Walker Chandiok & Co LLP
11th Floor, Tower II,
One International Center,
S B Marg, Prabhadevi (W),
Mumbai - 400013
Maharashtra, India
T +91 22 6626 2699
F +91 22 6626 2601

Independent Auditor's Report

To the Members of HCC Infrastructure Company Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of **HCC Infrastructure Company Limited** ('the Company'), which comprise the Standalone Balance Sheet as at **31 March 2021**, the **Standalone** Statement of Profit and Loss (including Other Comprehensive Income), the Standalone statement of Cash Flow and the Standalone Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

4. We draw attention to Note 30 to the accompanying standalone financial statements, which indicate that the Company has incurred a net loss of ₹ 5,243.33 Lakhs during the year ended 31 March 2021, and as of that date, the Company's accumulated losses amounts to ₹ 1,19,599.80 Lakhs and current liabilities exceeded its current assets by ₹ 53,499.83 Lakhs. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, based on the factors mentioned in aforesaid note, management is of the view that the going concern basis of accounting is appropriate. Our opinion is not modified in respect of this matter.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS * MUMBAI

Emphasis of Matters

5. We draw attention to Note 32 to the accompanying standalone financial statements, regarding Company's non-current investment in HCC Concessions Limited ('HCON'), a joint venture company of the Company, aggregating ₹ 85,946.56 Lakhs as at 31 March 2021 (31 March 2020: ₹ 85,946.56 Lakhs). The consolidated net worth of the aforesaid joint venture has been substantially eroded; however, based on the valuation report from an independent valuer, settlement in respect of various claims of subsidiaries of HCON with NHAI and expected outcome of the negotiation/ arbitration/ litigations and legal advice obtained in respect of certain claims of a subsidiary of HCON, as described in the aforesaid note, management is of the view that the realizable amount is higher than the carrying value of the investments due to which the investment in HCON is considered as good and recoverable.

   Our opinion is not modified in respect of the above matter.

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

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

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

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

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

Responsibilities of Management for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the Standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS * MUMBAI

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

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

9. Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

10. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

13. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.

WALKER CHANDIOK & CO LLP * MUMBAI * CHARTERED ACCOUNTANTS

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

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

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

    b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) the standalone financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

    e) the matters described in paragraph 4 under the Material uncertainty related to Going concern section and in paragraph 5 under the Emphasis of Matter 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 2021 from being appointed as a director in terms of section 164(2) of the Act;

    g) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report as per Annexure B expressed unmodified opinion; and

    h) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. the Company, as detailed in note 5(iii) to the standalone financial statements, has disclosed the impact of pending litigations on its financial as at 31 March 2021;

        ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

        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 2021; and

        iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

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

Vijay. D Jain

Vijay D. Jain
Partner
Membership No:117961

UDIN:21117961AAAAAJ8674

Place: Mumbai
Date: 21 June 2021

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

Annexure A to the Independent Auditor's Report of even date to the members of HCC Infrastructure Company Limited, on the standalone financial statements for the year ended 31 March 2021

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

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

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

(c) The Company does not hold any immovable property (in the nature of 'property, plant and equipment'). Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has granted interest bearing unsecured loans to three companies covered in the register maintained under Section 189 of the Act and with respect to the same:

(a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest;

(b) the schedule of repayment of the principal and the payment of the interest has not been stipulated and hence we are unable to comment as to whether repayments/receipts of the principal amount and the interest are regular; and

(c) in the absence of stipulated schedule of repayment of principal and payment of interest, we are unable to comment as to whether there is any amount which is overdue for more than 90 days and whether reasonable steps have been taken by the Company for recovery of the principal amount and interest.

(iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of loans, investments, guarantees and security. Further, in our opinion, the Company has not entered into any transaction covered under Section 185.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

Annexure A (Contd)

(vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have not been regularly deposited to the appropriate authorities and there have been significant delays in a large number of cases. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

Statement of arrears of statutory dues outstanding for more than six months:

Name of the statute	Nature of the dues	Amount (₹ in lakhs)	Period to which the amount relates	Due Date	Date of Payment
Income Tax Act, 1961	Interest on late payment of TDS	39.22	01 April 2020 to 30 September 2020	Various date	Unpaid

(b) There are no dues in respect of income-tax, goods and service tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

(viii) There are no loans or borrowings payable to government and no dues payable to debenture-holders. The Company has defaulted in repayment of loans/borrowings to the following bank and financial institution, which were repaid on or before the balance sheet date:

(₹ in Lakhs)

Name of the bank	Delay in days	Principal	Interest	Total
Yes Bank	0-180 Days	-	55.06	55.06
	Above 180 Days	1,185.92	611.41	1,797.33
SREI Equipment Finance Limited	0-180 Days	2.84	75.34	78.18
	Above 180 Days	0.13	12.90	13.03

(ix) The Company did not raise moneys by way of term loans or initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS * MUMBAI

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

Annexure A (Contd)

(xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the standalone financial statements, as required by the applicable Ind AS. Further, in our opinion, the Company is not required to constitute audit committee under Section 177 of the Act.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Vijay D Jain

Vijay D. Jain
Partner
Membership No:117961

UDIN:21117961AAAAAJ8674

Place: Mumbai
Date: 21 June 2021

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

Annexure B to the Independent Auditor's Report of even date to the members of HCC Infrastructure Company Limited on the standalone financial statements for the year ended 31 March 2021

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

1. In conjunction with our audit of the standalone financial statements of HCC Infrastructure Company Limited ('the Company') as at and for the year ended 31 March 2021, 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 the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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

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

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

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

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (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

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS * MUMBAI

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

Annexure B (Contd)

necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Standalone financial statements and such controls were operating effectively as at 31 March 2021, 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 issued by the ICAI.

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

Vijay. D Jain

Vijay D. Jain
Partner
Membership No:117961

UDIN:21117961AAAAAJ8674

Place: Mumbai
Date: 21 June 2021

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

HCC Infrastructure Company Limited
Standalone balance sheet as at 31 March 2021
(All amounts are in ₹ lakhs, unless stated otherwise)

	Note No.	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	-	-
Investments in subsidiaries and joint venture	3(b)	86,413.61	86,413.61
Financial assets			
Loans	4	3,044.08	4,778.69
Other financial assets	5	2,300.62	2,144.58
Income-tax assets (net)	6	317.49	199.88
Deferred tax assets (net)	6.1	-	-
Total non-current assets		**92,075.80**	**93,536.76**
Current assets			
Financial assets			
Trade receivables	7	-	270.00
Cash and cash equivalents	8	13.80	1,010.19
Bank balances other than cash and cash equivalents	8.1	20.00	-
Other financial assets	5	1,580.29	2,061.88
Other current assets	9	10.00	14.86
Total current assets		**1,624.09**	**3,356.93**
TOTAL ASSETS		**93,699.89**	**96,893.69**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	25.00	25.00
Other equity		38,507.82	43,751.15
Total equity		**38,532.82**	**43,776.15**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	11	1.00	605.34
Other financial liabilities	12	42.15	126.65
Total non-current liabilities		**43.15**	**731.99**
Current Liabilities			
Financial liabilities			
Borrowings	13	34,915.73	35,163.35
Trade payables	14		
i) total outstanding dues of micro and small enterprises		-	-
ii) total outstanding dues other than (i) above		9.50	13.25
Other financial liabilities	12	19,832.52	16,600.86
Other current liabilities	15	366.17	608.09
Total current liabilities		**55,123.92**	**52,385.55**
TOTAL EQUITY AND LIABILITIES		**93,699.89**	**96,893.69**

Summary of significant accounting policies and other explanatory information 2

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

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

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

Vijay D. Jain
Partner
Membership No.: 117961

Place: Mumbai
Date: 21 June 2021

For and on behalf of the Board of Directors

Venkata Ramana Kishore Repaka
Director
DIN : 07402969

Aditya Pratap Jain
Director
DIN : 08115375

Place: Mumbai
Date: 21 June 2021

HCC Infrastructure Company Limited
Standalone statement of profit and loss for the year ended 31 March 2021
(All amounts are in ₹ lakhs, unless stated otherwise)

	Note No.	Year ended 31 March 2021	Year ended 31 March 2020
Income			
Revenue from operations	16	216.00	1,500.00
Other income	17	459.71	592.83
Total Income		**675.71**	**2,092.83**
Expenses			
Employee benefits expense	18	-	0.27
Finance costs	19	4,421.31	4,445.75
Other expenses	20	1,497.69	3,153.96
Total expenses		**5,919.00**	**7,599.98**
(Loss) before exceptional item and tax		**(5,243.29)**	**(5,507.15)**
Exceptional item - gain/(loss)	21	-	12,000.00
Profit/(Loss) before tax		**(5,243.29)**	**6,492.85**
Tax expenses / (credit)			
Current income tax		-	-
Tax pertaining to earlier years		0.04	-
Deferred tax		-	-
Profit/ (Loss) for the year (A)		**(5,243.33)**	**6,492.85**
Other comprehensive income (OCI)			
(a) Items not to be reclassified subsequently to profit or loss		-	-
(b) Items to be reclassified subsequently to profit or loss		-	-
Other comprehensive income/ (loss) for the year, net of tax (B)		-	-
Total comprehensive Income/(loss) for the year, net of tax (A+B)		**(5,243.33)**	**6,492.85**
Earning/(Loss) per equity share of each having face value of ₹10 each	24		
Basic (in ₹)		(2,097.33)	2,597.14
Diluted (in ₹)		(2,097.33)	2,597.14
Summary of significant accounting policies and other explanatory information	2		

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

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

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

Vijay. D Jain

Vijay D. Jain
Partner
Membership No.: 117961

Place: Mumbai
Date: 21 June 2021

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Venkata Ramana Kishore Repaka
Director
DIN : 07402969

Aditya Pratap Jain
Director
DIN : 08115375

Place: Mumbai
Date: 21 June 2021

HCC Infrastructure Company Limited

HCC Infrastructure Company Limited
Standalone statement of cash flow for the year ended 31 March 2021
(All amounts are in ₹ lakhs, unless stated otherwise)

	Year ended 31 March 2021	Year ended 31 March 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	(5,243.29)	6,492.85
Adjustment for non cash items and items considered separately		
Finance costs	3,940.19	3,964.63
Interest income on ICD	(191.50)	(127.27)
Interest on compensation	(156.04)	(156.47)
Corporate guarantee commission income	(102.08)	(102.08)
Reversal of loss on other receivables	-	(0.16)
Reversal of loss on ICD interest	(2.00)	(193.50)
Reversal of interest income on compensation of earlier period	-	61.23
Impairment losses on financial assets		
- Other receivables	-	105.26
- Investment in subsidiaries	-	259.55
- ICD receivables including interest	1,479.54	2,696.84
- Other receivables	-	(12,000.00)
Operating profit/(loss) before working capital changes	**(275.18)**	**1,000.88**
Adjustments for changes in working capital:		
(Increase) in trade receivables	270.00	612.96
(Increase)/decrease in other financial assets - non current	0.00	(105.10)
(Increase) in other current assets	4.86	(12.61)
Increase in other current financial liabilities	1,035.26	0.46
Increase/(decrease) in current provisions	-	(0.29)
Increase/(decrease) in non current provisions	-	(7.99)
Increase/(decrease) in other current liabilities	(241.92)	506.42
(Decrease) in trade payables	(3.75)	(6.30)
Cash generated from operations	**789.27**	**1,988.43**
Direct taxes (paid)/ refunded (net)	(117.66)	25.14
Net cash generated from operating activities (A)	**671.61**	**2,013.57**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Intercorporate deposit given to related parties (Refer notes (c) and (d) below)	(52.25)	(1,213.30)
Refund of intercorporate deposit given to related parties	307.33	314.95
Interest received	675.07	221.23
Investments in bank deposits (having original maturity of more than three months)	(20.00)	-
Net cash generated from/ (used in) investing activities (B)	**910.15**	**(677.12)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from long term debt	-	600.00
Repayment of long term debt	(1,188.97)	(1.04)
Inter-corporate deposit taken from related parties (Refer note (a),(b) and (d))	682.00	3,201.71
Repayment of Inter-corporate deposits taken from related parties	(929.61)	-
Interest paid on borrowings	(1,048.37)	(4,095.57)
Interest paid on other	(93.20)	(45.81)
Net cash used in financing activities (C)	**(2,578.15)**	**(340.71)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**(996.39)**	**995.74**
Cash and cash equivalents at the beginning of the year	1,010.19	14.45
Cash and cash equivalents at the end of the year (Refer note 8)	**13.80**	**1,010.19**

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

HCC Infrastructure Company Limited ★ Delhi

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

Significant non cash movements during the current year excludes:

(a) Statutory dues on Interest accrued on ICD taken from Hindustan Construction Company Limited converted into intercorporate deposit taken from Holding Company amounting to ₹ Nil lakhs (31 March 2020 ₹ 449.86 lakhs).

(b) Conversion of interest receivable on intercorporate deposit given to HCC Real Estate Limited into intercorporate deposit amounting to ₹ Nil lakhs (31 March 2020 ₹230.99 lakhs)

(c) Conversion of Interest on SREI borrowing into borrowing amounting to ₹ Nil lakhs (31 March 2020 ₹ 8.44 lakhs)

(d) Deemed investment on Inter-corporate deposits given to HCC Operations and Maintenance Limited has been netted off against intercorporate deposit taken and interest amounting to ₹ Nil lakhs (31 March 2020 ₹ 2,100.00 lakhs)

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

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

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

Vijay. D Jain

Vijay D. Jain
Partner
Membership No.: 117961

Place: Mumbai
Date: 21 June 2021

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Venkata Ramana Kishore Repaka
Director
DIN : 07402969

Aditya Pratap Jain
Director
DIN : 08115375

Place: Mumbai
Date: 21 June 2021

HCC Infrastructure Company Limited

HCC Infrastructure Company Limited
Standalone statement of changes in equity for the year ended 31 Mar 2021
(All amounts are in ₹ lakhs, unless stated otherwise)

A) Equity share capital (Refer note 10)

Particulars	Number	₹ lakhs
Equity shares of ₹ 10 each issued, subscribed and paid up		
As at 31 March 2019	**2,50,000**	**25.00**
Movement during the year	-	-
As at 31 March 2020	**2,50,000**	**25.00**
Movement during the year	-	-
As at 31 March 2021	**2,50,000**	**25.00**

B) Other equity

(₹ lakhs)

Particulars	Deemed capital contribution	Reserves and surplus		Total equity attributable to equity holders
		Capital reserve on merger	Retained earnings	
As at 1 April 2019	**1,57,503.62**	**604.00**	**(1,20,849.32)**	**37,258.30**
Profit for the year	-	-	6,492.85	6,492.85
Other comprehensive income	-	-	-	-
As at 31 March 2020	**1,57,503.62**	**604.00**	**(1,14,356.47)**	**43,751.15**
Loss for the year	-	-	(5,243.33)	(5,243.33)
Other comprehensive income	-	-	-	-
As at 31 March 2021	**1,57,503.62**	**604.00**	**(1,19,599.80)**	**38,507.82**

Nature and purpose of reserves

i. Deemed capital contribution
The Company when transfers benefit to its subsidiary or group Companies in form of financial guarantee or loan without charging any commission or interest on it, a deemed capital contribution account is created. This will be derecognised on disposal of control / investment in the subsidiary or group Company.

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

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

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

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

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

Vijay D. Jain
Partner
Membership No.: 117961

Place: Mumbai
Date: 21 June 2021

For and on behalf of the Board of Directors

Venkata Ramana Kishore Repaka
Director
DIN : 07402969

Aditya Pratap Jain
Director
DIN : 08115375

Place: Mumbai
Date: 21 June 2021

HCC Infrastructure Company Limited
Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

Note 1 Corporate Information

HCC Infrastructure Company Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the erstwhile Companies Act, 1956 (CIN : U45400MH2010PLC210944). It is a 100% subsidiary of "Hindustan Construction Company Limited (HCC)". Shares of its holding company are listed on two stock exchanges in India. The purpose of incorporation of this Company is to carry on all types of infrastructure activities whether on its own or through subsidiaries or Special purpose vehicles (SPV's). The financial statements of the Company for the year ended 31 March 2021 were authorised for issue in accordance with resolution of the Board of Director on 21 June 2021.

Note 2 Significant accounting policies

I Basis of preparation

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

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

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The previous year's figures have been regrouped / reclassified wherever necessary.

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

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

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

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

Valuation of investment in/ loans to subsidiaries and other group companies
The Company performs valuation for its investments in equity of subsidiaries for assessing whether there is any impairment in the fair value. When the fair value of investments in subsidiaries cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. Similar assessment is carried for exposure of the nature of loans and interest receivable thereon. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as expected earnings in future years, liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of these investments.

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

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

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

HCC Infrastructure Company Limited

iii Property, plant and equipment (Tangible assets)

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

iv Depreciation

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

Gain and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

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

The estimated useful lives are as below:

Computers : 3 years

Office Equipment : 5 years

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

v Financial Instruments

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

a Financial assets

Initial recognition

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

Subsequent measurement

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

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

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

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

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2016 of its investments in subsidiaries, associates and joint ventures and used that carrying value as the deemed cost of these investments on the date of transition i.e. 1 April 2016.

Impairment of financial assets

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

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

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS * MUMBAI

HCC Infrastructure Company Limited

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

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

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

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

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

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

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

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

Financial liabilities

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

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

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

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

Financial liabilities at amortised cost

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

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.

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

HCC Infrastructure Company Limited ★

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

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

3) De-recognition of financial liabilities

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

c Offsetting financial instruments

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

vi Employee benefits

a Defined contribution plan

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

b Defined benefit plan

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

c Leave entitlement and compensated absences

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

d Short-term benefits

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

vii Cash and cash equivalents

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

viii Segment reporting

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

ix Borrowing costs

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

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

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

HCC Infrastructure Company Limited

x Revenue recognition

Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration we expect to receive in exchange for those services. Revenue from services is accounted net of taxes.

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

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

Accounting for claims

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

Other income

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

xi Interest in joint arrangements

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

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

xii Income tax

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

a Current income tax

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

b Deferred income tax

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

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

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent it is probable that the Company will pay normal income tax during the specified period.

xiii Impairment of non-financial assets

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

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

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

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

HCC Infrastructure Company Limited *

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

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

xiv Trade receivables

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

xv Trade payables

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

xvi Earnings Per Share

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

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

xvii Provisions, contingent liabilities and contingent assets

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

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

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

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

HCC Infrastructure Company Limited ★

HCC Infrastructure Company Limited
Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021
(All amounts are in ₹ lakhs, unless stated otherwise)

Note 3(a) Property, plant and equipment

Particulars	Computers	Office equipment	Total
Gross carrying value (Deemed cost)			
As at 01 April 2019	2.19	0.49	2.68
Additions	-	-	-
Deductions/ disposals	-	-	-
As at 31 March 2020	2.19	0.49	2.68
Additions	-	-	-
Deductions/ disposals	-	-	-
As at 31 March 2021	2.19	0.49	2.68
Accumulated Depreciation			
As at 01 April 2019	2.19	0.49	2.68
Charge for the year	-	-	-
Accumulated depreciation on disposals	-	-	-
As at 31 March 2020	2.19	0.49	2.68
Charge for the year	-	-	-
Accumulated depreciation on disposals	-	-	-
As at 31 March 2021	2.19	0.49	2.68
Net carrying value			
As at 31 March 2020	-	-	-
As at 31 March 2021	-	-	-

<----------Space intentionally left blank---------->

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

HCC Infrastructure Company Limited ★

HCC Infrastructure Company Limited
Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021
(All amounts are in ₹ lakhs, unless stated otherwise)

	As at 31 March 2021	As at 31 March 2020
3(b) Investments in Subsidiaries and Joint venture		
Non-current		
(Face value of ₹ 10 each, unless otherwise stated, fully paid up)		
I. Investments in Subsidiaries		
(i) Investments in equity shares at deemed cost (Refer note 3.1(b)(I))		
In subsidiary companies	55.00	55.00
	55.00	**55.00**
(ii) Deemed investment (Refer note 3.1(b))		
(a) Deemed investment on inter-corporate deposits (Refer note 3.1(b)(IIa))	-	-
(b) Deemed investment of corporate guarantee (Refer note 3.1 (b)(IIb))	412.05	412.05
	412.05	**412.05**
Total Investments in Subsidiaries (i + ii)	**467.05**	**467.05**
II. Investments in Joint Venture		
(i) Investments in equity shares at deemed cost (Refer note 3.2 (b)(I))		
In joint venture company	57,348.02	57,348.02
	57,348.02	**57,348.02**
(ii) Investments in preference shares at amortised cost (Refer note 3.2 (b)(II))		
In joint venture company	28,598.54	28,598.54
	28,598.54	**28,598.54**
Total Investments in Joint Venture (i + ii)	**85,946.56**	**85,946.56**
Total Investments in Subsidiaries and Joint venture (I + II)	**86,413.61**	**86,413.61**
Details:		
(i) Market value of investments - quoted	-	-
(ii) Carrying value of investments - unquoted	86,413.61	86,413.61
(iii) Impairment of investments recognised	309.55	309.55
Note 3.1 (b) Detailed list of Investments in Subsidiaries		
I. Investments in equity shares at deemed cost		
In subsidiary companies		
- HCC Power Limited (Refer note 3(b)(A) below)		
500,000 (31 March 2020 - 500,000) equity shares	50.00	50.00
- Dhule Palesner Operations & Maintenance Limited		
500,000 (31 March 2020 - 500,000) equity shares	50.00	50.00
Less: Impairment provision (Refer note 22)	(50.00)	(50.00)
	-	-
- HCC Operations & Maintenance Limited	5.00	5.00
50,000 (31 March 2020 - 50,000) equity shares		
	55.00	**55.00**
II. Deemed investment in subsidiary companies		
(a) Deemed investment on Inter-corporate deposits		
HCC Operations and Maintenance Limited	-	1,800.00
Add: During the year (Refer note 23)	-	300.00
Less: Adjustment of demeed Investment against (Refer note 23)		
-Interecoprate deposits	-	(1,153.00)
-Interest accrued on intercorporate deposits	-	(947.00)
Sub-total (a)	-	-
(b) Deemed investment on corporate guarantees		
HCC Power Limited	412.05	412.05
HCC Operations and Maintenance Limited	259.55	259.55
Sub-total (b)	**671.60**	**671.60**
Less: Impairment provision (Refer notes 20 and 23)	(259.55)	(259.55)
	412.05	**412.05**

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

HCC Infrastructure Company Limited

HCC Infrastructure Company Limited
Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

	As at 31 March 2021	As at 31 March 2020
Note 3.2 (b) Detailed list of Investment in Joint Venture^		
I. Investments in equity shares at deemed cost		
In Joint venture company		
HCC Concessions Limited (Refer note 3(b)(A) below)		
2,917,151 (31 March 2020 - 2,917,151) equity shares	57,348.02	57,348.02
	57,348.02	**57,348.02**
II. Investments in preference shares at deemed cost		
In Joint venture company		
HCC Concessions Limited (Refer note 3(b)(A) below)	28,598.54	28,598.54
285,985,361 (31 March 2020: 285,985,361)		
0.001% Compulsorily Convertible Cumulative Preference Shares		
	28,598.54	**28,598.54**

^ Subsidiary as per the Act; however, classified as a Joint Venture under Ind AS.

Note 3(b)(A)
The Company has pledged the following shares in favour of the Yes Bank Limited as part of the financing agreements for facilities taken by the Company and by its subsidiaries HCC Power Limited, HCC Operations and Maintenance Limited and Baharampore Farakka Highways Limited (subsidiary of joint venture), as indicated below:

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

4 Loans		
Non-Current		
Inter corporate deposit to related parties (Refer note 23)	7,637.71	7,892.78
Less: Loss allowance (Refer note 23)	(4,593.63)	(3,114.09)
Total non-current loans	**3,044.08**	**4,778.69**
Break-up of security details		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	3,044.08	4,778.69
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	4,593.63	3,114.09
Total	**7,637.71**	**7,892.78**
Loss allowance (Refer note 23)	(4,593.63)	(3,114.09)
Total loans	**3,044.08**	**4,778.69**

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

Nature and Purpose of non current loans

Name of Company	**Interest rate**	**Repayment**	**As at 31 March 2021**	**As at 31 March 2020**
HCC Concessions Limited	11.00%	To be repaid based on liquidity position	1,611.96	1,867.04
HCC Power Limited	11.00%	To be repaid based on liquidity position	4,461.69	4,461.68
HCC Real Estate Limited (HREL)*	12.50%	To be repaid based on liquidity position	1,564.06	1,564.06
			7,637.71	**7,892.78**

* The above receivables are secured by way of creation of pledge on 70,000 shares of HRL(Thane) Real Estate Limited held by HREL and also charge is created on ICDs provided by HREL to HRL (Thane) Real Estate Limited.

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

HCC Infrastructure Company Limited

HCC Infrastructure Company Limited
Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

	As at 31 March 2021	As at 31 March 2020
5 Other financial assets		
Non-current		
Compensation receivable in lieu of termination (Refer note i, ii and iii below)	2,300.62	2,144.58
Interest receivable on ICD from related party (Refer note 23)	179.39	181.39
Less: Loss allowance	(179.39)	(181.39)
Receivable from related parties (Refer note 23)	20.26	20.26
Less: Loss allowance	(20.26)	(20.26)
Other receivables	7.99	7.99
Less: Loss allowance	(7.99)	(7.99)
Total non-current financial assets	**2,300.62**	**2,144.58**
Current		
Compensation receivable in lieu of termination (Refer note i, ii and iii below)	1,502.00	1,502.00
Other Advances	105.26	105.26
Less: Loss allowance (Refer note 20)	(105.26)	(105.26)
Interest receivable on ICD from related party (Refer note 23)	78.29	559.88
Total current financial assets	**1,580.29**	**2,061.88**

Note:
i) The compensation receivable is being charged and hypothecated by the Company as first pari passu security interest in favour of Debenture Trustee for debentures issued by Lavasa Corporation Limited.
ii) Subservient charge on proceeds from compensation receivables from claim in lieu termination in favour of SREI Equipment Finance Limited.

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

Break-up of security details		
Interest receivable on ICD from related party		
Interest receivable considered good - Secured	-	-
Interest receivable considered good - Unsecured	78.29	559.88
Interest receivable which have significant increase in credit risk	-	-
Interest receivable - credit impaired	179.39	181.39
Total	**257.69**	**741.27**
Less: Loss allowance	(179.39)	(181.39)
Total loans	**78.30**	**559.88**

6 Income-tax assets (net)		
i. The following table provides the details of income tax assets and liabilities:		
Income tax assets	317.49	199.88
Total income tax assets (net)	**317.49**	**199.88**
ii. The gross movement in the current tax asset/ (liability):		
Net current income tax assets/ (liabilities) at the beginning	**199.88**	**225.02**
Add: Tax deducted at source	180.56	13.02
Less: Income tax refund	(62.91)	(38.16)
Less: Current income taxes	(0.04)	-
Net non-current income tax assets/ (liabilities) at the end	**317.49**	**199.88**
iii. Income tax expense in the statement of profit and loss comprises:		
Current income taxes (represents prior year losses)	-	-
Deferred income taxes	-	-
Income tax expenses/ (income) (net)	-	-

Total brought forward losses upto assessment year 2020-21, amounts to ₹ 71,120.63 lakhs (31 March 2020: ₹ 99,549.99 lakhs) which can be carried forward between A.Y. 2021-22 to A.Y. 2028-29)

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS * MUMBAI

HCC Infrastructure Company Limited

HCC Infrastructure Company Limited
Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

	As at 31 March 2021	As at 31 March 2020
6.1 Deferred tax liabilities (net)		
A. Deferred tax liabilities	-	-
Total deferred tax liabilities (A)	-	-
B. Deferred tax assets		
Carry forward business loss and capital loss	15,773.19	14,690.13
Depreciation on property, plant and equipment	0.09	0.11
Total deferred tax assets (B)	**15,773.28**	**14,690.24**
Net deferred tax liabilities/(assets) (C = A - B) **	-	-

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

7 Trade receivables		
Receivables from related parties (Refer note 23)	13.46	13.46
Receivables from Others	-	270.00
Less: Loss allowance (Refer note 23)	(13.46)	(13.46)
Total trade receivables	-	**270.00**
Break-up of security details		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	-	270.00
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	13.46	13.46
Total	**13.46**	**283.46**
Loss allowance	(13.46)	(13.46)
Total trade receivables	-	**270.00**

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

8 Cash and cash equivalents		
Balances with banks		
In current accounts	13.80	10.19
Demand draft on hand	-	1,000.00
Total cash and cash equivalents	**13.80**	**1,010.19**
8.1 Other bank balances		
Fixed deposits with original maturity of more than three months but less than 12 months (refer note (a) below)	20.00	-
Total other bank balances	**20.00**	-

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

	As at 31 March 2021	As at 31 March 2020
9 Other current assets		
Receivable from related parties (Refer note 23)	9.71	14.78
Prepaid expenses	0.29	0.08
Total other current assets	**10.00**	**14.86**

<----------Space intentionally left blank---------->

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

HCC Infrastructure Company Limited ★

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

	As at 31 March 2021	As at 31 March 2020
10 Equity share capital		
Authorised share capital		
14,990,000 (31 March 2020: 14,990,000) equity shares of ₹10 each	1,499.00	1,499.00
10,000 (31 March 2020: 10,000) 0.1% Non - Cumulative Redeemable Preference Shares of ₹10 each	1.00	1.00
Total authorised share capital	**1,500.00**	**1,500.00**
Equity shares issued, subscribed and paid up share capital:		
250,000 (31 March 2020: 250,000) equity shares of ₹10 each	25.00	25.00
Total issued, subscribed and paid up share capital	**25.00**	**25.00**

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
At the beginning of the year	2,50,000	25.00	2,50,000	25.00
Movement during the year	-	-	-	-
At the end of the year	**2,50,000**	**25.00**	**2,50,000**	**25.00**

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of shares	%holding	No. of shares	%holding
Equity shares of ₹10 each fully paid				
Promoter				
Hindustan Construction Company Limited, holding company	2,50,000	100%	2,50,000	100%

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

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

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

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

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

d) Rights and restriction attached to equity shareholders:

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. During the year ended 31 March 2021, the amount of per share dividend recognized as distributions to equity shareholders was ₹ Nil (31 March 2020: ₹ Nil). In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) Non cumulative redeemable preference shares

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

	As at 31 March 2021		As at 31 March 2020	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
At the beginning of the year	10,000	1.00	10,000	1.00
Movement during the year	-	-	-	-
At the end of the year	**10,000**	**1.00**	**10,000**	**1.00**

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

	As at 31 March 2021		As at 31 March 2020	
	No. of shares	%holding	No. of shares	%holding
HCC Real Estate Limited	10,000	100%	10,000	100%

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

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

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

iii) The preference shares shall have no voting rights.

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

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

WALKER CHANDIOK & CO LLP * MUMBAI * CHARTERED ACCOUNTANTS

HCC Infrastructure Company Limited

HCC Infrastructure Company Limited
Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021
(All amounts are in ₹ lakhs, unless stated otherwise)

	As at 31 March 2021	As at 31 March 2020
11 Borrowings (Non-current)		
Term Loan		
A) Secured		
From bank	-	1,185.92
Less: Classified under other financial liabilities [Refer notes 11.1(b) and 12]	-	(1,185.92)
From Financial Institution	604.34	607.40
Less: Classified under other financial liabilities [Refer note 12]	(604.34)	(3.06)
Subtotal (A)	-	**604.34**

Nature of security

From Banks :
a) Second pari-passu charge on entire assets of the Company (including moveable and immovable, fixed and current assets), excluding investments, both present and future.
b) Demand Promissory Note
c) Company has given undertaking to pay 25% of proceeds from monies raised due to liquidity events, as specified and agreed with the lender.

d) Company has given Undated cheque towards these borrowings

Interest rate and terms of repayment

Carrying interest rate of 12.5% p.a. (31 March 2020: 12.5% p.a) repayable in 5 years commencing from 1 January 2014 in equal quarterly installments.

From Financial Institution :
a) Subservient charge on proceed from arbitration award in favour of Pune-Paud Toll Road Co Ltd to the extent of ₹700 lakhs.
b) An subservient charge on the claim receivables to the extent of loan outstanding under the Deed of Hypothecation.
c) Fixed deposit of ₹ 20 lakhs has been liened marked in favour of SREI Equipment Finance Limited.

Interest rate and terms of repayment
Carrying interest rate of 12.5% p.a. (31 March 2020: 12.5%) repayable in 3 years commencing from 15 June 2019 in equated monthly installments.

B) Liability component of financial instruments [Refer notes 10(e) and 23]		
Non - Cumulative Redeemable Preference Shares		
10,000 0.1% Non - Cumulative Redeemable Preference Shares of ₹10 each	1.00	1.00
Subtotal (B)	1.00	1.00
Total long term borrowings (A+B)	**1.00**	**605.34**

<----------Space intentionally left blank---------->

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

HCC Infrastructure Company Limited

11.1 Notes on borrowings:

(a) **Summary of default in repayment**
There is no default in repayment of principal and interest amount as at 31 March 2021.

Default in repayment of principal and interest amount as at 31 March 2020

Particulars	0 - 180 days		Above 180 days		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
Loan from bank	-	86.02	1,185.92	438.38	1,185.92	524.40
Loan from Financial Institution	0.62	17.04	-	-	0.62	17.04

(b) Other current financial liabilities' include balances amounting to ₹ 1,710.32 lakhs as at 31 March 2020 which were classified as Non-Performing Assets (NPAs) by the lenders during earlier years as there were continuing defaults in repayments of interest and principal amounts. Lenders has issued recall of credit facilities on 01 January 2020 and the matter is under discussion .The Company's management believes that amount payable on settlement will not exceed the liability provided in books in respect of these borrowings. During the current year i.e. 2020-21, the loan is fully repaid.

(c) **Net debt reconciliation**

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents	13.80	1,010.19	14.45
Current borrowings (including interest on borrowing)	(47,090.06)	(44,539.06)	(43,172.68)
Non-current borrowings (including current maturities of long-term debt)	(605.34)	(1,794.31)	(1,186.92)
Net debt	**(47,681.60)**	**(45,323.18)**	**(44,345.15)**

Particulars	Other assets	Liabilities from financing activities		
	Cash and cash equivalents	Non-current borrowings (including current maturities of long-term debt)	Current borrowings (including interest on borrowing)	Total
Net debt as at 1 April 2019	**14.45**	**(1,186.92)**	**(43,172.68)**	**(44,345.15)**
Cash flows	995.74	-	-	995.74
Term Loan taken from Financial Institution	-	(600.00)	-	(600.00)
Inter-corporate deposit taken from related parties	-	-	(3,201.71)	(3,201.71)
Repayment of Term Loan	-	1.04	-	1.04
Interest expense	-	-	(3,918.82)	(3,918.82)
Interest paid	-	-	4,095.57	4,095.57
Other non-cash movements				
- Interest converted into Borrowings	-	(8.43)	8.43	-
- Investment adjusted against Intercorporate deposits taken	-	-	2,100.00	2,100.00
- Statutory dues convereted into Intercorporate deposits taken	-	-	(449.85)	(449.85)
Net debt as at 31 March 2020	**1,010.19**	**(1,794.31)**	**(44,539.06)**	**(45,323.18)**
Cash flows	(996.39)	-	-	(996.39)
Inter-corporate deposit taken from related parties	-	-	(682.00)	(682.00)
Inter-corporate deposit repaid torelated parties	-	-	929.61	929.61
Repayment of Term Loan	-	1,188.97	-	1,188.97
Interest expense	-	-	(3,846.99)	(3,846.99)
Interest paid	-	-	1,048.38	1,048.38
Net debt as at 31 March 2021	**13.80**	**(605.34)**	**(47,090.06)**	**(47,681.60)**

<----------Space intentionally left blank---------->

WALKER CHANDIOK & CO LLP * MUMBAI * CHARTERED ACCOUNTANTS

HCC Infrastructure Company Limited

12 Other financial liabilities

	As at 31 March 2021	As at 31 March 2020
Non-current		
Financial guarantee contracts (Refer note 23)	42.15	126.65
Total non-current financial liabilities	**42.15**	**126.65**
Current		
Current maturities of long-term debt	604.34	1,188.97
Interest accrued and due on borrowings	-	541.44
Interest accrued and not due on borrowings	3.36	3.18
Interest on Inter corporate deposits from related parties (Refer note 23)	12,170.97	8,831.09
Interest on other payables to related parties (Refer note 23)	890.07	445.04
Others		
Due to related parties (Refer note 23)	4,375.06	3,785.12
Other liabilities	1,704.22	1,703.94
Financial guarantee contracts (Refer note 23)	84.50	102.08
Total current financial liabilities	**19,832.52**	**16,600.86**

13 Current borrowings (Unsecured)

Inter corporate deposits from related parties* (Refer note 23)	34,845.73	35,163.35
Short Term Borrowings from related parties (Refer note 23)	70.00	-
Total current borrowings	**34,915.73**	**35,163.35**

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

14 Trade payables

Current		
Trade payables : micro and small enterprises (Refer note below)	-	-
Trade payables : others	9.50	13.25
Total trade payables	**9.50**	**13.25**

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

15 Other current liabilities

Statutory dues	366.17	608.09
Total other current liabilities	**366.17**	**608.09**

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

HCC Infrastructure Company Limited ★

HCC Infrastructure Company Limited

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

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

	Year ended 31 March 2021	Year ended 31 March 2020
16 Revenue from operations		
Other operating revenue		
Consultancy fees	216.00	1,500.00
Total revenue from operations	**216.00**	**1,500.00**
17 Other income		
Interest income		
-on inter corporate deposit (ICD) (Refer note 23)	191.50	127.27
-on compensation	156.04	156.47
-on unwinding on corporate guarantees (Refer note 23)	102.08	102.08
-on income tax refund	8.09	4.60
Other non-operating income		
-reversal of Loss on Other receivables (Refer note 23)	-	0.16
-reversal of Loss on ICD Interest (Refer note 23)	2.00	193.50
-Liabiltiy no longer required written back	-	8.28
-others	-	0.47
Total other income	**459.71**	**592.83**
18 Employee benefits expense		
Salaries and wages	-	0.07
Contribution to provident funds and other funds (Refer note 28(B))	-	0.18
Staff welfare expenses	-	0.02
Total employee benefits expense	**-**	**0.27**
19 Finance costs		
Interest expense on		
- term loans	221.40	238.27
- inter corporate deposits (Refer note 23)	3,625.59	3,680.55
Other borrowing costs		
-Interest on other payable (Refer note 23)	481.12	481.12
-Interest on delayed payment of statutory dues	93.20	45.81
Total finance costs	**4,421.31**	**4,445.75**
20 Other expenses		
Legal and professional	2.80	16.34
Travelling	-	0.10
Postage, telephone and fax	2.39	1.84
Loss allowances		
- Other receivables (Refer note 5)	-	105.26
- Investment in subsidiaries (Refer note 23)	-	259.55
- ICD receivables including interest (Refer note 23)	1,479.54	2,696.84
Payment to auditors (excluding GST)		
- Statutory audit fees	5.50	5.50
- Limited review fess	4.50	4.00
- Others	1.86	1.44
Reversal of Interest income on compensation of earlier period	-	61.23
Miscellaneous	1.10	1.86
Total other expenses	**1,497.69**	**3,153.96**

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

21 Exceptional Items		
(Reversal)/Provision against commitment given towards purchase of debentures (Refer note below)	-	(12,000.00)
Total exceptional expenses	**-**	**(12,000.00)**

Note :

Pursuant to Debenture Sale Purchase Agreement dated 29 September 2017, between HCC Operations & Maintenance Limited (HOML) (subsidiary company) with debenture holders of Lavasa Corporation Limited for purchase of debentures of Lavasa Corporation Limited, HCC Infrastructure Company Limited ("the Company") being an affiliate to the agreement has assumed the balance liability of commitment given by its subsidiary. After assuming the liability, since the worth of the underlying asset -Lavasa Debentures is Nil, the same has been provided as loss allowance in the books of earlier years. Management has reveresed the liability during the year 2019-20 based on recall notice received from SSG/IOPL to HOML aftere adjusting payment already made on behalf of subsidiary company and accounted in the books of HOML and shown under exceptional items.

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

HCC Infrastructure Company Limited ★

22 Contingent liabilities and commitments

	As at 31 March 2021	As at 31 March 2020
(A) Contingent liabilities		
(i) Corporate guarantees given on behalf of subsidiary companies [Refer notes 23]	20,800.00	20,800.00
(ii) Income tax liability that may arise in respect of which the Company is in appeals	-	142.86
(iii) Counter indemnities given to banks in respect of contracts executed by subsidiaries and joint ventures.	29,742.27	32,178.45

(iv) Corporate guarantee includes ₹12,000.00 lakhs furnished by the Company in respect of loans of its subsidiary, HCC Power Limited (HPL). On 11 February 2020, the HPL's lenders have issued a recall notice to HPL demanding repayment of entire dues outstanding amounting to ₹ 26,154.38 lakhs.On 21 September 2020 HCC Concession Ltd has signed deed of Hypothication with Yes Bank. It has been agreed that 25% of future receivable of HCC Concession Limited will be utilised for payment of Yes Bank Loan

(B) Other Commitments

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

23 Disclosure in accordance with Ind AS 24 Related Party Transactions

I) Names of related parties and nature of relationship

A) Holding Company
Hindustan Construction Company Limited (HCC)

	Country of Incorporation	Company's holding as at (%) ^ 31 March 2021	31 March 2020
B) Subsidiaries			
HCC Power Limited	India	100%	100%
Dhule Palesner Operations & Maintenance Limited	India	100%	100%
HCC Operation and Maintenance Limited	India	100%	100%
C) Subsidiaries of Joint Ventures			
Narmada Bridge Tollway Limited	India	85.45%	85.45%
Badarpur Faridabad Tollway Limited	India	85.45%	85.45%
Baharampore-Farakka Highways Limited	India	85.45%	85.45%
Farakka-Raiganj Highways Limited (upto 22 September 2020)	India	0.00%	85.45%
Raiganj-Dalkhola Highways Limited	India	76.91%	76.91%
D) Fellow subsidiaries (with whom transactions have taken place during the year)			
HCC Real Estate Limited	India	-	-
Western Securities Limited	India	-	-
E) Other Related Parties			
Joint ventures			
HCC Concessions Limited^^	India	85.45%	85.45%
Joint Operations			
HCC - MMS (MMRCL) Joint Venture^^^	India	-	-
Step down subsidiary			
HCC Energy Limited	India	100.00%	100.00%

B) Key Management Personnel

Mr. Venkata Ramana Kishore Repaka	Director
Mr. Santosh Kumar Rai	Director
Mr. Aditya Pratap Jain	Director

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

II) Transactions with related parties :

		Year ended 31 March 2021	Year ended 31 March 2020
Expenditure incurred for the Company		**23.43**	**117.77**
HCC Operations and Maintenance Limited	Subsidiary	3.26	106.53
HCC Concessions Limited	Joint Venture	20.17	6.17
HCC Real Estate Limited	Fellow Subsidiary	-	5.07
Inter corporate deposit taken		**612.00**	**3,651.55**
Hindustan Construction Company Limited	Holding Company	-	2,012.13
Dhule Palesner Operations & Maintenance Limited	Subsidiary	-	26.00
HCC Operations and Maintenance Limited	Subsidiary	600.00	1,567.62
HCC Energy Limited	Step down subsidiary	12.00	45.80

WALKER CHANDIOK & CO LLP * MUMBAI * CHARTERED ACCOUNTANTS

HCC Infrastructure Company Limited

HCC Infrastructure Company Limited

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

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

		Year ended 31 March 2021	Year ended 31 March 2020
Interest free short term borrowings taken		**70.00**	**-**
Western Securities Limited	Fellow Subsidiary	70.00	-
Repayment of Inter corporate deposit received		**929.61**	**-**
Hindustan Construction Company Limited	Holding Company	325.00	-
HCC Operations and Maintenance Limited	Subsidiary	333.00	-
HCC Energy Limited	Step down subsidiary	178.66	-
Dhule Palesner Operations & Maintenance Limited	Subsidiary	92.95	-
Deemed equity investment adjsuted against Inter corporate deposit taken		**-**	**1,153.00**
HCC Operations and Maintenance Limited	Subsidiary	-	1,153.00
Deemed equity investment adjsuted against Interest accrued on ICDs taken		**-**	**947.00**
HCC Operations and Maintenance Limited	Subsidiary	-	947.00
Interest expenses on Inter corporate deposit		**3,625.59**	**3,680.55**
HCC Energy Limited	Step down subsidiary	2,656.92	2,656.52
Dhule Palesner Operations & Maintenance Limited	Subsidiary	928.94	928.78
HCC Operations and Maintenance Limited	Subsidiary	39.73	95.25
Interest expenses on Other Payable		**481.12**	**481.12**
Dhule Palesner Operations & Maintenance Limited	Subsidiary	481.12	481.12
Interest income on Inter corporate deposit given		**191.50**	**127.27**
HCC Concessions Limited	Joint Venture	191.50	127.27
Interest received on intercorporate deposits given		**660.72**	**208.50**
HCC Concessions Limited	Joint Venture	658.72	15.00
HCC Power Limited	Subsidiary	2.00	193.50
Reversal of Loss on Other receivables		**-**	**0.16**
Farakka-Raiganj Highways Limited	Subsidiary of Joint Venture	-	0.16
Reversal of Loss on ICD Interest		**2.00**	**193.50**
HCC Power Limited	Subsidiary	2.00	193.50
Loss Allowance			
- Investment of Subsidaries		**-**	**259.55**
HCC Operations and Maintenance Limited^	Subsidiary	-	259.55
- ICD receivables including interest		**1,479.54**	**2,696.84**
HCC Power Limited^^	Subsidiary	1,479.54	1,132.78
HCC Real Estate Limited^	Fellow Subsidiary	-	1,564.06
Inter corporate deposit given		**52.25**	**1,213.30**
HCC Power Limited	Subsidiary	-	-
HCC Concessions Limited	Joint Venture	52.25	1,213.30
Inter corporate deposit given received back		**307.33**	**314.95**
HCC Real Estate Limited	Fellow Subsidiary	-	314.95
HCC Concessions Limited	Joint Venture	307.33	-
Interest accrued converted into intercorporate deposit given		**-**	**230.99**
HCC Real Estate Limited	Fellow Subsidiary	-	230.99
Interest income on unwinding on corporate guarantees		**102.08**	**102.08**
HCC Operations and Maintenance Limited	Subsidiary	43.24	43.24
HCC Power Limited	Subsidiary	58.84	58.84
Advance taken		**600.00**	**-**
HCC - MMS (MMRCL) Joint Venture	Joint Operations of Holding Company	600.00	-

Refer note 11 for security given by related party

WALKER CHANDIOK & CO LLP * MUMBAI * CHARTERED ACCOUNTANTS

HCC Infrastructure Company Limited *

Outstanding as at year end		As at 31 March 2021	As at 31 March 2020
Interest accrued and due on Intercorporate deposit given		**257.68**	**741.27**
HCC Power Limited^	Subsidiary	179.39	181.39
HCC Concessions Limited	Joint Venture	78.29	559.88
Impairment allowance on Interest accrued and due on intercorporate deposit given		**179.39**	**181.39**
HCC Power Limited^	Subsidiary	179.39	181.39
Interest accrued and due on Intercorporate deposit taken		**12,170.97**	**8,831.09**
HCC Operations and Maintenance Limited	Subsidiary	23.57	0.61
HCC Energy Limited	Step down subsidiary	8,313.21	5,855.55
Dhule Palesner Operations & Maintenance Limited	Subsidiary	3,834.19	2,974.93
Interest accrued and due on Other Payable		**890.07**	**445.04**
Dhule Palesner Operations & Maintenance Limited	Subsidiary	890.07	445.04
Intercorporate deposit taken		**34,845.73**	**35,163.35**
Hindustan Construction Company Limited	Holding Company	1,687.13	2,012.13
HCC Operations and Maintenance Limited	Subsidiary	786.37	519.37
HCC Energy Limited	Step down subsidiary	24,008.87	24,175.53
Dhule Palesner Operations & Maintenance Limited	Subsidiary	8,363.36	8,456.32
Short Term Borrowings taken		**70.00**	-
Western Securities Limited	Fellow Subsidiary	70.00	-
Intercorporate deposit given		**7,637.71**	**7,892.78**
HCC Power Limited^^	Subsidiary	4,461.69	4,461.68
HCC Concessions Limited	Joint Venture	1,611.96	1,867.04
HCC Real Estate Limited^	Fellow Subsidiary	1,564.06	1,564.06
Impairment allowance on Intercorporate deposits given		**4,593.63**	**3,114.09**
HCC Power Limited^^	Subsidiary	3,029.57	1,550.03
HCC Real Estate Limited^	Fellow Subsidiary	1,564.06	1,564.06
Other payables		**4,375.06**	**3,785.12**
Dhule Palesner Operations & Maintenance Limited	Subsidiary	3,773.49	3,773.49
HCC Operations and Maintenance Limited	Subsidiary	1.57	11.63
HCC - MMS (MMRCL) Joint Venture	Joint Operations of Holding Company	600.00	-
Advance / deposit given		**20.26**	**20.26**
Badarpur Faridabad Tollway Limited^	Subsidiary of Joint Venture	20.01	20.01
Baharampore Farakka Highway Limited^	Subsidiary of Joint Venture	0.25	0.25
Other current assets		**9.71**	**14.78**
HCC Concessions Limited	Joint Venture	9.71	14.78
Impairment allowance on advance/deposit given		**20.26**	**20.26**
Badarpur Faridabad Tollway Limited^	Subsidiary of Joint Venture	20.01	20.01
Baharampore Farakka Highway Limited^	Subsidiary of Joint Venture	0.25	0.25
Corporate guarantees given by the Company		**126.65**	**228.73**
HCC Operations and Maintenance Limited	Subsidiary	25.66	68.90
HCC Power Limited	Subsidiary	100.99	159.83
Debt component of compound financial instruments		**1.00**	**1.00**
HCC Real Estate Limited	Fellow Subsidiary	1.00	1.00
Trade Receivables		**13.46**	**13.46**
Lavasa Corporation Limited^	Fellow Subsidiary	13.46	13.46
Impairment allowance on trade receivables		**13.46**	**13.46**
Lavasa Corporation Limited^	Fellow Subsidiary	13.46	13.46
Corporate guarantees given		**20,800.00**	**20,800.00**
HCC Operations and Maintenance Limited	Subsidiary	8,800.00	8,800.00
HCC Power Limited ^	Subsidiary	12,000.00	12,000.00

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

Refer note 11 for security given by related party.

24 Profit /(Loss) per share:

Profit /(Loss) computation for basic earnings per share of ₹10 each		Year ended 31 March 2021	Year ended 31 March 2020
A. Profit /(Loss) as per the statement of profit and loss available for equity shareholders	(₹ lakhs)	(5,243.33)	6,492.85
B. Weighted average number of equity shares for earning per share computation	(Nos.)	2,50,000	2,50,000
C. Profit /(Loss) per share - basic	(₹)	(2,097.33)	2,597.14
D. Profit /(Loss) per share - diluted	(₹)	(2,097.33)	2,597.14

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

HCC Infrastructure Company Limited

25 Financial Instruments

A. Financial Instruments by category

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

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

The carrying value and the fair value of financial instruments by each category as at 31 March 2020:

Particulars	Financial assets / liabilities at amortised cost	Financial assets / liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets					
Loans	4,778.69	-	-	4,778.69	4,778.69
Trade receivables	270.00	-	-	270.00	270.00
Cash and cash equivalents	1,010.19	-	-	1,010.19	1,010.19
Other financial assets	4,206.46	-	-	4,206.46	4,206.46
Liabilities					
Borrowings (including current maturities of long-term borrowings)	36,957.67	-	-	36,957.67	36,957.67
Trade payables	13.25	-	-	13.25	13.25
Other financial liabilities	15,538.54	-	-	15,538.54	15,538.54

B Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

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

Particulars	31 March 2021			31 March 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Liabilities						
Financial guarantee contracts	-	-	-	-	-	-

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

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

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

HCC Infrastructure Company Limited ★

a **Interest rate risk**

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

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

Particulars	As at 31 March 2021 (₹ lakhs)	As at 31 March 2020 (₹ lakhs)
Fixed rate borrowings	34,915.72	35,163.36
Variable rate borrowings	607.70	1,796.49
Total Borrowings	**35,523.42**	**36,959.85**

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

Particulars	As at 31 March 2021 (₹ lakhs)	As at 31 March 2020 (₹ lakhs)
50 bp increase would increase the loss before tax by	(3.02)	(8.97)
50 bp increase would decrease the loss before tax by	3.02	8.97

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

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

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

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

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

Particulars	Year ended 31 March 2021 (%)	Year ended 31 March 2020 (%)
Revenue from government promoted agencies	-	
Revenue from others	100.00	100.00
	100.00	**100.00**

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Revenue from top customer	216.00	1,500.00

For the years ended 31 March 2021 and 31 March 2020, only one customer accounted for the 100% of the revenue.

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

HCC Infrastructure Company Limited

III Liquidity risk

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

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

As at 31 March 2021

Particulars	Contractual Cash flow					
	On demand	0-12 Months	1-3 years	3-5 years	Above 5 years	Total
Borrowings (including current maturities of long-term borrowings)	34,845.73	604.34	-	-	1.00	35,451.07
Trade payables	-	9.50	-	-	-	9.50
Other financial liabilities	13,061.04	6,167.14	42.15	-	-	19,270.33
Total	**47,906.77**	**6,780.98**	**42.15**	**-**	**1.00**	**54,730.90**

As at 31 March 2020

Particulars	Contractual Cash flow					
	On demand	0-12 Months	1-3 years	3-5 years	Above 5 years	Total
Borrowings (including current maturities of long-term borrowings)	36,349.27	3.06	604.34	-	1.00	36,957.67
Trade payables	-	13.25	-	-	-	13.25
Other financial liabilities	9,817.56	5,594.33	126.65	-	-	15,538.54
Total	**46,166.83**	**5,610.64**	**730.99**	**-**	**1.00**	**52,509.46**

27 Capital management

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

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

Particulars	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Total debt (A)	47,695.40	46,333.38
Less: Cash and cash equivalents (B)	(13.80)	(1,010.19)
Total net debt C= (A-B)	47,681.60	45,323.18
Total equity (D)	38,532.82	43,776.15
Total debt to equity ratio E= (C/D)	**1.24**	**1.04**

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

28 Disclosure relating to employee benefits as per Ind AS 19 Employee benefits

A Defined benefit obligations - 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.

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
a) Change in defined benefit obligations	-	
Present value of obligation as at the beginning of the year	-	3.85
Current service cost	-	-
Interest expenses	-	-
Past service cost	-	-
Other obligations	-	-
Benefits paid	-	-
Premeasurements - net actuarial (gains)/ losses	-	-
Liabiltiy no longer required written back	-	(3.85)
Present value of obligation as at the end of the year	**-**	**0.00**

B Defined contribution plans

Amount recognised as an expense and included in note 20, Contribution to provident and other funds amounted to ₹ Nil lakhs (31 March 2020 ₹ 0.18 lakhs)

Break up	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Provident fund	-	0.10
Superannuation fund	-	0.08
	-	**0.18**

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

HCC Infrastructure Company Limited

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

30 The Company has incurred net loss of ₹ 5,243.33 lakhs during the year ended 31 March 2021 and as at that date, its current liabilities exceeded its current assets by ₹ 53,499.33 lakhs. The Company is holding 85.45% in HCC Concessions Limited (HCON) having various Build, Operate and Transfer (BOT) SPVs under its fold. While the Company has loss in current year and has accumulated losses as at 31 March 2021, the underlying projects are expected to achieve adequate profitability on substantial completion. The BOT SPV's have entered into settlement arrangement with NHAI in March 2021 in respect of cost- overrun arising due to client caused delays, termination of contracts and change in scope of work. Pursuant to such settlement arrangement, these BOT SPVs shall be receiving consideration from NHAI, which in turn would result in cash inflow for HICL in future for its exposure towards HCON. Further one of the BOT SPV's have several claims including favourable arbitration awards against its customer mainly in respect of cost- overrun arising due to client caused delays, termination of contracts and change in scope of work which are under various stages of negotiation/discussion with client or under arbitration/ litigation wherein management has been legally advised that it has good case on merits. Therefore, based on certain estimates like future business plans, growth prospects as well as considering the contractual tenability, progress of negotiation/ discussion/ arbitration/settlement and legal advise, the management is confident of recovery of these claims and therefore views this Company as a going concern and the financial statements have been prepared accordingly.

31 The Company, as at 31 March 2021, has a non-current investment amounting to ₹ 462.05 lakhs (31 March 2020: ₹462.05 lakhs) and other non-current financial assets ₹ 1,432.11 lakhs (31 March 2020: ₹ 2,911.66 lakhs) in its subsidiary, HCC Power Limited (HPL). The Company has also furnished corporate guarantee amounting to ₹ 12,000 lakhs (31 March 2020 ₹ 12,000 lakhs) to the lenders of HPL. While this subsidiary has incurred losses and net-worth has been fully eroded, the net-worth of this subsidiary does not represent its true market value as based on certain estimates like future business plans, growth prospects and other factors, the management believes that the realisable amount of this subsidiary is higher than the carrying value of its non-current investments and non-current financial assets due to which these are considered as good and recoverable.Also, the Company does not have any operations or business since incorporation. Based on the future plans and projections of the subsidiary company which have been developed by the management using certain assumptions and estimates, the Company's management believes that there is no decline in the carrying amounts of such non-current investments and the receivables are also fully recoverable.

32 The Company, as at 31 March 2021, has a non-current investment amounting to ₹ 85,946.56 lakhs (31 March 2020: ₹ 85,946.56 lakhs) in HCC Concessions Limited ('HCON'), a joint venture company having various Build, Operate and Transfer (BOT) SPVs under its fold. The underlying projects of HCON are expected to achieve adequate profitability on substantial completion. The net-worth of this joint venture does not represent its true market value as the value of the underlying investments / assets, based on valuation report of an independent valuer, is higher. The BOT SPV's have entered into settlement arrangement with NHAI in March 2021 in respect of cost- overrun arising due to client caused delays, termination of contracts and change in scope of work. Pursuant to such settlement arrangement, these BOT SPVs shall be receiving consideration from NHAI, which in turn would result in cash inflow for HICL in future for its exposure towards HCON. Further one of the BOT SPV's have several claims including favourable arbitration awards against its customer mainly in respect of cost- overrun arising due to client caused delays, termination of contracts and change in scope of work which are under various stages of negotiation/discussion with client or under arbitration/ litigation wherein management has been legally advised that it has good case on merits. Therefore, based on certain estimates like future business plans, growth prospects as well as considering the contractual tenability, progress of negotiation/ discussion/ arbitration and legal advise, the management is confident that the realizable amount of non-current investments in HCON is higher than its carrying value due to which these are considered as good and recoverable.

33 **Recent Accounting Update**
On 24 March 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

34 In January 2020, the World Health Organization has declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern", which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. The impact of COVID-19 on the business operations of the Company, including the duration; cannot be reasonably ascertained at this point in time, however, considering the fact that the Company's services are contractual in nature, the management does not anticipate any material adverse impact on the business, results of operations, financial position and cash flows in the financial year ending 31 March 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

Vijay D Jain

Vijay D. Jain
Partner
Membership No.: 117961

Place: Mumbai
Date: 21 June 2021

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Venkata Ramana Kishore Repaka
Director
DIN : 07402969

Aditya Pratap Jain
Director
DIN : 08115375

Place: Mumbai
Date: 21 June 2021

HCC Infrastructure Company Limited