivalents, financial assets carried at amortised cost.

**(b) Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Company maintains flexibility in funding by support from holding company

**HCC CONSTRUCTION LTD****Notes Forming Part of Financial Statements As On 31st March 2018**

(All amounts are in INR Rupees, unless stated otherwise)

**Fair value measurements****Significance of financial instruments :****Classification of financial instruments**

Particulars	As at 31.03.2018	As at 31.03.2017
<b>Financial Assets</b>		
<b>At Amortised Cost</b>		
Cash and Cash equivalent	468791	632
<b>At Fair Value through Profit &amp; Loss</b>		-
<b>Total of Financial Assets</b>	<b>4,68,791</b>	<b>632</b>
<b>Financial Liabilities</b>		
<b>At Amortised Cost</b>		
Other Financial Liabilities	-	-
<b>Total of Financial Liabilities</b>	<b>-</b>	<b>-</b>

**Fair Value Hierarchy :****(a) Fair value hierarchy - Recurring fair value measurements**

Particulars	As at 31.03.2018	As at 31.03.2017
<b>Financial Assets</b>		
<b>At Fair Value through Profit &amp; Loss</b>		
Level - 1	-	-
<b>Total of Financial Assets</b>	<b>-</b>	<b>-</b>

**(b) Fair value hierarchy - Assets and liabilities which are measured at amortised cost for which fair values are disclosed**

Particulars	As at 31.03.2018	As at 31.03.2017
<b>Financial Assets</b>		
Level - 2	-	-
<b>Total of Financial Assets</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities</b>		
Level - 3		
Inter corporate deposit	-	-
Other Financial Liabilities - Interest on ICD	-	-
<b>Total of Financial Liabilities</b>	<b>-</b>	<b>-</b>

**Recognised fair value measurements**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level

**Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.



**HCC CONSTRUCTION LIMITED**

**Notes to Accounts**

PARTICULARS	As At	As At
	31st March 2018	31st March 2017
	Rs	Rs
<b>Note No. - 2</b>		
<b>CURRENT ASSETS</b>		
<u>Financial Assets</u>		
Cash and Cash Equivalents		
Bank Balance with Scheduled bank in current account	4,68,791	632
	<b>4,68,791</b>	<b>632</b>
<b>Note No. - 3</b>		
<b>OTHER CURRENT ASSETS</b>		
MAT Credit Receivable.		
	21,133	
	<b>21,133</b>	-
<b>Note No. - 5</b>		
<b>EQUITY</b>		
<u>Equity Share Capital</u>		
<u>Authorised Capital</u>		
50,00,000 Equity shares of Rs.10/- each	5,00,00,000	5,00,00,000
	<b>5,00,00,000</b>	<b>5,00,00,000</b>
<u>Issued, Subscribed &amp; Paid-up Capital</u>		
50,000 Equity shares of Rs.10/- each (Fully held by Hindustan Construction Company Ltd, the holding Co.)	5,00,000	5,00,000
	<b>5,00,000</b>	<b>5,00,000</b>
Reconciliation of shares outstanding at the beginning and at the end of the reporting period.		
Equity shares :		
No of shares outstanding at the Beginning of the year : Qty	50000	50,000
	<b>500000</b>	<b>5,00,000</b>
Value		
: Share issued and allotted during the year Qty	-	-
	-	-
Value		
No of shares outstanding at the End of the year : Qty	50000	50,000
	<b>500000</b>	<b>5,00,000</b>
Value		
Terms / Rights attached to shares :		
<u>Equity shares</u>		
Shares held by Holding Company :		
Hindustan Construction Company Limited Qty	50000	50,000
Share Holding of more than 5% :		
Hindustan Construction Company Limited % Held	100	100
	<b>50000</b>	<b>50,000</b>
<b>Note No. - 6</b>		
<b>OTHER EQUITY</b>		
<u>Reserve and surplus</u>		
Surplus as per Profit and Loss		
Balance Brought Forward	(6,94,018)	(6,45,233)
Add : Profit for the Year	3,94,421	(48,785)
Closing Balance	<b>(2,99,597)</b>	<b>(6,94,018)</b>

*HW*

**Note No. - 7****CURRENT LIABILITY****OTHER CURRENT LIABILITIES**

Hindustan Construction Company Ltd

1,49,070

1,46,570

1,49,070

1,46,570

**Note No. - 8****SHORT TERM PROVISIONS**

Other provisional Liability

Provision for Taxation

42,280

48,080

98,171

-

1,40,451

48,080

**Note No. - 9****OTHER INCOME**

Project/ Managment Consultancy services

Excess Provision for Expenses written back

5,00,000

-

15,000

-

5,15,000

-

**Note No. - 10****OTHER EXPENSES**

Professional Charges

Audit Fees

Rates and Taxes

Finance Charges

16,162

21,113

17,250

17,251

8,612

6,798

1,517

3,623

43,541

48,785

*W*

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

A. Names of Related Parties & Nature of Relationship

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

B. Transactions with related parties

(Amount in Rs.)

Particulars of Transaction	Fellow Subsidiary		Holding Company	
	2017-18	2016-17	2017-18	2016-17
Payable to Hindustan Construction Co. Limited-Holding Company	-	-	1,49,070	1,46,570
Project Mangement Fees Received from Holding Company	-	-	(5,00,000)	-

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

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

14 Earnings per Share

Particulars	2017-18	2016-17
i. Net Profit /(Loss) as per Statement of Profit & Loss Account available for Equity Shareholders (Rupees)	3,94,421	(48,785)
ii No. of Shares of Equity Shares for EPS Computation	50,000	50,000
iii. EPS (Basic & Diluted) (Rupees) (Face Value Rs.10/- per Share)	7.89	(0.98)

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

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

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

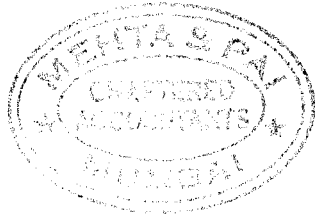
18 There are no reportable contingent liabilities as on Balance Sheet Date.

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

As per our report of even date

For MEHTA & PAI  
Chartered Accountants  
Registration No. 113591W

(SURESH MEHTA)  
Partner  
Membership No. 32230



For HCC Construction Ltd

ARUN V. KARAMBELKAR

Director

S.D.JEUR

Director

R.V.R.KISHORE

Director

R. P. Purohit

Director

PLACE :Mumbai

DATED : 30 APR 2018