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Independent Auditor's Report

To the Members of HCC Infrastructure Company Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of **HCC Infrastructure Company Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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



Emphasis of Matters

4. We draw attention to Note 4.5 to the accompanying standalone financial statements, regarding the Company's investments in its subsidiary, Raiganj Dalkhola Highways Limited (RDHL), amounting to INR 13,415.00 lakhs and other non-current financial assets amounting to INR 8,055.58 lakhs in such subsidiary. On 31 March 2017, the National Highway Authority of India (NHAI) has served notice of termination of contract in respect of the existing project in this subsidiary. Further, the financial statements of RDHL for the year ended 31 March 2023 have not been prepared using going concern basis of accounting. However, based on certain factors including expected outcome of the negotiation / arbitration/ litigations/ awards in respect of certain claims of RDHL, as described in the said note, the Company's management believes that there is no decline in the carrying amounts of such non-current investments and receivables. Our opinion is not modified in respect of the above matters.
5. We draw attention to Note 36 to the accompanying standalone financial statements, which describes that pursuant to the Scheme of Merger ('the Scheme') between the Company and its erstwhile subsidiary companies, namely HCC Concessions Limited, HCC Power Limited, HCC Energy Limited and Dhule Palensar Operations & maintenance Limited (together referred as 'Transferor Companies'), as approved by the Hon'ble National Company Law Tribunal, Mumbai Bench vide its order dated 09 February 2023, the business of the Transferor Companies has been transferred to and merged with the Company with effect from Appointed Date of 01 April 2021 and accounted for in accordance with the requirements of the approved Scheme and Appendix C to Ind AS 103, Business Combinations. Accordingly, the comparative financial information for the previous year has been restated in the accompanying standalone financial statements from the beginning of the preceding period, being 01 April 2021. Our opinion is not modified in respect of the above matters.

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

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

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

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

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



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

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

10. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
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.

Other Matter

13. The comparative financial information of the Company presented in the accompanying standalone financial statements includes the financial information of the erstwhile subsidiary companies, namely HCC Energy Limited, HCC Power Limited and Dhule Palesner Operations & Maintenance Limited for the year ended 31 March 2022 pursuant to the scheme of merger between the Company and aforesaid companies as explained in note 36 to the accompanying standalone financial statements. Such financial information of the erstwhile subsidiary companies for the year ended 31 March 2022 has been audited by their respective auditors, who issued modified opinions vide their respective audit reports dated 09 May 2022, which have been furnished to us by the management and have been relied upon by us for the purpose of our audit of the accompanying standalone financial statements. Our opinion is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

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



15. As required by the Companies (Auditor's Report) Order, 2020 ('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, to the extent applicable.
16. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - e) The matter described in paragraph 4 under the Emphasis of Matters section, in our opinion, may have an adverse effect on the functioning of the Company;
 - f) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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 with reference to financial statements of the Company as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in Annexure B wherein we have expressed an unmodified opinion; and
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in note 28 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2023;
 - 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 2023;
 - 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 2023;



iv.

- a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 37 (e) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
- b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 37 (f) to the standalone financial statements, no funds have been received by the Company from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the year ended 31 March 2023.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For Walker Chandio & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Shashi Tadwalkar

Partner

Membership No.: 101797



UDIN: 23101797BGXEZX3394

Place: Mumbai

Date: 17 May 2023

Annexure A referred to in Paragraph 15 of the Independent Auditor's Report of even date to the members of HCC Infrastructure Company Limited on the standalone financial statements for the year ended 31 March 2023

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The Company does not have any intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (b) The property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification program adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not own any immovable property (including investment properties) (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The Company does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

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(iii)

- (a) The company has not provided any guarantee or given any security on granted advances in nature of loans during the year. However, the Company has granted loans or guarantee to subsidiaries and other parties as per details given below:

INR in lakhs

Particulars	Loans
Aggregate amount granted during the year:	
- Subsidiaries	6,046.97
- Others	400.00
Balance outstanding as at balance sheet date (including amount outstanding at beginning of the year)	7,611.05
- Subsidiaries	568.00
- Others	

- (b) In our opinion, and according to the information and explanations given to us, the investments made, guarantees provided, security given and terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are, prima facie, not prejudicial to the interest of the Company.
- (c) In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and the payment of the interest has not been stipulated and accordingly, we are unable to comment as to whether the repayments/receipts of principal interest are regular.
- (d) In the absence of stipulated schedule of repayment of principal and payment of interest in respect of loans or advances in the nature of loans, we are unable to comment as to whether there is any amount which is overdue for more than 90 days. Reasonable steps have not been taken by the Company for recovery of such principal amounts and interest.
- (e) The Company has not granted any loan or advance in the nature of loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan that existed as at the beginning of the year.
- (f) The Company has granted loans which are repayable on demand, as per details below:

INR in lakhs

Particulars	All Parties	Promoters	Related Parties
Aggregate of loans	8,179.05	-	8,179.05
- Repayable on demand			
Total	8,179.05	-	8,179.05
Percentage of loans to the total loans	100.00%	-	100.00%



- (iv) The Company has not entered into any transaction covered under section 185 of the Act. As the Company is engaged in providing infrastructural facilities as specified in Schedule VI of the Act, provisions of section 186 except sub-section (1) of the Act are not applicable to the Company. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sub-section (1) of section 186 in respect of investments, as applicable.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/ services / business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- (vii)(a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (INR in lakhs)	Amount paid under Protest (INR in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	277.06	41.56	AY 2013-14	Commissioner of Income Tax (Appeals)
		76.36	15.27	AY 2014-15	Commissioner of Income Tax (Appeals)
		255.69	38.00	AY 2015-16	Commissioner of Income Tax (Appeals)
		153.88	35.00	AY 2017-18	Commissioner of Income Tax (Appeals)
		168.57	33.72	AY 2018-19	Commissioner of Income Tax (Appeals)



- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and did not have any term loans outstanding at the beginning of the current year. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.



- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act]. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act.
- (xiv) According to the information and explanations given to us, the Company is not required to and consequently, does not have an internal audit system as per the provisions of section 138 of the Act. Accordingly, reporting under clause 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a),(b) and (c) of the Order are not applicable to the Company. Further based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.



HCC Infrastructure Company Limited

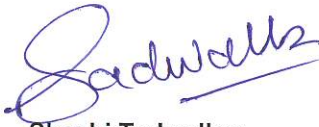
Independent Auditor's Report on the Audit of the Standalone Financial Statements for the year ended 31 March 2023

- (xx) According to the information and explanations given to us, the Company has met the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, however, in the absence of average net profits in the immediately three preceding years, there is no requirement for the Company to spend any amount under sub-section (5) of section 135 of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013



Shashi Tadwalkar

Partner

Membership No.: 101797



UDIN: 23101797BGXEZX3394

Place: Mumbai

Date: 17 May 2023

Annexure B to the Independent Auditor's Report of even date to the members of HCC Infrastructure Company Limited on the standalone financial statements for the year ended 31 March 2023

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

1. In conjunction with our audit of the standalone financial statements of **HCC Infrastructure Company Limited** ('the Company') as at and for the year ended 31 March 2023, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

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

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

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



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

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

6. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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 standalone financial statements.

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

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

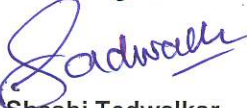
Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013



Shashi Tadwalkar

Partner

Membership No.: 101797



UDIN: 23101797BGXEZX3394

Place: Mumbai

Date: 17 May 2023

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HCC Infrastructure Company Limited
Standalone balance sheet as at 31 March 2023
(Amounts in ₹ lakhs, unless stated otherwise)

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	3	164.83	191.26
Financial assets			
Investments in subsidiaries	4	13,425.00	13,518.53
Other investments	5	-	1,546.49
Loans	6	6,614.94	547.06
Other financial assets	7	3,740.61	2,322.41
Non-current tax (net)	8	2,812.59	3,384.00
Contract assets	9	-	2,456.25
Other non-current assets	10	6,250.00	-
Total non-current assets		33,007.97	23,966.00
Current assets			
Financial assets			
Trade receivables	11	1,516.54	1,232.18
Cash and cash equivalents	12	10,613.05	2,437.15
Bank balances other than cash and cash equivalents	12.1	7,093.30	-
Other financial assets	7	33.86	7.40
Contract assets	9	2,293.54	1,502.00
Other current assets	10	13.58	23.85
		21,563.87	5,202.58
Non current assets classified as held for sale	13	-	22,275.30
Total current assets		21,563.87	27,477.88
TOTAL ASSETS		54,571.84	51,443.88
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	25.00	25.00
Other equity		41,526.94	36,346.59
Total equity		41,551.94	36,371.59
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	15	5,398.36	1.00
Other financial liabilities	16	5,612.15	289.78
Provisions	17	52.33	41.43
Total non-current liabilities		11,062.84	332.21
Current Liabilities			
Financial liabilities			
Borrowings	18	-	8,558.45
Trade payables	19	-	0.87
- total outstanding dues of micro enterprises and small enterprises		-	0.87
- total outstanding dues of creditors other than micro enterprises and small enterprises		559.57	104.67
Other financial liabilities	16	1,156.69	5,340.05
Other current liabilities	20	163.14	676.74
Provisions	17	31.28	35.00
Current tax liabilities (net)	8	46.38	24.30
Total current liabilities		1,957.06	14,740.08
TOTAL EQUITY AND LIABILITIES		54,571.84	51,443.88

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

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

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

Shashi Tadwalkar

Shashi Tadwalkar
Partner
Membership No.: 101797



Place: Mumbai
Date: 17 May 2023

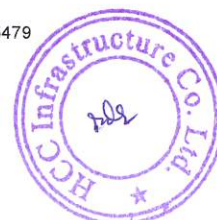
For and on behalf of the Board of Directors

Santosh Kumar Rai

Santosh Kumar Rai
Director
DIN No.: 08766113

Aniruddha Singh

Aniruddha Singh
Director
DIN No.: 06505479



Place: Mumbai
Date: 17 May 2023

HCC Infrastructure Company Limited
Standalone statement of profit and loss for the year ended 31 March 2023
(Amounts in ₹ lakhs, unless stated otherwise)

Particulars	Note No.	Year ended 31 March 2023	Year ended 31 March 2022 (Restated)
Income			
Revenue from operations	21	914.59	6,260.22
Other income	22	4,237.49	1,656.16
Total income		5,152.08	7,916.38
Expenses			
Purchase of stock-in-trade	23	-	600.09
Employee benefits expense	24	568.60	506.36
Finance costs	25	898.91	2,196.72
Depreciation expense	3	29.00	16.62
Other expenses	26	1,481.54	5,014.35
Total expenses		2,978.05	8,334.14
Profit / (loss) before exceptional item and tax		2,174.03	(417.76)
Exceptional item - gain	27	15,123.79	46,774.32
Profit before tax		17,297.82	46,356.56
Tax expenses			
Current tax	8	116.67	1,237.45
Deferred tax		-	-
		116.67	1,237.45
Profit for the year (A)		17,181.15	45,119.11
Other comprehensive income/(loss)			
(a) Items that will not be reclassified to profit or loss (net of tax)			
- Gain on fair value of defined benefit plans as per actuarial valuation		12.07	0.29
(b) Items that will be reclassified to profit or loss		-	-
Other comprehensive income for the year, net of tax (B)		12.07	0.29
Total comprehensive income for the year, net of tax (A+B)		17,193.22	45,119.40
Earning per equity share of nominal value ₹10 each			
Basic and diluted (in ₹)	30	6,872.46	18,047.64

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

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

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

Shashi Tadwalkar

Shashi Tadwalkar
Partner
Membership No.: 101797



Place: Mumbai
Date: 17 May 2023

For and on behalf of the Board of Directors

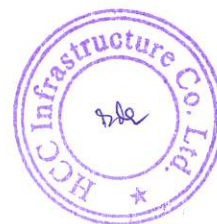
Santosh Kumar Rai

Santosh Kumar Rai
Director
DIN No. : 08766113

Aniruddha Singh

Aniruddha Singh
Director
DIN No. : 06505479

Place: Mumbai
Date: 17 May 2023



HCC Infrastructure Company Limited
Standalone statement of cash flow for the year ended 31 March 2023
(Amounts in ₹ lakhs, unless stated otherwise)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022 (Restated)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	17,297.82	46,356.56
Adjustment for		
Depreciation expenses	29.00	16.62
Gain on sale of investment in subsidiary	(15,123.79)	-
Profit on sale of investment	-	(7.21)
Gain on one-time settlement of debt	-	(10,609.90)
Reversal of /(Loss) allowance on other receivable (net)	(3,450.30)	4,469.91
Reversal of impairment allowance on Investment-equity component in sub-ordinate debt	-	(614.47)
Finance cost	898.91	2,196.72
Interest income	(753.56)	(746.21)
Liability no longer payable written back	(19.67)	(1,703.71)
Reversal of penal charges on borrowing cost	-	(405.00)
Other receivables written off	512.50	(96.25)
Reversal of financial guarantee obligation	-	(497.74)
Operating loss before working capital changes	(609.09)	38,359.32
Adjustments for changes in working capital:		
(Increase) in trade receivables	(284.36)	(1,202.88)
(Increase) in current /non-current financial assets, contract assets and other assets	(4,848.80)	(4,191.99)
Decrease in other financial liabilities and other liabilities	(26.58)	(7,308.70)
Increase / (decrease) in trade payables	454.02	(698.94)
Increase / (decrease) in provision	19.25	(19.45)
Cash generated from / (used in) from operations	(5,295.56)	24,937.36
Direct taxes paid/ (refunded) (net)	476.82	(2,505.29)
Net cash generated from / (used in) operating activities (A)	(4,818.74)	22,432.07
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2.57)	(204.79)
Proceeds from redemption of debentures	1,546.49	20,159.67
Acquisition of share of joint venture	-	(627.90)
Proceeds from sale of subsidiary	37,399.09	-
Proceeds from sale of current investment	-	1,529.21
Purchase of current investment	-	(1,522.00)
Proceeds from investment in equity component in subordinate debt	264.48	614.47
Intercompany deposit given/repaid to related parties (net)	(6,257.28)	(579.10)
Net proceeds from/ (investments in) bank deposits	(7,093.30)	2,923.96
Interest received	287.13	540.47
Net cash generated from investing activities (B)	26,144.04	22,833.99
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of deemed capital contribution	(12,012.87)	-
Repayment of long-term borrowings	-	(17,427.79)
Repayment of inter-corporate deposits taken from related parties	(987.17)	(2,435.00)
Payment for buy back of shares of erstwhile subsidiary	-	(21,908.90)
Finance cost paid on borrowings	(83.29)	(1,226.78)
Finance cost paid on others	(66.07)	(105.97)
Net cash (used in) financing activities (C)	(13,149.40)	(43,104.44)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	8,175.90	2,161.62
Cash and cash equivalents at the beginning of the year	2,437.15	275.53
Cash and cash equivalents at the end of the year (Refer note 11)	10,613.05	2,437.15

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) Statement of Cash Flows.

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

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

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

Shashi Tadwalkar
Partner
Membership No.: 101797



Place: Mumbai
Date: 17 May 2023

For and on behalf of the Board of Directors

Santosh Kumar Rai
Director
DIN No. : 08766113

Aniruddha Singh
Director
DIN No. : 06505479

Place: Mumbai
Date: 17 May 2023



HCC Infrastructure Company Limited
Standalone statement of changes in equity for the year ended 31 March 2023
(Amounts in ₹ lakhs, unless stated otherwise)

A) Equity share capital (Refer note 14)

Particulars	Number	₹ lakhs
Equity shares of ₹ 10 each issued, subscribed and paid up		
As at 1 April 2021	2,50,000	25.00
Movement during the year	-	-
As at 31 March 2022	2,50,000	25.00
Movement during the year	-	-
As at 31 March 2023	2,50,000	25.00

B) Other equity

Particulars	Deemed capital contribution	Reserves and surplus		Total equity attributable to equity holders
		Capital reserve on merger	Retained earnings	
As at 1 April 2021	1,57,503.62	604.00	(1,19,595.16)	38,512.46
Impact of business combination (Refer note 36)	72.62	821.13	(48,179.02)	(25,376.37)
Profit for the year	-	-	45,119.11	45,119.11
Additions/(utilisation) during the year	-	-	-	-
Other comprehensive income	-	-	0.29	0.29
As at 31 March 2022	1,57,576.24	1,425.13	(1,22,654.78)	36,346.59
Profit for the year	-	-	17,181.15	17,181.15
Repayment during the year	(12,012.87)	-	-	(12,012.87)
Other comprehensive income	-	-	12.07	12.07
As at 31 March 2023	1,45,563.37	1,425.13	(1,05,461.56)	41,526.94

i. Deemed capital contribution

Deemed capital contribution represents intercorporate deposits given by Hindustan Construction Company Limited which represents a deemed capital contribution into HCC Infrastructure Company Limited considering the substance of the transaction.

ii. Capital reserve on merger

Capital reserve represents gain arising from business combination and gain / loss on account of acquisition / divestment of non- controlling interest/merger.

iii. Retained earnings

Retained earnings represent profits / losses that the Company has earned / incurred till date including gain / (loss) on remeasurement of defined benefit plan as adjusted for distribution to owner, transfer to other reserves etc

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

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

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

Shashi Tadwalkar
Partner
Membership No.: 101797

Place: Mumbai
Date: 17 May 2023



For and on behalf of the Board of Directors

Santosh Kumar Rai
Director
DIN No. : 08766113

Place: Mumbai
Date: 17 May 2023

Aniruddha Singh
Director
DIN No. : 06505479



Note 1 Corporate Information

HCC Infrastructure Company Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the erstwhile Companies Act, 1956 (CIN : U45400MH2010PLC210944). It is a 100% subsidiary of "Hindustan Construction Company Limited (HCC)". Shares of its holding company are listed on two stock exchanges in India. The purpose of incorporation of this Company is to carry on all types of infrastructure activities whether on its own or through subsidiaries or SPV's.

The financial statements of the Company for the period ended 31 March 2023 were authorised for issue in accordance with resolution of the Board of Director on 17 May 2023.

Note 2 Significant accounting policies

i Basis of preparation

The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules as amended from time to time.

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

The financial statements are presented in Indian Rupees lakhs (000,000), except otherwise indicated. Zero '0' denotes amount less than a lakh.

The statement of cash flow has been prepared under the indirect method as set out in Ind AS 7 - Statement of Cash Flows.

ii Operating cycle for current and non-current classification:

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

iii Accounting estimates

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

iv Key accounting estimates and assumptions

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

a. Variable consideration (claims)

The Company has claims in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work etc., which are at various stages of negotiation/ discussion/ arbitration/ litigation with the clients. The realisability of these claims are estimated based on contractual terms, historical experience with similar claims as well as legal opinion obtained from internal and/or external experts, wherever necessary. Changes in facts of the case or the legal framework may impact realisability of these claims.

b. Valuation of investment in/ loans to subsidiaries

The Company performs evaluation of its equity investments in subsidiaries to assess if there is any indication of impairment. Equity investments are tested for impairment whenever events, or changes in circumstances indicate that the carrying amount is higher than the recoverable amount. The recoverable amount is the higher of the asset's fair value less cost of disposal and value in use. When the fair value of investments in subsidiaries cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. Similar assessment is carried for exposure of the nature of loans and interest receivable thereon. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as expected earnings in future years, liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of these investments.

c. Deferred tax assets

The realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the applicable tax rates, scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences.

d. Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. Contingent assets are disclosed where an inflow of economic benefits is probable.



iv Property, plant and equipment (Tangible assets)

Property, plant and equipment are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition / installation of the assets less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

v Depreciation

Depreciation is provided for property, plant and equipment so as to expense the cost less residual value over their estimated useful lives on a straight line basis, except Building and sheds which is depreciated using WDV method. Intangible assets are amortised from the date they are available for use, over their estimated useful lives. The useful lives are as per Schedule II to the Act except in case of certain assets, where the useful life is based on technical evaluation by management.

The estimated useful lives are as below:

Computers : 3 years

Office Equipment : 5 years

Furniture and Fixtures : 10 years

Leasehold improvement: 9 years

Vehicles: 8 to 10 yrs

The estimated useful life and residual values are reviewed at each financial year end and the effect of any change in the estimates of useful life/ residual value is accounted on prospective basis.

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

Depreciation on additions is provided on a pro-rata basis, from the date on which asset is ready to use.

Gain and losses on disposal are determined by comparing proceeds with carrying value and these are included in the Statement of Profit and Loss under Other income and Other expenses.

vi Investment in subsidiaries

Investments in subsidiaries, joint ventures and associates are recognised at cost as per Ind AS 27 - Separate Financial Statements, except where investments accounted for at cost shall be accounted for in accordance with Ind AS 105 - Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

vii Financial Instruments

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

Initial recognition and measurement

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company's business model refers to how it manages its financial assets to generate cash flows. The business model determines whether the cash flows will result from collecting contractual cash flows, selling the financial assets, or both

a Financial assets

i) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

- Financial assets measured at fair value Other Comprehensive Income

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) which are not held for trading, the Company has made an irrevocable election to present subsequent changes in the fair value of such instruments in OCI. Such an election is made by the Company on an instrument by instrument basis at the time of transition for existing equity instruments/ initial recognition for new equity instruments.

- Financial assets measured at fair value through profit or loss (FVTPL)

Any financial asset which does not meet the criteria for categorization as financial asset at amortized cost or at FVTOCI, is classified as financial asset at FVTPL. Financial assets included within the FVTPL category are subsequently measured at fair value with all changes recognized in the statement of profit and loss.



Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices, dealer quote.

For equity instruments of unlisted companies, in limited circumstances, insufficient more recent information is available to measure fair value, or if there are a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. The Company recognises such equity instruments at cost, which is considered as appropriate estimate of fair value.

All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. Refer to the table on financial instruments by category below for the disclosure on carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

ii) Impairment of financial assets

In accordance with Ind AS 109, the Company applies the Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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

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

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

iii) De-recognition of financial assets

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

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

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

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity, if any, is recognised in profit or loss, except in case of equity instruments classified as FVOCI, where such cumulative gain or loss is not recycled to statement of profit and loss.

b Equity instruments and financial liabilities

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

1. Equity instruments

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

Financial liabilities**i) Subsequent measurement**

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

- Financial liabilities at FVPL

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

- Financial guarantee contracts

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

- Financial liabilities at amortised cost

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



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

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

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

ii) De-recognition of financial liabilities

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

c Offsetting financial instruments

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

viii Employee benefits

a Defined contribution plan

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

b Defined benefit plan

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

c Leave entitlement and compensated absences

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

d Short-term benefits

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

ix 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 original maturity of less than three months which are subject to an insignificant risk of changes in value.

x 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 one operational segment and hence the necessary information has already been disclosed in the Balance Sheet and the Statement of Profit and Loss.

xi 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.



xii Revenue recognition

Revenue is recognised on satisfaction of performance obligation as and when services promised are delivered to customers in an amount of transaction price (net of variable consideration) 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 Company presents revenues net of indirect taxes in its Statement of Profit and Loss.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in Statement of Profit and Loss immediately in the period in which such costs are incurred.

xiii Other income

a. Interest income

Interest income (other than interest on income tax refund) is accrued on a time proportion basis, by reference to the principal outstanding and the applicable Effective Interest Rate (EIR).

Other non-operating income

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

xiv Income tax

Income tax expense comprises of current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

a. Current tax

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b. Deferred tax

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities.

xv 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.



xvi Trade receivables

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

xvii Trade payables

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the 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.

xviii Earnings Per Share

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

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders 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).

xix Provisions, contingent liabilities, contingent assets and commitments

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

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

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

Commitments are future liabilities for contractual expenditure, classified and disclosed as estimated amount of contracts remaining to be executed on capital account and not provided for.

xx Exceptional items

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

xxi Leases

The Company assesses whether a contract contains lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: i. the contract involves the use of an identified asset; ii. the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and iii. the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognizes a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a lease term of twelve months or less (short-term leases) and low value leases.

For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at the present value of the fixed lease payments including variable lease payments that depend on an index or a rate. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate of the Company. Lease liability and ROU asset have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

xxii Non current asset classified as held for sale

Non-current assets held for sales (including liabilities directly associated with those assets held for sales) that are available for immediate sale and where the sale is highly probable of being completed within one year from the date of classification are considered and classified as assets held for sale. Non-current assets held for sale are measured at the lower of carrying amount or fair value less costs to sell except financial assets within the scope of Ind AS 109 - Financial Instruments. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of asset held for sale has been estimated using observable inputs such as price quotations.



HCC Infrastructure Company Limited

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2023
(Amounts in ₹ lakhs, unless stated otherwise)

Note 3 - Property, plant and equipment

Particulars	Computers	Office equipment	Leasehold improvements	Furniture and Fixtures	Vehicles	Total
Gross carrying value (Deemed cost)						
As at 1 April 2021	2.19	0.49	-	-	-	2.68
Impact of business combination (Refer note 36)	34.50	28.58	182.74	132.26	-	378.07
Additions	9.90	-	-	-	194.89	204.79
Disposals	-	-	-	-	-	-
As at 31 March 2022	46.59	29.07	182.74	132.26	194.89	585.54
Additions	0.51	-	-	-	2.07	2.57
Disposals	-	-	-	-	-	-
As at 31 March 2023	47.10	29.07	182.74	132.26	196.96	588.11
Accumulated Depreciation						
As at 1 April 2021	2.19	0.49	-	-	-	2.68
Impact of business combination (Refer note 36)	31.48	28.54	182.74	132.23	-	374.98
Charge for the year	4.62	0.02	-	0.01	11.97	16.62
Accumulated depreciation on disposals	-	-	-	-	-	-
As at 31 March 2022	38.29	29.05	182.74	132.24	11.97	394.28
Charge for the year	4.62	0.02	-	0.01	24.36	29.00
Accumulated depreciation on disposals	-	-	-	-	-	-
As at 31 March 2023	42.91	29.07	182.74	132.25	36.33	423.28
Net carrying value						
As at 31 March 2022	8.30	0.02	-	0.02	182.92	191.26
As at 31 March 2023	4.19	-	-	0.01	160.63	164.83



	As at 31 March 2023	As at 31 March 2022
4 Investments in Subsidiaries		
Non-current		
I. Investments in Subsidiaries		
(i) Investments in equity shares at cost (Refer note 4.1(ii))		
In subsidiary companies	2,710.00	2,710.00
(ii) Investment in other instruments (Refer note 4.1(iii))		
(a) Deemed investment on corporate guarantees	-	-
(b) Equity component in subordinate debt	-	93.53
(iii) Investment in preference shares at deemed cost (Refer note 4.1(iii))		
In subsidiary companies	10,715.00	10,715.00
Total Investments in subsidiaries (i + ii + iii)	13,425.00	13,518.53

Note 4.1 Detailed list of Investments in subsidiaries**I. Investments in equity shares at cost****In subsidiary companies, unquoted fully paid up**

- HCC Operations & Maintenance Limited 50,000 (31 March 2022: 50,000) equity shares of ₹ 10 each	5.00	5.00
-Badarpur Faridabad Tollway Limited [Refer note 4.4 below] 98,000,000 (31 March 2022: 98,000,000) equity shares of ₹ 10 each Less: loss allowance	9,800.00 (9,800.00)	9,800.00 (9,800.00)
- Baharampore Farakka Highways Limited [Refer note 13] Nil (31 March 2022: 44,999,900) equity shares of ₹ 10 each Less : Transferred to non-current assets classified as held for sale	- -	4,499.99 (4,499.99)
-Narmada Bridge Tollway Limited 50,000 (31 March 2022: 50,000) equity shares of ₹ 10 each	5.00	5.00
-Raiganj- Dalkhola Highways Limited [Refer note 4.5 below] 27,000,000 (31 March 2022: 27,000,000) equity shares of ₹ 10 each, fully paid	2,700.00	2,700.00
	2,710.00	2,710.00

II. Investment in other instruments**(a) Deemed investment on corporate guarantees**

HCC Operations and Maintenance Limited Less: loss allowance	259.55 (259.55)	259.55 (259.55)
Badarpur Faridabad Tollway Limited Less: Impairment (Refer note 4.4 below)	1,394.89 (1,394.89)	1,394.89 (1,394.89)
Baharampore Farakka Highways Limited Less : Transferred to non-current assets classified as held for sale (Refer note 13)	- -	550.01 (550.01)

Sub-total (a)**(b) Equity component in subordinate debt**

-Badarpur Faridabad Tollway Limited Less: loss allowance (Refer note 4.4 below)	17,925.36 (17,925.36)	18,139.72 (18,139.72)
-Narmada Bridge Tollway Limited Less: loss allowance (Refer note 4.5 below)	482.42 (482.42)	532.55 (439.02)

Sub-total (b)**III. Investments in preference shares at deemed cost****In Subsidiary Company**

Baharampore Farakka Highways Limited [Refer note 13] Nil (31 March 2022: 172,253,000) 9% cumulative convertible preference shares Less : Transferred to non-current assets classified as held for sale	- -	17,225.30 (17,225.30)
Raiganj Dalkhola Highways Limited [Refer note 4.6 below] 107,150,000 (31 March 2022: 107,150,000) 9% cumulative convertible preference shares	10,715.00	10,715.00
	10,715.00	10,715.00

The CCCPS are compulsorily convertible as per following terms and conditions :-

(a) CCCPS shall be compulsorily and automatically convertible on expiry of 15 years from date of allotment or such other earlier date, as may be mutually agreed between the company and the holder of CCCPS.

(b) Each CCCPS of face value of ₹10 shall be converted into 1 fully paid-up equity share of ₹10.

(c) If the Company

(i) makes an issue of its Equity Shares by way of a bonus issue (by capitalization of its profits or reserves),

(ii) makes a rights issue of Equity Shares,

(iii) sub-divides the outstanding Equity Shares or

(iv) consolidate its outstanding Equity Shares,

then the number of Equity Shares to be issued upon conversion shall be appropriately adjusted so that the holder of CCCPS, shall be entitled to receive the number of Equity Shares and/or other securities of the Company which such holder would have held or have been entitled to receive after the happening of any of the events described above had such CCCPS been converted immediately prior to the happening of such event (or if the Company has fixed a record date for the determination of shareholders entitled to receive such Equity Shares or other securities by way of a bonus or a rights issue or Equity Shares to be issued upon any such sub-division or consolidation, then immediately prior to such record date).



Notes:

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

Name	No of equity shares pledged	
	31 March 2023	31 March 2022
Baharampore Farakka Highways Limited	-	2,29,50,000
Raiganj Dalkhola Highways Limited	1,53,00,000	1,53,00,000

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

Name	No of shares	
	31 March 2023	31 March 2022
Baharampore Farakka Highways Limited	-	2,29,50,000
Raiganj Dalkhola Highways Limited	1,53,00,000	1,53,00,000

4.4 Badarpur Faridabad Tollway Limited ('BFTL')

On 1 September 2017, National Highways Authority of India ('NHAI') issued a notice of termination to BFTL against which BFTL filed several claims on NHAI. During the year ended 31 March 2020, BFTL entered into a settlement agreement with NHAI pursuant to which ₹ 30,044 lakhs was received as full and final settlement of all claims. Consideration received from settlement with NHAI was parallelly used to settle the liabilities towards lenders due aggregating ₹ 34,764 lakhs. Consequently, Company expects no return from its investment in BFTL and therefore, Company's investment aggregating ₹ 29,120.25 lakhs has been fully impaired in earlier years.

4.5 Raiganj Dalkhola Highways Limited ('RDHL')

The Company, as at 31 March 2023, has a non-current investments aggregating ₹ 13,415.00 lakhs (31 March 2023: ₹ 13,415.00 lakhs) and other non-current financial assets amounting to ₹ 7,893.62 lakhs (31 March 2023: ₹ 1,894.77 lakhs) in its subsidiary, Raiganj Dalkhola Highways Limited ('RDHL'). Pursuant to the receipt of notice from NHAI in earlier years for termination of the project, RDHL filed a claim before arbitration tribunal for wrongful termination of the project by NHAI. In October 2021, the arbitral award has been received amounting to ₹ 58,802.00 lakhs against which NHAI has challenge further at Hon'ble Delhi High Court. Further, RDHL has also received favourable arbitration award amounting to ₹ 30,970 lakhs (including interest) in respect of its claim for losses suffered on account of delay in providing land and consequent delay in completion of the project. While RDHL has incurred losses and significant net-worth has been eroded, based on the recoverability of the aforementioned favourable arbitration awards, the management is confident of realising these awards and consequently Company's exposure of the Company in RDHL is considered to be fully recoverable. Further, the financial statements of RDHL for the year ended 31 March 2023 have not been prepared using going concern basis of accounting.

5 Other non-current investments

Investments in Non Convertible Debentures		
- Farakka Raiganj Highways Limited [Refer note below]	-	1,546.49
Nil (31 March 2022: 291,055,946) non-convertible debentures	-	-
Total non-current investments	-	1,546.49

Details:

(i) Market value of investments - quoted	-	-
(ii) Carrying value of investments - unquoted	13,425.00	15,065.02
(iii) Investments carried at deemed cost	13,425.00	13,518.53
(iii) Impairment of investments recognised	29,862.22	30,033.19

6 Loans

Non-Current

Inter corporate deposit to related parties (Refer note 29)	7,611.05	3,692.25
Less: Loss allowance (Refer note 29)	(1,564.11)	(3,145.19)
Loans to other	568.00	-
Total non-current loans	6,614.94	547.06

Break-up of security details

Loans considered good - Secured	-	-
Loans considered good - Unsecured	6,614.94	547.06
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	1,564.11	3,145.19
Total	8,179.05	3,692.26
Loss allowance (Refer note 29)	(1,564.11)	(3,145.19)
Total loans	6,614.94	547.06

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

Nature and Purpose of non current loans

Name of Company	Interest rate	Repayment	Purpose	As at 31 March 2023	As at 31 March 2022
HCC Operations & Maintenances Limited	Intercompany deposit @ 11.00% p.a	Repayable on demand	General purpose	-	1,770.42
HREL Real Estate Limited (HREL)* (HREL)	Intercompany deposit @ 12.5% p.a	Repayable on demand	General purpose	1,564.11	1,564.08
Steiner India Limited	Interest free inter-company deposit	Repayable on demand	General purpose	-	189.73
Baharampore Farakka Highways Limited	Subordinate Loan @ 9.75% p.a.	To be repaid after restricted payment clause satisfied and Debt Equity ratio maintained	Promoter's contribution for project finance	568.00	168.00
Raiganj Dalkhola Highways Limited	Intercompany deposit @ 11.00% p.a	Repayable on demand	General corporate purpose	6,046.97	-
				8,179.08	3,692.23

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



	As at 31 March 2023	As at 31 March 2022
7 Other financial assets		
Non-current		
a) Interest receivable		
- from related party (Refer note 29)	161.97	343.11
- from other	85.27	-
Less: Loss allowance	-	(222.70)
b) Advance towards purchase of investments [Refer note (a) below and note 29]	300.00	300.01
c) Receivable from related parties (Refer note 29)	3,193.62	2,906.46
Less: Loss allowance (Refer note 29)	(0.25)	(1,004.51)
d) Other receivables	29.73	501.28
Less: Loss allowance	(29.73)	(501.24)
Total non-current financial assets	3,740.61	2,322.41
Current		
a) Other advances	105.28	105.28
Less: Loss allowance	(105.27)	(105.26)
b) Interest accrued	-	7.38
c) Other receivables	37.70	3.85
Less: Loss allowance	(3.85)	(3.85)
d) Claims receivable	1,681.83	1,681.83
Less: Loss allowance	(1,681.83)	(1,681.83)
Total current financial assets	33.86	7.40
Total other financial assets	3,774.47	2,329.81

Note (a):

The Company has entered into purchase agreement with Hindustan Construction Company Limited (HCC) to purchase shares of Raiganj - Dalkhola Highways Limited (RDHL) and Baharampore - Farakka Highways Limited (BFHL) at face value at future dates on fulfillment of that obligation as per undertaking given to NHAI.

In case of BFHL shares held by HCC; HCC 'the holding company' has given inter alia an undertaking in respect of investment in BFHL to National Highways Authority of India (NHAI) that it will not transfer its shareholding till the commercial operation date.

In case of RDHL shares held by HCC; Since the concession agreement has been terminated in Raiganj-Dalkhola Highways Limited, HCC shall transfer its shareholding in RDHL to the Company in due course of time.

The Company has paid full consideration of ₹ 300.00 lakhs (31 March 2022: ₹ 300.01 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 2023		As at 31 March 2022	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
Baharampore Farakka Highways Limited	-	-	100	0.01
Raiganj Dalkhola Highways Limited	30,00,000	300.00	30,00,000	300.00
Total	30,00,000	300.00	30,00,100	300.01

8 Non-current tax (net)**i. The following table provides the details of income tax assets and liabilities:**

a) Income tax assets	2,812.59	3,384.00
b) Current tax liabilities	46.38	24.30
Net income tax assets	2,766.21	3,359.70

ii. The gross movement in the current tax asset/ (liability):

Net current income tax assets at the beginning	3,359.70	317.49
Add: Impact of business of business combination (Refer note 36)	-	1,774.37
Add: Tax deducted at source	117.92	2,849.67
Less: Income tax refund	(456.61)	(344.38)
Less: Current income taxes	(116.67)	(1,237.45)
Less: Reversal of tax paid under protest	(138.13)	-
Net non-current income tax assets at the end	2,766.21	3,359.70

iii. Income tax expense in the statement of profit and loss comprises:

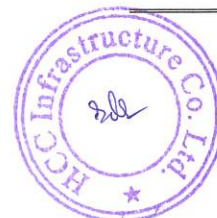
Current tax	116.67	1,237.45
Deferred tax	-	-
Income tax expenses	116.67	1,237.45

iv. 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:

	As at 31 March 2023	As at 31 March 2022
Profit before income tax	17,297.82	46,356.56
Applicable income tax rate	25.17%	25.17%
Computed expected tax expense	4,353.86	11,667.95
Effect of unrecognised business losses adjusted against current year taxable profits	(249.85)	(13,843.84)
Effect of expenses not allowed for tax purpose	376.55	4,311.05
Effect of income not considered for tax purpose	(4,458.49)	(2,110.86)
Earlier tax adjustments	94.59	-
Income tax charged to the statement of profit and loss	116.67	1,237.45

v. Components of deferred tax assets and liabilities arising on account of temporary differences are

	As at 31 March 2023	As at 31 March 2022
(a) Deferred tax assets		
Timing difference on property, plant and equipment depreciation	-	23.61
Impairment allowance on receivables/other assets	-	651.04
Expense allowable on payment basis	-	19.24
Total deferred tax assets (a)	-	693.89
(b) Deferred tax liabilities		
Fair valuation gain on non-convertible debentures	-	(693.89)
Total deferred tax liabilities (b)	-	(693.89)
^Total deferred tax assets (net) [a+b]	-	-



vi. Movement in components of deferred tax assets and deferred tax liabilities are as follows:

Particulars	Timing difference on property, plant and equipment depreciation	Impairment allowance on receivables/other assets	Business and capital loss	Expense allowable on payment basis	Fair valuation gain on non-convertible debentures	Total
At 1 April 2021	0.78	793.87	17,899.64	13.97	(2,798.31)	15,909.95
(Charged) /Credited						
- to profit or loss	22.83	(142.83)	(17,899.64)	5.19	2,104.41	(15,910.04)
- to other comprehensive income				0.07		0.07
At 31 March 2022	23.61	651.04	-	19.24	(693.89)	(0.02)
(Charged) /Credited						
- to profit or loss	(23.61)	(651.04)	-	(22.27)	693.89	(696.93)
- to other comprehensive income	-	-	-	3.04	-	3.04
At 31 March 2023	-	-	-	-	-	-

The Company has recognised deferred tax assets to the extent of the deferred tax liability only, in view of absence of reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. As at 31 March 2023, the Company has carried forward tax losses aggregating ₹ 6,749.71 lakhs (31 March 2022: ₹ 7,706.40 lakhs) which will be carried forward between A.Y. 2022-23 to A.Y. 2029-30. In view of absence of reasonable certainty of sufficient future taxable income being available against which such deferred tax assets can be realised, the Company has not recognised deferred tax assets in respect of brought forward losses.

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	As at 31 March 2023	As at 31 March 2022
9 Non current		
Contract assets (Refer note below (a))	-	2,456.25
Total non current contract assets	-	2,456.25
Current		
Contract assets (Refer note below (a))	2,293.54	1,502.00
Total current contract assets	2,293.54	1,502.00

Note (a):

Represents compensation receivable pursuant to litigation with a customer. The said receivable is charged and hypothecated by the Company as first pari passu security interest in favour of Debenture Trustee for debentures issued by Lavasa Corporation Limited.

	As at 31 March 2023	As at 31 March 2022
10 Other assets		
Non-current		
Capital advances	6,250.00	-
Total other non current assets	6,250.00	-
Current		
Balance with government authorities	7.59	5.44
Prepaid expenses	2.38	2.19
Advances to suppliers	3.61	15.34
Other receivables	-	0.88
Total other current assets	13.58	23.85
Total other assets	6,263.58	23.85

11 Trade receivables

Trade Receivable (Refer note 29)	1,530.00	1,245.64
Less: Loss allowance (Refer note 29)	(13.46)	(13.46)
Total trade receivables	1,516.54	1,232.18

Break-up of security details

Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	1,516.54	1,232.18
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	13.46	13.46
Total	1,530.00	1,245.64
Loss allowance	(13.46)	(13.46)
Total trade receivables	1,516.54	1,232.18

Note -(i) 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.

(ii) In previous year includes ₹ 770.65 lakhs receivable from related party.

Trade receivables ageing schedule

As at 31 March 2023	Outstanding for following periods from due date of payment						Total
	Not	Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed trade receivables considered good	79.24	486.39	-	950.91	-	-	1,516.54
ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed trade receivables - credit impaired	-	-	-	-	-	13.46	13.46
iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
v) Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed trade receivables- credit impaired	-	-	-	-	-	-	-
Total	79.24	486.39	-	950.91	-	13.46	1,530.00

As at 31 March 2022	Outstanding for following periods from due date of payment						Total
	Not	Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed trade receivables considered good	70.02	1,162.16	-	-	-	-	1,232.18
ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed trade receivables - credit impaired	-	-	-	-	-	13.46	13.46
iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
v) Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed trade receivables- credit impaired	-	-	-	-	-	-	-
Total	70.02	1,162.16	-	-	-	13.46	1,245.64

12 Cash and cash equivalents

	As at 31 March 2023	As at 31 March 2022
Balances with banks		
In current accounts	9,193.05	924.56
In deposit account (with original maturity upto 3 months)	1,420.00	1,512.59
Total cash and cash equivalents	10,613.05	2,437.15

12.1 Other bank balances

Fixed deposits with original maturity of more than three months but less than 12 months	7,093.30	-
Total other bank balances	7,093.30	-

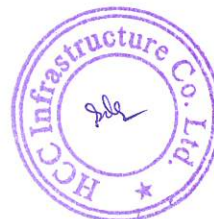


	As at 31 March 2023	As at 31 March 2022
13 Non-current assets classified as held for sale		
Investment in subsidiary i.e. Baharampore Farakka Highways Limited		
i. Deemed investment in equity share, unquoted		
Nil (31 March 2022: 44,999,900) equity shares ₹ 10 each, fully paid	-	4,499.99
Total	-	4,499.99
ii. Investments in other instruments		
Equity component of preference shares	-	17,225.30
iii. Deemed investment on fair valuation of corporate guarantee (Refer note 4.1(III))	-	550.01
Total	-	17,775.31
Total assets held for sale	-	22,275.30

Disclosure in accordance with Ind AS 105

(a) a description of the non-current asset (or disposal group)	Investment in equity shares and preference shares of Baharampore Farakka Highways Limited
(b) a description of the facts and circumstances of the sale, or leading to the expected disposal, and the expected manner and timing of that disposal;	<p>1. On 01 February 2022, HCC Concessions Limited (now merged with HCC Infrassigned a binding term sheet with Cube Highways and Infrastructure V Pte Limited for 100% equity stake sale of its subsidiary i.e. Baharampore Farakka Highways Limited ('BFHL'). Accordingly, Company's investment in BFHL aggregating ₹ 22,275.30 lakhs has been classified as held for sale as at 31 March 2022.</p> <p>2. During the current year, the share purchase agreement for sale of BFHL has been executed on 15 February 2023 and the sale transaction has been completed on 28 March 2023.</p>

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	As at 31 March 2023		As at 31 March 2022	
14 Equity share capital	Number	₹ in lakhs	Number	₹ in lakhs
Authorised share capital				
Equity shares of ₹10 each	21,70,40,000	21,704.00	21,70,40,000	21,704.00
0.001% compulsorily convertible cumulative preference share of ₹10 each	1,20,00,00,000	1,20,000.00	1,20,00,00,000	1,20,000.00
0.1% Non - Cumulative Redeemable Preference Shares of ₹10 each	10,000	1.00	10,000	1.00
Total authorised share capital	1,41,70,50,000	1,41,705.00	1,41,70,50,000	1,41,705.00
Issued, subscribed and paid up equity share capital:				
Equity shares of ₹10 each	2,50,000	25.00	2,50,000	25.00
Total issued, subscribed and paid up share capital	2,50,000	25.00	2,50,000	25.00

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	₹ In lakhs	No. of shares	₹ In lakhs
At the beginning of the year	2,50,000	25.00	2,50,000	25.00
Movement during the year	-	-	-	-
At the end of the year	2,50,000	25.00	2,50,000	25.00

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	%holding	No. of shares	%holding
Equity shares of ₹10 each fully paid				
Promoter				
Hindustan Construction Company Limited	2,50,000	100%	2,50,000	100%

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

d) Shareholding of Promoters

Shares held by promoters as at 31 March 2023

Sr No	Name of the Promoter	Number of shares	% of total shares	% change in
1	Hindustan Construction Company Limited	2,50,000	100.00	-
Total		2,50,000	100.00	-
Total number of shares issued and subscribed		2,50,000		

Shares held by promoters as at 31 March 2022

Sr No	Name of the Promoter	Number of shares	% of total shares	% change in
1	Hindustan Construction Company Limited	2,50,000	100.00	-
Total		2,50,000	100.00	-
Total number of shares issued and subscribed		2,50,000		

e) Terms / rights attached to equity shareholders:

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend, if any.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

f) Non cumulative redeemable preference shares

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

Particular	As at 31 March 2023		As at 31 March 2022	
	No. of shares	₹ In lakhs	No. of shares	₹ In lakhs
At the beginning of the year	10,000	1.00	10,000	1.00
Movement during the year	-	-	-	-
At the end of the year	10,000	1.00	10,000	1.00

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

Particular	As at 31 March 2023		As at 31 March 2022	
	No. of shares	%holding	No. of shares	%holding
HREL Real Estate Limited (HREL)	10,000	100%	10,000	100%



HCC Infrastructure Company Limited

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2023

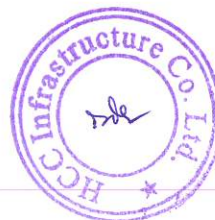
(Amounts in ₹ lakhs, unless stated otherwise)

	As at 31 March 2023	As at 31 March 2022
15 Borrowings (Non-current)		
A) Unsecured		
Inter corporate deposits from related parties (Refer note 29)	5,397.36	-
Subtotal (A)	5,397.36	-
B) Liability component of financial instruments		
Non - Cumulative Redeemable Preference Shares		
10,000 0.1% Non - Cumulative Redeemable Preference Shares of ₹10 each	1.00	1.00
Subtotal (B)	1.00	1.00
Total non current borrowings (A+B)	5,398.36	1.00

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

- The preference shares shall carry a dividend of 0.1% per annum. These are non cumulative and non convertible.
- Redemption of preference shares would be done as decided by the Board of Directors of the Company at any time after the period of 6 (six) months and prior to the period of 20 (twenty) years from the date of issue of preference shares.
- The preference shares shall have no voting rights.
- The Preference Shares will not be listed on any Stock Exchanges unless required by any extant regulations.
- In the event of liquidation of the Company before conversion/ redemption of 0.1% Non-cumulative redeemable preference shares, the holders of 0.1% Non-cumulative redeemable preference shares will have priority over equity shares in the payment of dividend and repayment of capital.

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15.1 Notes on borrowings:

(a) Net debt reconciliation

Particulars	As at 31 March 2023	As at 31 March 2022
(A) Current Borrowings (including interest accrued)	-	13,167.48
(B) Non-current borrowings (including interest accrued)	10,756.93	1.00
(C) Cash and cash equivalents	10,613.05	2,437.15
Net debt (D) = (A)+(B)-(C)	143.88	10,731.33

Particulars	Liabilities from financing activities		Other assets	Total (D) = (A)+(B)-(C)
	Non-current borrowings (A)	Current Borrowings (B)	Cash and cash equivalents (C)	
Net debt as at 1 April 2021	1.00	47,691.04	33.80	47,658.24
Impact of business combination	-	(4,882.21)	241.73	(5,123.94)
Cash flows (net)	-	-	2,161.62	(2,161.62)
Repayment of current borrowings	-	(19,862.79)	-	(19,862.79)
Gain on one-time settlement of debt	-	(10,609.90)	-	(10,609.90)
Interest expense	-	2,058.12	-	2,058.12
Interest paid	-	(1,226.78)	-	(1,226.78)
Net debt as at 31 March 2022	1.00	13,167.48	2,437.15	10,731.33
Net debt as at 1 April 2022	1.00	13,167.48	2,437.15	10,731.33
Cash flows (net)	-	-	8,175.90	(8,175.90)
Repayment of current borrowings	-	(987.17)	-	(987.17)
Loans given netted off against borrowing	-	(2,173.93)	-	(2,173.93)
Reclassification	10,755.93	(10,755.93)	-	-
Interest expense	-	832.84	-	832.84
Interest paid	-	(83.29)	-	(83.29)
Net debt as at 31 March 2023	10,756.93	0.00	10,613.05	143.88

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	As at 31 March 2023	As at 31 March 2022
16 Other financial liabilities		
Non-current		
Financial guarantee liabilities (Refer note 29)	253.57	289.78
Interest on Inter corporate deposits from related parties (Refer note 29)	5,358.58	-
Total non-current financial liabilities	5,612.15	289.78
Current		
Interest accrued on inter corporate deposits from related parties (Refer note 29)	-	4,609.03
Financial guarantee liabilities (Refer note 29)	36.18	36.09
Security deposit	453.00	-
Others		
- Payable to related parties (Refer note 29)	299.95	292.51
- Employee related payables	72.92	68.07
- Other liabilities	294.64	334.35
Total current financial liabilities	1,156.69	5,340.05
Total financial liabilities	6,768.84	5,629.83
17 Provisions		
Non-current		
Provision for employee benefits (Refer Note 34)		
- Gratuity	52.33	41.43
Total non-current provisions	52.33	41.43
Current		
Provision for employee benefits (Refer Note 34)		
- Gratuity	2.25	2.00
- Compensated absences	29.03	33.00
Total current provisions	31.28	35.00
Total provisions	83.61	76.43
18 Borrowings		
Unsecured		
Inter corporate deposits from related parties* (Refer note 29)	-	8,558.45
Total current borrowings	-	8,558.45

*Inter corporate deposits taken from related parties at an effective interest rate of 11.00% p.a. and are repayable on demand. The loan has been fully repaid during the current year.

19 Trade payables		
- total outstanding dues of micro enterprises and small enterprises (Refer note below)	-	0.87
- total outstanding dues of creditors other than micro enterprises and small enterprises		
(i) Related parties (Refer note 29)	0.22	0.22
(ii) Others	559.35	104.46
Total trade payables	559.57	105.55

Note:**Dues to Micro and Small Enterprises:**

The dues to micro and small enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the Company is given below:

(a) The principal amount and the interest due thereon remaining unpaid to supplier as at the end of year:		
-Principal amount due to micro and small enterprises	-	0.79
-interest due	-	0.08
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year		
(c) The amount of interest due and payable for the year	-	0.01
(d) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	0.07
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

The figures for the year ending 31 March 2023 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.

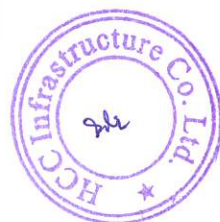
Trade Payable Ageing Schedule

As at 31 March 2023	Outstanding for following periods from due date of payment						Total
	Not due	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-	-	-
Others	-	31.62	502.72	8.30	0.33	16.60	559.57
Disputed-MSME	-	-	-	-	-	-	-
Disputed-Others	-	-	-	-	-	-	-
Total	-	31.62	502.72	8.30	0.33	16.60	559.57

As at 31 March 2022	Outstanding for following periods from due date of payment						Total
	Not due	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	0.87	-	-	-	0.87
Others	-	0.99	80.31	6.09	16.27	1.02	104.68
Disputed-MSME	-	-	-	-	-	-	-
Disputed-Others	-	-	-	-	-	-	-
Total	-	0.99	81.18	6.09	16.27	1.02	105.55

20 Other current liabilities
 Statutory dues payables
Total other current liabilities

	163.14	676.74
Total	163.14	676.74



(Amounts in ₹ lakhs, unless stated otherwise)

	Year ended 31 March 2023	Year ended 31 March 2022
21 Revenue from operations		
a) Sale of products and services:		
- Sale of goods	-	641.11
- Management fees	357.10	360.00
- Royalty income	537.82	1,273.57
- Claim income from an erstwhile subsidiary	-	2,281.83
	894.92	4,556.51
Other operating revenue		
Liability no longer payable written back	19.67	1,703.71
Total revenue from operations	914.59	6,260.22
22 Other income		
Interest income	753.56	746.21
Reversal of		
-financial guarantee given for other companies	-	497.74
-loss allowance (net) (Refer note 29)	3,450.30	-
-penal charges on borrowing cost	-	405.00
Other non-operating income		
Gain on sale of current investment	-	7.21
others	33.63	-
Total other income	4,237.49	1,656.16
23 Purchase of stock-in-trade	-	600.09
24 Employee benefits expense		
Salaries and wages	541.32	482.36
Contribution to provident funds and other funds (Refer note 34)	25.28	22.41
Staff welfare	2.01	1.59
Total employee benefits expense	568.60	506.36
25 Finance costs		
Interest expense on:		
- term loans	-	1,134.40
- inter corporate deposits (Refer note 29)	832.84	923.72
- others	-	3.72
Other borrowing costs:		
- Guarantee commission	-	32.63
- Interest on delayed payment of statutory dues and others	66.07	102.25
Total finance costs	898.91	2,196.72

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	Year ended 31 March 2023	Year ended 31 March 2022
26 Other expenses		
Legal and professional	767.98	394.33
Rent (Refer note 26.3 below)	54.00	54.00
Travelling expenses	37.61	28.94
Director sitting fees (Refer note 29 and note 26.3)	3.00	2.00
Stationery, postage, telephone and fax	4.80	4.84
Rates and taxes	9.55	1.97
Security expenses	8.72	8.43
Loss allowances	-	4,469.91
Auditor remuneration:		
- Statutory audit fees	25.50	14.00
- Limited review fees	9.00	9.00
- Others	3.55	8.89
Insurance charges	6.53	4.08
Housekeeping and maintenance	4.09	4.09
Other receivable written off	512.50	-
Miscellaneous	34.71	9.87
Total other expenses	1,481.54	5,014.35

26.1 The Company is not liable to incur any expenses on CSR as per section 135 of the Companies Act, 2013.

26.2 It pertains to sitting fees paid to Directors of erstwhile subsidiary companies merged with the Company.

26.3 The Company has elected not to recognise a Right of use asset for short term leases (leases of expected term of 12 months or less). Payments made under such leases are expensed on a straight-line basis.

The Company has entered into operating lease agreements for office facility and such lease is cancellable in nature. Lease rent expense recognised in the Statement of profit and loss for the year ended 31 March 2023 in respect of operating lease is ₹ 54.00 lakhs (31 March 2022: 54.00 lakhs)

The expense relating to payments not included in the measurement of the lease liability is as follows:

Breakdown of lease expenses	Year ended 31 March 2023	Year ended 31 March 2022
Short-term lease expenses	54.00	54.00
Total lease expenses	54.00	54.00

27 Exceptional Items

Gain on sale of investment in subsidiary (Refer note 27.1)	(15,123.79)	-
Gain on recognition of receivables from an erstwhile subsidiary (Refer note 27.2 below)	-	(35,453.70)
Reversal of impairment allowance on Investment	-	(614.47)
Reversal of impairment allowance of financial assets (Refer note 29)	-	(96.25)
Gain on one-time settlement of debt (Refer note 27.3 below)	-	(10,609.90)
Total exceptional expenses	(15,123.79)	(46,774.32)

Note :

27.1 During the current year, the Company has completed its 100% stake sale in BFHL to Cube Highways and Infrastructure V Pte Limited ('Cube') for a consideration of ₹ 37,399.00 lakhs which has resultant in a gain of ₹ 15,123.79 lakhs.

27.2 On 22 September 2020, HCON completed the 100% stake sale of its erstwhile subsidiary i.e. FRHL to Cube Highways II Pte. Ltd. ('Cube'). Pursuant to the above sale, HCON received ₹ 10,434.61 lakhs towards consideration for sale of equity shares. Additionally, as part of the agreement with Cube, HCON continued to remain entitled to its share of proceeds from settlement with NHAI, earn-outs (contingent on traffic/ revenue projections) and royalty representing revenue share from FRHL over the concessions period. On 30 March 2021, FRHL entered into a settlement agreement with NHAI for comprehensive closure of all outstanding disputes in respect of the claims filed on NHAI with respect to FRHL project. However, in view of certain existing uncertainties and pending condition precedents, HCON's share of proceeds from above mentioned settlement and royalty income from FRHL was unascertainable and consequently was not recognised by HCON in the financial statements as at 31 March 2021.

During the year, material condition precedents have been fulfilled and uncertainties towards estimation and realisability of its share of settlement proceeds with NHAI, royalty income from FRHL and interest on holdback amounting to ₹ 31,256.47 lakhs, ₹ 2,396.91 lakhs and ₹ 1,800.32 lakhs, respectively, no longer exists. Accordingly, HCON has recognised the aforementioned receivables aggregating ₹ 35,453.70 lakhs in these financial statements. Considering the nature and materiality of amounts, the same has been presented under exceptional items in the financial statements for the year ended 31 March 2022.

27.3 Pursuant to an one-time settlement between HICL along with its subsidiaries namely HCC Power Limited, HCC Operations and Maintenance Limited and Dhule Palesar Operation and Maintenance Limited with its lenders, the total outstanding debt (including interest thereon) aggregating ₹ 37,109.90 lakhs was settled for ₹ 26,500 lakhs. The settlement amount has been fully repaid during the previous year and the resultant gain of ₹ 10,609.90 crore has been recognised and presented as an exceptional item.

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HCC Infrastructure Company Limited

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and (Amounts are in ₹ lakhs, unless stated otherwise)

Note 27.4

Particular	Formula for computation	Measure (In times/ percentage)	As at and for the year ended 31 March 2023	As at and for the year ended 31 March 2022
Current ratio	Current Asset / Current Liabilities	Times	11.02	1.86
Debt-Equity ratio	Debt/Net worth	Times	0.13	0.24
Debt Service Coverage ratio	Earnings before interest, depreciation and amortisation, exceptional items and tax) / (Interest on debt* for the period/ year + Principal repayment of long term debt* and lease liabilities within one year	Times	N.A	4.02
Return on Equity ratio	Profit after tax / Net worth	Percentage	0.44	1.80
Inventory Turnover Ratio	Not applicable	Times	N.A.	N.A.
Trade Receivables turnover ratio	Revenue from operations/ Average trade receivables	Times	0.65	7.22
Trade payables turnover ratio	Not applicable	Times	N.A.	N.A.
Net capital turnover ratio	Revenue from operations / Working capital	Times	0.06	(0.25)
Net profit ratio	Profit after tax / Revenue from operations	Percentage	19.20	9.90
Return on Capital employed (ROCE)	EBIT / Capital employed	Percentage	0.41	1.93
Return on Investment (ROI)	Not applicable	Percentage	N.A.	N.A.

Notes:

1. Debt* = Non-current borrowings + Current borrowings
2. Net worth = Equity Share Capital + other equity less capital reserves)
3. EBITDA = Earnings before interest*, depreciation and amortisation, exceptional items and tax
4. Working Capital = Current assets - Current liabilities
5. EBIT = Earnings before interest and tax and exceptional items
6. Capital employed = Total equity + Non-current borrowings
7. Current assets include non current assets held for sale

Disclosure of change in ratio by more than 25%

Particular	% Variance in ratio between 31 March 2023 and 31 March 2022	Reason for Variance in excess of 25%
Current ratio	491.07%	Owing to increase in cash and cash equivalent balances and decrease in liabilities of inter corporate deposits
Debt-Equity ratio	-44.79%	Owing to increase in networth and decrease in debt
Debt Service Coverage ratio	100.00%	No principal repayment and interest payable within next 12 months
Return on Equity ratio	-75.49%	Owing to decrease in revenue and gain from exceptional gain in current year.
Inventory Turnover Ratio	N.A. N.A	
Trade Receivables turnover ratio	-90.99%	Owing to decrease in revenue
Trade payables turnover ratio	N.A. N.A	
Net capital turnover ratio	-122.44%	Owing to decrease in revenue and decrease in working capital
Net profit ratio	93.88%	Owing to decrease in revenue and increase in profit
Return on Capital employed (ROCE)	-78.82%	Owing to decrease in EBIT and increase in capital employed
Return on Investment (ROI)	N.A. N.A	

Note: Since the change in ratio is less than 25%, no explanation is required to be disclosed.

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HCC Infrastructure Company Limited

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2023

(Amounts are in ₹ lakhs, unless stated otherwise)

28 Contingent liabilities and commitments

	As at 31 March 2023	As at 31 March 2022
(A) Contingent liabilities		
(i) Corporate guarantees given on behalf of other companies	18,387.00	18,387.00
(ii) Income tax liability that may arise in respect of which the Company is in appeals	931.56	931.56
(iii) Claims against the company not acknowledged as debts	-	1,395.04
(B) Other commitments		
(i) The Company has given a comfort letter to the Asset Care & Reconstruction Enterprises Limited (ACRE) on behalf of its holding company – Hindustan Construction Company Limited where the Company has agreed to pay the third party if there is any shortfall in payments of HCC's liability. Total HCC's liability payable to ACRE amounts to ₹12,283.64 lakhs. The Company has also agreed to pay the shortfall amount from proceeds of arbitration of its project in downstream joint ventures - Farakka Raiganj Highways Limited and Raiganj Dalkhola Highways Limited.		
(ii) The Company as 31 March 2023 has issued Corporate guarantees to other companies ₹ 18,387 lakhs (31 March 2022: 18,387 lakhs)		

29 Disclosure in accordance with Ind AS 24 Related Party Transactions

i) Names of related parties and nature of relationship

A) Holding Company

Hindustan Construction Company Limited (HCC)

B) Subsidiaries

HCC Operation and Maintenance Limited
Narmada Bridge Tollway Limited
Badarpur Faridabad Tollway Limited
Baharampore-Farakka Highways Limited (upto 28 March 2023)
Raiganj-Dalkhola Highways Limited

Country of incorporation	Company's holding as at (%)	
	31 March 2023	31 March 2022
India	100.00%	100.00%
India	100.00%	100.00%
India	100.00%	100.00%
India	-	100.00%
India	90.00%	90.00%

C) Fellow subsidiaries (with whom transactions have taken place during the year)

HREL Real Estate Limited
Steiner India Limited
Western Securities Limited

India	-	-
India	-	-
India	-	-

D) Key Management Personnel

Mr. Arjun Dhawan
Mr. Santosh Kumar Rai
Mr. Jaspreet Singh Bhullar (with effect from 11 May 2022)
Mr. Aditya Pratap Jain (upto 11 March 2023)
Mr. Aniruddha Singh
Mr. Kiran Kakkar (upto 09 March 2023)

Director
Director
Director
Director
Chief Financial Officer (CFO)



II) Transactions with related parties :

		Year ended 31 March 2023	Year ended 31 March 2022
Sale of goods		-	641.11
Baharampore-Farakka Highways Limited	Subsidiary	-	641.11
Management Fees		357.10	360.00
Baharampore-Farakka Highways Limited	Subsidiary	357.10	360.00
Rent paid		54.00	54.00
Hindustan Construction Company Limited	Holding company	54.00	54.00
Professional Fees		-	67.50
Hindustan Construction Company Limited	Holding company	-	67.50
Interest expenses on inter corporate deposit		832.84	923.73
HCC Operations and Maintenance Limited	Subsidiary	832.84	923.73
Interest income on inter corporate deposit given		341.77	179.41
HCC Operations and Maintenance Limited	Subsidiary	194.76	159.03
Baharampore Farakka Highways Limited	Subsidiary	37.98	20.38
Raiganj-Dalkhola Highways Limited	Subsidiary	109.03	-
Repayment of Inter corporate deposit taken		987.17	2,435.00
Hindustan Construction Company Limited	Holding company	987.17	700.00
HCC Operations and Maintenance Limited	Subsidiary	-	1,665.00
Western Securities Limited	Fellow Subsidiary	-	70.00
Repayment of deemed capital contribution		12,012.87	-
Hindustan Construction Company Limited	Holding company	12,012.87	-
Inter corporate deposit given		6,446.97	579.07
HCC Operations and Maintenance Limited	Subsidiary	-	389.34
Raiganj Dalkhola Highways Limited	Subsidiary	6,046.97	-
Baharampore Farakka Highways Limited	Subsidiary	400.00	-
Steiner India Limited	Fellow Subsidiary	-	189.73
Inter corporate deposit given recovered		189.73	-
Steiner India Limited	Fellow Subsidiary	189.73	-
Interest income on unwinding corporate guarantee		36.12	61.79
HCC Operations and Maintenance Limited	Subsidiary	-	25.74
Baharampore-Farakka Highways Limited	Subsidiary	36.12	36.05
Guarantee commission		-	32.63
HREL Real Estate Limited	Fellow Subsidiary	-	32.63
Loss allowances		93.53	2,808.09
Narmada Bridge Tollway Limited	Subsidiary	93.53	13.79
HCC Operations and Maintenance Limited	Subsidiary	-	2,794.30
Reversal of loss allowance		2,794.30	20.01
Badarpur Faridabad Tollway Limited		-	20.01
HCC Operations and Maintenance Limited	Subsidiary	2,794.30	-
Reversal of impairment allowance		-	614.47
Badarpur Faridabad Tollway Limited	Subsidiary	-	614.47
Reversal of impairment allowance of financial assets		-	96.25
Badarpur Faridabad Tollway Limited	Subsidiary	-	96.25
Remuneration to KMP		45.23	35.68
Kiran Kakkar*	Chief Financial Officer	45.23	35.68
Director Sitting Fees **		3.00	2.00
Manish Khanna	Independent Director	1.50	2.00
Chandrabhas Zaveri	Independent Director	1.50	-



III) Outstanding as at year end		As at 31 March 2023	As at 31 March 2022
Interest accrued and due on intercorporate deposit given		161.97	343.11
HCC Operations and Maintenance Limited	Subsidiary	-	228.19
Baharampore Farakka Highways Limited	Subsidiary	-	51.08
Raiganj Dalkhola Highways Limited	Subsidiary	161.97	63.83
Impairment allowance on Interest accrued and due on intercorporate deposit given		-	222.70
HCC Operations and Maintenance Limited	Subsidiary	-	222.70
Interest accrued and due on intercorporate deposit taken		5,358.58	4,609.01
HCC Operations and Maintenance Limited	Subsidiary	5,358.58	4,609.01
Intercorporate deposit taken		5,397.36	8,558.44
Hindustan Construction Company Limited	Holding Company	-	987.13
HCC Operations and Maintenance Limited	Subsidiary	5,397.36	7,571.32
Trade payables : related party		0.22	0.22
HCC Operations and Maintenance Limited	Subsidiary	0.13	0.13
Manish Kumar Khanna		0.05	0.05
Chandras Vinod Zaveri		0.05	0.05
Intercorporate deposit given		7,611.08	3,692.26
Raiganj-Dalkhola Highways Limited	Subsidiary	6,046.97	-
HCC Operations and Maintenance Limited	Subsidiary	-	1,770.45
Baharampore Farakka Highways Limited	Subsidiary	-	168.00
HREL Real Estate Limited [^]	Fellow Subsidiary	1,564.11	1,564.08
Steiner India Limited	Fellow Subsidiary	-	189.73
Impairment allowance on Intercorporate deposits given		1,564.11	3,145.21
HCC Operations and Maintenance Limited	Subsidiary	-	1,581.14
HREL Real Estate Limited [^]	Fellow Subsidiary	1,564.11	1,564.08
Other payables		299.95	292.51
Hindustan Construction Company Limited	Holding Company	299.95	237.55
HCC Operations and Maintenance Limited	Subsidiary	-	54.96
Other receivables		3,193.89	2,906.76
Raiganj-Dalkhola Highways Limited	Subsidiary	1,846.62	1,837.87
Narmada Bridge Tollway Limited	Subsidiary	-	13.79
Baharampore-Farakka Highways Limited	Subsidiary	-	51.81
HCC Operations and Maintenance Limited	Subsidiary	1,347.27	1,003.29
Impairment allowance on other receivable		0.25	1,004.51
Narmada Bridge Tollway Limited	Subsidiary	-	13.79
Badarpur Faridabad Tollway Limited	Subsidiary	0.25	0.25
HCC Operations and Maintenance Limited	Subsidiary	-	990.46
Corporate guarantees given by the Company		-	325.87
Baharampore Farakka Highways Limited	Subsidiary	-	325.87
Debt component of compound financial instruments		1.00	1.00
HREL Real Estate Limited	Fellow Subsidiary	1.00	1.00
Advances towards purchase of investment		300.00	300.01
Hindustan Construction Company Limited	Holding company	300.00	300.01
Trade receivables		13.46	965.05
Baharampore Farakka Highway Limited	Subsidiary	-	951.59
Lavasa Corporation Limited [^]	Fellow Subsidiary	13.46	13.46
Impairment allowance on trade receivables		13.46	13.46
Lavasa Corporation Limited [^]	Fellow Subsidiary	13.46	13.46
Corporate guarantees given		-	18,387.00
Baharampore-Farakka Highways Limited	Subsidiary	-	18,387.00

[^] The balances have been fully provided for during the year.^{^^} The balances have been partially provided for during the year.^{*} KMP in erstwhile subsidiary which is merged with the company during the current year w.e.f. 1 April 2021.^{**} Director in erstwhile subsidiary which is merged with the company during the current year w.e.f. 1 April 2021.

Refer note 15 for security given by related party



30 Earning per share:

Profit computation for basic earnings per share of ₹10 each

		Year ended 31 March 2023	Year ended 31 March 2022
A. Profit as per the statement of profit and loss available for equity shareholders	(₹ lakhs)	17,181.15	45,119.11
B. Weighted average number of equity shares for earning per share computation	(Nos.)	2,50,000	2,50,000
C. Profit per share - basic	(₹)	6,872.46	18,047.64
D. Profit per share - diluted	(₹)	6,872.46	18,047.64

31 Financial Instruments**A. Financial Instruments by category**

The carrying value and the fair value of financial instruments by each category as at 31 March 2023:

Particulars	Refer note	Amortised cost	Fair value through profit or loss	Fair value through OCI	Total carrying value	Total fair value
Assets						
Loans	6	6,614.94	-	-	6,614.94	6,614.94
Investments in subsidiaries	4	13,425.00	-	-	13,425.00	13,425.00
Trade receivables	11	1,516.54	-	-	1,516.54	1,516.54
Cash and cash equivalents	12	10,613.05	-	-	10,613.05	10,613.05
Bank balances other than cash and cash equivalents	12.1	7,093.30	-	-	7,093.30	7,093.30
Other financial assets	7	3,774.47	-	-	3,774.47	3,774.47
Liabilities						
Borrowings	15,18	5,398.36	-	-	5,398.36	5,398.36
Trade payables	19	559.57	-	-	559.57	559.57
Other financial liabilities	16	6,768.83	-	-	6,768.83	6,768.83

The carrying value and the fair value of financial instruments by each category as at 31 March 2022:

Particulars	Refer note	Amortised cost	Fair value through profit or loss	Fair value through OCI	Total carrying value	Total fair value
Assets						
Loans	6	547.06	-	-	547.06	547.06
Investments	4,5	13,518.53	1,546.49	-	15,065.01	15,065.01
Trade receivables	11	1,232.18	-	-	1,232.18	1,232.18
Cash and cash equivalents	12	2,437.15	-	-	2,437.15	2,437.15
Other financial assets	7	2,329.81	-	-	2,329.81	2,329.81
Liabilities						
Borrowings	15,18	8,559.45	-	-	8,559.45	8,559.45
Trade payables	19	105.55	-	-	105.55	105.55
Other financial liabilities	16	5,629.84	-	-	5,629.84	5,629.84

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 2023			31 March 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Investments in equity shares (unquoted)	-	-	-	-	-	-
Investments in debentures (unquoted)	-	-	-	-	-	1,546.49

32 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

The Company does not have any floating rate of borrowings and consequently the Company is not exposed to interest rate risk



b Foreign currency risk

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

c Equity price risk

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

ii Credit risk

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

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

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

Particulars	Year ended 31 March 2023 (%)	Year ended 31 March 2022 (%)
Revenue from government promoted agencies	-	-
Revenue from others	100.00	100.00
	100.00	100.00

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from top customer	537.82	2,281.83
Revenue from top five customers	894.92	4,556.51

For the year ended 31 March 2023, only one (1) [31 March 2022: one (1)] customer accounted for more than 10% of the revenue.

iii Liquidity risk

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

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

As at 31 March 2023

Particulars	Contractual Cash flow					Total
	On demand	0-12 Months	1-3 years	3-5 years	Above 5 years	
Borrowings	-	-	5,397.36	-	1.00	5,398.36
Trade payables	-	559.57	-	-	-	559.57
Other financial liabilities	-	1,156.69	5,430.95	72.67	108.55	6,768.86
Total	-	1,716.26	10,828.31	72.67	109.55	12,726.79

As at 31 March 2022

Particulars	Contractual Cash flow					Total
	On demand	0-12 Months	1-3 years	3-5 years	Above 5 years	
Borrowings	8,558.45	-	-	-	1.00	8,559.45
Trade payables	-	105.55	-	-	-	105.55
Other financial liabilities	4,609.03	731.03	72.46	72.36	144.96	5,629.84
Total	13,167.48	836.58	72.46	72.36	145.96	14,294.84

33 Capital management

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

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

	As at 31 March 2023 ₹ lakhs	As at 31 March 2022 ₹ lakhs
Total debt (excluding interest accrued) (A)	5,358.58	8,558.45
Total equity (B)	41,551.94	36,371.59
Total debt to equity ratio C= (A/B)	0.13	0.24

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



34 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 2023	As at 31 March 2022
a) Change in defined benefit obligations		
Present value of obligation as at the beginning of the year	43.43	60.03
Current service cost	5.32	5.03
Interest expenses	3.11	2.92
Benefits paid	(9.35)	(24.26)
Remeasurements - net actuarial (gains)/ losses	12.07	(0.29)
Present value of obligation as at the end of the year	54.58	43.43
b) Expenses recognised in the Statement of Profit and Loss		
Current service cost	5.32	5.03
Net interest cost	3.11	2.92
Total	8.43	7.95
c) Remeasurement (gains)/ losses recognised in OCI		
Actuarial loss / (gain) arising on account of demographic assumptions	-	(0.02)
Actuarial changes arising from changes in financial assumptions	6.79	(1.06)
Experience adjustments	5.29	0.79
Total	12.07	(0.29)
d) Actuarial assumptions:		
Discount rate	7.47% p.a.	7.15% p.a.
Rate of increase of compensation levels	8.00%	6.00%
Expected average remaining working lives of employees	11.00	11.00
Mortality table	Indian assured lives mortality (2012-14) urban	Indian assured lives mortality (2012-14) urban

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

	As at 31 March 2023	As at 31 March 2022
	1% increase	
i. Discount rate	(4.17)	(3.39)
ii. Salary escalation rate - over a long-term	4.67	3.32
iii. Attrition rate	(0.18)	0.38
	1% decrease	
i. Discount rate	4.74	3.86
ii. Salary escalation rate - over a long-term	(4.18)	(3.06)
iii. Attrition rate	0.20	(0.43)

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other actuarial assumptions constant. The significant actuarial assumptions are discount rate and salary escalation rate.

f) Maturity analysis of defined benefit obligation

Within the next 12 months	2.25	2.00
Between 2 and 5 years	14.37	12.80
Between 6 and 10 years	23.18	18.35
Sum of Years 11 and above	73.40	54.48
Total expected payments	113.20	87.64

B Defined contribution plans

Amount recognised as an expense and included in note 24, Contribution to provident and other funds amounted to ₹ 25.28 lakhs (31 March 2022 ₹ 22.41 lakhs)

Superannuation fund	7.58	6.32
Pension fund	13.17	11.61
Employee's provident fund	4.53	4.48
	25.28	22.41

C Current/ non-current classification**Gratuity**

Current	2.25	2.00
Non-current	52.33	41.43
	54.58	43.43

Compensated absences (including sick leave)

Current	29.03	33.00
Non-current	-	-
	29.03	33.00



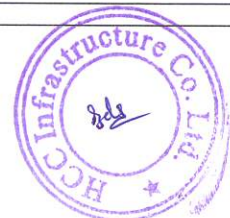
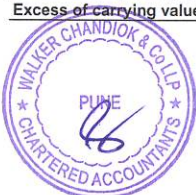
35 The Company is principally engaged in a single business segment viz. "Infrastructure development". The Company is primarily operating in India which is considered to be as a single geographical segment. Also, refer note 32 for information on revenue from major customers.

36 **Business combination**

The Board of Directors of the Company on 18 November 2021 approved a scheme of merger ('the Scheme') of HCC Concessions Ltd ('First Transferor Company' or 'HCON'), HCC Power Ltd ('Second Transferor Company' or 'HPL'), HCC Energy Limited ('Third Transferor Company' or 'HEL') and Dhule Palesnar Operation & Maintenance Ltd ('Fourth Transferor Company' or 'DPOML') (collectively together hereinafter referred to as 'Transferor Companies') with the Company under Section 230 to 232 of the Companies Act, 2013 and other applicable statutory provisions. The Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') has approved the aforesaid Scheme vide its order dated 09 February 2023 with 01 April 2021 as the 'Appointed Date'. The aforesaid merger has been given accounting effect from the beginning of the preceding period, being 1 April 2021, by restating comparative financial information included in the accompanying financial statements, in accordance with the accounting prescribed in the approved Scheme and Appendix C of Ind AS 103, Business Combinations.

Below is the summary information for the impact of merger:

Particulars	Amount as at 31 March 2022 as reported earlier	Amount as at 31 March 2022 restated due to merger
Revenue	2,344.81	6,260.22
Profit before tax	3,363.99	46,356.56
Other equity	41,866.00	36,346.59
Total assets	96,408.02	51,443.88
Summary of assets and liabilities assumed as at 01 April 2021 is given below:		
Investment eliminated		(₹ lakhs)
Particulars	Amount	
Value of investments in Transferor Companies		1,09,000.29
Total		1,09,000.29
Consolidated net amount of assets and liabilities		
Particulars	Amount	
Assets		
Non-Current Assets		
Property, plant and equipment		3.08
Financial assets		
Investments in subsidiaries		35,793.82
Other Investments		21,706.16
Loans		59,114.12
Other financial assets		860.52
Other non-current assets		56.14
Income tax assets (net)		1,774.37
Total non-current assets (A)		1,19,308.21
Current Assets		
Financial assets		
Trade receivables		29.30
Cash and cash equivalents		241.73
Bank balances other than cash and cash equivalents		2,923.96
Other financial assets		20,413.64
Other current assets		207.79
Total current assets (B)		23,816.42
Total assets (C=A+B)		1,43,124.63
Equity and liabilities		
Equity		
Other equity		
Deemed capital contribution		72.62
Retained earnings		(56,204.32)
Total equity (D)		(56,131.70)
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings		8,450.32
Other financial liabilities		774.03
Provisions		40.66
Total non-current liabilities (E)		9,265.01
Current Liabilities		
Financial liabilities		
Borrowings		31,266.39
Trade payables		
- total outstanding dues of micro enterprises and small enterprises		0.08
- total outstanding dues of creditors other than micro enterprises and small enterprises		1,147.71
Other financial liabilities		47,263.87
Other current liabilities		412.09
Provisions		79.76
Total current liabilities (F)		80,169.91
Total liabilities (G=E+F)		89,434.91
Total equity and liabilities (H=G+D)		33,303.21
Net assets acquired (after excluding share capital and deemed capital contribution) (I=C-H)		1,09,821.42
Excess of carrying value of net assets acquired over equity interest previously held, transferred to capital reserve		(821.13)



37 Other Statutory Information

- a) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- b) The Company do not have any transactions with companies struck off.
- c) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period
- d) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- e) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- f) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- g) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- h) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- i) The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- j) The Company has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.

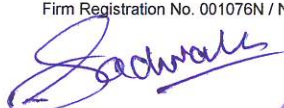
- 38 The Company had evaluated all the subsequent events through 17 May 2023 which is the date on which these financial statements were issued. There have been no significant events affecting the company since year end.

- 39 Previous years figures have been regrouped/reclassified/recasted wherever necessary including to conform current period classification in order to comply with the requirements of amended schedule III to the companies act 2013 effective 1 April 2022.

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

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

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



Shashi Tadwalkar
Partner
Membership No.: 101797

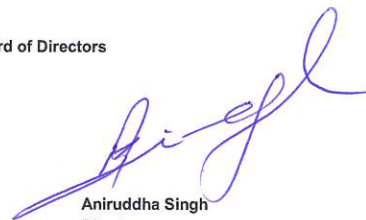


Place: Mumbai
Date: 17 May 2023

For and on behalf of the Board of Directors



Santosh Kumar Rai
Director
DIN No. : 08766113



Aniruddha Singh
Director
DIN No. : 06505479

Place: Mumbai
Date: 17 May 2023

