FINANCIAL STATEMENT
2018-2019

HCC CONCESSIONS LIMITED

Walker Chandiok & Co LLP

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Independent Auditor's Report

To the Members of HCC Concessions Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

1. We have audited the accompanying standalone financial statements of HCC Concessions Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2019, 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 Paragraph, 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 (financial position) of the Company as at 31 March 2019, and its profit (financial performance 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 4(g) (i) and (ii) to the standalone financial statements, the Company's non-current investments and other non-current financial assets as at 31 March 2019 include non-current investments and other non-current financial assets in two of its subsidiary companies aggregating ₹ 27,309.74 lakhs (31 March 2018: ₹ 27,194.63 lakhs) and ₹ 974.66 lakhs (31 March 2018: ₹ 920.45 lakhs), respectively. The Company has also furnished corporate guarantee amounting to ₹ 61,704.21 lakhs (31 March 2018: ₹ 55,583.52 lakhs) to the lenders of one of the aforementioned subsidiary company. The Concession Agreement of the NHAI with each of these entities has been terminated. The net worth of these subsidiary companies has been fully eroded and it has been incurring losses. Based on the factors described in the aforementioned note, management has considered these balances as fully recoverable. In the absence of sufficient appropriate audit evidence to support the management's assessment as above or any other relevant alternate evidence, we are unable to comment upon adjustments, if any, that may be required to the carrying values of these non-current investments and the consequential impact on the accompanying standalone financial statements. The predecessor auditors' report on the standalone financial statements for the year ended 31 March 2018 was also qualified in respect of this matter.

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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 Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

5. We draw attention to Note 4(g) (iii) to the accompanying standalone financial statements, regarding the Company's investments in its subsidiary, Raiganj Dalkhola Highways Limited (RDHL), amounting to ₹13,415.00 lakhs (31 March 2018: ₹13,415.00 lakhs) and other non-current / current financial assets amounting to ₹189.60 lakhs (31 March 2018: ₹ 126.51 lakhs). On 31 March 2017, the National Highway Authority of India (NHAI) has served notice of termination of contract in respect of this subsidiary. Based on the future plans and projections of this 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. 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. Our opinion is not modified in respect of this matter.

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

6. The Company's Board of Directors is responsible for the other information. Other information does not include the financial statements and our auditor's report thereon.

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

   If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

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

7. 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 financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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8. In preparing the 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

10. 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.

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

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

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

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

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13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

14. The financial statements of the Company for the year ended 31 March 2018 were audited by the predecessor auditor, K.S. Aiyar & Co. who have expressed a qualified opinion on those financial statements vide their audit report dated 02 May 2018.

Report on Other Legal and Regulatory Requirements

15. 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.

16. 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.

17. Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:

a) we have sought and except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, 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 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 paragraph, 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 paragraph and in paragraph 5 under the Emphasis of Matters paragraph, 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 2019 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 paragraph;

h) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as at 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 07 May 2019 as per Annexure B expressed a modified opinion;

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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 27 (ii), (iii) and (iv) and note 4 (g) (iii) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2019;

   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 2019;

   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 2019;

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

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

Vijay . D Jain

Vijay D. Jain
Partner
Membership No.: 117961

Place: Mumbai
Date: 07 May 2019

Annexure A to the Independent Auditor's Report of even date to the members of HCC Concessions Limited, on the standalone financial statements for the year ended 31 March 2019

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 its fixed assets.

(b) The fixed assets 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 fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not have any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i)(c) of the Order is 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 unsecured loans to two 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 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;

(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 investments, loans, guarantees and security. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 of the Act.

(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.

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

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Annexure A (Contd)

(b) There are no dues in respect of goods and service tax, sales-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 and service-tax on account of any dispute, are as follows:

Statement of Disputed Dues

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	106.91	106.91	2010-11	Income Tax Appellate Tribunal
		118.40	23.68	2011-12	Income Tax Appellate Tribunal
		277.06	41.56	2012-13	Commissioner of Income Tax (Appeals)
		76.36	11.45	2013-14	Commissioner of Income Tax (Appeals)
		482.55	23.00	2014-15	Commissioner of Income Tax (Appeals)
The Finance Act, 1994	Service Tax	10.08	0.24	2012-13 to 2016-17	Commissioner of Central Tax Appeals.

(viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

(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.

(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 Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the standalone financial statements etc., as required by the applicable Ind AS.

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Annexure A (Contd)

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

Place: Mumbai
Date: 07 May 2019

Annexure B to the Independent Auditor's Report of even date to the members of HCC Concessions Limited, on the standalone financial statements for the year ended 31 March 2019

Independent Auditor's report on the Internal Financial Controls 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 Concessions Limited (the "Company") as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company as at that date.

Management's Responsibility 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 ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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.

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Annexure B (Contd)

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified opinion

8. In our opinion, according to the information and explanations given to us and based on our audit procedure performed, the following material weakness has been identified in the operating effectiveness of the Company's IFCoFR as at 31 March 2019:

   The Company's internal financial controls in respect of supervisory and review controls over process of determining of (a) carrying value of the Company's non-current investments in its subsidiaries; (b) recoverability of non-current financial assets, due from such subsidiaries were not operating effectively. Absence of aforesaid assessment in accordance with the accounting principles generally accepted in India could potentially result in a material misstatement in the carrying value of investments in such subsidiaries and the aforesaid dues from such subsidiaries and consequently, could also impact the profit (financial performance including other comprehensive income) after tax.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in IFCoFR, 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.

Qualified Opinion

10. In our opinion, except for the possible effects of the material weakness described above in the Basis for Qualified Opinion paragraph, the Company has, in all material respects, adequate IFCoFR as at 31 March 2019, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI and the Company's IFCoFR were operating effectively as at 31 March 2019.

11. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company as at and for the year ended 31 March 2019, and the material weakness has affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.

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

Vijay. D Jain

Vijay D. Jain
Partner
Membership No.: 117961

Place: Mumbai
Date: 07 May 2019

HCC Concessions Limited
Standalone Balance Sheet as at 31 March 2019
(All amounts are in ₹ lakhs, unless stated otherwise)

	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	20.74	33.73
Investments in subsidiaries and associate	4	63,000.14	86,193.55
Financial assets			
Loans	5	7,129.23	5,931.00
Other financial assets	6	4,260.89	5,878.12
Deferred tax assets (net)	7	-	255.43
Income tax assets (net)	8	570.21	757.74
Total non-current assets		**74,981.21**	**99,049.57**
Current assets			
Financial assets			
Investments	4	-	134.03
Trade receivables	9	373.20	314.40
Cash and cash equivalents	10	7.42	108.75
Loans	5	-	357.72
Other financial assets	6	3.85	4.58
Other current assets	11	14.69	25.64
Total current assets		**399.16**	**945.12**
Assets classified as held for sale	12	25,778.50	470.50
TOTAL ASSETS		**101,158.87**	**100,465.19**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	341.37	341.37
Instruments entirely equity in nature	14	42,025.33	42,025.33
Other equity		55,058.59	55,003.20
Total equity		**97,425.29**	**97,369.90**
Liabilities			
Non-current liabilities			
Financial liabilities			
Other financial liabilities	15	1,679.98	1,699.03
Provisions	16	85.62	81.86
Total non-current liabilities		**1,765.60**	**1,780.89**
Current liabilities			
Financial liabilities			
Borrowings	17	653.74	-
Trade payables	18		
i) total outstanding dues of micro and small enterprises		36.84	-
ii) total outstanding dues other than (i) above		8.49	7.05
Other financial liabilities	15	1,181.44	1,288.30
Other current liabilities	19	83.70	15.62
Provisions	16	3.77	3.43
Total current liabilities		**1,967.98**	**1,314.40**
TOTAL EQUITY AND LIABILITIES		**101,158.87**	**100,465.19**

Notes 1 to 35 form an integral part of the standalone financial statements

This is the 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

WALKER CHANDIOK & Co LLP * CHARTERED ACCOUNTANTS * MUMBAI

Place: Mumbai
Date: 07 May 2019

For and on behalf of the Board of Directors

Arjun Dhawan
Director
DIN No. : 01778379

S. Sridevi

Sridevi Iyengar
Director
DIN No. : 06981630

Ravindra Singh
Company Secretary

Kiran Kakkar
Chief Financial Officer

Place: Mumbai
Date: 07 May 2019

HCC Concessions Ltd. *

HCC Concessions Limited
Standalone Statement of Profit and Loss for the year ended 31 March 2019
(All amounts are in ₹ lakhs, unless stated otherwise)

	Note	Year ended 31 March 2019	Year ended 31 March 2018
Income			
Revenue from operations	20	540.00	1,020.00
Other income	21	1,345.80	967.26
Total income		**1,885.80**	**1,987.26**
Expenses			
Employee benefits expense	22	588.30	569.71
Finance costs	23	15.29	3.72
Depreciation expense	24	13.16	13.28
Other expenses	25	413.72	307.29
Total expenses		**1,030.47**	**894.00**
Profit before exceptional items and tax		**855.33**	**1,093.26**
Exceptional items	26	365.20	1,066.13
Profit before tax		**490.13**	**27.13**
Tax expenses / (credit)			
Current income tax			
- Current tax		88.09	(0.22)
- Tax pertaining to earlier years		94.72	-
Deferred income tax [net of MAT credit writen off (Refer note 7.1)]		255.43	-
Profit for the year (A)		**51.89**	**27.35**
Other comprehensive income			
(a) Items not to be reclassified subsequently to profit or loss			
- Gain/(loss) on fair value of defined benefit plans as per actuarial valuation (net of tax)		3.50	0.96
(b) Items to be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the year, net of tax (B)		**3.50**	**0.96**
Total comprehensive income for the year, net of tax (A+B)		**55.39**	**28.31**
Earnings per equity share of ₹ 10 each :	29		
Basic (in ₹)		1.51	0.79
Diluted (in ₹)		0.93	0.49

Notes 1 to 35 form an integral part of the standalone financial statements

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

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

Vijay D. Jain

Vijay D. Jain
Partner
Membership No.: 117961

WALKER CHANDIOK & Co LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

Place: Mumbai
Date: 07 May 2019

For and on behalf of the Board of Directors

Arjun Dhawan
Director
DIN No. : 01778379

S. Sridevi

Sridevi Iyengar
Director
DIN No. : 06981630

Ravindra Singh
Company Secretary

Kiran Kakkar
Chief Financial Officer

Place: Mumbai
Date: 07 May 2019

HCC Concessions Ltd. ★

HCC Concessions Limited
Standalone Cash flow statement for the year ended 31 March 2019
(All amounts are in ₹ lakhs, unless stated otherwise)

		Year ended 31 March 2019	Year ended 31 March 2018
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	490.13	27.13
	Adjustments for		
	Depreciation expenses	13.16	13.28
	Finance costs	15.29	3.72
	Interest Income	(871.43)	(768.52)
	Fair value gain	-	(2.34)
	Profit on sale of investments (net)	(2.95)	(6.80)
	Interest on income tax refund	(17.53)	-
	Payables for earlier years written back	(147.30)	-
	Impairment losses on financial assets	21.78	-
	Corporate guarantee commission income	(107.63)	(179.52)
	Deemed equity investment	(115.11)	-
	Exceptional items	365.20	1,066.13
	Receivables written off	14.11	-
	Operating (loss) / profit before working capital changes	**(342.28)**	**153.08**
	Adjustments for changes in working capital:		
	(Increase)/decrease in trade receivables	(58.80)	324.60
	(Increase) in other financial assets	(413.07)	(1,092.51)
	(Increase)/decrease in other current assets	(3.16)	119.81
	Increase/(decrease) in other financial liabilities	435.12	(7.15)
	Increase/(decrease) in current provisions	3.84	(91.69)
	Increase in non current provisions	3.76	23.68
	Increase in trade payable	38.29	7.05
	Increase/(decrease) in other current liabilities	68.08	(80.08)
	Cash used in operations	(268.22)	(643.21)
	Direct taxes paid (net of refund)	22.25	(301.20)
	Net cash used in operating activities	**(245.97)**	**(944.41)**
B	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Subordinate debt given	(1,198.23)	(300.00)
	Refund of intercorporate deposits	357.72	-
	Purchase of property, plant and equipment	(0.17)	-
	Proceeds from sale of current investments (net)	136.98	412.53
	Proceeds from sale of non current investments	148.73	-
	Interest income	101.54	1,127.65
	Net cash (used in) / generated from investing activities	**(453.43)**	**1,240.18**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from / (repayment of) current borrowings	653.74	(259.00)
	Finance cost	(55.67)	(0.41)
	Net cash generated from / (used in) financing activities	**598.07**	**(259.41)**
	Net (decrease)/increase in cash and cash equivalents (A+B+C)	(101.33)	36.36
	Cash and cash equivalents at the beginning of the financial year	108.75	72.39
	Cash and cash equivalents at the end of the year (Refer note 10)	**7.42**	**108.75**
	Components of cash and cash equivalents considered only for the purpose of cash flow statement		
	In bank current accounts	7.42	108.75
	Balances as per statement of cash flows	**7.42**	**108.75**

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HCC Concessions Ltd. ★

HCC Concessions Limited
Standalone Cash flow statement for the year ended 31 March 2019
(All amounts are in ₹ lakhs, unless stated otherwise)

Note-
The Cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows. 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 18a)

Significant non cash movements during the year excludes:
i) Conversion of CCCPS into equity shares amounting to ₹ 2,469.98 lakhs.
ii) Transfer of equity shares from Hindustan Contruction Company Limited (Ultimate holding company) to the Company adjusted against advaces paid by the Company to HCC amounting to ₹ 20,022.10 lakhs
iii) Interest on inter corporate deposit receivable from HCC was adjusted against payables to HCC amounting to ₹ 265.73 lakhs
iv) Diminution in realisable value towards sale of equity in Nirmal BOT Company Limited as per the amended Share purchase agreement amounting to Rs. 365.20 lakhs

Notes 1 to 35 form an integral part of the standalone financial statements

This is the 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

WALKER CHANDIOK & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 07 May 2019

For and on behalf of the Board of Directors

S. Sridevi

Arjun Dhawan
Director
DIN No. : 01778379

Sridevi Iyengar
Director
DIN No. : 06981630

Ravindra Singh
Company Secretary

Kiran Kakkar
Chief Financial Officer

Place: Mumbai
Date: 07 May 2019

HCC Concessions Ltd

HCC Concessions Limited
Standalone Statement of Changes in Equity for the year ended 31 March 2019

A) Equity share capital (Refer note 13)

Particulars	Number	₹ lakhs
Equity shares of ₹ 10 each issued, subscribed and paid up		
As at 31 March 2017	**3,413,702**	**341.37**
Issue of equity shares	-	-
As at 31 March 2018	**3,413,702**	**341.37**
Issue of equity shares	-	-
As at 31 March 2019	**3,413,702**	**341.37**

B) Instrument entirely equity in nature (Refer note 14)

Particulars	Number	₹ lakhs
0.001% cumulative compulsory convertible preference shares of ₹ 10 each issued, subscribed and paid up		
As at 31 March 2017	**420,253,317**	**42,025.33**
Issue of equity shares	-	-
As at 31 March 2018	**420,253,317**	**42,025.33**
Issue of equity shares	-	-
As at 31 March 2019	**420,253,317**	**42,025.33**

Instruments entirely equity in nature
This represents the equity component of cumulative compulsory convertible preference shares issued to the Holding company^ ; wherein on conversion the fixed number of equity shares has been specified. Post such conversion the same will be transferred to equity.

^Holding company as per Companies Act, joint venturer as per Ind AS.

C) Other equity

(₹ lakhs)

	Reserve and Surplus		Total equity attributable to equity holders
	Securities premium reserve	Retained earnings	
As at 1 April 2017	**66,937.67**	**(11,962.78)**	**54,974.89**
Profit for the year	-	27.35	**27.35**
Other comprehensive income for the year	-	0.96	**0.96**
As at 31 March 2018	**66,937.67**	**(11,934.47)**	**55,003.20**
Profit for the year	-	51.89	**51.89**
Other comprehensive income for the year	-	3.50	**3.50**
As at 31 March 2019	**66,937.67**	**(11,879.08)**	**55,058.59**

Nature and purpose of reserves
i. Securities premium reserve
Securities premium is used to record the premium on issue of shares. The above securities premium reserve is on account of issue of equity shares. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

ii. Retained earnings
Retained earnings represents profit / 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 35 form an integral part of the standalone financial statements

This is the 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

Vijay D. Jain
Partner
Membership No.: 117961

Place: Mumbai
Date: 07 May 2019

For and on behalf of the Board of Directors

S. Sridevi

Arjun Dhawan
Director
DIN No. : 01778379

Sridevi Iyengar
Director
DIN No. : 06981630

Ravindra Singh
Company Secretary

Kiran Kakkar
Chief Financial Officer

Place: Mumbai
Date: 07 May 2019

HCC Concessions Limited
Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2019

1 Corporate information

HCC Concessions Limited, having CIN U45202MH2008PLC178890, is a public company domiciled in India and incorporated on 14 February 2008 under the provisions of the erstwhile Companies Act, 1956. The name of the Company has been changed from "HCC Infrastructure Limited" to "HCC Concessions Limited" w.e.f. 18 October 2010. The purpose of incorporation of this Company is to carry on all types of infrastructure activities whether by its own or through its subsidiaries.

The financial statements of the Company for the year ended 31 March 2019 were authorised for issue in accordance with resolution of the Board of Director on 7 May 2019.

2 Summary of significant accounting policies

(a) 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 as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013 ("the Act"). Based on the nature of products and time between the acquisition of assets for processing and their realization in cash or cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non- current classification of assets and liabilities.

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.

(b) 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, as 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.

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(c) 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.

(d) Depreciation/ amortisation

The useful lives have been determined based on useful lives of assets as provided in 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.

Gains 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 Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

The estimated useful lives are as below:

Assets	**Useful life (SLM)**
Office equipment	5 years
Furniture and fixtures	10 years
Leasehold improvements	9 years
Computers	3 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.

(e) 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.

i 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 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.

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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.

ii 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.

iii Financial Liabilities
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.

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

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

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

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

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

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

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of the debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.
Where the terms of a financial liability is re-negotiated and the Company issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in the Statement of Profit and Loss; measured as a difference between the carrying amount of the financial liability and the fair value of equity instrument issued.

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.

(f) Employee benefits

i 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.

ii 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.

iii 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.

iv 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.

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

(h) 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.

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(i) 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.

(j) Foreign exchange translation and accounting of foreign exchange transactions

i Initial recognition

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. However, for practical reasons, the Company uses a monthly average rate if the average rate approximate the actual rate at the date of the transactions.

ii Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

iii Treatment of exchange difference

Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

(k) Revenue recognition

i 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.

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

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.

ii Dividend income

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

iii 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.

(l) 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.

i 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.

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ii 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.

(m) Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership over the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where the lease payments are structured to increase in line with expected general inflation. Assets acquired on finance lease are capitalised at fair value or present value of minimum lease payment at the inception of the lease, whichever is lower.

(n) Impairment of non-financial assets

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

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

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

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

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.

(o) 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,

(p) 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.

(q) 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).

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(r) 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.

(s) 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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Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2019

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

Note 3 Property, plant and equipment (Tangible assets)

Particulars	Leasehold improvements	Computers	Office equipment	Furniture and fixtures	Total
Gross carrying value (at deemed cost)					
As at 1 April 2017	93.06	0.24	3.72	72.92	169.94
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
As at 31 March 2018	93.06	0.24	3.72	72.92	169.94
Additions	-	-	0.10	0.07	0.17
Disposals	-	-	-	-	-
As at 31 March 2019	93.06	0.24	3.82	72.99	170.11
Accumulated depreciation					
As at 1 April 2017	93.06	0.24	3.44	26.19	122.93
Depreciation charge for the year	-	-	0.20	13.08	13.28
Accumulated depreciation on disposals	-	-	-	-	-
As at 31 March 2018	93.06	0.24	3.64	39.27	136.21
Depreciation charge for the year	-	-	0.08	13.08	13.16
Accumulated depreciation on disposals	-	-	-	-	-
As at 31 March 2019	93.06	0.24	3.72	52.35	149.37
Net carrying value					
As at 31 March 2018	-	-	0.08	33.65	33.73
As at 31 March 2019	-	-	0.10	20.64	20.74

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HCC Concessions Limited
Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2019

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

	As at 31 March 2019	As at 31 March 2018
4 Investments in subsidiaries and associate		
Non-current		
Investments valued at deemed cost		
In subsidiary companies (Refer note 4.1 below)	17,004.99	19,535.00
In associate company (Refer note 4.2 below)	-	-
Investments in other instruments		
In subsidiary companies (Refer note 4.1 below)	45,995.15	66,658.55
Total non-current investments	**63,000.14**	**86,193.55**

4.1 Detailed list of investments in subsidiary companies

	As at 31 March 2019	As at 31 March 2018
I. Investments valued at deemed cost		
(Face value of ₹ 10 each, unless otherwise stated, fully paid up)		
In subsidiary companies (unquoted)		
Badarpur Faridabad Tollway Limited [Refer note g (i) below]	9,800.00	9,800.00
98,000,000 (31 March 2018 - 98,000,000) equity shares		
Baharampore Farakka -Highways Limited [Refer note (b) below]	4,499.99	3,330.00
44,999,900 (31 March 2018 - 33,300,000) equity shares		
Farakka- Raiganj Highways Limited [Refer notes (a) and (b) below and note 6(a)]	25,022.09	3,700.00
250,220,900 (31 March 2018 - 37,000,000) equity shares		
Less: Assets classified as held for sale (Refer note 12)	(25,022.09)	-
Raiganj- Dalkhola Highways Limited [Refer note g (iii) below]	2,700.00	2,700.00
27,000,000 (31 March 2018 - 27,000,000) equity shares		
Narmada Bridge Tollway Limited [Refer note g (ii) below]	5.00	5.00
50,000 (31 March 2018 - 50,000) equity shares		
Total investments valued at deemed cost	**17,004.99**	**19,535.00**
II. Investments in other instruments		
Investment carried at amortised cost in subsidiary companies (unquoted)		
Corporate guarantees		
Baharampore-Farakka Highways Limited	550.11	550.11
Farakka Raiganj Highways Limited	756.41	756.41
Less: Assets classified as held for sale (Refer note 12)	(756.41)	-
Badarpur Faridabad Tollway Limited [Refer note g (i) below and 28]	1,255.56	1,140.45
Equity component in cumulative convertible preference shares:		
(Face value of ₹ 10 each, unless otherwise stated, fully paid up)		
Baharampore-Farakka Highways Limited	17,225.30	17,225.30
172,253,000 (31 March 2018 - 172,253,000) 9% cumulative convertible preference shares		
Raiganj-Dalkhola Highways Limited [Refer note g (iii) below]	10,715.00	10,715.00
107,150,000 (31 March 2018 - 107,150,000) 9% cumulative convertible preference shares		
Farakka Raiganj Highways Limited [Refer note (a) below]	-	20,022.10
Nil (31 March 2018 - 200,221,000) 9% cumulative convertible preference shares		
Equity component in subordinate debt (Refer note 28)		
Badarpur Faridabad Tollway Limited [Refer note g (i) below]	13,534.18	13,534.18
Narmada Bridge Tollway Limited [Refer note g (ii) below]	2,715.00	2,715.00
Total investments in other instruments	**45,995.15**	**66,658.55**
Total investments in subsidiary companies (I+II)	**63,000.14**	**86,193.55**

4.2 Detailed list of investments in associate companies

	As at 31 March 2019	As at 31 March 2018
I. Investments valued at deemed cost		
In associate company (unquoted)		
Nirmal BOT Limited	-	470.50
Nil (31 March 2018: 8,190,000) equity shares [Refer note (f) below]		
Less: Assets classified as held for sale (Refer note 12)	-	(470.50)
Total investments in associate companies	-	-

Notes:

(a) During the current year, 9% 200,221,000 cumulative convertible preference shares (face value ₹ 10 each) issued to Farakka- Raiganj Highways Limited were converted to equity shares in the ratio of 1:1 at face value. (Also refer note 28)

(b) During the current year, the Company has acquired shares from Hindustan Construction Company Limited (HCC) as follows. Also refer Notes 6 (a) and 28 for further details.

Name of subsidiary	No. of shares acquired	Amount ₹ in lakhs
Baharampore -Farakka Highways Limited	11,699,900	1,169.99
Farakka -Raiganj Highways Limited	12,999,900	1,299.99

(c) The Company has pledged following equity shares held by it in following subsidiaries for securing loans (related to BOT projects) borrowed by respective subsidiaries :-

	No of equity shares pledged	
Name	**31 March 2019**	**31 March 2018**
Badarpur Faridabad Tollway Limited	49,000,000	49,000,000
Baharampore -Farakka Highways Limited	27,556,771	22,440,000
Farakka- Raiganj Highways Limited *	141,204,859	24,990,000
Raiganj- Dalkhola Highways Limited	7,956,000	7,956,000

*Includes 102,112,710 number of equity shares pledged with bank, subsequent to the balance sheet date, on 18 April 2019

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

(d) The Company has pledged following preference shares held by it in following subsidiary for securing bank guarantee facility :-

Name	No of preference shares pledged 31 March 2019	31 March 2018
Baharampore -Farakka Highways Limited	35,988,008	-

(e) The Company has given a "Non Disposal Undertaking" to the lenders of the subsidiaries for the amounts borrowed by them :

Name	No of equity shares 31 March 2019	31 March 2018
Badarpur Faridabad Tollway Limited	49,000,000	49,000,000
Baharampore -Farakka Highways Limited	63,544,779	22,440,000
Farakka- Raiganj Highways Limited	141,204,859	24,990,000
Raiganj- Dalkhola Highways Limited	7,956,000	7,956,000

(f) The Company had entered into a share purchase agreement with Highway Concession One Private Limited for sale of its 100% stake in Nirmal BOT Limited on 5 December 2014. Subsequenty, the Company entered into an amended share purchase agreement on 23 December 2015 for sale of 74% stake against Tranche I consideration and a supplemental agreement on 6 March 2019 for the sale of remaining 26% stake against Tranche II consideration amounting to ₹ 470.50 lakhs.

	As at 31 March 2019	As at 31 March 2018
Details:		
(i) Market value of investments - unquoted	-	-
(ii) Carrying value of investments - unquoted	63,000.14	86,193.55
(iii) Investments carried at deemed cost	63,000.14	86,193.55
(iv) Impairment of investments	-	-

(g) Disclosures pertaining to non current investments

(i) Badarpur Faridabad Tollway Limited

The Company, as at 31 March 2019, has a non-current investments aggregating ₹ 24,589.74 lakhs (31 March 2018: ₹ 24,474.63 lakhs) and other non-current financial assets ₹ 73.96 lakhs (31 March 2018: ₹ 32.06 lakhs) in its subsidiary, Badarpur Faridabad Tollways Limited (BFTL). The Company has also furnished corporate guarantee amounting to ₹ 61,704.21 lakhs (31 March 2018 ₹ 55,583.52 lakhs) to the lenders of BFTL. Consequent to the 'intention to issue termination notice' issued by BFTL, vide letter dated 31 March 2017, BFTL had issued termination notice to National Highways Authority of India (NHAI) on 1 September 2017, terminating the Concession Agreement (CA) of the project entered with NHAI due to various reasons / authority defaults mentioned therein and demanded termination payment of ₹ 77,500 lakhs towards losses incurred on account of this termination. NHAI has refuted the termination initiated by BFTL and in turn, issued suspension notice to BFTL and took over the project. Subsequent to its suspension notice, NHAI terminated the concession agreement on 23 February 2018. BFTL has refuted NHAI's termination stating that the termination is invalid and has referred this matter for arbitration. Based on the legal advice obtained in this respect, Management of the Company is confident of recovering the amount from NHAI and exposure of the Company in BFTL is considered to be fully recoverable.

(ii) Narmada Bridge Tollway Limited

The Company, as at 31 March 2019, has a non-current investments aggregating ₹ 2,720 lakhs (31 March 2018: ₹ 2,720 lakhs) and other non-current financial assets ₹ 873.70 lakhs (31 March 2018 ₹ 888.39 lakhs) in its subsidiary, Narmada Bridge Tollways Limited (NBTL). In accordance with the terms of the Memorandum of Understanding (MOU) with NHAI dated 17 March 2013, the Concession Agreement dated 23 July 2012 entered between NBTL and NHAI stands foreclosed with mutual consent. NBTL has received an arbitration award of ₹ 3,919.00 lakhs in its favour on 3 September 2018 against the claims filed by them along with a right to receive interest @18% per annum till the date of actual payment of the awarded amount. NHAI has further challenged this award in the High Court post depositing 75% of the awarded amount on 5 April 2019 as per the provisions of the Arbitration Act. In view of this, Management of the Company is confident of recovering the amount from NHAI and exposure of the Company in NBTL is considered to be fully recoverable.

(iii) Raiganj Dalkhola Highways Limited

The Company, as at 31 March 2019, has a non-current investments aggregating ₹ 13,415.00 lakhs (31 March 2018: ₹ 13,415.00 lakhs) and other non-current financial assets amounting to ₹ 189.60 lakhs (31 March 2018: ₹ 126.51 lakhs) in its subsidiary, Raiganj Dalkhola Highways Limited (RDHL). RDHL 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 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 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 of the Company is confident of recovering the amount from NHAI and exposure of the Company in RDHL is considered to be fully recoverable.

Current	As at 31 March 2019	As at 31 March 2018
Investments in mutual funds		
Fair value through profit or loss		
Unquoted		
Aditya Birla Sun Life Liquid Fund (Regular Plan Growth) Nil (31 March 2018: 47,984.708 units)	-	134.03
Total current investments	-	**134.03**

Details-		
(i) Market value of investments - unquoted	-	134.03
(ii) Carrying value of investments - unquoted	-	134.03
(iii) Investments carried at fair value through profit and loss (FVTPL)	-	134.03

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Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2019

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

	As at 31 March 2019	As at 31 March 2018
5 Loans		
Non-current		
Loans (Refer notes below and 28)	7,129.23	5,931.00
Total non-current loans	**7,129.23**	**5,931.00**
Current		
Loans (Refer notes below and 28)**	-	357.72
Total current loans	**-**	**357.72**
Total loans	**7,129.23**	**6,288.72**
Break up of security details		
Loans, considered good - secured	-	-
Loans, considered good - unsecured	7,129.23	6,288.72
Loans which have significant increase in credit risk	-	-
Loans- credit impaired	-	-
Total	**7,129.23**	**6,288.72**
Loss allowance	-	-
Total loans	**7,129.23**	**6,288.72**

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	Nature and interest rate	Purpose	Repayment	As at 31 March 2019	As at 31 March 2018
Farakka Raiganj Highways Limited	Subordinate Loan@10.75% p.a.	Promoter's contribution for project finance	To be repaid after restricted payment clause satisfied and Debt Equity ratio maintained	6,961.23	5,931.00
Baharampore Farakka Highways Limited	Subordinate Loan @9.75% p.a.	Promoter's contribution for project finance	To be repaid after restricted payment clause satisfied and Debt Equity ratio maintained	168.00	-
Total				**7,129.23**	**5,931.00**

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

	As at 31 March 2019	As at 31 March 2018
6 Other financial asset		
Non-current		
Interest on loans given to related parties [Refer notes below, 4 (g) (ii) and (iii) and 28]	2,747.62	2,286.89
Advance towards purchase of investments [Refer notes (a) below and 28]	300.03	2,770.01
Receivables from related parties [Refer notes below, 4 (g) (i), (ii) and (iii) and 28]	523.98	414.44
Other receivables	711.04	406.78
Less : Loss allowance	(21.78)	-
Total non-current financial assets	**4,260.89**	**5,878.12**
Current		
Other receivables	3.85	4.58
Total current financial assets	**3.85**	**4.58**
Total financial assets	**4,264.74**	**5,882.70**
Break up of security details		
I. Interest on inter corporate deposits given to related parties		
Interest receivable, considered good - secured	-	-
Interest receivable, considered good - unsecured	2,747.62	2,286.89
Interest receivable which have significant increase in credit risk	-	-
Interest receivable- credit impaired	-	-
Total	**2,747.62**	**2,286.89**
Loss allowance	-	-
Total interest receivables from related parties	**2,747.62**	**2,286.89**

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Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2019

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

(a) Note

Pursuant to Shareholders Agreement (SHA) executed on 9 August 2011, Hindustan Construction Company Limited (HCC) is required to hold 100% equity stake in HCC Infrastructure Company Limited (HICL) until Private Equity Investor gets an exit from the Company through means as specified in the SHA and there are certain other customary restrictions on pledging / creation of any encumbrance over shares / assets of HICL/ BOT subsidiaries.

HCC has given inter alia an undertaking in respect of investment in Baharampore - Farakka Highways Limited, Farakka -Raiganj Highways Limited, Dhule Palesner Tollways Limited and Raiganj - Dalkhola Highways Limited to National Highways Authority of India (NHAI) that it will not transfer its shareholding till the commercial operation date. The Company has entered into purchase agreement with HCC to purchase these shares at book value at future dates on fulfilment of that obligation as per undertaking given to NHAI. The Company has paid full consideration of ₹ 300.03 lakhs (31 March 2018: ₹ 2,770.01 lakhs) for transfer of the above shares at book value from HCC, subject to necessary approvals and consents to the extent required in the following BOT subsidiary's :-

Name of BOT subsidiary	As at 31 March 2019		As at 31 March 2018	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
Baharampore -Farakka Highways Limited	100	0.01	11,700,000	1,170.00
Farakka -Raiganj Highways Limited	100	0.01	13,000,000	1,300.00
Raiganj-Dalkhola Highways Limited*	3,000,000	300.00	3,000,000	300.00
Dhule Palesner Tollway Limited	100	0.01	100	0.01
Total	**3,000,300**	**300.03**	**27,700,100**	**2,770.01**

*The concession agreement has been terminated in Raiganj-Dalkhola Highways Limited

	As at 31 March 2019	As at 31 March 2018
7 Deferred tax assets (net)		
MAT credit entitlement (Refer note 7.1)	-	255.43
Total deferred tax assets (net)	**-**	**255.43**

7.1 During the current year, the Company has written off MAT credit amounting to ₹ 255.43 lakhs, recognised during earlier years, in absence of convincing evidence that the Company will be paying normal tax during the period specified in the Income Tax Act, 1961 (IT Act) available for its set off. However, in accordance with the provisions of the IT Act, the Company is allowed to carried forward this MAT credit to be set off against future taxable profits in the year in which the Company is liable to pay tax as per the normal provisions in excess of MAT for that year if credit is availed during period specified under the IT Act.

8 Income tax assets (net)		
Advance tax [Net of provision of ₹ 440.97 lakhs (31 March 2018 ₹ 253.44 lakhs)]	570.21	757.74
Total income tax assets (net)	**570.21**	**757.74**
I Income tax expense in the statement of profit and loss comprises :		
Current income tax	88.09	-
Tax pertaining to previous year	94.72	(0.22)
Income tax expenses (net)	**182.81**	**(0.22)**

	Year ended 31 March 2019	Year ended 31 March 2018
II The following table provides the details of income tax assets and liabilities as at 31 March 2019 and 31 March 2018:		
Net current income tax asset at the beginning	757.74	757.52
Tax deducted at source	4.72	-
Current income tax expense	182.81	-
Tax pertaining to earlier year	-	(0.22)
Net current income tax asset at the closing	**570.21**	**757.74**

III Reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before income tax is as below:

Profit before income tax	490.13	27.13
Applicable income tax rate (MAT rate)	20.59%	20.59%
Computed expected tax expense	100.90	5.59
Effect of income not considered for tax purpose	(12.81)	(5.59)
Income tax charged to the statement of profit and loss pertaining to earlier years	94.72	(0.22)
Income tax charged to the statement of profit and loss	**182.81**	**(0.22)**

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

		As at 31 March 2019	As at 31 March 2018
IV	Components of deferred income tax assets and liabilities arising on account of temporary difference are :		
	MAT credit entitlement	-	255.43
	Total deferred tax asset	**-**	**255.43**
9	**Trade receivables**		
	Receivables from related parties (Refer note 28)	373.20	314.40
	Less: loss allowance	-	-
	Total trade receivables	**373.20**	**314.40**
	Break up of security details		
	Trade receivables, considered good - secured	-	-
	Trade receivables, considered good - unsecured	373.20	314.40
	Trade receivables which have significant increase in credit risk	-	-
	Trade receivables- credit impaired	-	-
	Total	**373.20**	**314.40**
	Loss allowance	-	-
	Total trade receivables	**373.20**	**314.40**

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.

		As at 31 March 2019	As at 31 March 2018
10	**Cash and cash equivalents**		
	Balances with banks		
	In current accounts	7.42	108.75
	Total cash and cash equivalents	**7.42**	**108.75**
11	**Other current assets**		
	Current		
	Advances to suppliers	1.51	14.66
	Balance with government authorities	12.07	10.08
	Prepaid expenses	1.11	0.90
	Total current assets	**14.69**	**25.64**
12	**Assets classified as held for sale**		
	(Face value of ₹ 10 each, unless otherwise stated, fully paid up)		
	I. Investments valued at deemed cost		
	In subsidiary company (unquoted) *		
	Farakka- Raiganj Highways Limited	25,022.09	-
	250,220,900 (31 March 2018: Nil) equity shares		
	In associate company (unquoted)		
	Nirmal BOT Limited	-	470.50
	Nil (31 March 2018: 8,190,000) equity shares		
	Total	**25,022.09**	**470.50**
	II. Investments in other instruments		
	Investments valued at amortized cost in subsidiary *		
	Corporate guarantee given to Farakka- Raiganj Highways Limited	756.41	-
	Total	**756.41**	**-**
	Total assets held for sale	**25,778.50**	**470.50**

* On 28 September 2018, HCC Concessions Limited ('the Company') has executed a definitive agreement for sale of its entire equity shareholding in Farakka- Raiganj Highways Limited (FRHL), its concessionaire subsidiary, for an aggregate consideration of ₹ 37,200 lakhs, which is subject to certain adjustments and additional considerations as specified in the agreement.

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		As at 31 March 2019	As at 31 March 2018
13	**Equity share capital**		
	Authorised share capital		
	200,000,000 (31 March 2018: 200,000,000) equity shares of ₹10 each	20,000.00	20,000.00
	1,200,000,000 (31 March 2018: 1,200,000,000) 0.001% compulsorily convertible cumulative preference shares of ₹10 each	120,000.00	120,000.00
	Total authorised share capital	**140,000.00**	**140,000.00**
	Issued, subscribed and paid up share capital:		
	Equity share capital		
	3,413,702 (31 March 2018: 3,413,702) equity shares of ₹10 each	341.37	341.37
	Instruments entirely equity in nature		
	420,253,317 (31 March 2018: 420,253,317) 0.001% compulsorily convertible cumulative preference shares of ₹10 each (Refer note 14)	42,025.33	42,025.33
	Total issued, subscribed and paid up share capital	**42,366.70**	**42,366.70**

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

	As at 31 March 2019		As at 31 March 2018	
	No. of shares	₹ In lakhs	No. of shares	₹ In lakhs
At the beginning of the year	**3,413,702**	**341.37**	**3,413,702**	**341.37**
Issued during the year	-	-	-	-
At the end of the year	**3,413,702**	**341.37**	**3,413,702**	**341.37**

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

	As at 31 March 2019		As at 31 March 2018	
	No. of shares	% holding	No. of shares	% holding
Equity shares of ₹ 10 each fully paid				
Promoter				
HCC Infrastructure Company Limited	2,917,151	85.45%	2,917,151	85.45%
Non-promoter				
Xander Investment Holding XXVI Limited	496,551	14.55%	496,551	14.55%

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 2019, the amount of per share dividend recognized as distributions to equity shareholders was ₹ Nil (31 March 2018: ₹. 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.

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14 **Instruments entirely equity in nature**

I) Compulsorily convertible cumulative preference shares (CCCPS)

i) Reconciliation of preference shares outstanding at the beginning and at the end of the year

	As at 31 March 2019		As at 31 March 2018	
	No. of shares	₹ lakhs	No. of shares	₹ lakhs
At the beginning of the year	420,253,317	42,025.33	420,253,317	42,025.33
Shares issued during the year	-	-	-	-
Total	**420,253,317**	**42,025.33**	**420,253,317**	**42,025.33**

ii) Details of shareholders holding more than 5% of preference shares of the Company

	As at 31 March 2019		As at 31 March 2018	
	No. of shares	₹ lakhs	No. of shares	₹ lakhs
HCC Infrastructure Company Limited	285,985,361	68.05%	285,985,361	68.05%
Xander Investment Holding XXVI Limited	134,267,956	31.95%	134,267,956	31.95%
Total	**420,253,317**	**100.00%**	**420,253,317**	**100.00%**

iii) Conversion terms, rights and restrictions attached to CCCPS :

The CCCPS are compulsorily convertible as per following terms and conditions :-
(a) CCCPS shall be compulsorily convertible at the earlier of: -
i) Qualified IPO or
ii) 10 years from date of their issuance; or
iii) Subject to adjustments as defined under consolidation condition, pertaining to sale of Hindustan Construction Company Limited entire equity shareholding to the Company in certain subsidiaries of the Company.

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

(c) Each 200 CCCPS shall be converted into 1 equity share, subject to adjustments as defined under consolidation condition.

In the event of liquidation of the Company before conversion of this CCCPS, the holders will have priority over equity shares in the payment of dividend and repayment of capital.

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

		As at 31 March 2019	As at 31 March 2018
15	**Other financial liabilities**		
	Non-current		
	Financial guarantee (Refer note 28)	1,679.98	1,699.03
	Total non-current financial liabilities	**1,679.98**	**1,699.03**
	Current		
	Interest accrued and due on inter-corporate deposits (Refer note 28)	460.33	500.71
	Financial guarantee (Refer note 28)	206.41	179.88
	Retention deposit	24.48	25.54
	Payables to related party (Refer note 28)	21.86	246.69
	Employee related payables	145.04	105.85
	Other payables	323.32	229.63
	Total current financial liabilities	**1,181.44**	**1,288.30**
	Total financial liabilities	**2,861.42**	**2,987.33**
16	**Provisions**		
	Non-current		
	Provision for employee benefits (Refer note 33)		
	-Gratuity	44.08	41.23
	-Compensated absences	41.54	40.63
	Total non-current provisions	**85.62**	**81.86**
	Current		
	Provision for employee benefits (Refer note 33)		
	-Gratuity	1.09	0.83
	-Compensated absences	2.68	2.60
	Total current provisions	**3.77**	**3.43**
	Total provisions	**89.39**	**85.29**
17	**Current borrowings (Unsecured)**		
	Inter corporate deposit from related party (Refer note 28)*	653.74	-
	Total current borrowings	**653.74**	**-**

*Inter corporate deposits taken from HCC Infrastructure Company Limited, at an effective interest rate of 11% p.a. and is repayable on demand.

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

17 (a) Net debt reconciliation

Particulars	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Cash and cash equivalents	7.42	108.75	72.39
Liquid investments	-	134.03	542.10
Current borrowings	(1,114.07)	(500.71)	(755.58)
Net debt	**(1,106.65)**	**(257.93)**	**(141.09)**

Particulars	Other assets		Liabilities from financing activities	
	Cash and cash equivalents	Liquid investments	Current borrowings	Total
Net debt as at 31 March 2017	**72.39**	**542.10**	**(755.58)**	**(141.09)**
Cash flows	36.36	(405.73)	259.00	**(110.37)**
Fair value gain	-	(2.34)	-	**(2.34)**
Interest expense	-	-	(3.72)	**(3.72)**
Interest paid	-	-	(0.41)	**(0.41)**
Net debt as at 31 March 2018	**108.75**	**134.03**	**(500.71)**	**(257.93)**
Net debt as at 31 March 2018	**108.75**	**134.03**	**(500.71)**	**(257.93)**
Cash flows	(101.33)	(134.03)	(653.74)	(889.10)
Interest expense	-	-	(15.29)	(15.29)
Interest paid	-	-	55.67	55.67
Net debt as at 31 March 2019	**7.42**	-	**(1,114.07)**	**(1,106.65)**

		As at 31 March 2019	As at 31 March 2018
18	**Trade payables**		
	Current		
	Trade payables : micro and small enterprises (Refer note below)	36.84	-
	Trade payables : others	8.49	7.05
	Total trade payables	**45.33**	**7.05**

Outstanding dues to Micro and Small Enterprises:

The Company has amount due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as at 31 March 2019. The disclosure pursuant to the said Act is as under:

	31 March 2019	31 March 2018
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	36.38	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest due and payable for the year	0.46	-
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year	0.46	-
(v) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

The figures for the year ending 31 March 2019 have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

		As at 31 March 2019	As at 31 March 2018
19	**Other current liabilities**		
	Statutory dues	83.70	15.62
	Total other current liabilities	**83.70**	**15.62**

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

		Year ended 31 March 2019	Year ended 31 March 2018
20	**Revenue from operations**		
	Management fees (Refer note 28)	540.00	720.00
	Advisory fees (Refer note 28)	-	300.00
	Total revenue from operations	**540.00**	**1,020.00**
21	**Other income**		
	Interest income on		
	- loans given to related party (Refer note 28)	870.54	765.19
	- receivable from stake sale of Nirmal BOT Limited	198.96	-
	- unwinding of financial guarantee (Refer note 28)	107.63	179.52
	- income tax refund	17.53	-
	Other non-operating income		
	-payables for earlier years written back	147.30	10.08
	-gain on sale of current investments (net)	2.95	6.80
	-fair valuation gain	-	2.34
	-others	0.89	3.33
	Total other income	**1,345.80**	**967.26**
22	**Employee benefits expense**		
	Salaries and wages (Refer note 33)	559.74	541.96
	Contribution to provident funds and other funds (Refer note 33B)	25.22	24.61
	Staff welfare expenses	3.34	3.14
	Total employee benefits	**588.30**	**569.71**
23	**Finance costs**		
	Interest on loans from related party (Refer note 28)	11.13	3.67
	Others	4.16	0.05
	Total finance cost	**15.29**	**3.72**
24	**Depreciation expense**		
	Depreciation on property, plant and equipment (Refer note 3)	13.16	13.28
	Total depreciation expense	**13.16**	**13.28**
25	**Other expenses**		
	Travelling	37.82	28.04
	Director sitting fees (Refer note 28)	0.90	2.30
	Postage, telephone and fax	1.85	4.53
	Rates and taxes	0.59	20.05
	Legal and professional	211.74	60.60
	Security	11.35	10.56
	Entertainment	0.39	1.01
	Insurance	4.05	5.14
	Stationary and printing	7.82	5.53
	Rent* (Refer note 28)	54.00	54.07
	Repairs and maintenance	2.96	71.35
	Housekeeping and maintenance	31.79	33.36
	Receivables written off	14.11	-
	Loss allowance on financial assets	21.78	-
	Payment to auditors (excluding GST)		
	-Statutory audit fees	8.50	7.05
	-Tax audit fees	-	0.50
	-Others	0.40	0.82
	Miscellaneous	3.67	2.38
	Total other expenses ^	**413.72**	**307.29**

* The Company has entered into Operating lease agreements for office facility and such lease is basically cancellable in nature. Lease rent expense recognised in the Statement of profit and loss for the year ended 31 March 2019 in respect of operating lease is ₹ 5,400,000 (31 March 2018: ₹ 5,406,750).

^ The Company is not liable to incur any expense on Corporate Social Responsibility (CSR) as per section 135 of the Companies Act.

26	**Exceptional Items**		
	Interest receivable written off	-	1,066.13
	Receivable towards stake sale of Nirmal BOT Limited written off	365.20	-
	Total exceptional items	**365.20**	**1,066.13**

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27 Contingent liabilities and commitments

(A) Contingent liabilities	As at 31 March 2019	As at 31 March 2018
(i) Corporate guarantees given on behalf of subsidiary companies [Refer notes (a) below, 4 (g) (i) and 28]	105,378.21	99,257.52
(ii) Income tax liability that may arise in respect of matters which is in appeal	759.96	854.68
(iii) Claims not acknowledged as debts by the Company	712.07	712.07
(iv) Service tax and MVAT litigation pending with department	9.84	-
(v) The Company has not made provision for cumulative dividend payable excluding dividend distribution tax, towards 0.001% cumulative convertible preference shares, in absence of distributable profits.	3.15	2.73

(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) Corporate guarantee includes ₹ 61,700 lakhs furnished by the Company in respect of loans of its subsidiary, Badarpur Faridabad Tollway Limited (BFTL). On 10 April 2019, the BFTL's lenders have issued a recall notice to BFTL demanding repayment of entire dues outstanding amounting to ₹ 90,296 lakhs and security trustee has served a demand notice on the Company invoking this corporate guarantee of the similar amount on 26 April 2019. This matter is currently under discussion with the lenders.

28 Disclosure in accordance with Ind AS 24 Related Party Transactions

I) Names of related parties and nature of relationship

A) Holding company and Ultimate Holding company
Hindustan Construction Company Limited (HCC) - Ultimate Holding company ^
HCC Infrastructure Company Limited- Holding company ^
^ Holding company as per the Companies Act; however, classified as a Joint Venturer under Ind AS

	Country of incorporation	Company's holding as at (%) As at 31 March 2019	As at 31 March 2018
B) Joint ventures			
HCC Infrastructure Company Limited	India	85.45%	85.45%
Xander Investment Holding XXVI Limited	India	14.55%	14.55%
C) Subsidiaries			
Baharampore Farakka Highways Limited	India	100.00%	74.00%
Farakka Raiganj Highways Limited	India	100.00%	74.00%
Badarpur Faridabad Tollways Limited	India	100.00%	100.00%
Raiganj Dalkhola Highways Limited	India	90.00%	90.00%
Narmada Bridge Tollway Limited	India	100.00%	100.00%

D) Fellow subsidiaries (with whom transactions have taken place during the year)
HCC Aviation Limited
Dhule Palesner Operations & Maintenance Limited
HCC Power Limited
HCC Energy Limited
HCC Operations and Maintenance Limited

E) Other Related Parties			
Associates			
Nirmal BOT Limited (Upto 27 March 2019)	India	-	26.00%

F) Key Management Personnel

Mr. Manish Khanna	Independent director
Mr. Ravindra Singh	Company secretary
Mr. Kiran Kakkar	Chief financial officer

II) Transactions with related parties :

Nature of Transactions	Relationship	Year ended 31 March 2019	Year ended 31 March 2018
Services rendered - management fees		**540.00**	**720.00**
Baharampore-Farakka Highways Limited	Subsidiary	360.00	360.00
Farakka-Raiganj Highways Limited	Subsidiary	180.00	360.00
Services rendered - advisory fees income		**-**	**300.00**
Baharampore-Farakka Highways Limited	Subsidiary	-	125.00
Farakka-Raiganj Highways Limited	Subsidiary	-	175.00

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

		Year ended 31 March 2019	Year ended 31 March 2018
Rent Expense		**54.00**	**54.07**
Hindustan Construction Company Limited	Ultimate Holding company	54.00	54.07
Expenditure incurred on behalf of related parties		**126.08**	**144.76**
Hindustan Construction Company Limited	Ultimate Holding company	0.66	102.03
HCC Infrastructure Company Limited	Joint venturer	14.41	1.81
Baharampore-Farakka Highways Limited	Subsidiary	5.74	-
Farakka-Raiganj Highways Limited	Subsidiary	0.27	-
Raiganj-Dalkhola Highways Limited	Subsidiary	63.09	32.96
Badarpur Faridabad Tollways Limited	Subsidiary	41.91	6.92
HCC Energy Limited	Fellow Subsidiary	-	1.04
Expenditure incurred on behalf of the Company		**131.41**	**16.31**
Hindustan Construction Company Limited	Ultimate Holding company	115.66	-
Baharampore-Farakka Highways Limited	Subsidiary	-	8.48
Farakka-Raiganj Highways Limited	Subsidiary	-	7.77
Narmada Bridge Tollways Limited	Subsidiary	14.71	0.06
HCC Energy Limited	Fellow Subsidiary	1.04	-
Payables for earlier years written back		**100.54**	**-**
HCC Aviation Limited	Fellow Subsidiary	100.54	-
Director Sitting Fees		**0.90**	**2.30**
Manish Khanna	Director	0.90	1.30
Rajas Doshi	Director	-	1.00
Remuneration to KMP		**128.70**	**128.82**
Ravindra Singh	Company Secretary	97.61	98.13
Kiran Kakkar	Chief Financial Officer	31.09	30.69
Interest income on loans* given		**870.54**	**765.19**
Hindustan Construction Company Limited	Ultimate Holding company	7.38	6.35
HCC Infrastructure Company Limited	Joint venturer	33.08	22.06
Baharampore Farakka Highways Limited	Subsidiary	0.09	-
Farakka-Raiganj Highways Limited	Subsidiary	829.99	736.78
Unwinding of financial guarantee		**107.63**	**179.52**
Baharampore-Farakka Highways Limited	Subsidiary	35.83	35.76
Farakka-Raiganj Highways Limited	Subsidiary	49.28	49.19
Badarpur Faridabad Tollway Limited	Subsidiary	22.52	94.57
Conversion of cumulative convertible preference shares		**20,022.10**	**-**
Farakka-Raiganj Highways Limited	Subsidiary	20,022.10	-
Acquisition of additional shares in subsidiaries		**2,469.98**	**-**
Farakka-Raiganj Highways Limited	Subsidiary	1,299.99	-
Baharampore-Farakka Highways Limited	Subsidiary	1,169.99	-
Decrease in advance given against acquisition of equity shares		**2,469.98**	**-**
Hindustan Construction Company Limited	Ultimate Holding company	2,469.98	-
Deemed equity investment towards corporate guarantee		**115.11**	**-**
Badarpur Faridabad Tollway Limited	Subsidiary	115.11	-
Interest expenses on inter corporate deposit		**11.13**	**3.67**
HCC Infrastructure Company Limited	Joint venturer	11.13	3.67
Inter corporate deposit taken		**653.74**	**-**
HCC Infrastructure Company Limited	Joint venturer	653.74	-
Loans* given		**1,298.23**	**300.00**
HCC Infrastructure Company Limited	Joint venturer	100.00	300.00
Farakka-Raiganj Highways Limited	Subsidiary	1,030.23	-
Baharampore-Farakka Highways Limited	Subsidiary	168.00	-
Repayment of loans* given		**457.72**	**-**
Hindustan Construction Company Limited	Ultimate Holding company	57.72	-
HCC Infrastructure Company Limited	Joint venturer	400.00	-

*Loans refer to inter corporate deposits and subordinate loans

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

III) Outstanding as at year end :

		As at 31 March 2019	As at 31 March 2018
Other payables		**21.86**	**246.69**
Hindustan Construction Company Limited	Ultimate Holding company	20.05	146.15
HCC Aviation Limited	Fellow subsidiary	-	100.54
HCC Power Limited	Fellow subsidiary	1.81	-
Trade receivables		**373.20**	**314.40**
Baharampore-Farakka Highways Limited	Subsidiary	206.50	109.30
Farakka-Raiganj Highways Limited	Subsidiary	166.70	205.10
Other receivables		**523.99**	**414.44**
HCC Infrastructure Company Limited	Joint venturer	16.22	1.81
Badarpur Faridabad Tollway Limited	Subsidiary	73.96	32.06
Baharampore-Farakka Highways Limited	Subsidiary	39.31	33.57
Farakka-Raiganj Highways Limited	Subsidiary	30.50	30.23
Raiganj-Dalkhola Highways Limited	Subsidiary	125.77	62.68
Narmada Bridge Tollway Limited	Subsidiary	238.23	252.92
HCC Operations and Maintenance Limited	Fellow subsidiary	-	0.13
HCC Energy Limited	Fellow subsidiary	-	1.04
Subordinate loans given		**7,129.23**	**5,931.00**
Baharampore Farakka Highways Limited	Subsidiary	168.00	-
Farakka-Raiganj Highways Limited	Subsidiary	6,961.23	5,931.00
Equity component in subordinate debt		**16,249.18**	**16,249.18**
Badarpur Faridabad Tollway Limited	Subsidiary	13,534.18	13,534.18
Narmada Bridge Tollway Limited	Subsidiary	2,715.00	2,715.00
Advances given		**300.03**	**2,770.01**
Hindustan Construction Company Limited	Ultimate Holding company	300.03	2,770.01
Interest accrued and due on loans* given		**2,747.62**	**2,286.89**
Hindustan Construction Company Limited	Ultimate Holding company	-	265.73
HCC Infrastructure Company Limited	Joint venturer	-	20.62
Baharampore Farakka Highways Limited	Subsidiary	0.08	-
Farakka-Raiganj Highways Limited	Subsidiary	2,048.24	1,301.24
Raiganj Dalkhola Highways Limited	Subsidiary	63.83	63.83
Narmada Bridge Tollway Limited	Subsidiary	635.47	635.47
Financial guarantee obligation		**1,886.39**	**1,878.91**
Baharampore Farakka Highways Limited	Subsidiary	433.81	469.64
Farakka-Raiganj Highways Limited	Subsidiary	596.59	645.87
Badarpur Faridabad Tollway Limited	Subsidiary	855.99	763.40
Interest accrued and due on intercorporate deposit received		**460.33**	**500.71**
HCC Infrastructure Company Limited	Joint venturer	460.33	500.71
Inter corporate deposit taken		**653.74**	-
HCC Infrastructure Company Limited	Joint venturer	653.74	-
Inter corporate deposit given		-	**357.72**
Hindustan Construction Company Limited	Ultimate Holding company	-	57.72
HCC Infrastructure Company Limited	Joint venturer	-	300.00
Corporate guarantees given		**105,378.21**	**99,257.52**
Baharampore-Farakka Highways Limited	Subsidiary	18,387.00	18,387.00
Farakka-Raiganj Highways Limited	Subsidiary	25,287.00	25,287.00
Badarpur Faridabad Tollway Limited	Subsidiary	61,704.21	55,583.52

Notes:

(i) The above figure does not include provisional gratuity liability valued by an actuary, as separate figures are not available.
(ii) Refer note 4 (a) for conversion of Company's investments in preference shares into equity shares.
(iii) During the year, the Company has acquired equity shares of it's subsidiaries. Refer note 4 (b) and 6 (a) for the same and for the movement in advances given to Hindustan Construction Company limited.
(iv) Refer notes 4 (c) , (d) and (e) for pledge of Company's investments in equity and preference shares and non-disposal undertaking given by the Company to the lenders for facilities taken by Subsidiary companies.
(v) Refer note 4 (f) for the sale of Company's investments in it's associate company.
*Loans refer to inter corporate deposits and subordinate loans

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29 Earnings per share:

			Year ended 31 March 2019	Year ended 31 March 2018
A.	Profit computation for basic earnings per share of ₹ 10 each			
	Profit as per the statement of profit and loss available for equity shareholders	(₹ lakhs)	51.89	27.35
B.	Less: Preference dividend on cumulative preference shares including distribution tax		(0.42)	(0.42)
	Profit after preference dividend as stated above	(₹ lakhs)	51.47	26.93
C.	Weighted average number of equity shares for basic earning per share computation	(Nos.)	3,413,702	3,413,702
D.	Profit per share - basic	(₹)	1.51	0.79
E.	Weighted average number of equity shares for diluted earning per share computation*	(Nos.)	5,514,969	5,514,969
F.	Profit per share - diluted*	(₹)	0.93	0.49

* Also refer note 14(iii) for coversion terms related to CCCPS

30 Financial Instruments

A Financial Instruments by category

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					
Trade receivables	373.20	-	-	373.20	373.20
Cash and cash equivalents	7.42	-	-	7.42	7.42
Loans	7,129.23	-	-	7,129.23	7,129.23
Other financial assets	4,264.74	-	-	4,264.74	4,264.74
Liabilities					
Borrowings	653.74	-	-	653.74	653.74
Trade payables	45.33	-	-	45.33	45.33
Other financial liabilities	2,861.42	-	-	2,861.42	2,861.42

The carrying value and the fair value of financial instruments by each category as at 31 March 2018:

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					
Investments in mutual funds	-	134.03	-	134.03	134.03
Trade receivables	314.40	-	-	314.40	314.40
Cash and cash equivalents	108.75	-	-	108.75	108.75
Loans	6,288.72	-	-	6,288.72	6,288.72
Other financial assets	5,882.70	-	-	5,882.70	5,882.70
Liabilities					
Trade payables	7.05	-	-	7.05	7.05
Other financial liabilities	2,987.33	-	-	2,987.33	2,987.33

B Fair value hierarchy

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

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

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

Particulars	31 March 2019			31 March 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Investments in mutual funds	-	-	-	-	134.03	-

31 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.

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

b **Foreign currency risk**

The Company does not have any outstanding balances in foreign currency and consequently the Company's exposure to foreign exchange risk is Nil. 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 significant exposure in listed securities and consequently the Company's exposure to price risk is less.

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.

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.

Maturity analysis of financial liabilities:

As at 31 March 2019

Particulars	On demand	Contractual Cash flow				
		0-12 Months	1-3 years	3-5 years	Above 5 years	Total
Borrowings (including interest)	1,114.07	-	-	-	-	**1,114.07**
Trade payables	-	45.33	-	-	-	**45.33**
Other financial liabilities	-	721.10	362.17	362.67	955.14	**2,401.08**
Total	**1,114.07**	**766.43**	**362.17**	**362.67**	**955.14**	**3,560.48**

As at 31 March 2018

Particulars	On demand	Contractual Cash flow				
		0-12 Months	1-3 years	3-5 years	Above 5 years	Total
Borrowings (including interest)	500.71	-	-	-	-	**500.71**
Trade payables	-	7.05	-	-	-	**7.05**
Other financial liabilities	-	787.59	362.67	362.17	974.19	**2,486.62**
Total	**500.71**	**794.64**	**362.67**	**362.17**	**974.19**	**2,994.38**

32 **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 total debt divided by total capital plus total debt.

	As at 31 March 2019	As at 31 March 2018
Net debt	1,106.65	257.93
Total equity	97,425.29	97,369.90
Total debt to capital employed ratio	**0.01**	**0.00**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure requirements. Breaches in meeting the financial covenants would permit the lenders to immediately call loans and borrowings. Also refer notes included under borrowings with respect to restructuring of loans.

33 **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.

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		As at 31 March 2019	As at 31 March 2018
a)	**Change in defined benefit obligations**		
	Present value of obligation as at the beginning of the year	42.06	36.42
	Current service cost	6.11	5.03
	Interest expenses	3.25	2.65
	Past service cost	-	4.27
	Other obligations	-	-
	Benefits paid	(2.75)	(6.09)
	Remeasurements - net actuarial (gains)/ losses	(3.50)	(0.22)
	Present value of obligation as at the end of the year	**45.17**	**42.06**
b)	**Expenses recognised in the Statement of Profit and Loss**		
	Current service cost	6.11	5.03
	Past service cost	-	4.27
	Net interest on the net defined benefit obligations / assets	3.25	2.65
	Other obligations	-	-
	Total	**9.36**	**11.95**
c)	**Remeasurement (gains)/ losses recognised in OCI**		
	Actuarial changes arising from changes in financial assumptions	(0.21)	(0.22)
	Experience adjustments	(3.29)	-
	Total	**(3.50)**	**(0.22)**
d)	**Actuarial assumptions:**		
	Discount rate	7.77 % p.a.	7.73 % p.a.
	Rate of increase of compensation levels	8.00 % p.a.	8.00 % p.a.
	Expected average remaining working lives of employees	14.00	14.00
	Mortality table	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate

The attrition rate ranges from 0 years to 4 years is 8% p.a. and 2% p.a. thereafter

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.

		As at 31 March 2019	As at 31 March 2018
e)	**Sensitivity analysis for significant assumptions is as below:**		
		1% increase	
	i. Discount rate	(4.75)	(4.66)
	ii. Salary escalation rate - over a long-term	3.51	5.37
	iii. Attrition rate	0.49	(0.21)
		1% decrease	
	i. Discount rate	5.54	5.44
	ii. Salary escalation rate - over a long-term	(3.24)	(4.69)
	iii. Attrition rate	(0.54)	0.23

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	1.09	0.83
	Between 2 and 5 years	5.58	4.24
	Between 6 and 10 years	12.34	10.35
	Sum of Years 11 and above	106.76	105.45
	Total expected payments	**125.77**	**120.87**

B Defined contribution plans

Amount recognised as an expense and included in note 22, Contribution to provident and other funds amounted to ₹ 25.22 lakhs (31 March 2018 ₹ 24.61 lakhs)

C	**Current/ non-current classification**		
	Gratuity		
	Current	1.09	0.83
	Non-current	44.08	41.23
		45.17	**42.06**
	Compensated absences (including sick leave)		
	Current	2.68	2.60
	Non-current	41.54	40.63
		44.22	**43.23**

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HCC Concessions Ltd.

34 Recent accounting update

34.1 Ind AS 116 Leases

Ind AS 116 Leases was notified on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Based on management assessment, the adoption of Ind AS 116 will not have any material impact on the standalone financial statements of the Company.

34.2 Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition –

i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and

ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 1 April 2019. The Company will adopt the standard on 1 April 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. 1 April 2019 without adjusting comparatives.

Effective date for application of these amendments is annual period beginning on or after 1 April 2019.

The Company is evaluating the above requirement of the amendment and the impact on the financial statements.

35 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.

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

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

Vijay D. Jain

Vijay D. Jain
Partner
Membership No.: 117961

WALKER CHANDIOK & Co LLP * CHARTERED ACCOUNTANTS * MUMBAI

Place: Mumbai
Date: 07 May 2019

For and on behalf of the Board of Directors

Arjun Dhawan
Director
DIN No. : 01778379

S. Sridevi

Sridevi Iyengar
Director
DIN No. : 06981630

Ravindra Singh
Company Secretary

Kiran Kakkar
Chief Financial Officer

Place: Mumbai
Date: 07 May 2019

HCC Concessions Ltd. *

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SB Marg, Elphinstone (W)
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Maharashtra, India

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Independent Auditor's Report

To the Members of HCC Concessions Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of HCC Concessions Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2019, 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, 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 (consolidated financial position) of the Group as at 31 March 2019, and its consolidated loss (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 15 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

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Emphasis of Matters

4. We draw attention to Note 31(A)(viii) 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 subsidiary of the Holding Company, issued by an independent firm of Chartered Accountants, vide their report dated 3 May 2019, on matter which is relevant to our opinion on the consolidated financial statements of the Group, and reproduced by us as under:

    Attention is drawn to Notes 18 and 31 to the financial statements, Canara Bank has vide letter dated 31 October 2018 has recalled entire amount of financial assistance extended to the Company. As per the cited letter, Bank has mentioned an amount of ₹90,296.00 lakhs as total dues outstanding as on 31 October 2018. Whereas per books of accounts of the Company, total outstanding dues to lenders as at 31 March 2019 are ₹61,704.21 lakhs. Pending reconciliation of outstanding dues to the lenders, difference amount has been disclosed as contingent liability. Our opinion is not modified in respect of this matter.

5. We draw attention to Note 31D and Note 40.4 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 subsidiary of the Holding Company, issued by an independent firm of Chartered Accountants, vide their report dated 3 May 2019, on matters which are relevant to our opinion on the consolidated financial statements of the Group, and reproduced by us as under:

    a) Attention is drawn to note 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 5 February 2019. Our opinion is not modified in respect of this matter.

    b) Attention is drawn to note 32 of Notes to accounts, the Company has received claims of ₹66,111.37 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 recognised 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 this matter.

6. We draw attention to Note 7(b), Note 40.5 and Note 40.4 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 subsidiary of the Holding Company, issued by an independent firm of Chartered Accountants, vide their report dated 3 May 2019, on matters which are relevant to our opinion on the consolidated financial statements of the Group, and reproduced by us as under:

    a) Attention is drawn to note 7 to the 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 ₹36,800.00 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 ₹17,742.46 lakhs is considered fully recoverable by the management. Our opinion is not modified in respect of this matter.

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b) Attention is drawn to note 6 to the notes to accounts, 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. Our opinion is not modified in respect of this matter.

c) Attention is drawn to note 25 (i) to the 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. Our opinion is not modified in respect of this matter.

7. We draw attention to Note 40.4 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 subsidiary of the Holding Company, issued by an independent firm of Chartered Accountants, vide their report dated 3 May 2019, on matter which are relevant to our opinion on the consolidated financial statements of the Group, and reproduced by us as under:

   Attention is drawn to note 33 to the notes to accounts, the Company has received claims of ₹71,514.43 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 this matter.

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

8. The Holding Company's Board of Directors is responsible for the other information. Other information 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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

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

9. 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 state of affairs (consolidated financial position), consolidated profit or loss (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

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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.

10. In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

11. Those Board of Directors are also responsible for overseeing the Group's financial reporting process.

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

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

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

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

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

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

- 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.

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

Other Matters

15. We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of ₹ 332,670.94 lakhs and net assets of ₹ 5,079.62 lakhs as at 31 March 2019, total revenues of ₹ 32,897.07 lakhs and net cash outflows amounting to ₹ 1,693.12 lakhs for the year ended on that date, as considered in the consolidated financial statements. 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.

16. The consolidated financial statements of the Company for the year ended 31 March 2018 were audited by the predecessor auditor, Messrs K.S. Aiyar & Co., who have expressed an unmodified opinion on those consolidated financial statements vide their audit report dated 2 May 2018.

Report on Other Legal and Regulatory Requirements

17. 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 15 on separate financial statements of the subsidiaries, we report that the Holding company and its subsidiaries covered under the Act, have not paid or provided for any managerial remuneration during the year.

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

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e) the matters described in paragraphs 4 to 7 of the Emphasis of Matters paragraph, in our opinion, may have an adverse effect on the functioning of BFTL, RDHL, BFHL and FRHL, subsidiaries 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 2019 from being appointed as a director in terms of Section 164(2) of the Act;

g) with respect to the adequacy of the internal financial controls over financial reporting 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 I'; and

h) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us 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 31 to the consolidated financial statements;

   ii. provision has been made in these consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts, as detailed in Note 22 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 2019; 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 & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Vijay . D Jain

Vijay D. Jain
Partner
Membership No.: 117961

Place: Mumbai
Date: 07 May 2019

Annexure I to the Independent Auditor's Report of even date to the members of HCC Concessions Limited, on the consolidated financial statements for the year ended 31 March 2019

Independent Auditor's Report on the Internal Financial Controls 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 Concessions Limited (the "Holding Company") and its subsidiaries (the Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ("IFCoFR") of the Holding Company and its five subsidiary companies, which are companies covered under the Act, as at that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its five subsidiary companies, which are companies covered under the Act, are 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 (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company and its five subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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 audit opinion on the IFCoFR of the Holding Company and its five subsidiary companies, as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR 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

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Annexure I (Contd)

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 over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that IFCoFR 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 and based on the consideration of the reports of the other auditors on IFCoFR of the five subsidiary companies, the Holding Company and its five subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Holding Company and its five subsidiary companies as aforesaid, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

9. We did not audit the IFCoFR in so far as it relates to five subsidiary companies, which are companies covered under the Act, whose financial statements (before eliminating inter-company balances) reflect total assets of ₹ 332,670.94 lakhs and net assets of ₹ 5,079.62 lakhs as at 31 March 2019, total revenues (before eliminating inter-company balances) of ₹ 32,897.07 lakhs and net cash outflows amounting to ₹ 1,693.12 lakhs for the year ended on that date, as considered in the consolidated financial statements, which are companies covered under the Act, whose IFCoFR have not been audited by us. The IFCoFR in so far as it relates to such subsidiary 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 IFCoFR for the Holding Company and its five subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such five subsidiary 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

Place: Mumbai
Date: 07 May 2019

HCC Concessions Limited
Consolidated Balance Sheet as at 31 March 2019
(All amounts are in ₹ lakhs, unless stated otherwise)

	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	131.85	243.36
Investment property	4	29.68	44.91
Other intangible assets	5	55,355.74	175,288.23
Intangible assets under development	6	41,280.63	96,192.27
Financial assets			
Other financial asset	7	52,800.04	37,544.31
Deferred tax assets (net)	8	-	255.43
Income tax assets (net)	9	933.40	1,267.35
Other non current assets	10	9,485.68	10,061.46
Total non-current assets		**160,017.02**	**320,897.32**
Current assets			
Financial assets			
Investments	11	44.64	175.56
Trade receivables	12	944.00	1,834.00
Cash and cash equivalents	13	1,907.56	3,683.03
Bank balances other than cash and cash equivalents	13.1	7.41	972.41
Loans	14	-	357.72
Other financial asset	7	644.80	1,667.79
Other current assets	10	6,904.47	1,598.96
Total current assets		**10,452.87**	**10,289.47**
Assets classified as held for sale	15	162,124.57	470.50
TOTAL ASSETS		**332,594.47**	**331,657.29**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	341.37	341.37
Instruments entirely equity in nature	17	42,025.33	42,025.33
Other equity		(21,892.07)	(7,747.89)
Equity attributable to owners of the parent		**20,474.63**	**34,618.81**
Non-controlling interests		(28.14)	(1,418.53)
Total equity		**20,446.49**	**33,200.28**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	18	75,884.15	213,051.46
Other financial liabilities	19	1,335.89	2,941.45
Provisions	22	85.63	3,892.20
Total non-current liabilities		**77,305.67**	**219,885.11**
Current liabilities			
Financial liabilities			
Borrowings	18	653.74	-
Trade payables			
i) total outstanding dues of micro and small enterprises	20	82.00	-
ii) total outstanding dues other than (i) above	20	2,809.51	2,791.87
Other financial liabilities	19	81,472.49	64,011.87
Other current liabilities	21	832.10	1,134.01
Provisions	22	11,769.56	10,634.15
Total current liabilities		**97,619.40**	**78,571.90**
Liabilities directly associated with assets classified as held for sale	15	137,222.91	-
TOTAL EQUITY AND LIABILITIES		**332,594.47**	**331,657.29**

Notes 1 to 42 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

Vijay D. Jain
Partner
Membership No.: 117961

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS * MUMBAI

Place: Mumbai
Date: 07 May 2019

For and on behalf of the Board of Directors

Arjun Dhawan
Director
DIN No.: 01778379

S. Sridevi

Sridevi Iyengar
Director
DIN No. : 06981630

Ravindra Singh
Company Secretary

Kiran Kakkar
Chief Financial Officer

Place: Mumbai
Date: 07 May 2019

HCC Concessions Ltd. *

HCC Concessions Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2019
(All amounts are in ₹ lakhs, unless stated otherwise)

	Note No.	Year ended 31 March 2019	Year ended 31 March 2018
Income			
Revenue from operations	23	32,801.19	67,644.68
Other income	24	868.21	1,413.65
Total income		**33,669.40**	**69,058.33**
Expenses			
Construction cost	25	9,909.48	26,248.70
Employee benefits expense	26	594.35	629.18
Finance costs	27	19,512.64	20,945.21
Depreciation and amortisation expense	28	8,443.25	11,560.66
Other expenses	29	11,226.25	15,041.69
Total expenses		**49,685.97**	**74,425.44**
Loss before exceptional items and tax		(16,016.57)	(5,367.11)
Exceptional items	30	(365.20)	(1,195.57)
Loss before tax		**(16,381.77)**	**(4,171.54)**
Tax expense			
Current income tax			
- Current tax		88.19	-
- Tax pertaining to earlier years		94.72	(0.22)
Deferred income tax [net of MAT credit written off (Refer note 9.1)]		255.43	-
Loss for the year (A)		**(16,820.11)**	**(4,171.32)**
Loss for the year attributable to:			
Owners of the parent		(18,210.50)	(2,642.52)
Non-controlling interest		1,390.39	(1,528.80)
Other comprehensive income			
(a) Items not to be reclassified subsequently to profit or loss			
- Gain on fair value of defined benefit plans as per actuarial valuation (net of tax)		3.50	1.05
(b) Items to be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the year, net of tax (B)		**3.50**	**1.05**
Other comprehensive income attributable to :			
Owners of the parent		3.50	1.05
Non-controlling interest		-	-
Total comprehensive loss for the year, net of tax (A+B)		**(16,816.61)**	**(4,170.27)**
Total comprehensive loss for the year attributable to:			
Owners of the parent		(18,207.00)	(2,641.47)
Non-controlling interest		1,390.39	(1,528.80)
Earnings per equity share of ₹ 10 each	33		
Basic (in ₹)		(533.47)	(77.42)
Diluted (in ₹)		(533.47)	(77.42)

Notes 1 to 42 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

Vijay D. Jain
Partner
Membership No.: 117961

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 07 May 2019

For and on behalf of the Board of Directors

Arjun Dhawan
Director
DIN No. : 01778379

S. Sridevi

Sridevi Iyengar
Director
DIN No. : 06981630

Ravindra Singh
Company Secretary

Kiran Kakkar
Chief Financial Officer

Place: Mumbai
Date: 07 May 2019

HCC Concessions Ltd

HCC Concessions Limited

Consolidated Cash Flow Statement for the year ended 31 March 2019

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

		Year ended 31 March 2019	Year ended 31 March 2018
A CASH FLOW FROM OPERATING ACTIVITIES			
Loss before tax	**(17,768.66)**	(17,768.66)	(2,641.69)
Adjustments for			
Depreciation and amortisation expenses		8,443.25	11,560.66
Finance costs		19,050.39	19,324.15
Unwinding of Retention Payable		21.05	367.25
Unwinding of Major Maintenance Repairs		409.61	1,218.33
Construction cost		9,909.48	-
Borrowing cost		31.59	35.48
Less:			
Interest received		(641.97)	(1,122.50)
Profit on sale of investment		(6.05)	(200.81)
Gain on fair valuations		-	(2.34)
Construction revenue		(9,909.48)	-
Payable of earlier years written back		(147.30)	-
Operating profit before working capital changes		**9,391.91**	**28,538.53**
Adjustments for changes in working capital:			
Decrease in trade receivables		-	12.22
(Increase) in other financial assets		(15,334.02)	(36,077.44)
Decrease in other non-current assets		224.41	14,307.92
(Increase)/decrease in other current assets		(6,488.10)	3,551.84
Increase in trade payables		3,189.68	1,271.79
(Decrease) in other financial liabilities		(102.25)	(14,285.29)
Increase in provisions		4,050.58	840.61
(Decrease) in other current liabilities		(302.87)	(47.78)
Cash used in operations		(14,762.57)	(30,426.13)
Direct taxes paid (net of refund)		5.63	(25.78)
Net cash used in operating activities		**(5,365.03)**	**(1,913.38)**
B CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment/ intangible assets		8,384.15	430.14
Share of non-controlling interests		1,390.40	(1,528.81)
Proceeds from sale of investments (net)		136.98	613.29
Derecognition of Equity & Minority Interest		(2,469.98)	-
Interest received		927.01	1,065.34
(Investments in) bank deposits (having original maturity of more than three months)		-	(965.00)
Net cash generated from investing activities		**8,368.56**	**(385.05)**
C CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from long term borrowings (net)		1,722.21	7,665.76
Proceeds from Short term borrowings (net)		653.74	(259.00)
Interest paid		(8,331.63)	(13,516.48)
Short term deposits		357.72	(189.34)
Net cash used in financing activities		**(5,597.96)**	**(6,299.06)**
Net (decrease) in cash and cash equivalents (A+B+C)		(2,594.43)	(8,597.48)
Cash and cash equivalents at the beginning of the financial year		4,655.44	12,287.92
Cash and cash equivalents at the end of the year (Refer note 13 and 13.1)		**2,061.01**	**3,690.44**
Components of cash and cash equivalents considered only for the purpose of cash flow statement			
Cash and cash equivalents		2,053.60	3,683.03
In bank current accounts (having original maturity of less than three months)		7.41	7.41
Balances as per statement of cash flows		**2,061.01**	**3,690.44**

WALKER CHANDIOK & CO LLP * MUMBAI * CHARTERED ACCOUNTANTS

HCC Concessions Ltd.

HCC Concessions Limited
Consolidated Cash Flow Statement for the year ended 31 March 2019
(All amounts are in ₹ lakhs, unless stated otherwise)

Notes :-

a) 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 18.6 (b)]

Significant non cash movements during the year excludes:

i) Transfer of equity shares from Hindustan Contruction Company Limited (Ultimate holding company) to the Company adjusted against advaces paid by the Company to HCC amounting to ₹ 20,022.10 lakhs
iii) Interest on inter corporate deposit receivable from HCC was adjusted against payables to HCC amounting to ₹ 265.73 lakhs
iii) Diminution in realisable value towards sale of equity in Nirmal BOT Company Limited as per the amended Share purchase agreement amounting to ₹ 365.20 lakhs
iv) The cash and cash equivalents as at 31 March 2019 include balances pertaining to assets held for sale of ₹ 146.04 lakhs. This amount disclosed as "asset held for sale" under each schedule have been disclosed / included under amounts disclosed in note 15 of the financial statements, respectively.
v) The above cash flow has been prepared under "Gross basis", including the amount disclosed under each schedule as "asset held for sale"

Notes 1 to 42 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

Vijay D. Jain
Partner
Membership No.: 117961

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 07 May 2019

For and on behalf of the Board of Directors

S. Sridevi

Arjun Dhawan
Director
DIN No. : 01778379

Sridevi Iyengar
Director
DIN No. : 06981630

Ravindra Singh
Company Secretary

Kiran Kakkar
Chief Financial Officer

Place: Mumbai
Date: 07 May 2019

HCC Concessions LTD

HCC Concessions Limited
Consolidated Statement of changes in equity for the year ended 31 March 2019
(All amounts are in ₹ lakhs, unless stated otherwise)

A) Equity share capital (Refer note 16)

Particulars	Number	₹ lakhs
Equity shares of ₹ 10 each issued, subscribed and fully paid up		
As at 31 March 2017	**3,413,702**	**341.37**
Issue of equity shares	-	-
As at 31 March 2018	**3,413,702**	**341.37**
Issue of equity shares	-	-
As at 31 March 2019	**3,413,702**	**341.37**

B) Instrument entirely equity in nature (Refer note 17)

Particulars	Number	₹ lakhs
0.001% cumulative compulsory convertible preference shares of ₹ 10 each issued, subscribed and fully paid up		
As at 31 March 2017	**420,253,317**	**42,025.33**
Issue of equity shares	-	-
As at 31 March 2018	**420,253,317**	**42,025.33**
Issue of equity shares	-	-
As at 31 March 2019	**420,253,317**	**42,025.33**

Instrument entirely equity in nature
This represents the equity component of cumulative compulsory convertible preference shares issued to the Holding company^ ; wherein on conversion the fixed number of equity shares has been specified. Post such conversion the same will be transferred to equity.

^Holding company as per Companies Act, joint venture as per Ind AS.

C) Other equity

	Reserves and Surplus		Total equity attributable to owners of the Company	Non-controlling interest	Total
	Securities premium	Retained earnings			
As at 31 March 2017	**66,937.67**	**(72,044.09)**	**(5,106.42)**	**110.27**	**(4,996.15)**
Loss for the year		(2,642.52)	(2,642.52)		(2,642.52)
Minority interest share transfer during the year	-	-	-	(1,528.80)	(1,528.80)
Other comprehensive income for the year	-	1.05	1.05	-	1.05
As at 31 March 2018	**66,937.67**	**(74,685.56)**	**(7,747.89)**	**(1,418.53)**	**(9,166.42)**
Loss for the year	-	(18,210.50)	(18,210.50)	-	(18,210.50)
Transfer to liabilities held for sale (Refer note 15)	-	6,532.80	6,532.80	-	6,532.80
Minority interest share transfer during the year	-	(2,469.98)	(2,469.98)	1,390.39	(1,079.59)
Other comprehensive income for the year	-	3.50	3.50	-	3.50
As at 31 March 2019	**66,937.67**	**(88,829.74)**	**(21,892.07)**	**(28.14)**	**(21,920.21)**

Nature and purpose of reserves

i. Securities premium
Securities premium is used to record the premium on issue of shares. The above securities premium reserve is on account of issue of equity shares. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

ii. Retained earnings
Retained earnings represents profit / 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 42 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

Vijay D. Jain
Partner
Membership No.: 117961

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 07 May 2019

For and on behalf of the Board of Directors

S. Sridevi

Arjun Dhawan
Director
DIN No. : 01778379

Sridevi Iyengar
Director
DIN No. : 06981630

Ravindra Singh
Company Secretary

Kiran Kakkar
Chief Financial Officer

Place: Mumbai
Date: 07 May 2019

HCC Concessions Ltd.

1 Corporate information

HCC Concession Limited ("the Company" or "Parent" or "HCON") is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company having CIN U45202MH2008PLC178890 is located at Hincon House, LBS Marg, Vikhroli (West), Mumbai - 400 083, India.

The financial statements comprises the financial statements of the Company and its subsidiaries (the Company and its subsidiaries referred to as the "Group"). The Group is principally engaged in the business of infrastructure development. 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 7 May 2019.

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 (as ammended).

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 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 consolidated 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) 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 or 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.

(c) 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.

WALKER CHANDIOK & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

HCC Concessions Ltd.

(d) 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.

(e) The Build, Operate and Transfer (BOT) contracts are governed by service concession agreements with government authorities as grantor. Under these agreements, the operator does not own the road, but gets the "toll collection rights" against the construction services rendered. Since the revenues from the construction activity by the operator are considered to be earned in exchanged with the granting of toll collection rights for a specified year, profits from such contracts are considered as realized. Accordingly, the management and advisory fees paid to the holding company and all the intra group transactions on BOT contracts and profits arising thereon are taken as realized and accordingly, accounted for in preparation of these consolidated 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.

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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)

Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure.

(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) Intangible Assets

Intangible assets comprise of license fees and implementation cost for software and other application software acquired / developed for in-house use. These assets are stated at cost, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably, less accumulated amortisation and accumulated impairment losses, if any. Costs relating to trademark and design have been treated as intangible assets which also comprise license fees, other implementation costs for software and application software acquired for in-house use.

The Group recognises an intangible asset arising from a service concession arrangement when it has a right to charge for usage of the concession infrastructure. An intangible asset received as Consideration for providing construction or upgrade services in a service concession arrangement is measured at fair value on initial recognition by reference to the fair value of the services provided. Subsequent to initial recognition, the intangible asset is measured at cost, which includes capitalised borrowing costs, less accumulated amortisation and accumulated impairment losses.

The estimated useful life of an intangible asset in a service concession arrangement is the period from when the Company is able to charge the public for the use of the infrastructure to the end of the concession period.

(viii) Service concession arrangements

The Group recognises an intangible asset arising from a service concession arrangement to the extent it has a right to charge for use of the concession infrastructure. The fair value, at the time of initial recognitions of such an intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement, is regarded to be its cost. Subsequent to initial recognition, the intangible assets is measured at cost, less any accumulated amortisations and accumulated impairment losses.
Appendix D "Service concession arrangements" applies to "public- to-private" service concession arrangements, which can be defined as contracts under which the grantor transfers to a concession holder the right to deliver public services that give access to the main public facilities for a specified period of time in return for managing the infrastructure used to deliver those public services.

More specifically, Appendix D applies to public-to-private service concession arrangements if the grantor:
i. Controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and
ii. Controls through ownership or otherwise – any significant residual interest in the infrastructure at the end of the term of the arrangement.

In assessing the applicability the management has exercised significant judgement in relation to the underlying ownership of the assets, the ability to enter into power purchase arrangements with any customer, ability to determine prices etc. in concluding that the arrangements don't meet the criteria for recognition as service concession arrangements.
Group has Toll Road Concession rights where it Designs, Build, Finances, Operates and transfer (DBFOT) infrastructure used to provide public service for a specified period of time. These arrangements may include Infrastructure used in a public-to-private service concession arrangement for its entire useful life.
These arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the Company receives a right (a license) to charge users of the public service. The financial asset model is used when the Company has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component. If the Company performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

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Appendix A "Service concession arrangements" applies to "public- to-private" service concession arrangements, which can be defined as contracts under which the grantor transfers to a concession holder the right to deliver public services that give access to the main public facilities for a specified period of time in return for managing the infrastructure used to deliver those public services.
More specifically, Appendix C applies to public-to-private service concession arrangements if the grantor:
i. Controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and
ii. Controls through ownership or otherwise – any significant residual interest in the infrastructure at the end of the term of the arrangement.

(ix) 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.

iii. In respect of bearer plants (including oak barrels), on straight line basis over the estimated useful life of four to twenty years on pro-rata basis.

iv. In respect of certain subsidiaries incorporated in India on building, plant and machinery, computers, office equipment, furniture and fixtures and motor vehicles depreciation is provided on written down value 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.

v. Leasehold improvements are amortised over the useful lives prescribed in Schedule II to the Act or the period of lease, whichever is lower.

vi. Software and implementation costs including users license fees and other application software costs are amortised on a straight line basis, from the date they are available for use, over their estimated useful lives that is a period of three to five years.

vii.Trademark and design cost are amortised over their estimated useful lives that is a period of ten years.

(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.

(x) 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.

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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.

(xi) 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.

(xii) 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.

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(xiii) 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.

(xiv) 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.

(xv) Revenue recognition

(a) Revenue recognition

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

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) Contract revenue (construction contracts)

Contract revenue associated with the construction of **road** are recognized as revenue by reference to the stage of completion of the projects at the balance sheet date. The stage of completion of **project** is determined **by the proportion of contract cost incurred** for work performed up to the balance sheet date bears to the estimated total contract costs. Margin on Contract Cost has not been considered since the company has given back to back the contract to its ultimate holding company i.e. Hindustan Construction Company Limited.
Contract cost includes costs that relate directly to the specific contract and allocated costs that are attributable to the construction of the toll roads. Cost that cannot be attributed to the contract activity such as general administration costs are expensed as incurred and classified as other operating expenses.

(d) Toll revenue

The income from toll charges are generated by the operations of the facilities is accounted on receipt basis.

(e) Accounting for Claims

Claims are accounted as income in the period of receipt of money as per the arbitration award. Interest awarded, being in the nature of additional compensation under the terms of the contract, is accounted as other operating revenue on receipt of money basis the favourable arbitration award.

(f) Dividend income

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

(g) 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.

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(xvi) 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.

(xvii) 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 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.

(xviii) 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.

(xix) 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.

(xx) 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).

(xxi) 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.

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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.

(xxii) Resurfacing expenses

Resurfacing costs are recognised and measured in accordance with Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets" i.e. at the best estimate of the expenditure required to settle the present obligation at each reporting date.

(xxiii) 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.

(xxiv) Asset classified as held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less cost to sell.
An impairment loss is recognised for any initial recognition or subsequent written down of the assets to the fair value less cost to sell of an asset. A gain is recognised for any
subsequent increase in the fair value less cost to sell of an asset but not in excess of cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

Assets held for sale are presented separately from the other assets in the balance sheet.

(xxv) The financial assets model

The Group recognises a financial asset arising from a service concession arrangement when it has an unconditional contractual right to receive cash or another financial asset from grantor for the construction or upgrade services provided. Such financial assets are measured at fair value on initial recognition and classified as loans and receivables.
Subsequent to initial recognition, the financial assets are measured at amortised cost. Under this model financial asset will be reduced as an when grant has received from grantor.

(xxvi) Impairment of concession intangible assets

The Group tests intangible assets and cash generating units have suffered any impairment, in accordance with the accounting policy. The recoverable amount of each cash generating unit has been determined based on the greater of value-in-use and fair value less costs to sell calculations. Calculations are prepared on the basis of management's assumptions and estimates.

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Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2019
(All amounts are in ₹ lakhs, unless stated otherwise)

Note 3 Property, plant and equipment (Tangible assets)

Particulars	Freehold land	Plant and equipment	Leasehold improvement	Furniture and fixtures	Computers	Office equipment	Vehicles	Total
Gross carrying value (at deemed cost)								
As at 1 April 2017	61.43	28.17	93.06	74.18	94.37	49.99	93.24	**494.44**
Additions	-	-	-	1.88	0.70	3.86	0.95	**7.39**
Disposals	-	-	-	-	-	-	-	**-**
As at 31 March 2018	**61.43**	**28.17**	**93.06**	**76.06**	**95.07**	**53.85**	**94.19**	**501.83**
Additions	-	0.96	-	0.07	-	0.24	-	**1.27**
Disposals	-	-	-	-	-	-	-	**-**
Reclassification as held for sale (Refer note 15)	-	(7.76)	-	-	(29.92)	(12.72)	(51.20)	**(101.60)**
As at 31 March 2019	**61.43**	**21.37**	**93.06**	**76.13**	**65.15**	**41.37**	**42.99**	**401.50**
Accumulated depreciation and amortisation								
As at 1 April 2017	-	1.58	93.06	26.49	44.29	20.27	14.29	**199.98**
Depreciation and ammortisation charge for the year	-	1.88	-	13.33	21.09	10.56	11.63	**58.49**
Accumulated depreciation on disposals	-	-	-	-	-	-	-	**-**
As at 31 March 2018	**-**	**3.46**	**93.06**	**39.82**	**65.38**	**30.83**	**25.92**	**258.47**
Depreciation and ammortisation charge for the year	-	1.94	-	13.41	19.04	10.30	11.63	**56.32**
Accumulated depreciation on disposals	-	-	-	-	-	-	-	**-**
Reclassification as held for sale (Refer note 15)	-	(1.16)	-	-	(24.40)	(5.86)	(13.72)	**(45.14)**
As at 31 March 2019	**-**	**4.24**	**93.06**	**53.23**	**60.02**	**35.27**	**23.83**	**269.65**
Net carrying value								
As at 31 March 2018	**61.43**	**24.71**	**-**	**36.24**	**29.69**	**23.02**	**68.27**	**243.36**
As at 31 March 2019	**61.43**	**17.13**	**-**	**22.90**	**5.13**	**6.10**	**19.16**	**131.85**

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4 Investment properties

	Land	Total
Gross carrying value		
As at 1 April 2017	44.91	**44.91**
Additions	-	-
Adjustments / disposals	-	-
As at 31 March 2018	**44.91**	**44.91**
Transferred to other financial asset	-	-
Additions	-	-
Reclassification as held for sale (Refer note 15)	(15.23)	**(15.23)**
As at 31 March 2019	**29.68**	**29.68**
Net carrying value		
As at 31 March 2018	**44.91**	**44.91**
As at 31 March 2019	**29.68**	**29.68**

The fair value of land lying with group as at 31 March 2019 is ₹41.31 lakhs (31 March 2018: ₹ 67.50 lakhs)

i Estimation of fair value

The fair values of investment properties have been determined by an accredited Independent valuer. The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data. The resulting fair value estimates for investment property are included in level 3.The Company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company consider information from a variety of sources including:

Current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.

Discounted cash flow projections based on reliable estimates of future cash flows.

Capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

The land is under lien by way of mortgage to SBI Cap Trustee Company Limited by way of charge dated 3 March 2011, which was further modified on 30 May 2016.

5 Intangible assets

	Intangible assets	Total
Gross carrying value (at deemed cost)		
As at 1 April 2017	252,235.26	**252,235.26**
Transferred to other financial assets (Refer note 8)	(56,792.50)	**(56,792.50)**
As at 31 March 2018	**195,442.76**	**195,442.76**
Reclassification as held for sale (Refer note 15)	(124,043.58)	**(124,043.58)**
As at 31 March 2019	**71,399.18**	**71,399.18**
Accumulated amortisation		
As at 1 April 2017	31,685.43	**31,685.43**
Transferred to other financial assets (Refer note 8)	(22,749.71)	**(22,749.71)**
Amortisation charge	11,218.81	**11,218.81**
As at 31 March 2018	**20,154.53**	**20,154.53**
Reclassification as held for sale (Refer note 15)	(12,498.02)	**(12,498.02)**
Amortisation charge	8,386.93	**8,386.93**
As at 31 March 2019	**16,043.44**	**16,043.44**
Net carrying value		
As at 31 March 2018	**175,288.23**	**175,288.23**
As at 31 March 2019	**55,355.74**	**55,355.74**

6 Intangible assets under development

	Amount	Total
As at 1 April 2017	**69,943.57**	**69,943.57**
Addition	26,248.70	**26,248.70**
As at 31 March 2018	**96,192.27**	**96,192.27**
Addition	9,357.01	**9,357.01**
Transferred to Other financial asset (Refer note 8)	(17,742.44)	**(17,742.44)**
Reclassification as held for sale (Refer note 15)	(46,526.21)	**(46,526.21)**
As at 31 March 2019	**41,280.63**	**41,280.63**

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		As at 31 March 2019	As at 31 March 2018
7	**Other financial assets**		
	Non-current		
	Receivables from related parties (Refer note 32)	16.22	2.99
	Interest on inter corporate deposits given to related parties (Refer note 32)	-	286.35
	Other receivables	711.16	406.89
	Less : Loss allowance	(21.78)	-
	Receivable from National Highway Authorities of India [Refer note (b) below]	51,785.23	34,042.79
	Security deposit	35.28	35.28
	Less : Reclassification as held for sale (Refer note 15)	(26.10)	-
	Interest receivable on Security Deposit	1.31	-
	Less : Reclassification as held for sale (Refer note 15)	(1.31)	-
	Advance given to ultimate holding company [Refer note (a) below and 32]	300.03	2,770.01
	Total non-current financial assets	**52,800.04**	**37,544.31**
	Current		
	Interest receivable on fixed deposit	-	0.53
	Interest receivable on fixed deposit (restricted to DSRA*)	-	32.95
	Other receivable	1,883.09	1,634.31
	Less : Reclassification as held for sale (Refer note 15)	(1,238.29)	-
	Total current financial assets	**644.80**	**1,667.79**
	Total financial assets	**53,444.84**	**39,212.10**

* Debt Service Reserve Account (DSRA) is a reserve created with bank as per terms mentioned in common loan agreement entered with bank. The Company needs to keep a certain percentage in this reserve as soon as 90% of the loan is disbursed.

Break up of security details

I.	**Receivables from related parties**		
	Interest receivable, considered good - secured	-	-
	Interest receivable, considered good - unsecured	16.22	2.99
	Interest receivable which have significant increase in credit risk	-	-
	Interest receivable- credit impaired	-	-
	Total	**16.22**	**2.99**
	Loss allowance	-	-
	Total receivables from related parties	**16.22**	**2.99**
II.	**Interest on inter corporate deposits given to related parties**		
	Receivables, considered good - secured	-	-
	Receivables, considered good - unsecured	-	286.35
	Receivables which have significant increase in credit risk	-	-
	Receivables- credit impaired	-	-
	Total	-	**286.35**
	Loss allowance	-	-
	Total interest receivables from related parties	-	**286.35**
III.	**Other receivables**		
	Receivables, considered good - secured	-	-
	Receivables, considered good - unsecured	1,334.18	2,041.20
	Receivables which have significant increase in credit risk	-	-
	Receivables- credit impaired	21.78	-
	Total	**1,355.95**	**2,041.20**
	Loss allowance	(21.78)	-
	Total receivables	**1,334.18**	**2,041.20**

Note-

(a) Pursuant to Shareholders Agreement (SHA) executed on 9 August 2011, Hindustan Construction Company Limited (HCC) is required to hold 100% equity stake in HCC Infrastructure Company Limited (HICL) until Private Equity Investor gets an exit from the Company through means as specified in the SHA and there are certain other customary restrictions on pledging / creation of any encumbrance over shares / assets of HICL/ BOT subsidiaries.

HCC has given inter alia an undertaking in respect of investment in Baharampore - Farakka Highways Limited, Farakka -Raiganj Highways Limited, Dhule Palesner Tollways Limited and Raiganj - Dalkhola Highways Limited to National Highways Authority of India (NHAI) that it will not transfer its shareholding till the commercial operation date. The Company has entered into purchase agreement with HCC to purchase these shares at book value at future dates on fulfilment of that obligation as per undertaking given to NHAI. The Company has paid full consideration of ₹ 300.03 lakhs (31 March 2018: ₹ 2,770.01 lakhs) for transfer of the above shares at book value from HCC, subject to necessary approvals and consents to the extent required in the following BOT subsidiary's :-

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Name of BOT subsidiary	As at 31 March 2019		As at 31 March 2018	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
Baharampore -Farakka Highways Limited	100	0.01	11,700,000	1,170.00
Farakka -Raiganj Highways Limited	100	0.01	13,000,000	1,300.00
Raiganj-Dalkhola Highways Limited*	3,000,000	300.00	3,000,000	300.00
Dhule Palesner Tollway Limited	100	0.01	100	0.01
Total	**3,000,300**	**300.03**	**27,700,100**	**2,770.01**

*The concession agreement has been terminated in Raiganj-Dalkhola Highways Limited.

(b) On 31 March 2017, NHAI has terminated the Concession Agreement (CA) of the Project by issuing Termination Notice due to alleged Concessionaire Defaults under the CA, mainly alleged failure to re-start the works. The Company has refuted the contention of NHAI and has notified NHAI that the termination shall be deemed to occur on account of Authority Default and accordingly the company shall be entitled for the Termination Payment as per terms of CA since the delay was on account of default from NHAI. Company has claimed ₹ 36,800 lakhs as termination payment from NHAI on account of wrongful termination of contract, which is being adjudicated by the Arbitral Tribunal. Further, the company has also claimed ₹ 80,200 lakhs from NHAI towards for losses suffered over the extended period, which is also being adjudicated by a separate Arbitral Tribunal.. The Company has accumulated the 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 intangible asset under development 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.

There are two projects which have been terminated and the group has preferred claims on National Highway Authorities of India (NHAI).
The total amount receivable from NHAI :-

Name of the BOT subsidiary	As at 31 March 2019	As at 31 March 2018
Raiganj-Dalkhola Highways Limited	(17,742.44)	-
Badarpur Faridabad Tollway Limited	(34,042.79)	(34,042.79)
Total receivable from NHAI	**(51,785.23)**	**(34,042.79)**

	As at 31 March 2019	As at 31 March 2018
8 Deferred tax assets		
MAT credit entitlement (Refer note 9.1)	-	255.43
Total deferred tax assets	**-**	**255.43**

8.1 During the current year, the Company has written off MAT credit amounting to ₹ 255.43 lakhs, recognised during earlier years, in absence of convincing evidence that the Company will be paying normal tax during the period specified in the Income Tax Act, 1961 (IT Act) available for its set off. However, in accordance with the provisions of the IT Act, the Company is allowed to carried forward this MAT credit to be set off against future taxable profits in the year in which the Company is liable to pay tax as per the normal provisions in excess of MAT for that year if credit is availed during period specified under the IT Act.

	As at 31 March 2019	As at 31 March 2018
9 Income tax assets (net)		
Income tax assets	1,078.81	1,267.35
Less : Reclassification as held for sale (Refer note 15)	(145.41)	-
Total income tax assets (net)	**933.40**	**1,267.35**
I Income tax expense in the statement of profit and loss comprises :		
Current income tax	88.19	-
Tax pertaining to earlier years	94.72	(0.22)
Deferred income tax	255.43	
Income tax expenses (net)	**438.34**	**(0.22)**
II The gross movement in the current tax asset/ (liability) for the year ended is as follows:		
Net current income tax asset at the beginning	1,267.35	963.44
Income tax paid (net of refund)	(438.34)	(1.23)
Tax deducted at source	249.80	305.14
Net non-current income tax asset at the end	**1,078.81**	**1,267.35**
III Reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before income tax is as below:		
Loss before income tax	(16,820.11)	(4,171.32)
Applicable income tax rate	20.57%	20.57%
Income tax charged to the statement of profit and loss	-	-
IV Components of deferred income tax assets and liabilities arising on account of temporary difference are :		
Mat credit entitlement	-	255.43
Total deferred tax asset	**-**	**255.43**

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

		As at 31 March 2019	As at 31 March 2018
10	**Other current assets**		
	Non - current		
	Balance with government authorities	64.64	209.64
	Less : Reclassification as held for sale (Refer note 15)	(26.03)	-
	Capital advances (Mobilisation advance) (Refer note 32)	9,772.41	9,851.82
	Less : Reclassification as held for sale (Refer note 15)	(325.34)	-
	Total other non - current assets	**9,485.68**	**10,061.46**
	Current		
	Prepaid expenses	90.31	134.50
	Less : Reclassification as held for sale (Refer note 15)	(72.36)	-
	Advance to related party (Refer note 32)	7,806.82	1,281.95
	Less : Reclassification as held for sale (Refer note 15)	(1,025.94)	-
	Advance to supplier	177.06	170.41
	Less : Reclassification as held for sale (Refer note 15)	(84.29)	-
	Other advances	0.45	1.04
	Balance with government authorities	12.07	10.08
	Security deposit	0.35	0.98
	Total current assets	**6,904.47**	**1,598.96**
11	**Current Investments**		
	Investments in mutual funds		
	Fair value through profit or loss		
	Unquoted		
	Canara Rebeco Mutual Fund 1,976.26 units (31 March 2018 : 2193.00 units)	44.64	41.53
	Aditya Birla Sun Life Liquid Fund (Regular Plan Growth) Nil (31 March 2018: 47,984.708 units)	-	134.03
	Total current investments	**44.64**	**175.56**
	Total Current Investments	**44.64**	**175.56**
	(i) Market value of investments - unquoted	44.64	175.56
	(ii) Carrying value of investments - unquoted	44.64	175.56
	(iii) Investments carried at FVTPL	44.64	175.56
12	**Trade receivables**		
	Others		
	Receivables from National Highways Authorities of India (NHAI) (Refer note below)	1,834.00	1,834.00
	Less : Reclassification as held for sale (Refer note 15)	(890.00)	-
	Total trade receivables	**944.00**	**1,834.00**
	Break up of security details		
	Trade receivables, considered good - secured	-	-
	Trade receivables, considered good - unsecured	944.00	1,834.00
	Trade receivables which have significant increase in credit risk	-	-
	Trade receivables- credit impaired	-	-
	Total	**944.00**	**1,834.00**
	Loss allowance	-	-
	Total	**944.00**	**1,834.00**

Note:

The above balances pertains to compensation receivable from National Highway Authorities of India (NHAI) on account of suspension of toll from November 2016 to December 2016

Name of the BOT subsidiary		
Baharampore -Farakka Highways Limited	736.00	736.00
Badarpur Faridabad Tollway Limited	208.00	208.00
Farakka- Raiganj Highways Limited	-	890.00
Total receivable from NHAI	**944.00**	**1,834.00**

13	**Cash and bank balances**		
	Cash and cash equivalents		
	Cash on hand	171.23	218.74
	Less : Reclassification as held for sale (Refer note 15)	(78.20)	-
	Balances with banks		
	In current accounts	1,878.90	3,464.29
	Less : Reclassification as held for sale (Refer note 15)	(64.37)	-
	With Collection Agency	3.47	-
	Less : Reclassification as held for sale (Refer note 15)	(3.47)	-
	Total cash and cash equivalents	**1,907.56**	**3,683.03**

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		As at 31 March 2019	As at 31 March 2018
13.1	**Other bank balances**		
	Fixed deposits with original maturity of more than three months but less than 12 months (including restricted DSRA)	-	965.00
	Fixed deposits with original maturity of less than three months (including restricted DSRA)	7.41	7.41
	Total other bank balances	**7.41**	**972.41**

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods except for the term deposits.

		As at 31 March 2019	As at 31 March 2018
14	**Loans**		
	Current		
	Loans (Refer note 32)	-	357.72
	Total current loans	**-**	**357.72**
15	**Assets classified as held for sale**		
	Investment in associates		
	Unquoted		
	i. Equity instruments		
	In Nirmal BOT Limited [Refer note (i) below]	-	470.50
	Nil (31 March 2018: 8,190,000) equity shares		
	In Farakka Raiganj Highways Limited [Refer note (ii) below]	162,124.57	-
	Total assets classified as held for sale	**162,124.57**	**470.50**
	Liabilities directly associated with assets classified as held for sale		
	In Farakka Raiganj Highways Limited [Refer note (ii) below]	(137,222.91)	-
	Total liabilities directly associated with assets classified as held for sale	**(137,222.91)**	**-**
	Total assets classified as held for sale (net)	**24,901.66**	**470.50**

(i) The Company had entered into a share purchase agreement with Highway Concession One Private Limited for sale of its 100% stake in Nirmal BOT Limited on 5 December 2014. Subsequently, the Company entered into an amended share purchase agreement on 23 December 2015 for sale of 74% stake against Tranche I consideration and a supplemental agreement on 6 March 2019 for the sale of remaining 26% stake against Tranche II consideration amounting to ₹ 470.50 lakhs.

(ii) On 28 September 2018, HCC Concessions Limited ('the Company') has executed a definitive agreement for sale of its entire equity shareholding in Farakka- Raiganj Highways Limited (FRHL), its concessionaire subsidiary, for an aggregate consideration of ₹ 37,200 lakhs, which is subject to certain adjustments and additional considerations as specified in the agreement. The associated assets and liabilities are consequently presented as held for sale in the Consolidated Financial Statements for the year ended 31 March 2019.

Financial performance and cash flow information

Particulars	Year ended 31 March 2019
Total income	15,788.17
Total expenses	19,180.18
Loss before tax	**(3,392.01)**
Exceptional item	-
Tax Expenses	-
Loss for the year	**(3,392.01)**

Assets and liabilities classified as held for sale

The carrying amount of assets and liabilities as at 31 March 2019 are as follows

Particulars	As at 31 March 2019	As at 31 March 2018
Property, plant and equipment	56.46	-
Intangible asset	111,545.56	-
Investment in associate	-	470.50
Investment property	15.23	-
Intangible asset under development	46,526.21	-
Other non current asset	351.37	-
Trade receivable	890.00	-
Cash and cash equivalent	146.04	-
Non Current Tax Assets (Net)	145.41	-
Other current asset	1,182.59	-
Other financial asset	1,265.70	-
Total assets	**162,124.57**	**470.50**
Borrowings	(90,279.20)	-
Other financial liabilities	(43,371.77)	-
Provisions	(7,131.35)	-
Trade payables	(2,942.77)	-
Other current liabilities	(30.62)	-
Retained earnings	6,532.80	-
Total liabilities	**(137,222.91)**	**-**
Net assets	**24,901.66**	**470.50**

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	As at 31 March 2019	As at 31 March 2018
16 Equity share capital		
Authorised		
200,000,000 (31 March 2018: 200,000,000) equity shares of ₹ 10 each	20,000.00	20,000.00
1,200,000,000 (31 March 2018: 1,200,000,000) 0.001% cumulative compulsorily convertible preference shares of ₹ 10 each	120,000.00	120,000.00
Total authorised share capital	**140,000.00**	**140,000.00**
Issued, subscribed and fully paid up		
Equity share capital		
3,413,702 (31 March 2018: 3,413,702) equity shares of ₹ 10 each	341.37	341.37
Instrument entirely equity in nature		
420,253,317 (31 March 2018: 420,253,317) 0.001% cumulative compulsorily convertible preference shares of ₹ 10 each (Refer note 17)	42,025.33	42,025.33
Total issued, subscribed and paid up share capital	**42,366.70**	**42,366.70**

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

	As at 31 March 2019		As at 31 March 2018	
	No. of shares	₹ In lakhs	No. of shares	₹ In lakhs
At the beginning of the year	**3,413,702**	**341.37**	**3,413,702**	**341.37**
Issued during the year	-	-	-	-
At the end of the year	**3,413,702**	**341.37**	**3,413,702**	**341.37**

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

	As at 31 March 2019		As at 31 March 2018	
	No. of shares	% holding	No. of shares	% holding
Equity shares of ₹ 10 each fully paid				
Promoter				
HCC Infrastructure Company Limited	2,917,091	85.45%	2,917,091	85.45%
Non-promoter				
Xander Investment Holding XXVI Limited	496,551	14.55%	496,551	14.55%

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 holding 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 2019, the amount of per share dividend recognized as distributions to equity shareholders was ₹ Nil (31 March 2018: ₹. Nil). In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the holding company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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HCC Concessions Ltd. *

17 Cumulative compulsorily convertible preference shares (CCCPS)

Reconciliation of preference shares outstanding at the beginning and at the end of the year

i)

	As at 31 March 2019		As at 31 March 2018	
	No. of shares	₹ lakhs	No. of shares	₹ lakhs
At the beginning of the year	420,253,317	42,025.33	420,253,317	42,025.33
Shares issued during the year	-	-	-	-
Total	**420,253,317**	**42,025.33**	**420,253,317**	**42,025.33**

ii) Details of shareholders holding more than 5% of preference shares of the Company

	As at 31 March 2019		As at 31 March 2018	
	No. of shares	% holding	No. of shares	% holding
HCC Infrastructure Company Limited	285,985,361	68.05%	285,985,361	68.05%
Xander Investment Holding XXVI Limited	134,267,956	31.95%	134,267,956	31.95%
Total	**420,253,317**	**100.00%**	**420,253,317**	**100.00%**

iii) Conversion terms, rights and restrictions attached to CCCPS :

The CCCPS are compulsorily convertible as per following terms and conditions :-
(a) CCCPS shall be compulsorily convertible at the earlier of: -
i) Qualified IPO or
ii) 10 years from date of their issuance; or
iii) Subject to adjustments as defined under consolidation condition, pertaining to sale of Hindustan Construction Company Limited entire equity shareholding to the Company in certain subsidiaries of the Company.

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

(c) Each 200 CCCPS shall be converted into 1 equity share, subject to adjustments as defined under consolidation condition.

In the event of liquidation of the Company before conversion of this CCCPS, the holders will have priority over equity shares in the payment of dividend and repayment of capital.

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		As at 31 March 2019	As at 31 March 2018
18	**Borrowings**		
	Non Current Borrowings		
	Secured		
	Term loans		
	From banks	198,205.21	188,976.65
	Less : Reclassification as held for sale (Refer note 15)	(83,077.67)	-
	From financial institutions	21,135.75	28,642.10
	Less : Reclassification as held for sale (Refer note 15)	(10,175.23)	-
	Total term loans	**126,088.06**	**217,618.75**
	Less: Current maturity of long-term debt	53,177.61	4,567.29
	Less : Reclassification as held for sale (Refer note 15)	(2,973.70)	-
	Total non-current borrowings	**75,884.15**	**213,051.46**

Security details and terms of repayment
Term loans
Rupee term Loan I and II

		As at 31 March 2019	As at 31 March 2018
i	Carrying interest rate of 9.75% p.a. w.e.f 1 April 2018 repayable in 52 unstructured quarterly installments commencing from June 2017 and ending in March 2030. (Refer note 18.1 and 18.2)	60,776.43	58,614.18
ii	Carrying interest rate of 10.75% p.a. repayable in 52 consecutive quarterly installments from June 2018 and ending on March 2031 (Refer note 18.3, 18.4 and 18.5)	7,087.42	7,088.74
iii	Carrying interest at 11% p.a. repayable in unstructured quarterly installments from June 2013 and ending on March 2026 (Refer note 18.4 and 18.5)	47,263.69	39,495.44
iv	Carrying interest rate of 9.75% p.a. w.e.f 1 April 2018 repayable in 52 unstructured quarterly installments commencing from June 2017 and ending in March 2030. (Refer note 18.1 and 18.2)	83,077.67	83,778.29
	Total borrowings	**198,205.21**	**188,976.65**

Note

18.1 Rupee Term Loan I from Banks are Secured by way of first pari-passu charge on all assets both present and future, excluding the project assets as defined in the Concession Agreement and pledge of 51% shareholding of the promoters.
The land is under lien by way of mortgage to SBI Cap Trustee Company Limited by way of charge dated 3 March 2011.

18.2 Rupee Term Loan II are Secured by way of first pari-passu charge on all assets both present and future, excluding the project assets as defined in the Concession Agreement and pledge of 51% shareholding of the promoters.
The land is under lien by way of mortgage to SBI Cap Trustee Company Limited by way of charge modified dated 30 May 2016.

18.3 Term Loans from Banks and IIFCL are secured by way of first pari-passu charge on all assets, both present and future, excluding the project assets as defined in the concession agreement dated 28 June,2010 and pledge of 28.22% equity shares of the company held by promoter companies.

18.4 Loans are taken under Common Loan Agreement (CLA) and are secured By way of first pari-passu charge on all assets both present and future, excluding the project assets as defined in the Concession Agreement & pledge of 43,000,000 shares of the promoters equity shareholding.

18.5 The loans have been classified as Non Performing Assets (NPA) and Banks have recalled the financial assistance of ₹ 47,243.92 lakhs extended by them to the Company vide letter dated 31 October 2018.

From financial institutions
Rupee term Loan I and II

	As at 31 March 2019	As at 31 March 2018
Carrying interest rate of 9.75% p.a. w.e.f 1 April 2018 repayable in 52 unstructured quarterly installments commencing from June 2017 and ending in March 2030. (Refer note 18.1 and 18.2)	9,085.93	8,582.46
Carrying interest rate of 10.75% p.a.repayable in 52 consecutive quarterly installments from June 2018 and ending on March 2031 (Refer note 18.3, 18.4 and 18.5)	1,874.60	1,850.54
Carrying interest at 11% p.a. repayable in unstructured quarterly installments from June 2013 and ending on March 2026 (Refer note 18.4 and 18.5)	-	7,768.25
Carrying interest rate of 9.75% p.a. w.e.f 1 April 2018 repayable in 52 unstructured quarterly installments commencing from June 2017 and ending in March 2030. (Refer note 18.1 and 18.2)	10,175.23	10,440.85
	21,135.76	**28,642.10**

Current borrowings		
Unsecured		
From related parties* (Refer note 32)		
Inter corporate deposit	653.74	-
Total current borrowings	**653.74**	**-**
Total borrowings	**76,537.89**	**213,051.46**

*Inter corporate deposits is taken from HCC Infrastructure Company Limited (Holding company) at an effective interest rate of 11.00% p.a., repayable on demand. Intercorporate deposit carry a coupon rate of 11% p.a repayable on demand

18.6 Notes on borrowings:

(a) Summary of default in repayment

Default in repayment of principal and interest amount as at 31 March 2019 :

Particulars	0 - 180 days		Above 180 days		Total	
	Principle	Interest	Principle	Interest	Principle	Interest
Term loan from banks	463.62	1,799.31	54,351.12	16,372.08	54,814.74	18,171.39
Term loan from financial institution	61.60	376.07	9,889.03	2,871.07	9,950.63	3,247.14

(b) Net debt reconciliation

Particulars	31 March 2019 ₹ in lakhs	31 March 2018 ₹ in lakhs	31 March 2017 ₹ in lakhs
Cash and cash equivalents	2,061.01	4,655.44	12,287.92
Liquid investments	44.64	175.56	585.70
Current borrowings	53,831.35	4,567.29	2,679.42
Interest payable	20,811.48	10,092.72	4,285.05
Non-current borrowings	166,163.35	213,051.46	207,273.57
Net debt	**242,911.83**	**232,542.47**	**227,111.66**

Particulars	Other assets		Liabilities from financing activities			
	Cash and cash equivalents	Liquid investments	Current borrowings	Interest payable	Non-current borrowings	Total
Net debt as at 1 April 2017	**12,287.92**	**585.70**	**2,679.42**	**4,285.05**	**207,273.57**	**227,111.66**
Cash flows	(8,597.48)	(410.14)	-	(13,516.48)	7,665.76	(14,858.34)
Interest expense	-	-	-	19,324.15	-	19,324.15
Classified into current maturity	-	-	1,887.87	-	(1,887.87)	(0.00)
Net debt as at 31 March 2018	**3,690.44**	**175.56**	**4,567.29**	**10,092.72**	**213,051.46**	**231,577.47**
Cash flows	(2,594.43)	(130.92)	653.74	(8,331.63)	1,722.21	(8,681.03)
Interest expense	-	-	-	19,050.39	-	19,050.39
Classified into current maturity	-	-	48,610.32	-	(48,610.32)	-
Net debt as at 31 March 2019	**1,096.01**	**44.64**	**53,831.35**	**20,811.48**	**166,163.35**	**241,946.83**

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HCC Concessions Ltd. ★

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HCC Concessions Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2019

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

		As at 31 March 2019	As at 31 March 2018
19	**Other financial liabilities**		
	Non Current		
	Retention payable to ultimate holding company (Refer note 32)	3,094.19	2,941.45
	Less : Reclassification as held for sale (Refer note 15)	(1,758.30)	-
	Total non-current financial liabilities	**1,335.89**	**2,941.45**
	Current		
	Current maturities of long-term debt (Refer note 18)	53,177.61	4,567.29
	Less : Reclassification as held for sale (Refer note 15)	(2,973.70)	-
	Interest accrued and due on long-term debt	19,063.13	9,580.01
	Less : Reclassification as held for sale (Refer note 15)	(1,362.51)	
	Interest accrued but not due on long-term debt	1,288.01	12.00
	Less : Reclassification as held for sale (Refer note 15)	(826.93)	-
	Interest accrued and due on inter corporate deposits (Refer note 32)	460.33	500.71
	Payable for capital expenditure to related party (Refer note 32)	47,990.06	48,218.51
	Less : Reclassification as held for sale (Refer note 15)	(36,448.74)	-
	Payable for capital expenditure to others	395.05	334.07
	Payables to related party (Refer note 32)	208.18	432.74
	Due to employees	145.03	112.56
	Other payables	334.09	228.43
	Less : Reclassification as held for sale (Refer note 15)	(1.60)	-
	Retention deposit payable	24.48	25.54
	Total current financial liabilities	**81,472.49**	**64,011.86**
	Total financial liabilities	**82,808.38**	**66,953.31**
20	**Trade payables**		
	Trade payables : micro and small enterprises (Refer note below)	83.05	-
	Less : Reclassification as held for sale (Refer note 15)	(1.05)	-
	Trade payables : others	3,418.94	2,642.47
	Less : Reclassification as held for sale (Refer note 15)	(847.65)	-
	Trade payables : related parties (Refer note 32)	2,332.29	149.40
	Less : Reclassification as held for sale (Refer note 15)	(2,094.07)	-
	Total trade payables	**2,891.51**	**2,791.87**

Outstanding dues to Micro and Small Enterprises:

The Company has amount due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as at March 31, 2019. The disclosure pursuant to the said Act is as under:

(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	80.58	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest due and payable for the year	2.47	-
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year	2.47	-
(v) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

The figures for the year ending 31 March 2019 have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

21	**Other current liabilities**		
	Statutory dues	192.39	213.68
	Less : Reclassification as held for sale (Refer note 15)	(30.62)	-
	Claim received in advance	-	250.00
	Advance from National Highway Authorities of India (NHAI) (Refer notes below)	670.33	670.33
	Total other current liabilities	**832.10**	**1,134.01**

Note:

Advance was received from National Highways Authorities of India for change in scope

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HCC Concessions Ltd.

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

		As at 31 March 2019	As at 31 March 2018
22	**Provisions**		
	Non-current		
	Provision for employee benefits (Refer note 37)		
	-Gratuity	44.08	41.23
	-Compensated absences	41.55	40.64
	Provision for major maintenance [refer note (a) below]	7,131.35	3,810.33
	Less : Reclassification as held for sale (Refer note 15)	(7,131.35)	-
	Total non- current provisions	**85.63**	**3,892.20**
	Current		
	Provision for employee benefits (Refer note 37)		
	-Gratuity	1.09	6.38
	-Compensated absences	1.97	5.38
	Provision for sick leave	0.71	1.60
	Provision for major maintenance (Refer notes below)	11,765.79	10,620.79
	Total current provisions	**11,769.56**	**10,634.15**
	Total provisions	**11,855.19**	**14,526.35**
(a)	**Movements of provision for major maintenance**		
	Movements in provisions		
	Opening Balance	14,431.13	10,096.19
	Charged/ (credited) to profit and loss		
	Additional Provision	4,056.40	6,628.81
	Unused Amount reversed	-	-
	Unwinding of Discount	409.61	1,085.34
	Utilised during the year	-	(3,379.21)
	Less : Reclassification as held for sale (Refer note 15)	(7,131.35)	-
	Closing Balance	**11,765.79**	**14,431.13**

Note:

Major maintenance is to preserve the structural integrity of the road i.e. to achieve its original expected operational life. The wear and tear for each year is computed based on the technical report. The maintenance cost / bituminous overlay may vary based on the actual usage during maintenance period. Accordingly on the grounds of matching cost concept and based on technical estimates, a provision for major maintenance expenses is reviewed and is provided for in the accounts annually.

As per the concession agreement, Company had contractual obligation to carry out resurfacing operation .Based on the technical report taken earlier, MMR provision was created over a period of 4 year up to FY 2018. Provision of Major maintenance are reviewed on yearly basis and Based on the technical reports taken during the year, resurfacing operation has been estimated up to FY 2021. The provision is discounted to its present value at a discount rate of 10.75% that reflects current market assessments of the time value of money and the risk specific to the liability.

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

HCC Concessions Ltd.

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Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2019
(All amounts are in ₹ lakhs, unless stated otherwise)

		Year ended 31 March 2019	Year ended 31 March 2018
23	**Revenue from operations**		
	Construction revenue	9,909.48	26,248.70
	Management fees [Refer note 2.1 (ii) (e) and 32]	-	6,782.97
	Toll collection	22,891.71	34,613.01
	Total revenue from operations	**32,801.19**	**67,644.68**
24	**Other income**		
	Interest income on		
	- loans given to related party [Refer note 2.1 (ii) (e) and 32]	404.71	1,122.50
	- receivable from stake sale of Nirmal BOT Limited	198.96	-
	- interest on income tax refund	24.33	-
	- interest on fixed deposits	38.30	-
	Other non-operating income		
	- insurance claim received	25.69	64.18
	- rent income	2.03	2.03
	- fair valuation gain	-	2.34
	- gain on sale of current investments (net)	6.05	200.81
	- payable of earlier years written back (net)	147.30	10.08
	- reimbursement of expenses from NHAI	5.02	-
	- others	14.18	11.71
	Total other income	**868.21**	**1,413.65**
25	**Construction cost**		
	Construction cost	9,909.48	26,248.70
	Total construction cost	**9,909.48**	**26,248.70**
26	**Employee benefits expense**		
	Salaries and wages	565.79	601.43
	Contribution to provident funds and other funds (Refer note 37)	25.22	24.61
	Staff welfare expenses	3.34	3.14
	Total employee benefits expense	**594.35**	**629.18**
27	**Finance costs**		
	Interest expense on term loans	19,012.97	19,320.48
	Interest expense on inter corporate deposit (Refer note 32)	11.13	3.67
	Facility fees	31.59	35.48
	Bank guarantee commission	22.13	-
	Unwinding of retention payable	21.05	367.25
	Unwinding of major maintenance repairs [Refer note 22(a)]	409.61	1,218.33
	Others	4.16	-
	Total finance costs	**19,512.64**	**20,945.21**
28	**Depreciation and amortisation expense**		
	Depreciation on property, plant and equipment (Refer note 3)	56.32	58.49
	Amortisation on intangible assets (Refer note 5)	8,386.93	11,502.17
	Total depreciation and amortisation expense	**8,443.25**	**11,560.66**

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HCC Concessions Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2019
(All amounts are in ₹ lakhs, unless stated otherwise)

		Year ended 31 March 2019	Year ended 31 March 2018
29	**Other expenses**		
	Travelling	89.89	124.93
	Director sitting fees (Refer note 32)	11.28	14.48
	Postage, telephone and fax	1.85	4.87
	Electricity expenses	266.71	380.36
	Rent* (Refer note 32)	54.00	54.07
	Rates and taxes	72.94	25.39
	Legal, professional and consultancy charges	857.56	823.46
	Security expenses	11.35	10.56
	Management fees	97.20	124.20
	Project fees to NHAI	-	514.15
	Insurance charges	214.67	241.01
	Audit remuneration	12.28	8.37
	Major maintenance expenses [Refer note 22(a) and 32]	4,056.40	6,628.81
	Operations, repairs and maintenance	5,336.04	5,980.93
	Housekeeping and maintenance	31.79	33.36
	Miscellaneous expenses	90.51	72.74
	Loss allowance on financial assets	21.78	-
	Total other expenses	**11,226.25**	**15,041.69**

* The Company has entered into Operating lease agreements for office facility and such lease is basically cancellable in nature. Lease rent expense recognised in the Statement of profit and loss for the year ended 31 March 2019 in respect of operating lease is ₹ 54 lakhs (31 March 2018: ₹ 54.06 lakhs).

		Year ended 31 March 2019	Year ended 31 March 2018
30	**Exceptional Items**		
	Receivable towards stake sale of Nirmal BOT Limited written off	365.20	-
	Reversal of major maintenance provision (Refer notes below)	-	(1,195.57)
	Total exceptional items	**365.20**	**(1,195.57)**

Note:
Major Maintenance provision is no longer required as the project of the Company has been terminated

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HCC Concessions Ltd.

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31 Contingent liabilities and commitments

(A) Contingent liabilities

	As at 31 March 2019	As at 31 March 2018
(i) Corporate guarantees given on behalf of subsidiary companies [Refer note (viii) below]	105,378.21	94,422.96
(ii) Income tax liability that may arise in respect of matter which is in appeal	759.96	854.68
(iii) Claims against Company not acknowledged as debts		
-From National Highway Authorities of India (NHAI)	40,856.11	44,056.39
-From Hindustan Construction Company Limited	196,805.80	164,267.02
-From HCC Operations and Maintenance Limited	325.40	-
-From Independent engineers	5,341.00	-
(iv) Service tax and MVAT litigation pending with department	1,337.69	1,531.93
(v) Counter indemnities given to banks in respect of contracts executed by subsidiaries*	7,500.00	-
(vi) The Company has not made provision for cumulative dividend payable excluding dividend distribution tax, towards 0.001% cumulative convertible preference shares, in absence of distributable profits.	3.15	2.73

*Pledge of unencumbered equity shares of the Company held by HCC Infrastructure Company Limited (to the extent of proportionate amount of Bank Guarantee furnished).

(vii) **Provident fund:**
Based on the judgement by the Honorable Supreme Court dated 28 February 2019, past provident fund liability, is not determinable at present, in view of uncertainty on the applicability of the judgement to the 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.

(viii) Corporate guarantee includes ₹ 61,704.21 lakhs furnished by the Company in respect of loans of its subsidiary, Badarpur Faridabad Tollway Limited (BFTL). On 10 April 2019, the BFTL's lenders have issued a recall notice to BFTL demanding repayment of entire dues outstanding amounting to ₹ 90,296.17 lakhs and security trustee has served a demand notice on the Company invoking this corporate guarantee of the similar amount on 26 April 2019. This matter is currently under discussion with the lenders.

(B) Commitment

Estimated amount of contracts remaining to be executed on capital account not provided for (Net of Advance)	31,801.47	4,350.89

(C) Other commitment

Professional Fees on Services	300.00	300.00

(D) Others
NHAI issued " Intention to Issue Termination Notice" on 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 5 February 2019.

(E) Contingent asset
The group has received an Arbitration Award of ₹ 3919 lakhs in its favour on 03 September 2018 against the claims filed by Narmada Bridge Tollway Limited

The group has received an Arbitration award amounting to ₹ 44,826 Lakh (including Interest of ₹ 9,543 lakh) against various claims filed by the Company to National Highways Authority of India Limited (NHAI) for compensation of losses suffered due to authority's material default. NHAI shall be liable to pay interest @ 15% p.a. from the date of award till the date of actual payment. NHAI has deposited ₹ 35,900 Lakh in Court as per order of Court in the Execution Petition filed by company for execution of award. Subsequently, Court vide Order dated 12 September 2018 has allowed company to get the amount released from Court against the Bank Guarantee. In terms of Arbitration Award pending final adjudication by the Appellate Court, company can avail 75% of the award amount against furnishing of Bank guarantee. Company has accordingly furnished Bank guarantee of ₹ 7,500 Lakh. Award money against furnishing Bank Guarantee is awaited.

32 Disclosure in accordance with Ind AS 24 Related Party Transactions

I) Names of related parties and nature of relationship

A) Holding Company and Ultimate Holding Company
Hindustan Construction Company Limited (HCC) - Ultimate holding company ^
HCC Infrastructure Company Limited- Holding company ^
^ Holding company as per the Act; however, classified as a Joint Venture under Ind AS

	Country of incorporation	Company's holding as at (%) As at 31 March 2019	As at 31 March 2018
B) Joint ventures			
Xander Investment Holding XXVI Limited	India	14.55%	14.55%
HCC Infrastructure company Limited	India	85.45%	85.45%
C) Subsidiaries			
Baharampore Farakka Highways Limited	India	100.00%	74.00%
Farakka Raiganj Highways Limited	India	100.00%	74.00%
Badarpur Faridabad Tollways Limited	India	100.00%	100.00%
Raiganj Dalkhola Highways Limited	India	90.00%	90.00%
Narmada Bridge Tollway Limited	India	100.00%	100.00%
D) Fellow subsidiaries (with whom transactions have taken place during the year)			
HCC Aviation Limited	India	-	-
Dhule Palesner Operations and Maintenance Limited	India	-	-
HCC Power Limited	India	-	-
HCC Energy Limited	India	-	-
HCC Operations and Maintenance Limited	India	-	-
HCC Energy Limited	India	-	-
Highbar Technologies Limited	India	-	-
Highbar Technocrat Limited	India	-	-
		-	-
E) Other Related Parties			
Associates			
Nirmal BOT Limited(Upto 27.03.2019)	India	-	26.00%

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HCC Concessions Ltd.

F) Key Management Personnel

Mr. Arjun Dhawan - Director
Mrs. Sridevi Iyengar - Director
Mr. Manish Khanna - Independent director
Mr. Rajas Doshi- Director
Mr. Ravindra Singh - Company secretary
Mr. Chandras Zaveri - Independent director
Mr. Kiran Kakkar - Chief financial officer
Mr. Rahul Shukla - Manager

II) Transactions with related parties :

Transaction with related parties	Relationship	Year ended 31 March 2019 (₹ In lakhs)	Year ended 31 March 2018 (₹ In lakhs)
Rent		**54.00**	**54.07**
Hindustan Construction company Limited	Ultimate Holding company	54.00	54.07
Services received - operations, repairs and maintenance		**4,906.77**	**4,656.54**
HCC Operations and Maintenance Limited	Fellow subsidiary	4,906.77	4,656.54
Services received - major maintenance		**-**	**3,379.21**
HCC Operations and Maintenance Limited	Fellow subsidiary	-	3,379.21
Services received - Miscellaneous I.T. services		**13.37**	**14.07**
Highbar Technologies Limited	Fellow subsidiary	12.31	12.71
Highbar Technocrat Limited	Fellow subsidiary	1.06	1.35
Services received - construction subcontracting		**3,933.68**	**9,489.13**
Hindustan Construction company Limited	Ultimate Holding company	3,933.68	9,489.13
Services received - construction utility shifting works		**552.47**	**801.01**
Hindustan Construction company Limited	Ultimate Holding company	552.47	801.01
Expenditure incurred on behalf of related parties		**33.68**	**125.65**
Hindustan Construction company Limited	Ultimate Holding company	0.66	107.28
HCC Infrastructure company Limited	Joint venturer	14.41	1.95
HCC Energy Limited	Fellow subsidiary	-	1.04
HCC Operations and Maintenance Limited	Fellow subsidiary	18.61	15.37
Expenditure incurred on behalf of the company		**192.79**	**-**
Hindustan Construction company Limited	Ultimate Holding company	126.57	-
HCC Energy Limited	Fellow Subsidiary	1.04	-
HCC Operations and Maintenance Limited	Fellow subsidiary	65.18	-
Payables for earlier years written back		**100.54**	**-**
HCC Aviation Limited	Fellow subsidiary	100.54	-
Director sitting fees		**11.28**	**14.48**
Manish Khanna	Director	4.44	8.27
Chandrahas Zaveri	Director	6.84	5.21
Rajas Doshi	Director	-	1.00
Remuneration to KMP		**128.69**	**128.82**
Ravindra Singh	Company Secretary	97.61	98.13
Kiran Kakkar	Chief Financial Officer	31.09	30.69
Interest income on loans* given		**404.71**	**1,122.50**
Hindustan Construction company Limited	Ultimate Holding company	7.38	6.35
HCC Infrastructure company Limited	Joint venturer	33.08	22.06
Farakka Raiganj Highways Limited	Subsidiary	364.25	1,094.09
Interest expenses on inter corporate deposit		**11.13**	**3.67**
HCC Infrastructure company Limited	Joint venturer	11.13	3.67
Inter corporate deposit taken		**653.74**	**-**
HCC Infrastructure company Limited	Joint venturer	653.74	-
Management fees received		**-**	**6,782.97**
Farakka Raiganj Highways Limited	Subsidiary	-	6,782.97
Loans* given		**100.00**	**300.00**
HCC Infrastructure company Limited	Subsidiary	100.00	300.00
Repayment of loans* given		**457.72**	**-**
Hindustan Construction company Limited	Ultimate Holding company	57.72	-
HCC Infrastructure company Limited	Joint venturer	400.00	-

*Loans here refer to inter corporate deposits and subordinate loans

WALKER CHANDIOK & Co LLP
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HCC Concessions Ltd.

III) Outstanding as at year end :

		As at 31 March 2019 (₹ In lakhs)	As at 31 March 2018 (₹ In lakhs)
Other payables		**208.18**	**432.74**
Hindustan Construction company Limited	Ultimate Holding company	123.49	249.60
HCC Aviation Limited	Fellow subsidiary	-	100.54
HCC Power Limited	Fellow subsidiary	1.81	-
HCC Infrastructure company Limited	Joint venturer	20.01	20.01
HCC Operations and Maintenance Limited	Fellow subsidiary	62.87	62.59
Highbar Technologies Limited	Fellow subsidiary	-	-
Highbar Technocrat Limited	Fellow subsidiary	-	-
Payable for capital expenditure		**11,541.32**	**48,218.51**
Hindustan Construction company Limited	Ultimate Holding company	47,990.03	48,218.51
HCC Operations and Maintenance Limited	Fellow subsidiary	0.03	-
Less: asset classified as held for sale (Refer note 15)		(36,448.74)	-
Trade payables		**238.22**	**149.40**
HCC Infrastructure company Limited	Joint venturer	0.41	0.41
Less: asset classified as held for sale (Refer note 15)		(0.16)	-
HCC Operations and Maintenance Limited	Fellow subsidiary	2,319.67	147.22
Less: asset classified as held for sale (Refer note 15)		(2,087.80)	-
Highbar Technocrat Limited	Fellow subsidiary	6.11	0.64
Less: asset classified as held for sale (Refer note 15)		(0.48)	-
Highbar Technologies Limited	Fellow subsidiary	6.11	1.13
Less: asset classified as held for sale (Refer note 15)		(5.62)	-
Other receivables		**16.22**	**2.99**
HCC Infrastructure company Limited	Joint venturer	16.22	1.81
HCC Energy Limited	Fellow subsidiary	-	1.04
HCC Operations and Maintenance Limited	Fellow subsidiary	-	0.13
Capital Advances		**9,447.08**	**9,851.82**
Hindustan Construction company Limited	Ultimate Holding company	9,772.41	9,851.82
Less: asset classified as held for sale (Refer note 15)		(325.34)	-
Advances given		**7,080.91**	**4,051.96**
Hindustan Construction company Limited	Ultimate Holding company	8,106.85	4,051.96
Less: asset classified as held for sale (Refer note 15)		(1,025.94)	-
Retention Payable		**1,335.89**	**2,941.45**
Hindustan Construction company Limited	Ultimate Holding company	3,094.19	2,941.45
Less: asset classified as held for sale (Refer note 15)		(1,758.30)	-
Interest accrued and due on loans* given		-	**286.35**
Hindustan Construction company Limited	Ultimate Holding company	-	265.73
HCC Infrastructure company Limited	Joint venturer	-	20.62
Interest accrued and due on intercorporate deposit received		**460.33**	**500.71**
HCC Infrastructure company Limited	Joint venturer	460.33	500.71
Inter corporate deposit taken		**653.74**	-
HCC Infrastructure company Limited	Joint venturer	653.74	-
Inter corporate deposit given		-	**357.72**
Hindustan Construction company Limited	Ultimate Holding company	-	57.72
HCC Infrastructure company Limited	Joint venturer	-	300.00

IV <u>Contingent as on 31st March 2019</u>

Corporate Guarantee given against Performance Security		**4,213.00**	**18,073.00**
Hindustan Construction Company Limited	Ultimate Holding company	18,073.00	18,073.00
Less: asset classified as held for sale (Refer note 15)		(13,860.00)	-
Claims		**196,805.80**	**164,267.02**
Hindustan Construction Company Limited	Ultimate Holding company	196,805.80	164,267.02

33 Loss per share:

			Year ended 31 March 2019	Year ended 31 March 2018
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)	(18,210.50)	(2,642.52)
B.	Less: Preference dividend on cumulative preference shares including distribution tax		(0.42)	(0.42)
	Loss after preference dividend as stated above	(₹ lakhs)	(18,210.92)	(2,642.94)
C.	Weighted average number of equity shares for basic/diluted earning per share computation	(Nos.)	3,413,702	3,413,702
D.	Loss per share - basic/diluted	(₹)	(533.47)	(77.42)

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

34 **Financial Instruments**

A **Financial instruments by category**

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					
Investments					
Investments in mutual funds	-	44.64	-	44.64	44.64
Trade receivables	944.00	-	-	944.00	944.00
Cash and cash equivalents and other bank balances	1,914.97	-	-	1,914.97	1,914.97
Other financial assets	53,444.84	-	-	53,444.84	53,444.84
Liabilities					
Borrowings	76,537.89	-	-	76,537.89	76,537.89
Trade payables	2,891.51	-	-	2,891.51	2,891.51
Other financial liabilities	82,808.38	-	-	82,808.38	82,808.38

The carrying value and the fair value of financial instruments by each category as at 31 March 2018:

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					
Investments in mutual funds	-	175.56	-	175.56	175.56
Trade receivables	1,834.00	-	-	1,834.00	1,834.00
Loans	357.72	-	-	357.72	357.72
Cash and cash equivalents and other bank balances	4,655.44	-	-	4,655.44	4,655.44
Other financial assets	39,212.10	-	-	39,212.10	39,212.10
Liabilities					
Borrowings	213,051.46	-	-	213,051.46	213,051.46
Trade payables	2,791.87	-	-	2,791.87	2,791.87
Other financial liabilities	66,953.32	-	-	66,953.32	66,953.32

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 2019			31 March 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Investments in mutual funds	-	44.64	-	-	175.56	-

35 **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.

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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.

(₹ lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Total Borrowings	76,537.89	213,051.46
% of borrowings out of above bearing variable rate of interest	99%	100%

Interest rate sensitivity

A change in 50 bps in interest rates would have following impact on profit before tax

(₹ lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
50 bps increase would increase the loss before tax by	(379.42)	(1,065.26)
50 bps increase would decrease the loss before tax by	379.42	1,065.26

b **Foreign currency risk**

The Company does not have any outstanding balances in foreign currency and consequently the Company's exposure to foreign exchange risk is Nil. 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 significant exposure in listed securities and consequently the Company's exposure to price risk is less.

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.

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.

Maturity analysis of financial liabilities:

As at 31 March 2019

Particulars	On demand	Contractual Cash flow				
		0-12 Months	1-2 years	2-5 years	Above 5 years	Total
Borrowings	64,765.37	15,531.70	10,139.20	20,068.17	108,836.52	**219,340.96**
Borrowings from others	653.74	-	-	-	-	**653.74**
Trade payables	-	2,891.51	-	-	-	**2,891.51**
Other financial liabilities	-	81,472.49	1,335.89	-	-	**82,808.38**
Total	**65,419.11**	**99,895.70**	**11,475.09**	**20,068.17**	**108,836.52**	**305,694.60**

As at 31 March 2018

Particulars	On demand	Contractual Cash flow				
		0-12 Months	1-2 years	2-5 years	Above 5 years	Total
Borrowings	-	11,450.22	10,033.91	88,097.80	108,036.82	**217,618.75**
Trade payables	-	2,791.87	-	-	-	**2,791.87**
Other financial liabilities	-	64,011.86	2,941.45	-	-	**66,953.31**
Total	**-**	**78,253.95**	**12,975.36**	**88,097.80**	**108,036.82**	**287,363.93**

36 **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 total debt divided by total capital plus total debt.

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	As at 31 March 2019	As at 31 March 2018
Net debts	242,911.83	232,542.47
Total capital employed	20,446.49	33,200.28
Total debt to capital employed ratio	**11.88**	**7.00**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure requirements. Breaches in meeting the financial covenants would permit the lenders to immediately call loans and borrowings. Also refer notes included under borrowings with respect to restructuring of loans.

37 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 2019	As at 31 March 2018
a) Change in defined benefit obligations		
Present value of obligation as at the beginning of the year	47.61	41.17
Current service cost	6.11	5.66
Interest expenses	3.25	3.01
Past service cost	-	4.27
Other obligations	(2.75)	(1.18)
Benefits paid	(5.55)	(4.27)
Remeasurements - net actuarial (gains)/ losses (including tax)	(3.50)	(1.05)
Present value of obligation as at the end of the year	**45.17**	**47.61**
b) Expenses recognised in the Statement of Profit and Loss		
Current service cost	6.11	5.66
Past service cost	-	4.27
Net interest on the net defined benefit obligations / assets	3.25	3.01
Total	**9.36**	**12.94**
c) Remeasurement (gains)/ losses recognised in OCI		
Actuarial changes arising from changes in financial assumptions	(0.21)	-
Experience adjustments	(3.29)	(1.05)
Total	**(3.50)**	**(1.05)**
d) Actuarial assumptions:		
Discount rate	7.77 % p.a.	7.73 % p.a.
Rate of increase of compensation levels	8.00 % p.a.	8.00 % p.a.
Expected average remaining working lives of employees	14.00	14.00
Mortality table	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate

The attrition rate from 0 years to 4 years is 8% p.a. and 2% p.a. thereafter

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	
i. Discount rate	(4.75)	(4.66)
ii. Salary escalation rate - over a long-term	3.51	5.37
iii. Attrition rate	0.49	(0.21)

	1% decrease	
i. Discount rate	5.54	5.44
ii. Salary escalation rate - over a long-term	(3.24)	(4.69)
iii. Attrition rate	(0.54)	0.23

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	1.09	0.83
Between 2 and 5 years	5.58	4.24
Between 6 and 10 years	12.34	10.35
Sum of Years 11 and above	106.76	105.45
Total expected payments	**125.77**	**120.87**

B Defined contribution plans

Amount recognised as an expense and included in note 26, Contribution to provident and other funds amounted to ₹ 25.22 lakhs (31 March 2018 ₹ 24.61 lakhs)

C Current/ non-current classification

Gratuity		
Current	1.09	6.38
Non-current	44.08	41.23
	45.17	**47.61**
Compensated absences (including sick leave)		
Current	1.97	5.38
Non-current	41.55	40.64
	43.52	**46.02**

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38 Interest in other entities

Subsidiaries

The Group's subsidiaries as at 31 March 2019 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 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	
Baharampore-Farakka Highways Limited	India	100	74.00	-	26.00	Toll management
Farakka-Raiganj Highways Limited	India	100	74.00	-	26.00	Toll management
Raiganj-Dalkhola Highways Limited	India	90	90.00	10.00	10.00	Toll management
Badarpur Faridabad Tollway Limited	India	100	100.00	-	-	Toll management
Narmada Bridge Tollway Limited	India	100	100.00	-	-	Toll management

Non-controlling interests (NCI)

The following table summarises the information relating to each of the subsidiaries that has NCI. The amounts disclosed for each subsidiary are before intra-group eliminations

Particulars	Baharampore-Farakka Highways Limited		Farakka-Raiganj Highways Limited		Raiganj-Dalkhola Highways Limited	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Non-current assets	97,940.56	96,544.20	159,214.74	160,058.88	64.23	64.89
Current assets	8,407.08	3,829.57	3,506.31	3,674.49	26,745.47	26,744.74
Non-current liabilities	69,135.23	65,729.84	106,420.01	103,701.70	6,935.77	8,910.76
Current liabilities	23,511.16	21,197.47	46,542.34	40,785.95	9,440.50	6,128.85
Net assets	**13,701.25**	**13,446.46**	**9,758.70**	**19,245.72**	**10,433.43**	**11,770.02**
Net assets attributable to NCI	-	**3,496.08**	-	**5,003.89**	**1,043.34**	**1,177.00**
Revenue	17,078.23	26,091.04	15,722.96	31,163.34	-	-
Other Income	16.52	271.36	65.22	186.42	-	-
Construction Cost	4,869.42	10,242.22	5,040.06	16,006.48	-	-
Employee cost					-	-
Finance cost	4,049.05	5,454.86	8,665.42	8,921.51	1,209.82	1,146.78
Depreciation	3,301.42	3,302.32	5,121.33	5,121.27	-	-
Other expenses	4,620.09	7,706.68	6,448.39	6,381.04	126.77	38.24
Profit/ (loss) for the year	**254.77**	**(343.68)**	**(9,487.02)**	**(5,080.54)**	**(1,336.59)**	**(1,185.02)**
Tax expenses	-	-	-	-	-	-
Net profit after tax	254.77	(343.68)	(9,487.02)	(5,080.54)	(1,336.59)	(1,185.02)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	**254.77**	**(343.68)**	**(9,487.02)**	**(5,080.54)**	**(1,336.59)**	**(1,185.02)**
Profit/(Loss) allocated to NCI	-	(89.36)	-	(1,320.94)	(133.66)	(118.50)
Total comprehensive income allocated to NCI	-	**(89.36)**	-	**(1,320.94)**	**(133.66)**	**(118.50)**
Cash flow from operating activities	3,689.99	5,577.72	8,353.83	16,920.48	0.73	(2.51)
Cash flow from investing activities	(1,957.56)	(9,972.33)	(1,217.90)	(14,495.27)	-	-
Cash flow from financing activities	(2,706.19)	(2,976.67)	(7,697.62)	(4,891.72)	-	-
Net increase/ (decrease) in cash and cash equivalents	**(973.76)**	**(7,371.28)**	**(561.69)**	**(2,466.51)**	**0.73**	**(2.51)**

39 Disclosure Mandated by Schedule III by way of additional information

Name of Entity	Net Assets		Share in Profit or Loss	
	Amount (Rs. In Lakhs)	As % of Consolidated Net Asset (%)	Amount	As % of Consolidated profit and loss (%)
Consolidated	20,446.49	100.00	(16,816.61)	100.00
Parent Company				
HCC Concessions Limited	96,339.97	471.18	(1,058.07)	6.29
Indian Subsidiary Companies				
Baharampore Farakka Highways Limited	(8,178.03)	(40.00)	650.71	(3.87)
Farakka Raiganj Highways Limited	(8,792.02)	(43.00)	(8,792.02)	52.28
Raiganj Dalkhola Highways Limited	(2,981.59)	(14.58)	(1,202.93)	7.15
Badarpur Faridabad Tollway Limited	(52,310.13)	(255.84)	(6,221.73)	37.00
Narmada Bridge Tollway limited	(3,603.58)	(17.62)	(58.91)	0.35
Minority Interest in all subsidiaries	(28.14)	(0.14)	(133.66)	0.79

40.1 The Company, as at 31 March 2019, has net liabilities aggregating ₹ 52,310.13)lakhs (31 March 2018: ₹ 21,613.66 lakhs) in its subsidiary, Badarpur Faridabad Tollways Limited (BFTL). The Company has also furnished corporate guarantee amounting to ₹ 61,704.21 lakhs (31 March 2018 ₹ 55,583.52 lakhs) to the lenders of BFTL. Consequent to the 'intention to issue termination notice' issued by BFTL, vide letter dated 31 March 2017, BFTL had issued termination notice to National Highways Authority of India (NHAI) on 1 September 2017, terminating the Concession Agreement (CA) of the project entered with NHAI due to various reasons / authority defaults mentioned therein and demanded termination payment of ₹ 77,500 lakhs towards losses incurred on account of this termination. NHAI has refuted the termination initiated by BFTL and in turn, issued suspension notice to BFTL and took over the project. Subsequent to its suspension notice, NHAI terminated the concession agreement on 23 February 2018. BFTL has refuted NHAI's termination stating that the termination is invalid and has referred this matter for arbitration. Based on the legal advice obtained in this respect, Management of the Company is confident of recovering the amount from NHAI and exposure of the Company in BFTL is considered to be fully recoverable.

40.2 The Company, as at 31 March 2019, has net liabilities aggregating ₹ 3,603.58 lakhs (31 March 2018: ₹ 824.68 lakhs) in its subsidiary, Narmada Bridge Tollways Limited (NBTL). In accordance with the terms of the Memorandum of Understanding (MOU) with NHAI dated 17 March 2013, the Concession Agreement dated 23 July 2012 entered between NBTL and NHAI stands foreclosed with mutual consent. NBTL has received an arbitration award of ₹ 3,919.00 lakhs in its favour on 3 September 2018 against the claims filed by them along with a right to receive interest @18% per annum till the date of actual payment of the awarded amount. NHAI has further challenged this award in the High Court post depositing 75% of the awarded amount on 5 April 2019 as per the provisions of the Arbitration Act. In view of this, Management of the Company is confident of recovering the amount from NHAI and exposure of the Company in NBTL is considered to be fully recoverable.

40.3 The Company, as at 31 March 2019, has net (liabilities)/ assets aggregating (₹ 2,981.59) lakhs (31 March 2018: ₹ 11,770.02 lakhs) in its subsidiary, Raiganj Dalkhola Highways Limited (RDHL). RDHL 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 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 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 of the Company is confident of recovering the amount from NHAI and exposure of the Company in RDHL is considered to be fully recoverable.

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40.4 The Company as at 31 March 2019 has received claims aggregating to ₹ 196,905.80 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 [Refer note 2.1 (xv)(e)]. 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 in note 31 A (iii).

The summary of claims preferred by HCC on subsidiaries of the Company are : -

Name of the BOT subsidiary	Amount in ₹
Baharampore-Farakka Highways Limited	66,111.37
Farakka-Raiganj Highways Limited	71,514.43
Raiganj Dalkhola Highways Limited	59,180.00
Total claims preferred by HCC	**196,805.80**

40.5 The Company 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 years. 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

41 Recent accounting update

41.1 Ind AS 116 Leases

Ind AS 116 Leases was notified on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Based on management assessment, the adoption of Ind AS 116 will not have any material impact on the consolidated financial statements of the Company.

41.2 Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition –

i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and

ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 1 April 2019. The Company will adopt the standard on 1 April 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. 1 April 2019 without adjusting comparatives.

Effective date for application of these amendments is annual period beginning on or after 1 April 2019.

The Company is evaluating the above requirement of the amendment and the impact on the financial statements.

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

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

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

Vijay D. Jain

Vijay D. Jain
Partner
Membership No.: 117961

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 07 May 2019

For and on behalf of the Board of Directors

Arjun Dhawan
Director
DIN No. : 01778379

S. Sridevi

Sridevi Iyengar
Director
DIN No. : 06981630

Ravindra Singh
Company Secretary

Kiran Kakkar
Chief Financial Officer

Place: Mumbai
Date: 07 May 2019

HCC Concessions Ltd.