FINANCIAL STATEMENT
2019-20

HCC INFRASTRUCTURE COMPANY LTD

Walker Chandiok & Co LLP
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Independent Auditor's Report

To the Members of HCC Infrastructure Company Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

1. We have audited the accompanying standalone financial statements of HCC Infrastructure Company Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('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 2020, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. As stated in Note 12.1 (c) to the accompanying standalone financial statements, the Company's "Long-term borrowings", current maturities of long-term borrowings, and interest accrued and due and interest accrued but not due included under "Other financial liabilities" as at 31 March 2020 include balances aggregating ₹ 604.34 lakhs, ₹ 3.06 lakhs, ₹ 20.04 lakhs and ₹ 3.18 lakhs respectively, in respect of which direct confirmation from the lender has not been received. These borrowings have been classified into current and non-current, basis the original maturity terms stated in the agreement, which is not in accordance with the terms of the agreement relating to implications in the event of default. In the absence of such direct confirmation from the lender, we are unable to comment on the adjustments and changes in classification of balances in accordance with the principles of Ind AS 1, Presentation of financial statements, if any, that may be required to the carrying value of the aforementioned balances in the accompanying standalone financial statements.

4. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone 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 qualified opinion.

Material Uncertainty related to Going Concern

5. We draw attention to Note 32 to the accompanying financial statements, which indicate that the Company has incurred a net loss of ₹ 6,492.85 lakhs during the year ended 31 March 2020, and as of that date, the Company's accumulated losses amounts to ₹ 114,356.47 lakhs and current liabilities exceeded its current assets by ₹ 49,028.62 lakhs. These conditions, along with other matters as set forth in the aforesaid note, 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. Our audit report on the standalone financial statements for the year ended 31 March 2019 also included this section on Material Uncertainty Related to Going Concern in respect of which our opinion was unmodified in the previous year.

Emphasis of Matter

6. We draw attention to Note 33 to the accompanying standalone financial statements, regarding the Company's investments in its subsidiary company, HCC Power Limited, and the Company's non-current assets which include receivables due from such subsidiary company as at 31 March 2020 aggregating ₹ 462.05 lakhs (31 March 2019: ₹ 462.05 lakhs), and ₹ 2,911.66 lakhs (31 March 2019: ₹ 4,044.44 lakhs) respectively. The net worth of the subsidiary company has been fully eroded and it has been incurring losses. 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. The appropriateness of management's assessment on recoverability of the investment and receivables is dependent upon the realisation of the related business plan as mentioned in aforesaid note.

7. We draw attention to Note 34 to the accompanying financial statements, regarding Company's non-current investment in HCC Concessions Limited ('HCL'), a joint venture company of the Company, aggregating ₹ 85,946.56 lakhs as at 31 March 2020. The consolidated net worth of the aforesaid joint venture has been substantially eroded; however, based on certain factors, including joint venture's future business plans, growth prospects, valuation report from an independent valuer and expected outcome of the negotiation/ discussion/ arbitration/ litigations and legal advice obtained in respect of certain claims of the wholly-owned subsidiaries of HCL, as described in the said note, management is of the view that the realizable amount is higher than the carrying value of the investments due to which these are considered as good and recoverable.

   Our opinion is not modified in respect of the above matters. Our audit report on the standalone financial statements for the year ended 31 March 2019 also included an emphasis of matter paragraph on the said matter in respect of which our opinion was unmodified in the previous year.

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

8. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the management report, 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 management report, 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

9. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

10. 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

12. As part of an audit in accordance with Standards on Auditing, 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.

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

Report on Other Legal and Regulatory Requirements

14. 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.

15. 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.

16. 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 except for the matter described in the Basis for Qualified Opinion section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

    b) except for the possible effects of the matter described in the Basis for Qualified Opinion section, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

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

    d) except for the possible effects of the matter described in the Basis for Qualified Opinion section, in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

    e) the matters described in paragraph 3 under the Basis for Qualified Opinion section, paragraph 5 under the Material uncertainty related to Going concern section and in paragraphs 6 and 7 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 at 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act;

    g) the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section;

    h) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 27 June 2020 as per Annexure B expressed a modified opinion; and

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

        i. the Company, as detailed in Note 26 (ii) and (v) and note 4 (e) (iii) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2020;

        ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; 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 standalone 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:20117961AAAAAT8079

Place: Mumbai
Date: 27 June 2020

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 2020

Based on the audit procedures performed for the purpose of reporting a true and fair view on the 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:

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

(b) The property 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 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 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. 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.

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Annexure A (Contd)

(vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-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 with 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	194H - Commission and Brokerage	5.89	F.Y. 2019-20	07 September 2020	Unpaid

(*) inclusive interest

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

(₹ in lakhs)

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Amount paid under Protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	142.86	Nil	F.Y. 2014-15	Commissioner of Income Tax (Appeals)

(viii) The Company has no loans or borrowings payable to government and no dues payable to debenture-holders during the year. The Company has defaulted in repayment of loans or borrowings to the following bank which were paid on or before the balance sheet date: -

(₹ in lakhs)

Bank	Days	Principal	Interest	Total
SREI Equipment Finance Limited	0 to 180 days	1.05	44.56	45.61

The Company has defaulted in repayment of loans or borrowings to the following banks and financial institutions which were not paid as at the balance sheet date: -

(₹ inlakhs)

Bank	Days	Principal	Interest	Total
Yes Bank Limited	0 to 180 days	-	86.02	86.02
	Above 180 days	1,185.92	438.38	1,624.30
SREI Equipment Finance Limited	0 to 180 days	0.62	17.03	17.65

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

Annexure A (Contd)

(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.

(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 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. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable.

(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. Accordingly, the provisions of clause 3(xv) of the Order are not applicable.

(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:20117961AAAAAT8079

Place: Mumbai.
Date: 27 June 2020

Annexure B to the Independent Auditor's Report of even date to the members of HCC Infrastructure Limited on the standalone financial statements for the year ended 31 March 2020

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 Limited ('the Company') as at and for the year ended 31 March 2020, 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 control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the 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 Financial Statements

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

Annexure B (Contd)

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, 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".

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

Vijay. D Jain

Vijay D. Jain
Partner
Membership No:117961

UDIN:20117961AAAAAT8079

Place: Mumbai
Date: 27 June 2020

HCC Infrastructure Company Limited
Standalone Balance Sheet as at 31 March 2020
(All amounts are in ₹ lakhs, unless stated otherwise)

	Note No.	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	-	-
Investments in subsidiaries and joint venture	4	86,413.61	88,473.16
Financial assets			
Loans	5	4,778.69	6,346.19
Other financial assets	6	2,144.58	230.99
Income-tax assets (net)	7	199.88	225.02
Total non-current assets		**93,536.76**	**95,275.36**
Current assets			
Financial assets			
Trade receivables	8	270.00	882.96
Cash and cash equivalents	9	1,010.19	14.45
Other financial assets	6	2,061.88	4,011.69
Other current assets	10	14.86	2.25
Total current assets		**3,356.93**	**4,911.35**
TOTAL ASSETS		**96,893.69**	**100,186.71**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	25.00	25.00
Other equity		43,751.15	37,258.30
Total equity		**43,776.15**	**37,283.30**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	12	605.34	1.00
Other financial liabilities	13	126.65	8,028.49
Provisions	14	-	7.99
Total non-current liabilities		**731.99**	**8,037.48**
Current Liabilities			
Financial liabilities			
Borrowings	15	35,163.35	32,664.78
Trade payables	16		
i) total outstanding dues of micro and small enterprises		-	-
ii) total outstanding dues other than (i) above		13.25	19.55
Other financial liabilities	13	16,600.86	21,630.01
Other current liabilities	17	608.09	551.30
Provisions	14	-	0.29
Total current liabilities		**52,385.55**	**54,865.93**
TOTAL EQUITY AND LIABILITIES		**96,893.69**	**100,186.71**

Notes 1 to 36 form an integral part of the standalone financial statements

This is the Standalone Balance Sheet referred to in our audit report of even date

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

Vijay D Jain

Vijay D. Jain
Partner
Membership No.: 117961

Place: Mumbai
Date: 27 June 2020

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: 27 June 2020

HCC Infrastructure Company Limited
Standalone Statement of Profit and Loss for the year ended 31 March 2020
(All amounts are in ₹ lakhs, unless stated otherwise)

	Note No.	Year ended 31 March 2020	Year ended 31 March 2019
Income			
Revenue from operations	18	1,500.00	3,489.94
Other income	19	592.83	1,161.13
Total Income		**2,092.83**	**4,651.07**
Expenses			
Employee benefits expense	20	0.27	40.29
Finance costs	21	4,445.75	9,415.93
Depreciation and amortisation expense	3	-	0.24
Other expenses	22	3,153.96	921.85
Total expenses		**7,599.98**	**10,378.31**
Loss before exceptional item and tax		**(5,507.15)**	**(5,727.24)**
Exceptional item - gain/(loss)	23	12,000.00	(12,000.00)
Tax expenses / (credit)			
Current income tax		-	1.75
Deferred income tax		-	-
Profit/Loss for the year (A)		**6,492.85**	**(17,728.99)**
Other Comprehensive Income (OCI)			
(a) Items not to be reclassified subsequently to profit or loss			
- Gain/(loss) on fair value of defined benefit plans as per actuarial valuation		-	0.23
- Income tax effect on above		-	-
(b) Items to be reclassified subsequently to profit or loss		-	-
Other Comprehensive Income/ (loss) for the year, net of tax (B)		-	**0.23**
Total comprehensive Income/(loss) for the year, net of tax (A+B)		**6,492.85**	**(17,728.76)**
Earning/Loss per equity share of each having face value of ₹10 each			
Basic and diluted (in ₹)	26	2,597.14	(7,091.60)

Notes 1 to 36 form an integral part of the standalone financial statements

This is the Standalone Statement of Profit and Loss referred to in our audit report of even date

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

Vijay D. Jain
Partner
Membership No.: 117961

Place: Mumbai
Date: 27 June 2020

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: 27 June 2020

HCC Infrastructure Company Limited

Standalone Cash Flow Statement for the year ended 31 March 2020

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

	Year ended 31 March 2020	Year ended 31 March 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	6,492.85	(17,727.24)
Adjustment for		
Depreciation expenses	-	0.24
Finance costs	3,964.63	9,415.93
Interest income on ICD	(127.27)	(265.51)
Interest on compensation	(156.47)	(749.03)
Corporate guarantee commission income	(102.08)	(95.87)
ICD Interest written back	-	(41.83)
Reversal of Loss on Other receivables	(0.16)	-
Reversal of Loss on ICD Interest	(193.50)	-
Reversal of Interest income on compensation of earlier period	61.23	-
Impairment losses on financial assets		
- On trade receivables	-	13.46
- Other receivables	105.26	28.41
- Investment in subsidiaries	259.55	50.00
- ICD receivables including interest	2,696.84	792.14
- Other receivables	(12,000.00)	12,000.00
Operating profit before working capital changes	**1,000.88**	**3,420.70**
Adjustments for changes in working capital:		
(Increase) in trade receivables	612.96	(508.89)
(Increase)/decrease in other financial assets - non current	(105.10)	(14,769.94)
(Increase) in other current assets	(12.61)	(1.86)
Increase/(decrease) in other current financial liabilities	0.46	12,011.68
Increase/(decrease) in current provisions	(0.29)	0.01
Increase in non current provisions	(7.99)	0.62
Increase in other current liabilities	506.42	494.68
Increase in trade payables	(6.30)	7.69
Cash generated from operations	**1,988.43**	**654.69**
Direct taxes paid (net of refund)	25.14	(1.62)
Net cash generated from operating activities (A)	**2,013.57**	**653.07**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment carried at amortised cost in subsidiary companies (unquoted)	-	(1,800.00)
Intercorporate deposit given to related parties (Refer notes (c) and (d) below)	(1,213.30)	(898.74)
Refund of intercorporate deposit given to related parties	314.95	80.00
Interest received	221.23	128.60
Net cash used in investing activities (B)	**(677.12)**	**(2,490.14)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from long term debt (Refer note (e) , (f) and (g))	600.00	-
Repayment of long term debt	(1.04)	-
Inter-corporate deposit taken from related parties (Refer note (a),(b) (d) and (e) below)	3,201.71	3,603.03
Interest paid on borrowings	(4,095.57)	(1,765.22)
Interest paid on other	(45.81)	-
Net cash generated from financing activities(C)	**(340.71)**	**1,837.81**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**995.74**	**0.74**
Cash and cash equivalents at the beginning of the year	14.45	13.71
Cash and cash equivalents at the beginning of the year	**1,010.19**	**14.45**
Components of cash and cash equivalents considered only for the purpose of cash flow statement (Refer note 9)		
In bank current accounts	1,010.19	14.45
Balances as per statement of cash flows	**1,010.19**	**14.45**

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The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows. 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 12.1(c)]

Significant non cash movements during the Current year excludes:

(a) Intercorporate deposit from Hindustan Construction Company Limited and interest (₹15,722.45 lakhs) thereon converted into deemed capital contribution from Holding Company amounting to ₹ NIL (31 March 2019 ₹155,254.22 lakhs).

(b) Statutory dues on Interest accrued on ICD taken from Hindustan Construction Company Limited converted into intercorporate deposit taken from Holding Company amounting to ₹ 449.86 lakhs (31 March 2019 ₹ Nil).

(c) Conversion of interest receivable on intercorporate deposit given to HCC Real Estate Limited into intercorporate deposit amounting to ₹ 230.99 lakhs (31 March 2019 ₹ Nil)

(d) Amount payable adjusted against Intercorporate deposits given to HCC Real Estate Limited, a fellow subsidiary were netted off against each other amounting to ₹ Nil (31 March 2019 ₹ 4,430.79 lakhs).

(e) A loan taken by Charosa Wineries Limited, a fellow subsidiary (upto 6 February 2019) was novated to the Company during the year amounting to ₹ Nil (31 March 2019 ₹ 3,773.49 lakhs).

(f) Conversion of Interest on SREI borrowing into borrowing amounting to ₹ 8.43 lakhs (31 March 2019 ₹ Nil)

(g) 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 ₹ 2,100.00 lakhs (31 March 2019 ₹ Nil)

Notes 1 to 36 form an integral part of the standalone financial statements

This is the Standalone Cash Flow Statement referred to in our audit report of even date

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

Vijay D Jain

Vijay D. Jain
Partner
Membership No.: 117961

Place: Mumbai
Date: 27 June 2020

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: 27 June 2020

HCC Infrastructure Company Limited

HCC Infrastructure Company Limited
Standalone Statement of Changes in Equity for the year ended 31 March 2020

A) Equity share capital (Refer note 11)

Particulars	Number	₹ lakhs
Equity shares of ₹ 10 each issued, subscribed and paid up		
As at 31 March 2018	**250,000**	**25.00**
Issue of equity shares	-	-
As at 31 March 2019	**250,000**	**25.00**
Issue of equity shares	-	-
As at 31 March 2020	**250,000**	**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 2018	**2,249.40**	**604.00**	**(103,120.56)**	**(100,267.16)**
Loss for the year	-	-	(17,728.99)	(17,728.99)
Additions during the year (Refer note i)	155,254.22	-	-	155,254.22
Other comprehensive income	-	-	0.23	0.23
As at 31 March 2019	**157,503.62**	**604.00**	**(120,849.32)**	**37,258.30**
Profit for the year	-	-	6,492.85	6,492.85
Additions during the year	-	-	-	-
Other comprehensive income	-	-	-	-
As at 31 March 2020	**157,503.62**	**604.00**	**(114,356.47)**	**43,751.15**

Nature and purpose of reserves

i. Deemed capital contribution
The holding company when transfers benefit to the Company in form of financial guarantee or interest free loan, a deemed capital contribution account is created. This will be derecognised on disposal of control in the Company. Additions during the previous year represents intercorporate deposits received from Hindustan Construction Company Limited , which has been classified as deemed capital contribution during that current year.

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.

I 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: 27 June 2020

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: 27 June 2020

Note 1 Corporate Information

HCC Infrastructure Company Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the erstwhile Companies Act, 1956 (CIN : U45400MH2010PLC210944). It is a 100% subsidiary of "Hindustan Construction Company Limited (HCC)". Shares of its holding company are listed on two stock exchanges in India. The purpose of incorporation of this Company is to carry on all types of infrastructure activities whether on its own or through subsidiaries or SPV's.
The financial statements of the Company for the year ended 31 March 2020 were authorised for issue in accordance with resolution of the Board of Director on 27 June 2020.

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.

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.

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.

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.

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

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

3) De-recognition of financial liabilities

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

c Offsetting financial instruments

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

vi Employee benefits

a Defined contribution plan

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

b Defined benefit plan

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

c Leave entitlement and compensated absences

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

d Short-term benefits

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

vii Cash and cash equivalents

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

viii Segment reporting

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

ix Borrowing costs

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

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

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x Revenue recognition

Project management consultancy and advisory fees

Revenue from project management consultancy fees is recognized on accrual basis, in accordance with the terms of the agreements.

Revenue is recognized on satisfaction of performance obligation 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.

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.

Finance and other income

Finance income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable EIR. Other income is accounted for on accrual basis. Where the receipt of income is uncertain, it is accounted for on receipt basis.

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.

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

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

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.

Note 3 Property, plant and equipment

Particulars	Computers	Office equipment	Total
Gross carrying value (Deemed cost)			
As at 01 April 2018	**2.19**	**0.49**	**2.68**
Additions	-	-	-
Deductions/ disposals	-	-	-
As at 31 March 2019	**2.19**	**0.49**	**2.68**
Additions	-	-	-
Deductions/ disposals	-	-	-
As at 31 March 2020	**2.19**	**0.49**	**2.68**
Accumulated Depreciation			
As at 01 April 2018	**1.95**	**0.49**	**2.44**
Charge for the year	0.24	-	0.24
Accumulated depreciation on disposals	-	-	-
As at 31 March 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**
Net carrying value			
As at 31 March 2019	-	-	-
As at 31 March 2020	-	-	-

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	As at 31 March 2020	As at 31 March 2019
4 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 4.1)		
In subsidiary companies	55.00	55.00
	55.00	**55.00**
(ii) Deemed investment (Refer note 4.1)		
(a) Deemed investment on inter-corporate deposits	-	1,800.00
(b) Deemed investment of corporate guarantee	412.05	671.60
	412.05	**2,471.60**
Total Investments in Subsidiaries (i + ii)	**467.05**	**2,526.60**
II. Investments in Joint Venture		
(i) Investments in equity shares at deemed cost (Refer note 4.2)		
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 4.2)		
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**	**88,473.16**

Note 4.1 Detailed list of Investments in Subsidiaries

I. Investments in equity shares at deemed cost		
In subsidiary companies		
- HCC Power Limited (Refer note 4A below) 500,000 (31 March 2019 - 500,000) equity shares	50.00	50.00
- Dhule Palesner Operations & Maintenance Limited 500,000 (31 March 2019 - 500,000) equity shares	50.00	50.00
Less: Impairment provision (Refer note 22)	(50.00)	(50.00)
	-	-
- HCC Operations & Maintenance Limited 50,000 (31 March 2019 - 50,000) equity shares	5.00	5.00
	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	1,800.00
Add: During the year (Refer note 25)	300.00	-
Less: Adjustment of demeed Investment against (Refer note 25)		
-Interecoprate deposits	(1,153.00)	-
-Interest accrued on intercorporate	(947.00)	-
Sub-total (a)	-	**1,800.00**
(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 22 and 25)	(259.55)	-
	412.05	**2,471.60**

(*) Loan given to subsidaries are designated at fair value through profit and loss and are recognisted as deemed investment, as per Ind AS 109. Such investments, will be derecognised on disposal of control in the Company.

Note 4.2 Detailed list of Investment in Joint Venture^

I. Investments in equity shares at deemed cost		
In Joint venture company		
HCC Concessions Limited (Refer note 4A below) 2,917,151 (31 March 2019 - 2,917,151) equity shares	57,348.02	57,348.02
	57,348.02	**57,348.02**

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	As at 31 March 2020	As at 31 March 2019
II. Investments in preference shares at deemed cost		
In Joint venture company		
HCC Concessions Limited (Refer note 4A below) 285,985,361 (31 March 2019: 285,985,361) 0.001% Compulsorily Convertible Cumulative Preference Shares	28,598.54	28,598.54
	28,598.54	**28,598.54**

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

Note 4A

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	688,637	688,637
HCC Power Limited	150,000	150,000
Preference Shares:		
HCC Concessions Limited	67,133,349	67,133,349

5 Loans

Non-Current		
Inter corporate deposit to related parties (Refer note 25)	7,892.78	6,763.44
Less: Loss allowance (Refer note 25)	(3,114.09)	(417.25)
Total non-current loans	**4,778.69**	**6,346.19**
Break-up of security details		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	4,778.69	6,346.19
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	3,114.09	417.25
Total	**7,892.78**	**6,763.44**
Loss allowance (Refer note 25)	(3,114.09)	(417.25)
Total loans	**4,778.69**	**6,346.19**

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 2020**	**As at 31 March 2019**
HCC Concessions Limited	11.00%	Repayable on demand	1,867.04	653.74
HCC Power Limited	11.00%	Repayable on demand	4,461.68	4,461.68
HCC Real Estate Limited (HREL) (*)	12.50%	Repayable on demand	1,564.06	1,648.02
			7,892.78	**6,763.44**

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

6 Other financial assets

Non-current		
Compensation receivable in lieu of termination (Refer note below)	2,144.58	-
Interest receivable on ICD from related party (Refer note 25)	181.39	605.88
Less: Loss allowance (Refer notes 19 and 25)	(181.39)	(374.89)
Receivable from related parties (Refer note 25)	20.26	20.42
Less: Loss allowance (Refer note 25)	(20.26)	(20.42)
Other receivables	7.99	12,007.99
Less: Loss allowance (Refer note 23)	(7.99)	(12,007.99)
Total non-current financial assets	**2,144.58**	**230.99**
Current		
Compensation receivable in lieu of termination (Refer note below)	1,502.00	3,551.35
Other Advances	105.26	-
Less: Loss allowance (Refer note 22)	(105.26)	-
Interest receivable on ICD from related party (Refer note 25)	559.88	460.34
Total current financial assets	**2,061.88**	**4,011.69**
Total other financial assets	**4,206.46**	**4,242.68**

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 to be created on proceeds from compensation receivables from claim in lieu of termination in favour of SREI Equipment Finance Limited.

	As at 31 March 2020	As at 31 March 2019
Break-up of security details		
Interest receivable on ICD from related party		
Interest receivable considered good - Secured	-	-
Interest receivable considered good - Unsecured	559.88	691.33
Interest receivable which have significant increase in credit risk	-	-
Interest receivable - credit impaired	181.39	374.89
Total	**741.27**	**1,066.22**
Loss allowance (Refer note 25)	(181.39)	(374.89)
Total loans	**559.88**	**691.33**

7 Income-tax assets (net)

i. The following table provides the details of income tax assets and liabilities:		
Income tax assets	199.88	225.02
Less: Income tax liabilities	-	-
Total income tax assets (net)	**199.88**	**225.02**

ii. The gross movement in the current tax asset/ (liability):		
Net current income tax assets/ (liabilities) at the beginning	**225.02**	**225.15**
Add: Tax deducted at source	13.02	1.62
Less: Income tax refund	(38.16)	-
Less: Current income taxes	-	(1.75)
Net non-current income tax assets/ (liabilities) at the end	**199.88**	**225.02**

iii. Income tax expense in the statement of profit and loss comprises:		
Current income taxes (represents prior year losses)	-	1.75
Deferred income taxes^	-	-
Income tax expenses/ (income) (net)	**-**	**1.75**

^ 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.

Total brought forward losses upto assessment year 2019-20, amounts to ₹ 99,549.99 lakhs (31 March 2019: ₹ 97,250.78 lakhs) which can be carried forward between A.Y. 2020-21 to A.Y. 2027-28).

Note The Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised Provision for Income-tax for the year ended 31 March 2020 at the new rate prescribed in the said section. During the previous year tax was paid under Minimum Alternate Tax (MAT), whereas due to selection of new tax regime the Company does not have to pay its tax liability under MAT, as MAT is no more applicable to the Company.

8 Trade receivables

Receivables from related parties (Refer note 25)	13.46	896.42
Receivables from Others	270.00	-
Less: Loss allowance	(13.46)	(13.46)
Total trade receivables	**270.00**	**882.96**

Break-up of security details		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	270.00	882.96
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	13.46	13.46
Total	**283.46**	**896.42**
Loss allowance	(13.46)	(13.46)
Total trade receivables	**270.00**	**882.96**

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.

9 Cash and cash equivalents

Balances with banks		
In current accounts	10.19	14.45
Demand draft on hand	1,000.00	-
Total cash and cash equivalents	**1,010.19**	**14.45**

		As at 31 March 2020	As at 31 March 2019
10	**Other current assets**		
	Balance with government authorities	-	1.83
	Receivable from related parties (Refer note 25)	14.78	-
	Prepaid expenses	0.08	0.42
	Total other current assets	**14.86**	**2.25**

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	As at 31 March 2020	As at 31 March 2019
11 Equity share capital		
Authorised share capital		
14,990,000 (31 March 2019: 14,990,000) equity shares of ₹10 each	1,499.00	1,499.00
10,000 (31 March 2019: 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 2019: 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 2020		As at 31 March 2019	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
At the beginning of the year	250,000	25.00	250,000	25.00
Issued during the year	-	-	-	-
At the end of the year	**250,000**	**25.00**	**250,000**	**25.00**

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

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of shares	%holding	No. of shares	%holding
Equity shares of ₹10 each fully paid				
Promoter				
Hindustan Construction Company Limited, holding comoany	250,000	100%	250,000	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 2020, the amount of per share dividend recognized as distributions to equity shareholders was ₹ Nil (31 March 2019: ₹ 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 2020		As at 31 March 2019	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
At the beginning of the year	**10,000**	**1.00**	**10,000**	**1.00**
Issued 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 2020		As at 31 March 2019	
	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.

	As at 31 March 2020	As at 31 March 2019
12 Borrowings (Non-current)		
Term Loan		
A) Secured		
From bank	1,185.92	1,185.92
Less: Classified under other financial liabilities [Refer note 12.1(b) and 13]	(1,185.92)	(1,185.92)
Unsecured		
From Financial Institution	607.40	-
Less: Classified under other financial liabilities [Refer note 12.1(b) and 13]	(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

d) Company has given Undated cheque

Interest rate and terms of repayment

Carrying interest rate of 12.5% p.a. (31 March 2019: 12.5% p.a) repayable in 5 years commencing from 1 January 2014 in equal quarterly installments.

From Financial Institution :

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

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

Interest rate and terms of repayment

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

	As at 31 March 2020	As at 31 March 2019
B) Liability component of financial instruments [Refer notes 11(e) and 25]		
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)	**605.34**	**1.00**

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12.1 Notes on borrowings:

(a) Summary of default in repayment

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.

(c) Non-current borrowings, current maturities of long-term borrowings, and interest accrued and due and interest accrued but not due included under "Other financial liabilities" as at 31 March 2020 include balances aggregating ₹ 604.34 lakhs, ₹ 3.06 lakhs, ₹ 20.04 lakhs and ₹ 3.18 lakhs respectively. In the absence of confirmation from the lenders, the Company has provided for interest and other penal charges on these borrowings based on the latest communication available from the respective lenders at the interest rate specified in the agreement. The Company's management believes that amount payable on settlement will not exceed the liability provided in books in respect of these borrowings. Also, classification of these borrowings into current and non-current as at 31 March 2020 is based on the original maturity terms stated in the agreements with the lender.

(d) Net debt reconciliation

Particulars	**As at 31 March 2020**	**As at 31 March 2019**	**As at 31 March 2018**
Cash and cash equivalents	1,010.19	14.45	13.71
Current borrowings (including interest on borrowing)	(44,539.06)	(43,172.68)	(123,133.68)
Non-current borrowings (including current maturities of long-term debt)	(1,794.31)	(1,186.92)	(69,662.75)
Net debt	**(45,323.18)**	**(44,345.15)**	**(192,782.72)**

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 2018	**13.71**	**(69,662.75)**	**(123,133.68)**	**(192,782.72)**
Cash flows	0.74	-		0.74
Inter-corporate deposit taken from related parties	-	-	(3,603.03)	(3,603.03)
Repayment of borrowings	-	-	-	-
Interest expense	-	(930.86)	(8,479.53)	(9,410.39)
Interest paid	-	-	1,765.22	1,765.22
Other non-cash movements				
- Borrowings converted into deemed equity	-	65,246.22	90,008.01	155,254.23
- Borrowing/payable adjusted against receivables/Intercorporate deposits taken	-	4,160.47	270.33	4,430.80
Net debt as at 31 March 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)**

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13 Other financial liabilities

	As at 31 March 2020	As at 31 March 2019
Non-current		
Financial guarantee contracts (Refer note 25)	126.65	228.49
Other liabilities	-	7,800.00
Total non-current financial liabilities	**126.65**	**8,028.49**
Current		
Current maturities of long-term debt [Refer notes12 and 12.1(b)]	1,188.97	1,185.92
Interest accrued and due on borrowings [Refer note 12.1(b)]	541.44	362.33
Interest accrued and not due on borrowings [Refer note 12.1(b)]	3.18	-
Interest on Inter corporate deposits from related parties (Refer note 25)	8,831.09	10,145.57
Interest on other payables to related parties (Refer note 25)	445.04	-
Others		
Due to related parties (Refer note 25)	3,785.12	3,924.44
Employee related payables	-	5.45
Other liabilities	1,703.94	5,903.98
Financial guarantee contracts (Refer note 25)	102.08	102.32
Total current financial liabilities	**16,600.86**	**21,630.01**
Total financial liabilities	**16,727.51**	**29,658.50**

14 Provisions

Non-current		
Provision for employee benefits		
- Gratuity	-	3.77
- Compensated absences	-	4.22
Total non-current provisions	**-**	**7.99**
Current		
Provision for employee benefits		
- Gratuity	-	0.08
- Compensated absences	-	0.21
Total current provisions	**-**	**0.29**
Total provisions	**-**	**8.28**

15 Current borrowings (Unsecured)

Inter corporate deposits from related parties (repayable on demand)** (Refer note 25)	35,163.35	32,664.78
Total current borrowings	**35,163.35**	**32,664.78**

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

16 Trade payables

Current		
Trade payables : micro and small enterprises (Refer note below)	-	-
Trade payables : others	13.25	19.55
Total trade payables	**13.25**	**19.55**

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.

17 Other current liabilities

Statutory dues	608.09	551.30
Total other current liabilities	**608.09**	**551.30**

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		Year ended 31 March 2020	Year ended 31 March 2019
18	**Revenue from operations**		
	Operation and maintenance fees (Refer note 25)	-	720.00
	Revenue from operations	**-**	**720.00**
	Other operating revenue		
	Compensation in lieu of termination	-	2,769.94
	Advisory fees	1,500.00	-
	Total revenue from operations	**1,500.00**	**3,489.94**
19	**Other income**		
	Interest income		
	-on inter corporate deposit (ICD) (Refer note 25)	127.27	265.51
	-on compensation	156.47	749.03
	-on unwinding on corporate guarantees (Refer note 25)	102.08	95.87
	-on income tax refund	4.60	5.46
	Other non-operating income		
	-reversal of Loss on Other receivables (Refer note 25)	0.16	-
	-reversal of Loss on ICD Interest (Refer note 25)	193.50	-
	-ICD interest written back (Refer note 25)	-	41.83
	-Liabiltiy no longer required written back	8.28	-
	-others	0.47	3.43
	Total other income	**592.83**	**1,161.13**
20	**Employee benefits expense**		
	Salaries and wages	0.07	37.64
	Contribution to provident funds and other funds (Refer note 30(B))	0.18	2.14
	Staff welfare expenses	0.02	0.51
	Total employee benefits expense	**0.27**	**40.29**
21	**Finance costs**		
	Interest expense on		
	- term loans	238.27	181.20
	- inter corporate deposits (Refer note 25)	3,680.55	8,298.33
	Other borrowing costs		
	- unwinding of discounted value of long term inter corporate deposit (Refer note 25)	-	930.86
	-Interest on other payable (Refer note 25)	481.12	-
	-Interest on delayed payment of statutory dues	45.81	5.54
	Total finance costs	**4,445.75**	**9,415.93**
22	**Other expenses**		
	Legal and professional	16.34	29.21
	Travelling	0.10	0.12
	Postage, telephone and fax	1.84	2.98
	Loss allowances		
	- On trade receivables (Refer note 25)	-	13.46
	- Other receivables (Refer note 6)	105.26	28.41
	- Investment in subsidiaries (Refer note 25)	259.55	50.00
	- ICD receivables including interest (Refer note 25)	2,696.84	792.14
	Payment to auditors		
	- Statutory audit fees (excluding GST)	5.50	5.00
	- Limited review fess	4.00	-
	- Others	1.44	-
	Reversal of Interest income on compensation of earlier period	61.23	-
	Miscellaneous	1.86	0.53
	Total other expenses	**3,153.96**	**921.85**

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

23	**Exceptional Items**		
	(Reversal)/Provision against commitment given towards purchase of debentures (Refer note below)	(12,000.00)	12,000.00
	Total exceptional expenses	**(12,000.00)**	**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 (LCL), HCC Infrastructure Company Limited ("the Company") being an affiliate to the agreement had assumed the balance liability of the commitment given by its subsidiary company. Since the value of the underlying asset i.e. the debentures is ₹ Nil, as LCL is undergoing Corporate Insolvency Resolution Process (CIRP), the carrying value in the books have been provided for in the previous year. Based on the recall notice received during the current year by HOML from SSG / IOPL, the management of the Company has reversed the liability, after adjusting payment already made on behalf of subsidiary company, as the same was agreed to be accounted in the books of HOML (Refer note 6) and such reversal has been disclosed under exceptional items.

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24 Contingent liabilities and commitments

	As at 31 March 2020	As at 31 March 2019
(A) Contingent liabilities		
(i) Corporate guarantees given on behalf of subsidiary companies [Refer notes 25]	20,800.00	20,800.00
(ii) Service tax and MVAT litigation pending with department	-	4.50
(iii) Income tax liability that may arise in respect of which the Company is in appeals	142.86	142.86
(iv) Counter indemnities given to banks in respect of contracts executed by subsidiaries and joint ventures.	32,178.45	35,737.47

(v) **Provident fund:**
Based on the judgement by the Honourable Supreme Court dated 28 February 2019, past provident fund liability, is not determinable at present, in view of uncertainty on the applicability of the judgement to the Company with respect to timing and the components of its compensation structure. In absence of further clarification, the Company has been advised to await further developments in this matter to reasonably assess the implications on its financial statements, if any.

(vi) 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. This matter is currently under discussion with the lenders.

(B) Capital Commitments

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

25 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 2020	Company's holding as at (%) ^ 31 March 2019
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	India	85.45%	85.45%
Raiganj-Dalkhola Highways Limited	India	76.91%	76.91%
D) Fellow subsidiaries (with whom transactions have taken place during the year)			
Charosa Wineries Limited	India	-	-
HCC Real Estate Limited	India	-	-
Lavasa Corporation Limited	India	-	-
E) Other Related Parties			
Joint ventures			
HCC Concessions Limited^^	India	85.45%	85.45%
Step down subsidiary			
HCC Energy Limited	India	100.00%	100.00%

B) Key Management Personnel

Mr. Venkata Ramana Kishore Repaka	Director (w.e.f. 27 April 2018)
Mr. Amit Uplenchwar	Director (w.e.f. 31 August 2018)
Mr. Aditya Pratap Jain	Director (w.e.f. 27 March 2019)

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

II) Transactions with related parties :

		Year ended 31 March 2020	Year ended 31 March 2019
Revenue from Operations		-	**720.00**
HCC Operations and Maintenance Limited	Subsidiary	-	720.00
Expenditure incurred for the Company		**117.77**	**183.44**
Hindustan Construction Company Limited	Holding Company	-	100.12
HCC Operations and Maintenance Limited	Subsidiary	106.53	68.78
HCC Concessions Limited	Joint Venture	6.17	14.54
HCC Real Estate Limited	Fellow Subsidiary	5.07	-
Inter corporate deposit taken		**3,651.55**	**7,305.87**
Hindustan Construction Company Limited	Holding Company	2,012.13	7,305.87
Dhule Palesner Operations & Maintenance Limited	Subsidiary	26.00	-
HCC Operations and Maintenance Limited	Subsidiary	1,567.62	-
HCC Energy Limited	Step down subsidiary	45.80	-

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		Year ended 31 March 2020	Year ended 31 March 2019
Repayment of inter corporate deposit received		-	**3,742.41**
HCC Operations and Maintenance Limited	Subsidiary	-	231.00
Dhule Palesner Operations & Maintenance Limited	Subsidiary	-	1,067.59
HCC Energy Limited	Step down subsidiary	-	2,143.82
HCC Concessions Limited	Joint Venture	-	300.00
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 converted into intercorporate deposit taken			**15,722.45**
Hindustan Construction Company Limited	Holding Company	-	15,722.45
Interest expenses on inter corporate deposit		**3,680.55**	**8,298.33**
Hindustan Construction Company Limited	Holding Company	-	4,496.29
HCC Energy Limited	Step down subsidiary	2,656.52	2,749.50
Dhule Palesner Operations & Maintenance Limited	Subsidiary	928.78	996.02
HCC Operations and Maintenance Limited	Subsidiary	95.25	23.44
HCC Concessions Limited	Joint Venture	-	33.08
Unwinding of discounted value of long term inter corporate deposit		-	**930.86**
HCC Real Estate Limited	Fellow Subsidiary	-	930.86
Interest expenses on Other Payable		**481.12**	-
Dhule Palesner Operations & Maintenance Limited	Subsidiary	481.12	-
Interest income on inter corporate deposit given		**127.27**	**265.51**
HCC Concessions Limited	Joint Venture	127.27	11.13
HCC Real Estate Limited	Fellow Subsidiary	-	254.38
Interest received on intercorporate deposits given		**208.50**	**85.39**
HCC Concessions Limited	Joint Venture	15.00	50.39
HCC Power Limited	Subsidiary	193.50	35.00
Reversal of Loss on Other receivables		**0.16**	-
Farakka-Raiganj Highways Limited	Subsidiary of Joint Venture	0.16	-
Reversal of Loss on ICD interest		**193.50**	-
HCC Power Limited	Subsidiary	193.50	-
Loss Allowance			
- Trade receivables		-	**13.46**
Lavasa Corporation Limited^	Fellow subsidiary	-	13.46
- Other receivables		-	**20.42**
Badarpur Faridabad Tollway Limited	Subsidiary of Joint Venture	-	20.01
Baharampore Farakka Highway Limited	Subsidiary of Joint Venture	-	0.25
Farakka Raiganj Highway Limited	Subsidiary of Joint Venture	-	0.16
- Investment of Subsidaries		**259.55**	**50.00**
Dhule Palesner Operations & Maintenance Limited^	Subsidiary	-	50.00
HCC Operations and Maintenance Limited^	Subsidiary	259.55	-
- ICD receivables including interest		**2,696.84**	**792.14**
HCC Power Limited^^	Subsidiary	1,132.78	792.14
HCC Real Estate Limited^	Fellow Subsidiary	1,564.06	-
Inter corporate deposit given		**1,213.30**	**818.74**
HCC Power Limited	Subsidiary	-	165.00
HCC Concessions Limited	Joint Venture	1,213.30	653.74
HCC Real Estate Limited	Fellow Subsidiary	-	-
Inter corporate deposit given received back		**314.95**	-
HCC Real Estate Limited	Fellow Subsidiary	314.95	-
Interest accrued converted into intercorporate deposit given		**230.99**	-
HCC Real Estate Limited	Fellow Subsidiary	230.99	-
Deemed capital contribution		-	**155,254.22**
Hindustan Construction Company Limited	Holding Company	-	155,254.22
Finance income on corporate guarantees		**102.08**	**95.87**
HCC Operations and Maintenance Limited	Subsidiary	43.24	18.67
HCC Power Limited	Subsidiary	58.84	77.20
ICD interest written back		-	**41.83**
Charosa Wineries Limited	Fellow subsidiary	-	41.83

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Outstanding as at year end		**As at 31 March 2020**	**As at 31 March 2019**
Interest accrued and due on Intercorporate deposit given		**741.27**	**1,066.22**
HCC Power Limited^	Subsidiary	181.39	374.89
HCC Concessions Limited	Joint Venture	559.88	460.34
HCC Real Estate Limited	Fellow Subsidiary	-	230.99
Impairment allowance on interest accrued and due on intercorporate deposit given		**181.39**	**374.89**
HCC Power Limited^	Subsidiary	181.39	374.89
Interest accrued and due on intercorporate deposit taken		**8,831.09**	**10,145.57**
HCC Operations and Maintenance Limited	Subsidiary	0.61	865.89
HCC Energy Limited	Step down subsidiary	5,855.55	6,596.05
Dhule Palesner Operations & Maintenance Limited	Subsidiary	2,974.93	2,683.63
Interest accrued and due on Other Payable		**445.04**	**-**
Dhule Palesner Operations & Maintenance Limited	Subsidiary	445.04	-
Intercorporate deposit taken		**35,163.35**	**32,664.78**
Hindustan Construction Company Limited	Holding Company	2,012.13	-
HCC Operations and Maintenance Limited	Subsidiary	519.37	104.73
HCC Energy Limited	Step down subsidiary	24,175.53	24,129.73
Dhule Palesner Operations & Maintenance Limited	Subsidiary	8,456.32	8,430.32
Intercorporate deposit given		**7,892.78**	**6,763.44**
HCC Power Limited^^	Subsidiary	4,461.68	4,461.68
HCC Concessions Limited	Joint Venture	1,867.04	653.74
HCC Real Estate Limited^	Fellow Subsidiary	1,564.06	1,648.02
Impairment allowance on intercorporate deposits given		**3,114.09**	**417.25**
HCC Power Limited^^	Subsidiary	1,550.03	417.25
HCC Real Estate Limited^	Fellow Subsidiary	1,564.06	-
Other payables		**3,785.12**	**3,924.44**
Hindustan Construction Company Limited	Holding Company	-	0.24
Dhule Palesner Operations & Maintenance Limited	Subsidiary	3,773.49	3,773.49
HCC Operations and Maintenance Limited	Subsidiary	11.63	134.49
HCC Concessions Limited	Joint Venture	-	16.22
Advance / deposit given		**20.26**	**20.42**
Badarpur Faridabad Tollway Limited^	Subsidiary of Joint Venture	20.01	20.01
Baharampore Farakka Highway Limited^	Subsidiary of Joint Venture	0.25	0.25
Farakka Raiganj Highway Limited	Subsidiary of Joint Venture	-	0.16
Other current assets		**14.78**	**-**
HCC Concessions Limited	Joint Venture	14.78	-
Impairment allowance on advance/deposit given		**20.26**	**20.42**
Badarpur Faridabad Tollway Limited^	Subsidiary of Joint Venture	20.01	20.01
Baharampore Farakka Highway Limited^	Subsidiary of Joint Venture	0.25	0.25
Farakka Raiganj Highway Limited	Subsidiary of Joint Venture	-	0.16
Corporate guarantees given by the Company		**228.73**	**330.81**
HCC Operations and Maintenance Limited	Subsidiary	68.90	112.14
HCC Power Limited	Subsidiary	159.83	218.67
Debt component of compound financial instruments		**1.00**	**1.00**
HCC Real Estate Limited	Fellow Subsidiary	1.00	1.00
Trade Receivables		**13.46**	**896.41**
HCC Operations and Maintenance Limited	Subsidiary	-	882.95
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. Refer note 22.
^^ The balances have been partially provided for during the year. Refer note 22.

26 Loss per share:

		Year ended 31 March 2020	**Year ended 31 March 2019**
A. Loss computation for basic earnings per share of ₹10 each			
Loss as per the statement of profit and loss available for equity shareholders	(₹ lakhs)	6,492.85	(17,728.99)
B. Less: Preference dividend on cumulative preference shares including distribution tax		-	-
Loss after preference dividend as stated above	(₹lakhs)	6,492.85	(17,728.99)
C. Weighted average number of equity shares for earning per share computation	(Nos.)	250,000	250,000
D. Loss per share - basic and diluted	(₹)	2,597.14	(7,091.60)

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27 Financial Instruments

A. Financial Instruments by category

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

The carrying value and the fair value of financial instruments by each category as at 31 March 2019:

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	6,346.19	-	-	6,346.19	6,346.19
Trade receivables	882.96	-	-	882.96	882.96
Cash and cash equivalents	14.45	-	-	14.45	14.45
Other financial assets	4,242.68	-	-	4,242.68	4,242.68
Liabilities					
Borrowings (including current maturities of long-term borrowings)	33,851.69	-	-	33,851.69	33,851.69
Trade payables	19.55	-	-	19.55	19.55
Other financial liabilities	28,469.53	-	-	28,469.53	28,469.53

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 2020			31 March 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Liabilities						
Financial guarantee contracts	-	-	-	-	-	-

28 Financial risk management objectives and policies

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

I Market risk

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

a **Interest rate risk**

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

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

Particulars	**As at 31 March 2020 (₹ lakhs)**	**As at 31 March 2019 (₹ lakhs)**
Total Borrowings	#	33,850.69
% of borrowings out of above bearing variable rate of interest	#	#

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 2020 (₹ lakhs)**	**As at 31 March 2019 (₹ lakhs)**
50 bp increase would increase the loss before tax by	(8.97)	(5.93)
50 bp increase would decrease the loss before tax by	8.97	(5.93)

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 2020 (%)**	**Year ended 31 March 2019 (%)**
Revenue from government promoted agencies	-	79.37
Revenue from others	100.00	20.63
	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 2020**	**Year ended 31 March 2019**
Revenue from top customer	1,500.00	2,769.94
Revenue from top five customers	1,500.00	3,489.94

For the years ended 31 March 2020 and 31 March 2019, only one customer accounted for 100% of the revenue .

iii Liquidity risk

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

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

As at 31 March 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**

As at 31 March 2019

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)	33,850.69	-	-	-	1.00	**33,851.69**
Trade payables	-	19.55	-	-	-	**19.55**
Other financial liabilities	10,507.89	9,936.21	228.49	-	7,800.00	**28,472.60**
Total	**44,358.58**	**9,955.76**	**228.49**	**-**	**7,801.00**	**62,343.83**

29 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 equity.

	As at 31 March 2020 ₹ lakhs	**As at 31 March 2019 ₹ lakhs**
Net debt	45,323.18	44,345.15
Total capital employed	43,776.15	37,283.30
Net debt to capital employed ratio	**1.04**	**1.19**

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.

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30 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 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
a)	**Change in defined benefit obligations**		
	Present value of obligation as at the beginning of the year	3.85	3.40
	Current service cost	-	0.42
	Interest expenses	-	0.26
	Past service cost	-	-
	Other obligations	-	-
	Benefits paid	-	-
	Premeasurements - net actuarial (gains)/ losses	-	(0.23)
	Liabiltiy no longer required written back	(3.85)	-
	Present value of obligation as at the end of the year	**0.00**	**3.85**
b)	**Expenses recognised in the statement of profit and loss**		
	Current service cost	-	0.42
	Past service cost	-	-
	Net interest on the net defined benefit obligations / assets	-	0.26
	Other obligations	-	-
	Total	**-**	**0.68**
c)	**Premeasurement (gains)/ losses recognised in OCI**		
	Actuarial changes arising from changes in financial assumptions	-	0.03
	Experience adjustments	-	(0.26)
	Total	**-**	**(0.23)**
d)	**Actuarial assumptions:**		
	Discount rate	-	7.85 % p.a.
	Rate of increase of compensation levels	-	8.00 % p.a.
	Expected average remaining working lives of employees	-	16.00
	Mortality table	-	Indian assured lives mortality (2006-08) ultimate

The attrition rate varies from 2% to 8% (previous year 2% to 8%) for various age groups.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

e) Sensitivity analysis for significant assumptions is as below:

	1% increase	1% increase
i. Discount rate	-	(0.52)
ii. Salary escalation rate - over a long-term	-	0.62
iii. Attrition rate	-	0.01

	1% decrease	1% decrease
i. Discount rate	-	(0.52)
ii. Salary escalation rate - over a long-term	-	0.62
iii. Attrition rate	-	0.01

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other actuarial assumptions constant.

f) Maturity analysis of defined benefit obligation

Within the next 12 months	-	0.08
Between 2 and 5 years	-	0.38
Between 6 and 10 years	-	0.63
Total expected payments	**-**	**1.09**

B Defined contribution plans

Amount recognised as an expense and included in note 20, Contribution to provident and other funds amounted to ₹0.18 lakhs (31 March 2018 ₹2.14 lakhs)

Break up	Year ended 31 March 2020 ₹ lakhs	Year ended 31 March 2019 ₹ lakhs
Provident fund	0.10	1.11
Superannuation fund	0.09	1.03
	0.18	**2.14**

C Current/ non-current classification

	As at 31 March 2020 ₹ lakhs	As at 31 March 2019 ₹ lakhs
Gratuity		
Current	-	0.08
Non-current	-	3.77
	-	**3.85**
Leave entitlement and compensated absences (including sick leave)		
Current	-	0.21
Non-current	-	4.22
	-	**4.43**

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

31 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.

32 The Company has incurred net profit of ₹ 6,492.85 lakhs during the year ended 31 March 2020 and as at that date, its current liabilities exceeded its current assets by ₹ 49,028.62 lakhs. The Company is holding 85.45% in HCC Concessions Limited (HCL) having various Build, Operate and Transfer (BOT) SPVs under its fold. While the Company has profit in current year and has accumulated losses as at 31 March 2020, the underlying projects are expected to achieve adequate profitability on substantial completion. Further BOT SPV's have several claims including favourable arbitration awards against its customers 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 clients 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/ litigations 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.

33 The Company, as at 31 March 2020, has a non-current investment amounting to ₹ 462.05 lakhs (31 March 2019: ₹ 462.05 lakhs) and other non-current financial assets ₹ 2,911.66 lakhs (31 March 2019: ₹ 4,044.44 lakhs) in its subsidiary, HCC Power Limited (HPL). The Company has also furnished corporate guarantee amounting to ₹ 12,000 lakhs (31 March 2019 ₹ 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.

34 The Company, as at 31 March 2020, has a non-current investment amounting to ₹ 85,946.56 lakhs (31 March 2019: ₹ 85,946.56 lakhs) in HCC Concessions Limited ('HCL'), a joint venture company having various Build, Operate and Transfer (BOT) SPVs under its fold. The underlying projects of the HCL 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. Further BOT SPV's have several claims including favourable arbitration awards against its customers 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 clients 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/ litigations and legal advise, the management is confident that the realisable amount is higher than the carrying value of the non-current investments due to which these are considered as good and recoverable.

35 **Recent Accounting Update**
Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards.There is no such notification which would have been applicable from 01 April 2020.

36 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
Partner
Membership No.: 117961

Place: Mumbai
Date: 27 June 2020

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: 27 June 2020

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Independent Auditor's Report

To the Members of HCC Infrastructure Company Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

1. We have audited the accompanying consolidated financial statements of **HCC Infrastructure Company Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its joint ventures, as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, except for the possible effects of the matter described in he Basis for Qualified section of our report, the aforesaid consolidated 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 consolidated state of affairs of the Group as at 31 March 2020, and their consolidated loss (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. As stated in Note 12.6 (c) to the accompanying financial statements, the Holding Company's "Long-term borrowings", current maturities of long-term borrowings, and interest accrued and due and interest accrued but not due included under "Other financial liabilities" as at 31 March 2020 include balances aggregating ₹ 604.34 lakhs, ₹ 3.06 lakhs, ₹ 20.04 lakhs and ₹ 3.18 lakhs respectively, in respect of which direct confirmation from the lender has not been received. These borrowings have been classified into current and non-current, basis the original maturity terms stated in the agreement, which is not in accordance with the terms of the agreement relating to implications in the event of default. In the absence of such direct confirmations from the lender, we are unable to comment on the adjustments and changes in classification of balances in accordance with the principles of Ind AS 1, Presentation of financial statements, if any, that may be required to the carrying value of the aforementioned balances in the accompanying Statement.

4. As stated in Note 25(A)(a) to the accompanying consolidated financial statements, the subsidiary company, HCC Operations and Maintenance Limited (HOML) has not accrued interest aggregating ₹ 4,725.09 lakhs in accordance with terms of the Debenture Sale Purchase (DSP) agreement entered with certain debenture holders for purchase of debentures issued by Lavasa Corporation Limited (LCL). Had the subsidiary company provided for interest in accordance with the terms of the aforesaid agreement, net profit of the Group for the year ended 31 March 2020 would have been lower by ₹ 4,725.09 lakhs, and as at that date, other financial liabilities would have been higher by ₹ 4,725.09 lakhs and the reserves and surplus would have been lower by ₹ 4,725.09 lakhs.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 19 of the Other Matters section below, is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty related to Going Concern

6. We draw attention to Note 32.1 in the consolidated financial statements which indicate that the Group incurred a net profit of ₹ 16,912.16 lakhs during the financial year ended 31 March 2020, and as of that date, the Group's accumulated losses amounts to ₹ 174,627.14 lakhs and the Group's current liabilities exceeded its current assets by ₹ 52,127.65 lakhs. These conditions, along with other matters as set forth in the aforesaid note, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. However, based on the factors mentioned in the aforesaid note, management is of the view that the going concern basis of accounting is appropriate.

   Our audit report on the consolidated financial statements for the year ended 31 March 2019 also included this section on Material Uncertainty Related to Going Concern in respect of which our opinion was unmodified in the previous year.

   Further, the component auditors of HOML, subsidiary of the Company, have also reported material uncertainty relating to going concern section in their auditor's report on the financial statements for the year ended 31 March 2020.

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

Emphasis of Matters

7. We draw attention to Note 32.2 to the consolidated financial statements, regarding the Holding Company's non-current investment in HCC Concessions Limited ('HCON'), a joint venture company of the Holding Company, aggregating ₹ 32,112.32 lakhs, as at 31 March 2020. The consolidated net worth of the aforesaid joint venture has been substantially eroded; however, based on certain factors, including joint venture's future business plans, growth prospects, valuation report from an independent valuer and expected outcome of the negotiation/ discussion/ arbitration/ litigations and legal advice obtained in respect of certain claims of the wholly-owned subsidiaries of HCON, as described in the said note, management is of the view that the realizable amount is higher than the carrying value of the investments due to which these are considered as good and recoverable. Our opinion is not modified in respect of this matter.

   Our audit report on the consolidated financial statements for the year ended 31 March 2019 also included an emphasis of matter paragraph on the said matter in respect of which our opinion was unmodified in the previous year.

8. We draw attention to Note 32.3 of the accompanying consolidated financial statements on following emphasis of matter included in the audit report on the financial statements of Badarpur Faridabad Tollway Limited (BFTL), a joint venture of the Holding Company, issued by an independent firm of Chartered Accountants, vide their report dated 19 June 2020, on matter which is relevant to our opinion on the consolidated financial statements of the Group, and reproduced by us as under:

    a) Attention is drawn to Note 1, 8, 10, 17, 20 and 30 to the financials; the Company has signed a Settlement agreement on 26 March 2020 with NHAI for payment of ₹ 30,241.00 lakhs including interest. NHAI has released 75% of settlement amounting to ₹ 21,893.00 lakhs including interest on 30 March 2020 and balance 25% will only be released post withdrawal all cases by the BFTL against NHAI in High court. The Company has written back / written off all the receivables / payables to NHAI except to the extent of 25% of the settlement amount excluding interest.

    b) Attention is drawn to Note 1, 14 and 30 to the financials; the Company has signed a Settlement agreement on 19 March 2020 with the lenders wherein loan and interest payable as on 31 March 2020 has been settled for an amount of ₹ 34,764.00 lakhs. Payment to the lenders will be made from the claim amount receivable from NHAI to the extent of ₹ 30,044.00 lakhs and Promoters Contribution to the extent of ₹ 4,720.00 lakhs. As on 31 March 2020, the Company has paid ₹ 21,893.00 lakhs to the lenders. As per the Settlement agreement, the transaction should be executed till 30 June 2020 or till further date as may be agreed by the lenders.

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

9. We draw attention to Note 32.5 and 32.6 of the accompanying consolidated financial statements on following emphasis of matters included in the audit report on the financial statements of Baharampore Farakka Highways Limited (BFHL), a joint venture of the Holding Company, issued by an independent firm of Chartered Accountants, vide their report dated 19 June 2020, on matters which are relevant to our opinion on the consolidated financial statements of the Group, and reproduced by us as under:

    a) Note No. 33 of notes to accounts, National Highways Authority of India had served "Intention to Issue Termination Notice" vide letter dated 24 August 2017 and the Company refuted all the alleged defaults. The Independent Engineer has recommended the Authority to withdraw intention to issue termination notice on 26 June 2019.

    b) Note No. 32 of Notes to accounts, The Company has received claims of ₹ 84,971.67 lakhs from Hindustan Construction Company, its ultimate holding Company and the EPC contractor for the project. As per policy adopted by the Company these claims will be recognized only after approval and receipt of the same from National Highways Authority of India. In views of this claim has been disclosed as a contingent liability.

    Our opinion is not modified in respect of the above matters. Our audit report on the consolidated financial statements for the year ended 31 March 2019 also included an emphasis of matter paragraph on the said matters in respect of which our opinion was unmodified in the previous year.

10. We draw attention to Note 32.6, 32.7, 32.9 and 32.10 of the accompanying consolidated financial statements on following emphasis of matters included in the audit report on the financial statements of Raiganj Dalkhola Highways Limited (RDHL), a joint venture of the Holding Company, issued by an independent firm of Chartered Accountants, vide their report dated 19 June 2020, on matters which are relevant to our opinion on the consolidated financial statements of the Group, and reproduced by us as under:

    a) Note no. 7 of notes to accounts, National Highways Authority of India (NHAI) has served notice of termination of contract to the Company vide letter dated 31 March 2017 due to delay in re-start of work at project. For the reasons mentioned in the note, as the Company is confident of full recovery of its claims of ₹ 36,700.00 lakhs made before the arbitration for wrong full termination of the project. In view of this the cost incurred by the Company till 31 March 2017 appearing under Receivable from NHAI amounting to ₹ 17,742.44 lakhs is considered fully recoverable by the management.

b) Note no. 6 of notes to accounts, The Company has given interest free mobilization advance of ₹ 9,000.00 lakhs to Hindustan Construction Company Limited. It's ultimate holding Company, in its capacity as sub-contractor for carrying out the project. The said amount is outstanding for more than 3 years due to delay and subsequent wrongful termination of the project by NHAI.

c) Note no.27 (i) of Notes to accounts, The Company has received claims of ₹ 59,180.00 lakhs from Hindustan Construction Company, its ultimate holding Company and the EPC contractor for the project. As per policy adopted by the Company these claims will be recognized only after approval and receipt of the same from National Highways Authority of India. In views of this claim has been disclosed as a contingent liability.

d) Note no.12 and 14 in the financial statements, The Company had taken term loans from consortium of banks and financial institution. The Company borrowings have been classified as non-performing assets by the lenders due to defaults in payment of related dues. Balances of outstanding borrowings from the lenders (except Yes Bank) including interest thereon as recorded in books of accounts of Company are unconfirmed.

Our opinion is not modified in respect of the above matters. Our audit report on the consolidated financial statements for the year ended 31 March 2019 also included an emphasis of matter paragraph on the said matters in respect of which our opinion was unmodified in the previous year.

e) Note no.12 and 14 in the financial statements, The Company had taken term loans from consortium of banks and financial institution. The Company borrowings have been classified as non-performing assets by the lenders due to defaults in payment of related dues. Balances of outstanding borrowings from the lenders (except Yes Bank) including interest thereon as recorded in books of accounts of Company are unconfirmed.

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

11. We draw attention to 32.6 of the accompanying consolidated financial statements on following emphasis of matter included in the audit report on the financial statements of Farakka Raiganj Highways Limited (FRHL), a joint venture of the Holding Company, issued by an independent firm of Chartered Accountants, vide their report dated 19 June 2020, on matter which are relevant to our opinion on the consolidated financial statements of the Group, and reproduced by us as under:

a) Note No.31 of Notes to accounts, The Company has received claims of ₹ 109,274.71 lakhs from Hindustan Construction Company, its ultimate holding Company and the EPC contractor for the project. As per policy adopted by the Company these claims will be recognized only after approval and receipt of the same from National Highways Authority of India. In views of this claim has been disclosed as a contingent liability.

Our opinion is not modified in respect of the above matter. Our audit report on the consolidated financial statements for the year ended 31 March 2019 also included an emphasis of matter paragraph on the said matter in respect of which our opinion was unmodified in the previous year.

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

12. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the director's report etc. but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

    If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

13. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The respective Board of Directors/management of the companies included in the Group are responsible for 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

14. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls 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 ability of the Group 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern; and

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, and its associates and joint ventures, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

17. 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.

Other Matter

18. We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 26,378.90 lakhs and net assets of negative ₹ 10,423.46 lakhs as at 31 March 2020, total revenues of ₹ 6,319.19 lakhs and net cash outflows amounting to ₹ 34.38 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹ 18,389.79 lakhs for the year ended 31 March 2020, as considered in these consolidated financial statements, in respect of five joint ventures, whose financial statements has not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done by, and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

19. As required by Section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 19, on separate financial statements of the subsidiaries, we report that the Holding company and 5 subsidiary companies covered under the Act, have not paid or provided for any managerial remuneration during the year.

20. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, we report, to the extent applicable, that:

    a) we have sought and except for the matter described in the Basis for Qualified section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

    c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) except for the possible effects of the matter described in the Basis for Qualified Opinion section, in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act;

    e) the matters described in paragraphs 3 to 4 of the Basis for Qualified Opinion section, in paragraph 6 for Material Uncertainty on Going Concern section and in paragraphs 7 to 11 of Emphasis of Matter section, in our opinion, may have an adverse effect on the functioning of HCON, BFTL, RDHL, BFHL and FRHL, joint venture of the Holding Company and HOML, subsidiary of the Holding Company;

    f) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies covered under the Act, none of the directors of the Group companies covered under the Act, are disqualified as at 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act;

    g) the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 3 and 4 of the Basis for Qualified Opinion section with respect to the Holding Company;

    h) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, covered under the Act and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and

    i) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries:

        i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 25 to the consolidated financial statements;

ii. except for the possible effects of the matter described in the Basis for Qualified Opinion section, provision has been made in these consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts, as detailed in Note 25 to the consolidated financial statements;

iii. there were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies covered under the Act, during the year ended 31 March 2020; 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 no relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

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

Vijay. D Jain

Vijay D. Jain
Partner
Membership No:117961

UDIN:20117961AAAAAU9323

Place: Mumbai
Date: 27 June 2020

HCC Infrastructure Company Limited
Consolidated Balance Sheet as at 31 March 2020

	Note No.	As at 31 March 2020 (₹ lakhs)	As at 31 March 2019 (₹ lakhs)
ASSETS			
Non-current assets			
Property, plant and equipment	3	3.24	4.61
Investment accounted for using equity method	4	32,112.33	13,722.54
Financial assets			
Loans	5	1,867.04	2,301.76
Other financial assets	6	2,194.26	51.08
Other non current assets	7	32.63	55.64
Income-tax assets (net)	8	610.85	359.60
Total non-current assets		**36,820.35**	**16,495.23**
Current assets			
Financial assets			
Investments	4	1.58	65.19
Trade receivables	9	1,850.45	2,506.38
Cash and cash equivalents	10	1,081.31	73.69
Other financial asset	6	2,061.88	4,212.10
Other current assets	7	450.50	345.70
Total current assets		**5,445.72**	**7,203.06**
TOTAL ASSETS		**42,266.07**	**23,698.29**
EQUITY AND LIABILITIES			
Equity share capital	11	25.00	25.00
Other equity		(16,443.01)	(33,355.17)
Total Equity		**(16,418.01)**	**(33,330.17)**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	12	1,055.34	28,289.11
Other financial liabilities	13	-	7,800.00
Provisions	14	55.37	42.26
Total non-current liabilities		**1,110.71**	**36,131.37**
Current Liabilities			
Financial Liabilities			
Borrowings	12	2,012.13	-
Trade payables	15		
i) Total outstanding dues to micro and small enterprises		-	-
ii) Total outstanding dues other than (i) above		1,084.95	1,245.72
Other financial liabilities	13	50,179.94	16,929.18
Other current liabilities	16	3,201.75	2,546.77
Provisions	14	2.43	1.93
Current tax liabilities (net)	17	1,092.17	173.49
Total current liabilities		**57,573.37**	**20,897.09**
TOTAL EQUITY AND LIABILITIES		**42,266.07**	**23,698.29**

Notes 1 to 38 form an integral part of the consolidated financial statements

This is the Consolidated Balance Sheet referred to in our audit report of even date

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

Vijay D. Jain
Partner
Membership No.: 117961

Place: Mumbai
Date 27 June 2020

For and on behalf of the Board of Directors

Venkata Ramana Kishore Repaka
Director
DIN : 07402309

Aditya Pratap Jain
Director
DIN . 08115375

Place: Mumbai
Date: 27 June 2020

HCC Infrastructure Company Limited

Consolidated Statement of Profit and Loss for the year ended 31 March 2020

	Note No.	Year ended 31 March 2020 (₹ lakhs)	Year ended 31 March 2019 (₹ lakhs)
Revenue from operations	18	7,819.19	7,003.21
Other income	19	544.67	1,086.78
Total Income		8,363.86	8,089.99
Expenses			
Employee benefits expense	20	413.39	431.48
Finance costs	21	4,271.12	9,435.99
Depreciation	22	1.37	1.61
Other expenses	23	3,855.48	2,268.03
Total expenses		8,541.36	12,137.11
Loss before share of profit/(loss) of joint venture, exceptional item and tax		(177.50)	(4,047.12)
Share of loss of joint ventures		18,389.79	(15,561.80)
Exceptional item	24	-	(13,800.00)
Tax expense			
Current income tax			
Current tax		1,256.77	363.23
Tax pertaining to earlier years		35.25	26.83
Profit/(loss) for the year (A)		16,920.27	(33,798.98)
Other Comprehensive Income (OCI)			
Items not to be reclassified subsequently to profit or loss			
- Gain/(loss) on fair value of defined benefit plans as per actuarial valuation (Refer note 31)		(8.11)	2.26
- Income tax effect on above		-	-
- Share of OCI of investments accounted for using equity method (Refer note 31)		-	2.99
Other comprehensive income for the year, net of tax (B)		(8.11)	5.25
Total comprehensive profit/(loss) for the year, net of tax (A+B)		16,912.16	(33,793.73)
Profit/(loss) per equity share of each having face value of ₹ 10 each	27		
Basic and diluted (in ₹)		0.07	(0.14)

Notes 1 to 39 form an integral part of the consolidated financial statements

This is the consolidated Statement of Profit and Loss referred to in our audit report of even date

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

Vijay D. Jain

Partner
Membership No.: 117961

Place: Mumbai
Date: 27 June 2020

For and on behalf of the Board of Directors

Venkata Ramana Kishore Repaka
Director
DIN : 00018013

Aditya Pratap Jain
Director
DIN : 06981627

Place: Mumbai
Date: 27 June 2020

HCC Infrastructure Company Limited
Consolidated Cash Flow Statement for the year ended 31 March 2020

	Year ended 31 March 2020 (₹ lakhs)	Year ended 31 March 2019 (₹ lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	(177.50)	(17,847.12)
Adjustments for		
Depreciation and amortisation expenses	1.37	1.61
Loss Allowance on Other receivables	105.32	41.87
Loss Allowance on ICD receivables	1,564.00	-
Amortisation of Corporate Guarantee	19.23	2.11
Finance costs	4,201.34	8,496.95
Unwinding of discounted value of long term inter corporate deposit	-	930.86
Interest on delayed payment of statutory dues and others	50.55	6.06
Interest received	(136.35)	(276.60)
Compensation in lieu of termination	-	(2,769.94)
Interest received for Compensation in lieu of termination	(156.47)	(749.03)
Interest on intercorporate deposit written back	-	(41.83)
Fair valuation of Investment	(0.09)	(12.77)
Profit on sale of investment	(1.30)	(3.12)
Operating profit before working capital changes	5,470.10	(12,220.95)
Adjustments for changes in working capital:		
(Increase)/decrease in trade receivables	655.93	(2,026.44)
(Increase)/decrease in other financial assets	(73.25)	(18.37)
(Increase)/decrease in other non-current assets	-	(57.75)
(Increase)/decrease in other current assets	(101.03)	(78.66)
Increase/(decrease) in trade payables	(160.77)	8,411.91
Increase/(decrease) in other financial liabilities	(557.57)	4,132.94
Increase/(decrease)in provisions	5.50	4.54
Increase/(decrease) in other current liabilities	1,104.67	597.04
Cash (used in)/ generated from operations	6,343.58	(1,255.74)
Direct taxes paid (net of refund)	(624.59)	(757.27)
Net cash (used in)/ generated from operating activities (A)	5,718.99	(2,013.01)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment/ intangible assets	(0.01)	(0.01)
(Purchase)/sale of investments in mutual funds (net)	65.00	289.40
Intercorporate deposits given during the year (Refer note (c))	(1,213.30)	(653.74)
Intercorporate deposits repaid during the year	314.95	386.98
Interest received	36.81	561.65
Net cash (used in)/ generated from investing activities (B)	(796.55)	584.28
C. CASH FLOW FROM FINANCING ACTIVITIES		
Term loan taken during the year (Refer note (f))	600.00	3,773.49
Term loan repaid during the year	(3,560.55)	(2,407.19)
Inter corporate deposit taken during the year (Refer notes (a), (b) and (d))	1,562.26	27,353.53
Inter corporate deposit repaid during the year	-	(4,699.47)
Interest Converted into loan	-	(19,808.66)
Interest paid	(2,516.53)	(3,655.39)
Net cash (used in)/ generated from financing activities (C)	(3,914.82)	556.31
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	1,007.62	(872.43)
Add: Cash and cash equivalents at the beginning of the financial year	73.69	946.12
Cash and cash equivalents at the end of the year (Refer note 10)	1,081.31	73.69
Components of cash and cash equivalents considered only for the purpose of cash flow		
Cash and cash equivalents	0.25	0.04
Demand draft on hand	1,000.00	-
In bank current accounts	81.06	73.65
Total	1,081.31	73.69

Notes:

The Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows. 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 Belance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. (Refer note 12.6)

Significant non cash movements during the year excludes:

(a) Intercorporate deposit from Hindustan Construction Company Limited and interest (₹15,722.45 lakhs) thereon converted into deemed capital contribution from Holding Company amounting to ₹ NIL (31 March 2019 ₹155,254.22 lakhs).

(b) Statutory due on Interest accrued on ICD taken from Hindustan Construction Company Limited converted into intercorporate deposit taken from Holding Company amounting to ₹ 449.86 lakhs (31 March 2019 ₹ NIL).

(c) Conversion of interest receivable on intercorporate deposit given to HCC Real Estate Limited into intercorporate deposit amounting to ₹ 230.99 lakhs (31 March 2019 ₹ NIL)

(d) Borrowing/payable adjusted against Intercorporate deposits given to HCC Real Estate Limited, a fellow subsidiary were netted off against each other amounting to ₹ Nil (31 March 2019 ₹ 4,430.79 lakhs).

(e) A loan taken by Charosa Wineries Limited, a fellow subsidiary (upto 6 February 2019) was novated to the Company during the year amounting to ₹ NIL (31 March 2019 ₹ 3,773.49 lakhs).

(f) Conversion of Interest on SREI borrowing into borrowing amouting to ₹ 8.44 lakhs

Notes 1 to 39 form an integral part of the consolidated financial statements

This is the consolidated Cash Flow Statement referred to in our audit report of even date

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

Vijay D. Jain
Partner
Membership No.: 117961

Place: Mumbai
Date: 27 June 2020

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: 27 June 2020

HCC Infrastructure Company Limited
Consolidated Statement of Changes in Equity for the year ended 31 March 2020

A) Equity share capital (Refer note 11)

Particulars	Number	₹ lakhs
Equity shares of ₹ 10 each issued, subscribed and paid up		
As at 31 March 2018	250,000	25.00
Issue of equity shares	-	-
As at 31 March 2019	250,000	25.00
Issue of equity shares	-	-
As at 31 March 2020	250,000	25.00

B) Other equity

(₹ lakhs)

	Deemed capital contribution	Reserves and surplus		Equity instruments through Other comprehensive income	Total equity attributable to equity holders
		Capital Reserve on Merger	Retained Earnings		
As at 1 April 2018	2,249.40	604.00	(157,742.58)	0.90	(154,888.28)
Loss for the year	-	-	(33,798.98)	-	(33,798.98)
Capital contribution	155,326.84	-	-	-	155,326.84
Other Comprehensive Income for the year	-	-	2.26	2.99	5.25
As at 31 March 2019	157,576.24	604.00	(191,539.30)	3.89	(33,355.17)
Profit for the year	-	-	16,920.27	--	16,920.27
Other comprehensive income	-	-	(8.11)	-	(8.11)
As at 31 March 2020	157,576.24	604.00	(174,627.14)	3.89	(16,443.01)

Nature and purpose of reserves

i. Deemed capital contribution
The holding company when transfers benefit to the Company in form of financial guarantee or interest free loan, a deemed capital contribution account is created. This will be derecognised on disposal of control in the Company. Additions during the previous year represents intercorporate deposits received from Hindustan Construction Company Limited which has been classified as deemed capital contribution during that year.

ii. Capital reserve
Capital reserve was created on account of merger with 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.

Notes 1 to 38 form an integral part of the consolidated financial statements

This is the consolidated Statement of Changes in Equity referred to in our audit report of even date

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

Vijay D. Jain
Partner
Membership No.: 117961

Place: Mumbai
Date: 27 June 2020

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: 27 June 2020

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. 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 registered office of the Company having (CIN : U45400MH2010PLC210944) is located at Hincon House, LBS Marg, Vikhroli (West), Mumbai - 400 083.

The financial statements comprises the financial statements of the Company and its subsidiaries (the Company and its subsidiaries referred to as the "Group") and its joint arrangements.

The Group is engaged in the business of providing all types of infrastructure activities whether on its own or through subsidiaries, jointly controlled entity or SPV's.

These consolidated financial statements ("the financial statements") of the Group for the year ended 31 March 2019 were authorised for issue in accordance with resolution of the Board of Directors on 27 June 2020.

2.1 Summary of significant accounting policies

(i) Basis of preparation

The financial statements of the Group have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") 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.

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 (INR 00,000), except when otherwise indicated.

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

In case of certain companies of the Group, operating cycle for the business activities, based on the nature of products and time between the acquisition of assets for processing and their realization in cash or cash equivalents have been ascertained as twelve months for the purpose of current / non-current classification of assets and liabilities

(ii) Principles of Consolidation

a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases.

The acquisition method of accounting is used to account for business combination by the Group.

The Group combines the separate financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, contingent liability, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary and practicable to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet, respectively.

The consolidated financial statements have been presented to the extent possible, in the same manner as Parent Company's standalone financial statements.

(b) Joint arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement

Joint ventures

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

(c) Equity Method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income ("OCI"). Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its joint vantures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary and practicable to ensure consistency with the policies adopted by the Group.

The carrying amount of the equity accounted investments are tested for impairment in accordance with the policy described in note (viii).

(d) Change in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit and loss. The fair value becomes the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in OCI in respect of that entity are reclassified to profit or loss as if the Group had directly disposed of the related assets and liabilities.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in OCI are reclassified to profit or loss where appropriate

(e) The financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's separate financial statements in preparing the financial statements to ensure conformity with the Group's accounting policies, wherever necessary and practicable.

(f) Notes to the financial statements represent notes involving items which are considered material and are accordingly disclosed. Materiality for the purpose is assessed in relation to the information contained in the financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or a parent having no bearing on the true and fair view of the financial statements has not been disclosed in these financial statements.

(iii) Accounting estimates

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company 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 associates

The Company performs valuation for its investments in equity/preference shares of subsidiaries / associates for assessing whether there is any impairment in the fair value. When the fair value of investments in subsidiaries / associates 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.

(iv) Fair value measurement

The Group measures financial instruments, at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

(v) 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

(vi) Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost.

(vii) Depreciation/ Amortisation

(a) Depreciation/ amortisation is provided:

i. In respect of buildings and sheds, on the written down value basis considering the useful lives prescribed in Schedule II to the Act.

ii. In respect of furniture and fixtures, office equipment, computers, plant and machinery, heavy vehicles, light vehicles and speed boat on straight line basis at rates determined on the basis of useful lives prescribed in Schedule II to the Act, on a pro-rata basis. However, certain class of plant and machinery used in construction projects are depreciated on a straight line basis considering the useful life determined based on the technical evaluation and the management's experience of use of the assets, that is a period of three to twelve years, as against the period of nine to twenty years as prescribed in Schedule II to the Act.

(b) The useful lives have been determined based on technical evaluation carried out by the management's expert, in order to reflect the actual usage of the assets. The asset's useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. The change in estimated useful lives is a change in an accounting estimate and is applied prospectively. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(viii) 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

Financial assets, not recorded at fair value through profit or loss (FVTPL), 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 Group 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 asset not measured at amortised cost or at fair value through OCI is carried at FVPL.

Impairment of financial assets

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

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

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL ECL is the difference between after contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. after all cash shortfalls), discounted at the original EIR.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. 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

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.

(b) Financial Liabilities

Financial Liabilities at amortised cost

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

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

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

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

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.

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

(ix) Employee benefits

Defined contribution plan

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare fund and superannuation scheme are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Group's provident fund contribution, in respect of certain employees of the Company and its Indian subsidiaries is made to a government administered fund, and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Group has no further obligations beyond the monthly contributions.

(x) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand or short-term deposits and investment with an original maturity of three month or less and investment which are subject to an insignificant risk of changes in value.

(xi) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment are allocated on the basis of associated revenue of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments are disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment and all other assets and liabilities are disclosed as unallocable. Property, plant and equipment that could be used interchangeably among segments are not allocated to reportable segments.

(xii) Borrowing costs

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

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

Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the asset for its intended use or sale are complete. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted unless that period is a necessary part of the process for the construction of the asset.

(xiii) Revenue recognition

(a) Revenue recognition

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

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.

(b) Project management consultancy and fees

Revenue from project management consultancy fees is recognised on accrual basis, as per terms of the agreement with the customer

(c) Accounting for Claims

Claims are accounted as income in the period of receipt of order 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 operating revenue on receipt of favourable arbitration award.

(d) Dividend income

Dividend is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend.

(e) Finance and Other Income

Finance income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable EIR. Other income is accounted for on accrual basis Where the receipt of income is uncertain, it is accounted for on receipt basis.

(f) 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.

(xiv) Income tax

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority 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

(xv) Impairment of non-financial assets

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

When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off If the amount of impairment loss subsequently

(xvi) 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.

(xvii) 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 Group 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 the normal operating cycle after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

(xviii) 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 increased by the after tax amount of dividend and interest recognised in the period in respect the dilutive potential ordinary shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares 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).

(xix) Provisions, contingent liabilities and contingent assets

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

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

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

Provisions for legal claims are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions for restructuring are recognised by the Company when it has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that the Company will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Company.

(xx) Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

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3 Property, plant and equipment

(₹ lakhs)

Particulars	Computers	Office equipment	Furniture and fixtures	Total
Gross carrying value (Deemed cost)				
Balance as at 1 April 2018	16.40	1.54	1.44	19.38
Additions	-	-	-	-
Disposals	-	-	-	-
Balance as at 31 March 2019	16.40	1.54	1.44	19.38
Additions	-	-	-	-
Disposals	-	-	-	-
Balance as at 31 March 2020	16.40	1.54	1.44	19.38
Accumulated Depreciation				
Balance as at 1 April 2018	10.62	1.54	1.00	13.16
Depreciation for the year	1.46	-	0.15	1.61
Disposals	-	-	-	-
Balance as at 31 March 2019	12.08	1.54	1.15	14.77
Additions	1.23	-	0.14	1.37
Disposals	-	-	-	-
Balance as at 31 March 2020	13.31	1.54	1.29	16.14
Net carrying amount				
Balance as at 31 March 2019	4.32	-	0.29	4.61
Balance as at 31 March 2020	3.09	-	0.15	3.24

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		As at 31 March 2020 (₹ lakhs)	As at 31 March 2019 (₹ lakhs)
4	**Investments**		
	Non-current investments		
	Investment accounted for using the equity method		
	In Joint venture		
	In equity shares	57,348.02	57,348.02
	In compulsory convertible preference shares	28,598.54	28,598.54
	Less: Share of profit / loss from joint venture accounted under equity method	(53,834.23)	(72,224.02)
	Total non current investments (A)	32,112.33	13,722.54
	Current Investments		
	Investment in Mutual Funds		
	Fair value through profit or loss		
	Unquoted		
	Investments in mutual fund		
	Essel Liquid Fund Growth plan : 72.422 Units (31 March 2019 :72.422 Units)	1.58	1.49
	Reliance Mutual Fund -Direct Growth Plan Nil (31 March 2019 : 1,396.349 Units)	-	63.70
	Total current investments (B)	1.58	65.19
	Total investments (A+B)	32,113.91	13,787.73
	Non current		
	(i) Market value of investments - unquoted	-	-
	(ii) Carrying value of investments - unquoted	32,112.33	13,722.54
	(iii) Investments carried at deemed cost	32,112.33	13,722.54
	(iv) Impairment of investments	-	-
	Current		
	(i) Market value of investments - unquoted	1.58	65.19
	(ii) Carrying value of investments - unquoted	1.58	65.19
	(iii) Investments carried at fair value through profit and loss (FVTPL)	1.58	65.19
5	**Financial assets**		
	Non current		
	Loans		
	Inter corporate deposit (Refer note 26)	3,431.10	2,301.76
	Less: Loss Allowance (Refer note 26)	(1,564.06)	-
	Total non-current loans	1,867.04	2,301.76
	Break-up of security details		
	Loans considered good - Secured	-	-
	Loans considered good - Unsecured	1,867.04	2,301.76
	Loans which have significant increase in credit risk	-	-
	Loans - credit impaired	1,564.06	-
	Total	3,431.10	2,301.76
	Loss allowance (Refer note 26)	(1,564.06)	-
	Total loans	1,867.04	2,301.76

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

Name of company	Interest rate	Repayment	As at 31 March 2020 (₹ lakhs)	As at 31 March 2019 (₹ lakhs)
HCC Concessions Limited	11.00%	Repayable on demand	1,867.04	653.74
HCC Real Estate Limited*	12.50%	Repayable on demand	1,564.06	1,648.02
			3,431.10	2,301.76

* The above receivables will be secured by way of creation of pledge on 70,000 shares of HRL(Thane) Real Estate Limited held by HREL and also compnay will create charge on ICDs granted

		As at 31 March 2020 (₹ lakhs)	As at 31 March 2019 (₹ lakhs)
6	**Other financial assets**		
	Non-current		
	Security deposit	0.03	0.03
	Compensation receivable in lieu of termination (Refer note below)	2,144.58	-
	Other receivable from related parties (Refer note 26)	69.91	71.47
	Less: Loss allowance (Refer note 26)	(20.26)	(20.42)
	Interest receivable on Inter corporate deposits (Refer note 26)	-	-
	Commitment and advances against purchase of debentures	-	13,800.00
	Less: Loss allowance	-	(13,800.00)
	Total non-current financial assets (A)	2,194.26	51.08

	As at 31 March 2020 (₹ lakhs)	As at 31 March 2019 (₹ lakhs)
Current		
Compensation in lieu of termination (Refer note below)	1,502.01	3,518.96
Interest receivable on Inter corporate deposits (Refer note 26)	559.87	691.32
Other receivables from related party (Refer note 26)	-	1.82
Receivables from other	113.26	7.99
Less: Loss allowance	(113.26)	(7.99)
Total current financial assets (B)	2,061.88	4,212.10
Total other financial assets (A+B)	4,256.14	4,263.18

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 (yet to be created) in favour of SREI Equipment Finance Ltd to the extent of ₹700.00 lakhs.

7 Other assets		
Non-current assets		
Financial guarantees (Refer note 26)	32.63	55.64
Total non current assets	32.63	55.64
Other current asset		
Financial guarantees (Refer note 26)	18.64	14.86
Balance with government authorities	410.60	281.51
Prepaid expenses	4.79	3.27
Other receivable from related parties (Refer note 26)	14.78	-
Other advances	1.69	46.05
Total Other current assets	450.50	345.70
Total other assets	483.13	401.34

8 Income tax assets (net)		
i. The following table provides the details of income tax assets and liabilities:		
Income tax assets	610.85	359.60
Less: income tax liabilty	-	-
Total income tax assets (net)	610.85	359.60
ii. The gross movement in the current tax asset/ (liability):		
Net current income tax assets/ (liabilities) at the beginning	359.60	511.96
Add: Tax deducted at source	1,632.22	237.70
Less: Income tax refund	(88.95)	-
Less: Current income taxes	(1,292.02)	(390.06)
Net non-current income tax assets/ (liabilities) at the end	610.85	359.60
iii. Income tax expense in the statement of profit and loss comprises:		
Current income taxes	1,292.02	390.06
Deferred income taxes^	-	-
Income tax expenses/ (income) (net)	1,292.02	390.06

^ The Group 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.

The Group elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Group has recognised Provision for Income-tax for the year ended 31 March 2020 at the new rate prescribed in the said section. During the previous year tax was paid under Minimum Alternate Tax (MAT), whereas due to selection of new tax regime the Group does not have to pay its tax liability under MAT, as MAT is no more applicable to the Group.

		As at 31 March 2020 (₹ lakhs)	As at 31 March 2019 (₹ lakhs)
9	**Trade receivables**		
	(Unsecured, considered good unless otherwise stated)		
	Related parties (Refer note 26)	1,593.91	2,519.84
	Receivables from Others	270.00	-
	Less: Provision for doubtful debts	(13.46)	(13.46)
	Total trade receivables	1,850.45	2,506.38
	Trade receivables considered good - Secured	-	-
	Trade receivables considered good - Unsecured	1,850.45	2,506.38
	Trade receivables which have significant increase in credit risk	-	-
	Trade receivables - credit impaired	13.46	13.46
	Total	1,863.91	2,519.84
	Loss allowance (Refer note 26)	(13.46)	(13.46)
	Total trade receivables	1,850.45	2,506.38

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.

10	**Cash and cash equivalents**		
	Cash on hand	0.25	0.04
	Demand draft on hand	1,000.00	-
	Balances with banks		
	In current accounts	81.06	73.65
	Total cash and cash equivalents	1,081.31	73.69

	As at 31 March 2020 (₹ lakhs)	As at 31 March 2019 (₹ lakhs)
11 Equity share capital		
Authorised share capital		
14,990,000 (31 March 2019: 14,990,000) equity shares of ₹10 each	1,499.00	1,499.00
10,000 (31 March 2019: 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 2019: 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 2020		As at 31 March 2019	
	No. of shares	₹ In lakhs	No. of shares	₹ In lakhs
At the beginning of the year	250,000	25.00	250,000	25.00
Issued during the year	-	-	-	-
At the end of the year	**250,000**	**25.00**	**250,000**	**25.00**

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

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of shares	%holding	No. of shares	%holding
Equity shares of ₹ 10 each fully paid				
Promoter				
Hindustan Construction Company Limited	250,000	100%	250,000	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 period ended 31 March, 2020, the amount of per share dividend recognized as distributions to equity shareholders was ₹ Nil (31 March 2019: ₹ 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 2020		As at 31 March 2019	
At the beginning of the year	10,000	1.00	10,000	1.00
Issued 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 2020		As at 31 March 2019	
	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.

	As at 31 March 2020 (₹ lakhs)	As at 31 March 2019 (₹ lakhs)
12 Borrowings (non-current)		
A) Term loans		
Secured		
From banks		
Rupee Loan from Yes Bank Limited	33,364.37	36,923.89
Unsecured		
From financial institution		
SREI Equipment Finance Limited	607.40	-
Total	33,971.77	36,923.89
Less: Current maturity of long term debt (Refer note 13)	(32,917.43)	(8,635.78)
Total borrowings from bank (A)	1,054.34	28,288.11
Term loans from bank		
Term Loan I (TL-I) Carrying fixed interest rate of 11.25% p.a, repayable in 20 structured quarterly installments commencing from March 2017 and ending on December 2022 (Refer note 12.1)	10,200.00	10,800.00
Term Loan II (TL-II) Carrying floating interest rate ranging from 10.65% to 11.25% p.a, repayable in 20 structured quarterly installments commencing from November 2018 and ending on August 2023 (Refer note 12.1)	7,397.00	7,800.00
Term Loan III (TL-III) Carrying floating interest rate 10.75% p.a, repayable in 20 structured quarterly installments commencing from April 2019 and ending on January 2024 (Refer note 12.1)	4,750.00	5,000.00
Term Loan IV (TL-IV) Carrying floating interest rate 10.75% p.a, repayable in 20 structured quarterly installments commencing from June 2019 and ending on March 2024 (Refer note 12.1)	2,340.00	2,400.00
Carrying floating interest rate ranging from 10.75% to 12.25% p.a, repayable in 16 structured quartely installments commencing from third year of the loan (Refer note 12.2)	3,717.96	5,964.48
Carrying floating interest rate ranging from 10.75% to 11.25% p.a, repayable in 20 structured quarterly installments commencing from February 2019 and ending on December 2022 (Refer note 12.3)	3,773.49	3,773.49
Carrying interest rate of 12.5% p.a. repayable in 5 years commencing from 1 January 2014 in equal quarterly installments. (Refer note 12.4)	1,185.92	1,185.92
	33,364.37	36,923.89
From Financial Institution		
Carrying 12.75% interest rate p.a. repayable in 34 structured monthly installments commencing from June 2019 (Refer note 12.5)	607.40	-
	607.40	-

12.1 Security created in respect of above loans

(i) First Pari passu charge on all assets of the Borrower

(ii) Extension of Pledge of Shares of HCC Infrastructure Company Limited (HICL) in HCC Concessions Limited already pledged with Yes Bank Limited for the HCC Infrastructure Company Limited.

(iii) Unconditional and irrevocable guarantee from HCC infrastructure Company Limited.

(iv) Unconditional and irrevocable Guarantee from Hindustan Construction Company Limited

(v) Extension of the second pari passu charge over entire assets of HCC Infrastructure Company Limited.

(vi) Pledge over 30% equity shares of HCC Power Limited held by HCC Infrastructure Company Limited in favour of IDBI Trusteeship Services Limited as Security Trustee for TL-I, TL-II, TL-III and TL-IV sanctioned by lender to HCC Power Limited, to be reduced to 15% on repayment of 50% of the sanctioned facilities.

(vii) Unconditional and irrevocable guarantee from HCC Real Estate Limited (Upto 40% of term loan) for TL-IV

12.2 Term loans are repayable in 16 consecutive quarterly instalments commencing from the third year of the loan

Extension of the Charge on the pledge of shares of HCC Infrastructure Company Limited (HICL) in HCC Concessions Ltd already charged to the bank at HCC Infrastructure Company Limited Extension of second pari passu charge over entire assets of HICL(Including movable and immovable fixed assets(If any) and current assets), excluding investments, both present and future provided for the bank facility at HICL for Loan amount of ₹ 88,00,00,000

Corporate guarantee of HCC Infrastructure Company Limited in a form and manner acceptable to the bank

12.3 Secured by Unconditional and Irrevocable Corporate Guarantee of HCC Real Estate Limited & Undertaking from HCC Infrastructure Company Limited

The Company has entered into a novation agreement with Charosa Wineries Limited and Yes Bank Limited pursuant to the Resolution Plan of Charosa Wineries Limited whereby the loan from Yes Bank Ltd. amounting to ₹ 3,773.49 lakhs borrowed by Charosa Wineries Limited alongwith its rights and Liabililies under the Loan Agreement will be transferred to Dhule Palesner Operations & Maintenance Limited.

12.4 Rupee Loan are availed from the bank and carry interest @ 12.5% p.a (Base rate plus spread of 2.5%).The loans are repayable in 5 years with moratorium of 24 months followed by structured equal quarterly repayment with 20%, 30% and 50% repayment in 3rd, 4th, and 5th year respectively, commencing from 1 January 2014.
The loans are secured by way of :
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.
d) Company has given Undated cheque

12.5 The loans are secured by way of :
a) Subservient charge (yet to be created) on proceeds from arbitration award in favour of Pune-Paud Toll Road Co Ltd to the extent of ₹ 700.00 lakhs.
b) An subservient charge on the Claim Receivables to the extent of loan outstanding under the Deed of Hypothecation.

	As at 31 March 2020 (₹ lakhs)	As at 31 March 2019 (₹ lakhs)
B) Liability component of financial instruments [Refer note 11(e) and 26]		
Non - Cumulative Redeemable Preference Shares		
10,000 (31 March 2019 : 10,000) 0.1% Non - Cumulative Redeemable Preference Shares of ₹10 each	1.00	1.00
Subtotal (B)	1.00	1.00
Total non current borrowings (A+ B)	1,055.34	28,289.11
Current		
Unsecured		
From Related Parties		
Inter Corporate deposit * (Refer Note 26)	2,012.13	-
Total current borrowings	2,012.13	-

*Inter corporate deposits taken from related party is interest free and repayable on demand.

12.6 **Notes on borrowings:**

(Summary of deafult in repayment

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
Term loan- Bank	28,018.15	2,156.16	2,281.85	779.65	30,300.00	2,935.81
Term Loan- Financial intitution	0.62	17.04	-		0.62	17.04

(b) Other current financial liabilities' include balances amounting to ₹ 32,538.69 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 Group's management believes that amount payable on settlement will not exceed the liability provided in books in respect of these borrowings.

(c) Non-current borrowings, current maturities of long-term borrowings, and interest accrued and due and interest accrued but not due included under "Other financial liabilities" as at 31 March 2020 include balances aggregating ₹ 604.34 lakhs, ₹ 3.06 lakhs, ₹ 20.04 lakhs and ₹ 3.18 lakhs respectively. In the absence of confirmation from the lenders, the Company has provided for interest and other penal charges on these borrowings based on the latest communication available from the respective lenders at the interest rate specified in the agreement. The Group's management believes that amount payable on settlement will not exceed the liability provided in books in respect of these borrowings. Also, classification of these borrowings into current and non-current as at 31 March 2020 is based on the original maturity terms stated in the agreements with the lender.

(d) **Net debt reconciliation**

	As at 31 March 2020 ₹ in lakhs	As at 31 March 2019 ₹ in lakhs	As at 31 March 2018 ₹ in lakhs
Cash and cash equivalents	1,081.31	73.69	946.12
Liquid investments	1.58	65.19	338.70
Non-current borrowings (including current maturities of long-term debt)	(33,972.77)	(36,924.89)	(104,034.41)
Current borrowings (including interest on borrowing)	(5,057.89)	(1,318.84)	(75,220.90)
Net debt	**(37,947.77)**	**(38,104.85)**	**(177,970.49)**

Particulars	Cash and cash equivalents	Liquid investments	Non-current borrowings (including current maturities of long-term debt)	Current borrowings (including interest on borrowing)	Total
Net debt as at 1 April 2018	**946.12**	**338.70**	**(104,034.41)**	**(75,220.90)**	**(177,970.49)**
Cash flows	(872.43)	(289.40)	-	11,582.58	10,420.75
Repayment of borrowings	-	-	(1,366.31)	-	(1,366.31)
Interest expense	-	-	-	(4,529.38)	(4,529.38)
Interest paid	-	-		3,655.39	3,655.39
Profit on sale of investment	-	3.12	-	-	3.12
Other non-cash movements					
-Fair value adjustments	-	12.77	-	-	12.77
-Borrowing converted into deemed equity	-	-	68,475.83	63,193.47	131,669.30
Net debt as at 31 March 2019	**73.69**	**65.19**	**(36,924.89)**	**(1,318.84)**	**(38,104.85)**
Cash flows	1,007.62	(65.00)	-	-	942.62
Proceeds from term loan	-	-	(600.00)	-	(600.00)
Repayment of borrowings			3,560.55	-	3,560.55
Intercorporate deposit taken	-	-	-	(1,562.26)	(1,562.26)
Interest expense	-	-	-	(4,251.89)	(4,251.89)
Interest paid	-	-	-	2,516.53	2,516.53
Profit on sale of investment	-	1.30	-	-	1.30
Other non-cash movements					
-Fair value adjustments	-	0.09	-	-	0.09
-Interest converted into Borrowings	-	-	(8.43)	8.43	-
-Liabilities converted into Intercorporate deposits taken	-	-	-	(449.86)	(449.86)
Net debt as at 31 March 2020	**1,081.31**	**1.58**	**(33,972.77)**	**(5,057.89)**	**(37,947.77)**

	As at 31 March 2020 (₹ lakhs)	As at 31 March 2019 (₹ lakhs)
13 Other financial liabilities		
Non Current		
Other payables	-	7,800.00
Total (A)	-	7,800.00
Current		
Current maturities of long-term debts (Refer note 12)	32,917.43	8,635.78
Interest accrued and due on term loans	2,952.84	983.17
Interest accrued but not due on term loans	92.92	335.67
Security deposit (Refer note 26)	190.00	190.00
Payables to related party (Refer note 26)	525.41	702.08
Due to employees	51.63	52.70
Other payables	13,449.71	6,029.78
Total other current financial liabilities	**50,179.94**	**16,929.18**
14 Provisions		
Non Current		
Provision for employee benefits		
- Compensated absences (Refer note 31)	28.42	24.06
- Gratuity (Refer note 31)	26.95	18.20
Total non current provisions (A)	**55.37**	**42.26**
Current		
Provision for employee benefits		
- Compensated absences (Refer note 31)	2.08	1.66
- Gratuity (Refer note 31)	0.35	0.27
Total current provisions (B)	**2.43**	**1.93**
Total provision (A+B)	**57.80**	**44.19**
15 Trade payables		
Current		
Trade payables : micro and small enterprises (Refer note below)	-	-
Trade payables : other than micro and small enterprises		
-related parties (Refer note 26)	0.36	2.15
-others	1,084.59	1,243.57
Total trade payables	**1,084.95**	**1,245.72**

Note:

The group 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 group.

16 Other current liabilities		
Statutory dues	1,478.03	823.05
Advance from customers (Refer note 26)	1,723.72	1,723.72
Total other current liabilities	**3,201.75**	**2,546.77**
17 Current tax liabilities (net)		
Provisions for tax (net of advance tax)	1,092.17	173.49
	1,092.17	**173.49**

	Year ended 31 March 2020 (₹ lakhs)	Year ended 31 March 2019 (₹ lakhs)
18 Revenue from operations		
Operation and maintenance fees		
- Related parties (Refer note 26)	4,487.28	4,233.27
- Others	44.64	-
Other repairs and maintenance (Refer note 26)	1,787.27	-
	6,319.19	4,233.27
Other operating income		
Advisory fees	1,500.00	-
Compensation in lieu of termination	-	2,769.94
Total revenue from operations	7,819.19	7,003.21
19 Other income		
Interest income		
-on inter corporate deposit (Refer note 26)	127.27	265.51
-on compensation	156.47	749.03
-on fixed deposit	0.51	2.84
-on income tax refund	8.57	8.25
Other non-operating revenue		
-ICD Interest written back (Refer note 26)	-	41.83
-net gain/loss on sale of investments	1.30	3.12
-gain on fair value of investments	0.09	12.77
-reversal of previous year provisions	241.55	-
-liabiltiy no longer required written back	8.28	-
-reversal of Loss on other receivables (Refer note 26)	0.16	-
-others	0.47	3.43
Total other income	544.67	1,086.78
20 Employee benefits expense		
Salaries and wages	351.81	378.74
Contribution to provident funds and other funds [Refer note 31 (B)]	29.04	24.74
Staff welfare expenses	32.54	28.00
Total employee benefit expenses	413.39	431.48
21 Finance costs		
Interest on		
- term loans	4,201.34	3,967.58
- inter corporate deposits (Refer note 26)	-	4,529.38
Other borrowing costs		
-unwinding of discounted value of long term inter corporate deposit (Refer note 26)	-	930.86
-amortisation of corporate guarantee (Refer note 26)	19.23	2.11
-interest on delayed payment of statutory dues and others	50.55	6.06
Total finance cost	4,271.12	9,435.99
22 Depreciation		
Depreciation on property, plant and equipment (Refer note 3)	1 37	1.61
Total depreciation	1.37	1.61
23 Other expenses		
Travelling	3.91	3.14
Oirector sitting fees (Refer note 26)	0.45	3.39
Postage, telephone and fax	6.31	8.44
Rates & taxes	14.71	14 71
Payment to auditors	13 36	9.72
Legal, professional and consultancy charges	27 46	43 41
Security expenses	347.06	355.83
Insurance	7.86	6.35
Car hire charges	207.39	216 19
Repairs and maintenance	1,485.28	1,531 09
Loss allowances on other receivables	105 32	41 87
Loss allowances on ICD receivables (Refer note 26)	1,564 00	-
Reversal of Interest income on compensation of earlier period	61 23	-
Miscellaneous expenses	11 15	33.89
Total other expenses	3,855.48	2,268.03

	Year ended 31 March 2020 (₹ lakhs)	Year ended 31 March 2019 (₹ lakhs)
Note:		
(a) **Corporate social responsibility expenditure**		
Amount required to be spent as per Section 135 of the Act	16.16	26.28
Amount spent during the year on		
(i) on construction / acquisition of an asset	-	-
(ii) on purposes other than (i) above	-	-
Amount unspent during the year	16.16	26.28

Other expenses include ₹ Nil (31 March 2019: ₹.Nil) spent towards various schemes of corporate social responsibility as prescribed under section 135 of the Companies Act, 2013.

24 Exceptional Items

Provision against commitment given towards purchase of debentures (Refer note be		-
Provision against advance for debentures		
Guarantee Expenses (against purchase of debentures)	13,800.00	-
Total exceptional expenses	-	13,800.00

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 (LCL), HCC Infrastructure Company Limited ("the Holding Company") being an affiliate to the agreement has assumed the balance liability of commitment given by its subsidiary company. Since the value underlying asset i.e.the debentures is₹ Nil, as LCLis undergoing Corporate Insolvency Resolution Process (CIRP), the carrying value in the books have been provided for in the previous year.Based on recall notice received during the current year from SSG/IOPL, the management of the Holding Company has reversed the liability , after adjusting payment already made on behalf of subsidiary company, as the same was agreed to be accounted in the books of HOML (Refer note 6) and such reversal has been disclosed under exceptional item.

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25 Contingent liabilities and commitments

(A) Contingent liabilities

		As at 31 March 2020 (₹ lakhs)	As at 31 March 2019 (₹ lakhs)
(i)	Corporate guarantee given on behalf of group companies	-	13,800.00
(ii)	Commitment given to lender of a fellow subsidiary to purchase debentures in the event of default by issuer (Refer note (a) below)	4,725.09	-
(iii)	Service Tax and MVAT litigation pending with department	88.66	88.02
(iv)	Income tax liability that may arise in respect of which the Company is in appeals	142.86	142.80
(v)	Counter indemnities given to banks in respect of contracts executed by subsidiaries and joint ventures.	32,178.45	35,737.47
(vi)	Claims /penalty against the company not acknowledged as debt (Refer notes (b) below)	958.66	-

(vi) **Provident fund**

Based on the judgement by the Honourable Supreme Court dated 28 February 2019, past provident fund liability, is not determinable at present, in view of uncertainty on the applicability of the judgement to the Company with respect to timing and the components of its compensation structure. In absence of further clarification, the Company has been advised to await further developments in this matter to reasonably assess the implications on its financial statements, if any.

(a) Lavasa Corporation Limited had executed the mandatory NCD agreement with SSG Investment Holding India Ltd (SSG) and India Opportunities Pte I Ltd. (IOPL) for the restricting of NCDs on 29 September 2017 wherein Lavasa being primary obligor had to pay an aggregate consideration of ₹ 13,800 lakhs plus Interest @ 10.27 % per annum as per repayment schedule mentioned therein. The Company (HOML) had signed a Debenture Sale Purchase (DSP) agreement on 29 September 2017 with certain debenture holders for purchase of debentures issued by Lavasa Corporation Limited (LCL), in the event of any default for an aggregate consideration of ₹13,800 lakhs plus Interest @ 10.27 % per annum. Pursuant to default by LCL, the Company has till date paid ₹ 2,100 lakhs, including ₹300 lakhs paid during the current year, to the aforesaid debenture holders towards these debentures. During the year, vide letter dated 08 August 2019, the Company has received recall notice from SSG and IOPL for ₹18,525.09 lakhs due to payment default as per DSP agreement. As at 31 March 2020, there exist a liability in the books (after adjusting advances of ₹ 2,100 lakhs paid) amounting to ₹ 117,000.00 lakhs as at 31 March 2020 attributable to the principal obligation and the Company is in discussion with the debenture holders for the waiver of interest obligation. Considering the present status of the discussion, management believes that that amount payable on settlement will not exceed the liability provided in books in respect of this matter.

(b) As per the loan statement and confirmation received from bank, loan outstanding balance (including interest) as on 30 March 2020 has been shown as new loan (including interest portion) on 31 March 2020. Bank has converted excess liability by ₹ 958.66 lakhs in comparision of actual liabilitiy of the Company as per financials. Above mentioned amount has been shown as contingent liability as the matter is currently under discussion with bank in respect of excess balance shown in the loan statement.

(B) Capital commitments

The Group 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 Group 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.

26 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 2020	31 March 2019
B) Joint Venture^^			
HCC Concessions Limited	India	85.45%	85.45%
C) Subsidiary of Joint Venture			
Narmada Bridge Tollway Ltd	India	85.45%	85.45%
Badarpur Faridabad Tollway Ltd	India	85.45%	85.45%
Baharampore-Farakka Highways Ltd	India	85.45%	85.45%
Farakka-Raiganj Highways Ltd	India	85.45%	85 45%
Raiganj-Dalkhola Highways Ltd	India	76 91%	76.91%
D) Fellow subsidiaries (with whom transactions have taken place during the year)			
HCC Real Estate Limited	India	-	-
Charosa Wineries Limited (upto 6 February 2019)	India	-	-
Lavasa Corporation Limited (upto 30 July 2018)	India	-	-

E) Key Management Personnel

Mr. Venkata Ramana Kishore Repaka	Director (w.e.f. 27 April 2018)
Mr. Amit Uplenchwar	Director (w e.f. 31 August 2018)
Mr Aditya Pratap Jain	Director (w.e.f 27 March 2019)
Mr. Arun Vishnu Karambelkar	Director (upto 28 April 2018)
Mr. Mahesh Sitaram Gaikwad	Director
Mr Kiran Kakkar	Non-Executive Director (from 07 May 2019)
Mr. Ravindra Singh	Non-Executive Director (from 07 May 2019)
Mr. Chandrahas Vinod Zaveri	Independent Director (upto 30 July 2019)
Mr Manish Kumar Khanna	Independent Director (upto 30 July 2019)

^ including through subsidiary companies

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

ii) Transactions with related parties :

Transactions during the year	Year ended 31 March 2020 (₹ in lakhs)	Year ended 31 March 2019 (₹ in lakhs)
Operation & Maintenance income	**6,274.54**	**4,233.27**
Baharampore-Farakka Highway Limited	2,180.05	2,056.65
Farakka Raiganj Highway Limited	2,307.22	2,176.62
Hindustan Construction Company Limited	1,787.27	-
Expenditure incurred for the Company	**11.41**	**125.76**
Hindustan Construction Company Limited	-	100.12
HCC Concessions Limited	6.34	25.64
HCC Real Estate Limited	5.07	-
Expenditure incurred by the Company	**7.38**	**-**
HCC Concessions Limited	7.38	-
Financial Income	**127.27**	**265.51**
HCC Concessions Limited	127.27	11.13
HCC Real Estate Limited	-	254.38
Reversal of Loss on Other receivables	**0.16**	**-**
Farakka-Raiganj Highways Limited	0.16	-
Deemed equity investment against Inter corporate deposit and interest accrued	**-**	**155,254.22**
Hindustan Construction Company Limited	-	155,254.22
Deemed equity investment towards corporate guarantee	**-**	**72.61**
HCC Real Estate Limited	-	72.61
Interest accrued converted into intercorporate deposit	**230.99**	**-**
HCC Real Estate Limited	230.99	-
Inter corporate deposit given received back	**314.95**	
HCC Real Estate Limited	314.95	-
Inter corporate deposit interest written back	**-**	**41.83**
Charosa Wineries Limited	-	41.83
Interest expenses on Inter corporate deposit	**-**	**5,460.23**
Hindustan Construction Company Limited	-	4,496.29
HCC Concessions Limited	-	33.08
HCC Real Estate Limited	-	930.86
Interest converted into Inter corporate deposit	**-**	**15,722.45**
Hindustan Construction Company Limited	-	15,722.45
Finance cost on Corporate Guarantee taken	**19.23**	**2.11**
HCC Real Estate Limited	19.23	2.11
Director Sitting Fees	**0.45**	**3.39**
Chandrahas Zaveri	0.23	2.01
Manish Khanna	0.22	1.38
Inter corporate deposit taken	**2,012.13**	**7,305.87**
Hindustan Construction Company Limited	2,012.13	7,305.87
Inter corporate deposit given	**1,213.30**	**-**
HCC Concessions Limited	1,213.30	-
Repayment of Inter corporate deposit received	**-**	**300.00**
HCC Concessions Limited	-	300.00
Advance given	**-**	**1.81**
HCC Concessions Limited	-	1.81
Security Deposit taken during the year	**-**	**190.00**
Steiner India Limited	-	190.00

Outstanding as at year end	As at 31 March 2020 (₹ In lakhs)	As at 31 March 2019 (₹ In lakhs)
Vendor Account/outstanding for other services		
Hindustan Construction Company Limited	525.41	702.08
HCC Concessions Limited	511.27	511.50
Baharampore-Farakka Highway Limited	-	16.22
	14.14	174.36
Advance received from Customers		
Hindustan Construction Company Limited	1,723.72	1,723.72
Baharampore-Farakka Highway Limited	1,723.72	1,723.72
	-	-
Trade Receivable		
Lavasa Corporation Limited^	1,593.91	2,519.84
Badarpur Faridabad Tollway Limited	13.46	13.46
Baharampore-Farakka Highway Limited	62.12	62.12
Farakka Raiganj Highway Limited	-	404.06
Hindustan Construction Company Limited	1,507.28	2,040.20
	11.05	-
Impairment allowance on trade receivables		
Lavasa Corporation Limited	13.46	13.46
	13.46	13.46
Other receivables from related party		
Badarpur Faridabad Tollway Limited^^	84.69	73.29
Baharampore Farakka Highway Limited^	20.76	20.76
HCC Concessions Limited	0.25	0.25
Farakka Raiganj Highway Limited	24.77	1.81
Raiganj Dalkhola Highways Limited	38.88	50.44
	0.03	0.03
Impairment allowance on other receivables from related party		
Badarpur Faridabad Tollway Limited^^	20.26	20.42
Baharampore Farakka Highway Limited^^	20.01	20.01
Farakka Raiganj Highway Limited	0.25	0.25
	-	0.16
Inter corporate deposit Given		
HCC Concessions Limited	3,431.10	2,301.76
HCC Real Estate Limited^	1,867.04	653.74
	1,564.06	1,648.02
Impairment allowance on Intercorporate deposits		
HCC Real Estate Limited^	1,564.06	-
	1,564.06	-
Interest receivable on Inter corporate deposit		
HCC Concessions Limited	559.87	691.32
HCC Real estate Limited	559.87	460.33
	-	230.99
Financial Guarantee Asset		
HCC Real estate Limited	51.27	70.50
	51.27	70.50
Inter corporate deposit - Taken		
Hindustan Construction Company Limited	2,012.13	-
	2,012.13	-
Security Deposit taken		
Steiner India Limited	190.00	190.00
	190.00	190.00
Director Fees payable		
Chandrahas Zaveri	0.36	2.15
Manish Khanna	0.18	1.16
	0.18	0.99
Debt Component of Compound Financial Instruments		
HCC Real Estate Limited	1.00	1.00
	1.00	1.00

^ The balances have been provided for during the year

^^ The balances have been partly provided for during the year

27 Loss per share

		Year ended 31 March 2020	Year ended 31 March 2019
A. Loss computation for basic earnings per share of ₹10 each			
Loss as per the statement of profit and loss available for equity shareholders			
B. Less' Preference dividend on cumulative preference shares including distribution tax	(₹ lakhs)	16,920 27	(33,798.98)
Loss after preference dividend as stated above		-	-
C Weighted average number of equity shares for earning per share computation	(₹ lakhs)	16,920 27	(33,798 98)
D. Loss per share - basic and diluted	(Nos.)	250,000	250,000
	(₹)	0 07	(0 14)

28 Financial Instruments

Financial Instruments by category

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

(In ₹ lakhs)

Particulars	Financial assets / liabilities at amortised cost	Financial assets / liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through	Total carrying value	Total fair value
Assets					
Investments					
Investment in Mutual Fund	-	1.58	-	1.58	1.58
Loans	1,867.04	-	-	1,867.04	1,867.04
Trade receivables	1,850.45	-	-	1,850.45	1,850.45
Cash and cash equivalents and other bank balances	1,081.31	-	-	1,081.31	1,081.31
Other financial assets	4,256.14	-	-	4,256.14	4,256.14
Liabilities					
Borrowings(Including current maturities of Long term debts)	35,984.90	-	-	35,984.90	35,984.90
Trade payables	1,084.95	-	-	1,084.95	1,084.95
Other financial liabilities	17,262.51	-	-	17,262.51	17,262.51

The carrying value and the fair value of financial instruments by each category as at 31 March 2019:

(In ₹ lakhs)

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					
Investments					
Investment in Mutual Fund	-	65.19	-	65.19	65.19
Loans	2,301.76	-	-	2,301.76	2,301.76
Trade receivables	2,506.38	-	-	2,506.38	2,506.38
Cash and cash equivalents and other bank balances	73.69	-	-	73.69	73.69
Other financial assets	4,263.19	-	-	4,263.19	4,263.19
Liabilities					
Borrowings(Including current maturities of Long term debts)	36,924.89	-	-	36,924.89	36,924.89
Trade payables	1,245.72	-	-	1,245.72	1,245.72
Other financial liabilities	16,093.40	-	-	16,093.40	16,093.40

29 Financial risk management objectives and policies

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

i Market risk

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

a Interest rate risk

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

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's loss before tax is affected through the impact on floating rate borrowings. as follows

	31 March 2020 ₹ in lakhs	31 March 2019 ₹ in lakhs
Increase in basis points	50 basis points	50 basis points
Effect on loss before tax, increase by	(175.48)	(191.49)
Decrease in basis points	50 basis points	50 basis points
Effect on loss before tax, decrease by	175.48	191.49

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior year.

b Foreign currency risk

The Group does not have any outstanding balances in foreign currency and consequently the Group is not exposed to foreign exchange risk.

c Equity price risk

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

i 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

ii Liquidity risk

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

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

As at 31 March 2020

(₹ lakhs)

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)	34,926.50	3.06	1,054.34	-	1.00	35,984.90
Trade payables	-	1,084.95	-	-	-	1,084.95
Other financial liabilities	14,698.02	2,564.49	-	-	-	17,262.51
Total	49,624.52	3,652.50	1,054.34	-	1.00	54,332.36

As at 31 March 2019

(₹ lakhs)

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)	4,959.41	3,676.37	28,288.11	-	1 00	36,924.89
Trade payables	-	1,245.72	-	-	-	1,245.72
Other financial liabilities	902.08	7,391.32	-	-	7,800.00	16,093.40
Total	5,861.49	12,313.41	28,288.11	-	7,801.00	54,264.01

30 Capital management

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

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

	As at 31 March 2020 ₹ lakhs	**As at. 31 March 2019 ₹ lakhs**
Net debt	(37,947.76)	(38,104.85)
Total capital employed	(16,418.01)	(33,330.17)
Total debt to capital employed ratio	2.31	1.14

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

31 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

	31 March 2020 ₹ lakhs	**31 March 2019 ₹ lakhs**
a) Change in defined benefit obligations		
Present value of obligation as at the beginning of the year	18.47	16.94
Current service cost	4.26	4 94
Interest expenses	1.14	1.33
Past service cost	-	-
Losses on settlement	-	-
Other obligations	-	-
Benefits paid	(0 83)	(2 48)
Liability transferred out	-	-
Provision written back	(3.85)	
Remeasurements - net actuarial (gains)/ losses	8.11	(2.26)
Present value of obligation as at the end of the year	27.30	18.47
b) Expenses recognised in the Statement of Profit and Loss		
Current service cost	4 26	4 94
Past service cost	-	-
Net interest on the net defined benefit obligations / assets	1 14	1.33
Losses on settlement	-	-
Other obligations	-	-
Total	5.40	6.27
c) Remeasurement (gains)/ losses recognised in OCI		
Actuarial changes arising from changes in financial assumptions	1 45	0 11
Experience adjustments	6 66	(2 37)
Total	8.11	(2.26)

d) Actuarial assumptions:

	31 March 2020 ₹ lakhs	31 March 2019 ₹ lakhs
Discount rate	6.84% p.a	7.20 % p.a.
Rate of increase of compensation levels	8.00 % p.a.	8 00 % p.a.
Expected average remaining working lives of employees	15.00	16.00
Mortality table	Indian assured lives mortality (2006-08)	Indian assured lives mortality (2006-08) ultimate

The attrition rate varies from 2% to 8% (previous year 2% to 8%) for various age groups.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

e) Sensitivity analysis for significant assumptions is as below:
Sensitivity analysis for HICL

	1% increase	
i. Discount rate	-	(0.52)
ii. Salary escalation rate - over a long-term	-	0.62
iii. Attrition rate	-	0.01
	1% decrease	
i. Discount rate	-	(0.52)
ii. Salary escalation rate - over a long-term	-	0.62
iii. Attrition rate	-	0.01

Sensitivity analysis for HOML

Assumptions -Discount rate		
Sensitivity Level		
Impact on defined benefit obligation +1 in % increase	(3.50)	(1.97)
Impact on defined benefit obligation -in % decrease	4.25	2.41
Assumptions -Future salary increases		
Sensitivity Level		
Impact on defined benefit obligation +1 in % increase	3.94	2.38
Impact on defined benefit obligation -1 in % decrease	(3 28)	(1.98)
Assumptions -Employee Turnover		
Sensitivity Level		
Impact on defined benefit obligation +1 in % increase	(0.58)	(0.21)
Impact on defined benefit obligation -1 in % decrease	0.65	0.22

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other actuarial assumptions constant.

f) Maturity analysis of defined benefit obligation

Within the next 12 months	0.35	0.27
Between 2 and 5 years	3 50	2.33
Between 6 and 10 years	8.34	4.47
Sum of Years 11 and above	73 96	53.29
Total expected payments	**86.15**	**60.36**

B Defined contribution plans

Amount recognised as an expense and included in note 20, Contribution to provident and other funds amounted to ₹ 29.04 lakhs (31 March 2019 ₹ 24.74 lakhs)

Breakup		
Provident fund	18.24	18.15
Other funds	10.80	6.59
	29.04	**24.74**

C Current/ non-current classification

Gratuity		
Current	0.35	0 27
Non-current	26 95	18.20
	27.30	**18.47**
Leave entitlement and compensated absences (including sick leave)		
Current	2.08	1.66
Non-current	28 42	24.06
	30.50	**25.72**

32.1 The Group has incurred net profit of ₹ 16,912.16 lakhs during the year ended 31 March 2020 and as at that date, its current liabilities exceeded its current assets by ₹ 52,127.65 lakhs. The Company is holding 85.45% in HCC Concessions Limited (HCL) having various Build, Operate and Transfer (BOT) SPVs under its fold. While the Group has accumulated losses as at 31 March 2020, the underlying projects are expected to achieve adequate profitability on substantial completion. Further BOT SPV's have several claims including favorable arbitration awards against its customers 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 clients 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/ litigations 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.

32.2 The Group, as at 31 March 2020, has a non-current investment amounting to ₹ 32,112.33 lakhs (31 March 2019: ₹ 13,722.54 lakhs) in HCC Concessions Limited ('HCL'), a joint venture company of HCC Infrastructure Company Limited ('HICL') (85.45% holding), a wholly owned subsidiary, having various Build, Operate and Transfer (BOT) SPVs under its fold. While HICL has accumulated losses and consolidated net-worth as at 31 March 2020 has been substantially eroded, the underlying projects are expected to achieve adequate profitability on substantial completion. The net-worth of this subsidiary does not represent its true market value as the value of the underlying investments / assets, based on valuation report of an independent valuer, is higher. Further BOT SPV's have several claims including favorable arbitration awards against its customers 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 clients 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/ litigations and legal advise, the management believes that the realizable amount of HCL is higher than the carrying value of the non-current investments due to which these are considered as good and recoverable.

32.3 Badarpur Faridabad Tollways Limited (BFTL), has entered into a settlement agreement with National Highways Authority of India (NHAI) on 26 March 2020 by approaching the Conciliation Committee of Independent Experts ("CCIE-2") for a sum of ₹ 30,241.00 lakhs as full and final settlement against all claims and counterclaims related to the Project.

On 19 March 2020, BFTL, along with the HCON had entered into a full and final settlement agreement with the lenders for a sum of ₹ 34,764.00 lakhs against a total borrowing (including interest) of ₹ 73,300.00 lakhs as at the date of settlement, wherein it was mentioned that the borrowers shall ensure the termination payment of ₹ 30,044.00 lakhs received from NHAI in terms of the Concession Agreement, shall be paid to the lenders towards the settlement consideration. Further the guarantor i.e. the HCON has agreed and confirmed the lenders that a sum of ₹ 4,720.00 lakhs out of the total consideration to be received by the Company pursuant to the 100% stake sale of Farakka- Raiganj Highways Limited (FRHL), subsidiary of the HCON, shall be paid to the lenders towards the settlement consideration.

32.4 Narmada Bridge Tollway Ltd (NBTL), has entered into a settlement agreement with National Highways Authority of India (NHAI) on 4 March 2020 under the provisions of Section 73 of the Arbitration and Conciliation Act 1996, as amended by the Amendment Act, 2015 (3 of 2016) by approaching the Conciliation Committee of Independent Experts ("CCIE-2") for an amount of ₹ 3,000.00 lakhs as full and final settlement against all claims and counterclaims related to the Project.

32.5 On 24 August 2017, NHAI had issued an 'Intention to Issue Termination Notice' to Baharampore Farakka Highways Limited (BFHL), a joint venture of the HCL. BFHL has refuted all the alleged defaults and refuted NHAI's intention to terminate as invalid. The Independent Engineer has recommended NHAI to withdraw intention to issue termination notice on 26 June 2019. Further, the BFHL has also got access to ₹ 35,898.00 lakhs deposited by NHAI with the Delhi High Court in respect of an Arbitration Award and the proceeds are being used towards completion of project of this ₹ 7,500.00 lakhs have already been drawn.

32.6 Baharampore Farakka Highways Limited, Raiganj Dalkhola Highways Limited and Farakka Raiganj Highways Limited as at 31 March 2020 has received claims aggregating to ₹ 253,426.38 lakhs from Hindustan Construction Company-its ultimate holding company and EPC contractor for various projects entered by the Company. The Company has preferred claims on National Highways Authorities of India (NHAI). The Company recognises the claim income based on receipt of the award. The Company shall repay the amount to HCC only when its realises the award income from NHAI. In view of this claim income has been disclosed as contingent liability.

Name of the BOT subsidiary	In ₹ lakhs
Baharampore-Farakka Highways Limited	84,971.67
Farakka-Raiganj Highways Limited	109,274.71
Raiganj Dalkhola Highways Limited	59,180.00
Total claims preferred by HCC	**253,426.38**

32.7 Raiganj Dalkhola Highways Limited ('RDHL'), a subsidiary of HCL, has received a notice from NHAI for termination of the road construction project being carried out under this entity. RDHL has not accepted the contention of NHAI as the requisite land to carry out the desired work was not made available by NHAI. RDHL has preferred a claim of ₹ 36,800.00 lakhs before arbitration tribunal for wrongful termination of the project by NHAI and based on legal advise it is confident of recovering entire cost incurred on the project. Further, RDHL has also filed claims amounting to ₹ 80,200.00 lakhs towards losses suffered by it till 31 March 2017 on account of delay in providing land and consequent delay in completion of the project which are presently referred to arbitration for which constitution of Arbitral Tribunal to adjudicate this dispute is awaited. Further the net worth of RDHL, at this juncture, is also positive. Based on the legal advice obtained in this respect, Management is confident of recovering the outstanding receivables of ₹ 17,742.00 lakhs from NHAI and exposure in RDHL is considered to be fully recoverable.

32.8 The land acquisition delay of more than six years has led to substantial increase of project cost. The inability of the lenders consortium to fund the cost overrun in the absence of extended benefits in the event of termination from NHAI has led to the issuance of termination notice by NHAI on 31st March 2017. Company has filed claim for ₹ 36,700 lakhs as a termination payment and for ₹ 83,600 lakhs as losses on account of contractors dues before arbitration tribunal as the requisite land to carry out the desired work was not made available by NHAI. The Company has accumulated cost incurred on the project till 31st March 2017 as intangible asset under development. After the termination of the contract by NHAI the cost incurred thereafter has been charged to profit and loss account. Based on the legal advice the company is of the view that claims are fully recoverable and as a result the receivable from NHAI are shown under other financial assets representing the cost incurred till the date of termination doesn't require any impairment suffered by the company due to NHAI defaults under CA, which is also being adjudicated by a separate Arbitral Tribunal

32.9 The Group has given interest free mobilization advance aggregating to ₹ 9,000.00 lakhs to Hindustan Construction Company-its ultimate holding company and EPC contractor for various projects entered by the Company. This said amount have been outstanding and lying in companies book for more than 3 yea₹ The Management feels that the amount paid as mobilisation advance stands recoverable and is shown as current. The same will be adjusted upon payment of EPC claims.

32.10 Raiganj Dalkhola Highways Limited ('RDHL') had taken term loans from consortium of banks and financial institution. The Company borrowings have been classified as non-performing assets by the lenders due to defaults in payment of related dues. Balances of outstanding borrowings from the lenders (except Yes Bank) including interest thereon as recorded in books of accounts of Group are unconfirmed.

32.11 Badarpur Faridabad Tollways Limited (BFTL), has signed a settlement agreement on 19 March 2020 with lenders for an amount of ₹ 34,764.00 lakhs. Payment to the lenders will be made from the claim amount receivable from NHAI to the extent of ₹ 30,044 00 lakhs and Promoters Contribution to the extent of ₹4,720.00 lakhs. As on 31 March 2020, Company has paid ₹ 21,893.00 lakhs to the lenders after signing the settlement agreement. As per the management assurance and conditions laid down in the settlement agreement, balance loan and interest payable has been written back.As per the settlement agreement, the transaction should be executed till 30 June 2020 or till further date as may be agreed by the lender. The Company has signed a Settlement agreement on 26 March 2020 with NHAI for payment of ₹ 30,241.00 lakhs including interest. NHAI has released 75% of settlement amounting to ₹ 21,893.00 lakhs including interest on 30 March 2020 and balance 25% will only be released post withdrawal all cases by the BFTL against NHAI in High coun The Company has written back/ written off all the receivables / payables to NHAI except to the extent of 25% of the settlement amount excluding interest Other than this amount no amount is payable by NHAI or BFTL to each other.The Company has signed a Settlement agreement on 19 March 2020 with the lenders wherein loan and interest payable as on 31 March 2020 has been settled for an amount of ₹ 34,764.00 lakhs as against payable of ₹ 73,377 00 lakhs Balance loan and interest has been written back Payment to the lenders will be made from the claim amount receivable from NHAI to the extent of ₹ 30,044 00 lakhs and Promoters Contribution to the extent of ₹4,720 00 lakhs. As on 31 March 2020, Company has paid ₹ 21,893 00 lakhs to the lenders after signing the settlement agreement As per the Settlement agreement, the transaction should be executed till 30 June 2020 or till further date as may be agreed by the lender

33 Interest in other entities

33.1 Subsidiaries

The Group's subsidiaries as at 31 March 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

Name of the entity	Country of incorporation	Ownership interest held by the group (%) ^		Ownership interest held by non controlling interests (%) ^		Principal activities
		As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	
HCC Power Limited	India	100	100.00	-	-	Power Development
HCC Operation and Maintenance Limited	India	100	100.00	-	-	Operation & Maintenance of Road
Dhule Palesner Operations & Maintenance Limited	India	100	100.00	-	-	Operation & Maintenance of Road
HCC Energy Limited	India	100	100.00	-	-	Power Development

^ including through subsidiary companies

33.2 Interest in joint venture

	Note	Carrying amount as at 31 March 2020 ₹ lakhs	Carrying amount as at 31 March 2019 ₹ lakhs
Investment in joint venture	See (A) below	32,112.33	13,722.54

(A) Investment in joint venture

The Group's joint ventures as at 31 March 2020 are set out below. The joint venture have share capital consisting of equity shares and preference shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

	Country of Incorporation	Ownership interest %	Carrying amount as at*		Principal activities
			31 March 2020 ₹ lakhs	31 March 2019 ₹ lakhs	
HCC Concessions Limited	India	85.45	32,112.33	13,722.54	Concessionaries services

*Unlisted entity - no quoted price available

Refer note 33.3 for the table below provide summarised financial information for joint venture. The information disclosed reflects the amount presented in the financial statement of the relevant joint venture and not Group's share of those amounts They have been amended to reflect adjustments made by the Group when using the equity method

33.3 Table below provides summarised financial information for joint venture

Particulars	HCC Concessions Limited 31 March 2020 ₹ lakhs	HCC Concessions Limited 31 March 2019 ₹ lakhs
Non-Current Assets		
Property, plant and equipment		
Investment Property	108.36	131.85
Other Intangible Assets	29.68	29.68
Intangible assets under development	52,062.46	55,355.74
Financial Assets	47,589.05	41,280.63
Deferred tax assets	18,734.92	52,800.04
Income tax assets (net)	-	-
Other non current assets	1,898.85	933.40
Current Assets	469.11	9,485.68
Financial assets		
Other current assets	13,231.27	3,548.40
Assets classified as held for sale	21,599.24	6,904.47
Non-Current Liabilities	160,156.38	162,124.57
Financial liabilities		
Provisions	76,142.80	77,220.04
Current Liabilities	13,213.71	85.63
Financial liabilities		
Other current liabilities	45,181.21	85,017.74
Provisions	761.64	832.10
Liabilities directly associated with assets classified as held for sale	44.00	11,769.56
Total Equity	125,914.42	137,222.91
	54,621.54	**20,446.48**
Revenue		
Other income	23,832.84	17,078.23
Construction cost	7,287.22	803.00
Employee benefits expense	7,134.42	4,869.42
Finance costs	535.58	594.34
Depreciation expense	17,694.68	11,362.23
Other expenses	3,319.99	3,321.92
Exceptional items	5,582.08	4,957.86
Profit / (Loss) before tax	(28,535.43)	365.20
Income tax expense	**25,388.74**	**(7,589.74)**
Profit / (Loss) for the year from continuing operations	0.08	438.34
Discontinued Operations	**25,388.66**	**(8,028.68)**
Loss from discontinues operations before Tax		
Tax expense on discontinued operations	(4,005.25)	(8,792.03)
Loss for the year from discontinues operations		-
Profit / (Loss) for the year from total operations	**(4,005.25)**	**(8,792.03)**
Other comprehensive income	**21,303.41**	**(16,820.11)**
Total Comprehensive Profit / (Loss) for the year	(5.61)	3.50
	21,377.80	**(16,816.61)**

34 **Disclosure mandated by Schedule III by way of additional information**

As at 31 March 2020

Name of Entity	Net Assets		Share in Profit or Loss	
	Amount (₹ Lakhs) Before Elimination	As % of Consolidated Net Asset (%)	Amount	As % of Consolidated profit and loss (%)
Consolidated	(16,418.01)	100.00	16,912.16	100.00
Parent Company				
HCC Infrastructure Company Limited	43,776.11		6,492.83	
Less. Elimination	(51,793,13)		(2,860.70)	
Post Elimination	**(8,017.02)**	48.83	**3,632.13**	21.48
Indian Subsidiary Companies				
HCC Power Limited	(1,280.48)		(388.70)	
Less: Elimination	(50.00)		2,599.34	
Post Elimination	**(1,330.48)**	8.10	**2,210.64**	13 07
HCC Operation and Maintenance Limited	(6,985.48)		(8,703.41)	
Less: Elimination	(5.00)		981.54	
Post Elimination	**(6,990.48)**	42.58	**(7,721.87)**	(45.66)
Dhule Palesner Operations & Maintenance Limited	(3,437.98)		(3,495.67)	
Less: Elimination	3,369.96		3,900.33	
Post Elimination	**(68.02)**	0.41	**404.66**	2.39
HCC Energy Limited	(7.01)		(1.54)	
Less: Elimination	(5.00)		(1.65)	
Post Elimination	**(12.01)**	0.07	**(3.19)**	(0.02)
Minority Interest in all subsidiaries	-	-	-	-
Indian Joint Venture				
HCC Concessions Limited	32,112.33	(195.59)	18,389.79	108.74

As at 31 March 2019

Name of Entity	Net Assets		Share in Profit or Loss	
	Amount (₹ Lakhs)	As % of Consolidated Net Asset (%)	Amount	As % of Consolidated profit and loss (%)
Consolidated	(33,330.17)	100.00	(33,793.73)	100.00
Parent Company				
HCC Infrastructure Company Limited	37,283.30		(17,728.76)	
Less. Elimination	(73,963.47)		3,795.23	
Post elimination	**(36,680.17)**	110 05	**(13,933.53)**	41 23
Indian Subsidiary Companies				
HCC Power Limited	(479.70)		(293.37)	
Less: Elimination	-		(2,678.50)	
Post elimination	**(479.70)**	1.44	**(2,971.87)**	8.79
HCC Operation and Maintenance Limited	3,777 48		(987.18)	
Less: Elimination	-		(293.48)	
Post elimination	**3,777.48**	(11.33)	**(1,280.66)**	3.79
Dhule Palesner Operations & Maintenance Limited	57.69		(62.21)	
Less: Elimination	-		12.68	
Post elimination	**57.69**	(0 17)	**(49.55)**	0 15
HCC Energy Limited	(5.47)		(5.53)	
Less: Elimination	-		6 20	
Post elimination	**(S.47)**	0 02	**0.67**	(0 00)
Minority Interest in all subsidiaries	-	-	-	-
Indian Joint Venture				
HCC Concessions Limited	13,722.54	(41 17)	(15,558 81)	46 04

35 The Group is principally engaged in a single business segment viz "Infrastructure development". The Group is primarily operating in India which is considered to be as a single geographical segment.

36 **Recent Accounting Update**
Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards.There is no such notification which would have been applicable from 01 April 2020.

37 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 Group, including the duration, cannot be reasonably ascertained at this point in time, however, considering the fact that the Group'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.

38 The provisions of Section 45 – IA of the Reserve Bank of India Act, 1934 require the Company to register itself as a Non-Banking Financial Company ('NBFC') with the Reserve Bank of India. However, HCC Power Limited and HCC Energy Limited, a subsidiary of HCC Infrastructure Limited, has not duly registered itself and hence not complied with the provisions of the Reserve Bank of India Act, 1934.Management believes that the Company's is not engaged in financial activities and has given a loan to its subsidiary to support its business activities. Furthermore, any liabilities/penalties/levies, if any, on account of the above stated non-compliance are not expected to be material and the same are currently not determinable.

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
Partner
Membership No.: 117961

Place: Mumbai
Date: 27 June 2020

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: 27 June 2020

Annexure 1

List of subsidiaries

(a) HCC Power Limited
(b) HCC Operation and Maintenance Limited
(c) Dhule Palesner Operations and Maintenance Limited and
(d) HCC Energy Limited

List of joint venture

(a) HCC Concessions Limited

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Annexure I to the Independent Auditor's Report of even date to the members of HCC Infrastructure Company Limited on the consolidated financial statements for the year ended 31 March 2020

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

1. In conjunction with our audit of the consolidated financial statements of HCC Infrastructure Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and joint ventures as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and its joint venture companies, which are companies covered under the Act, as at that date.

Responsibilities of Management for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies and joint venture companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting 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 Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and joint venture companies}, as aforesaid, 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and joint venture companies as aforesaid.

Annexure A (Contd)

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Qualified opinion

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls with reference to financial statements as at 31 March 2020:

   With respect to the internal financial controls with reference to financial statements of HCC Operations and Maintenance Limited ('HOML'), a subsidiary of Holding Company, HOML's internal financial controls over estimation of accrued interest liability in accordance with terms of the Debenture Sale Purchase (DSP) agreement entered with certain debenture holders were not operating effectively, which has resulted in an inappropriate assessment of the accuracy and completeness of contract obligation and corresponding material misstatements in the carrying value of other financial liabilities, including its consequential impact on earnings, reserves and related disclosures in the financial statements, as explained in Note 25(A)(a) to the accompanying Consolidated Financial Statements.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

10. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements as at 31 March 2020, based on 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, and except for the effects of the material weakness described above on the achievement of the objectives of the control criteria, the holding company's, its subsidiaries and joint ventures internal financial controls with reference to financial statements were operating effectively as at 31 March 2020.

11. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Company as at and for the year ended 31 March 2020, and the material weakness has affected our opinion on the consolidated financial statements of the Group and we have issued a qualified opinion on the consolidated financial statements.

Annexure A (Contd)

Other Matter

12. We did not audit the internal financial controls with reference to financial statements insofar as it relates to two subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 26,378.90 lakhs and net assets of negative ₹ 10,423.46 lakhs as at 31 March 2020, total revenues of ₹ 6,319.19 lakhs and net cash outflows amounting to ₹ 34.38 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹ 18,389.79 lakhs for the year ended 31 March 2020, as considered in these consolidated financial statements, in respect of five joint ventures, whose financial statements has not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies, associate companies and joint venture companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary companies and joint venture companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies, and joint venture companies is based solely on the reports of the auditors of such companies.

Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

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

Vijay. D Jain

Vijay D. Jain
Partner
Membership No:117961

UDINo:20117961AAAAAU9323

Place: Mumbai
Date: 27 June 2020