Annual Report 2019-20

HCC

Contents

Highlights 2019-20

- Turnover: ₹3643.64 crore in FY20 vs. ₹4603.49 crore in FY19
- EBITDA margin (excluding Other Income) was 12.7% in FY20 vs. 12.8% in FY19
- Net Loss of ₹168.7 crore compared to Loss of ₹1925.6 crore in FY19
- Infusions of liquidity in FY20: ₹348 crore arbitration award collections
- Senior lenders approved carve out ~₹2,800 crore of Debt along with pool of Awards/Claims, to address Company's asset-liability mismatch
- Supreme Court struck down Section 87 of Arbitration and Conciliation (Amendment) Act, 1996, on Nov 27, 2019, freeing HCC to execute awards of ₹1,584 crore
- CCEA amendment circular dt. Nov 20, 2019 to help accelerate realization of arbitral awards; Govt. agencies to take the opinion of Law Officer before challenging arbitral awards and requiring a refund of BGs given for interest component (~₹850 crore in HCC's case)
- Conciliations of Awards/Claims of ~Rs.5,000 crore underway with NHAI
- Robust free cash flow generation by BOT assets with Baharampore Farakka Highways Ltd. and Farakka Raiganj Highways Ltd. growing their turnover to ₹144.7 crore and ₹167.1 crore in FY20
- Steiner AG reported a net profit of CHF 28.04 million (₹202 crore) on back of robust operational performance

HCC'S MAJOR PROJECTS

- ☐ Completed projects
- ● Projects in progress
- ▲ New projects
- ✶ BOT projects

ANDHRA PRADESH

- ☐ Cavern for Crude Oil Storage, Vishakhapatnam
- ☐ Godavari Barrage at Rajahmundry
- ☐ Godavari Railway Bridge
- ☐ Polavaram - Right Main Canal
- ● Tata Memorial Centre, Hospital
- ☐ Vizag Monolith, West Wall Protection

ARUNACHAL PRADESH

- ☐ Pare Hydro Power Project

ASSAM

- ☐ Bogibeel Rail-cum-Road Bridge
- ☐ Brahmaputra Bridge
- ● NH-37 - Numaligarh to Jorhat Highway
- ☐ NH-54 - Maibang to Nirmbanglo Highway

BIHAR

- ☐ Ganga Bridge at Mokameh
- ☐ Munger Rail-cum-Road Bridge
- ☐ Muzaffarpur Thermal Power Plant
- ☐ Sone Barrage
- ☐ Sone Bridge

CHATTISGARH

- ☐ Bhilai Steel Plant

DELHI

- ✶ Delhi Faridabad Elevated Expressway
- ☐ DMRC - Airport Metro Express Line
- ☐ DMRC - Dwarka to Najafgarh
- ☐ DMRC - Janakpuri West to Palam Station
- ▲ DMRC - Janakpuri West to RK Ashram Corridor
- ☐ DMRC - Netaji Subhash Place to Shalimar Bagh
- ☐ DMRC - Vishwa Vidyalaya to ISBT
- ● Flyover linking existing Munirka flyover to Army RR Hospital

GOA

- ☐ Goa Barge Berth at Marmugoa

GUJARAT

- ☐ Kachchh Branch Canal
- ☐ Kakrapar Atomic Power Project
- ☐ Kalol Mehsana Gas Pipeline
- ☐ Mehsana to Palanpur Highway
- ☐ Saurashtra Branch Canal
- ☐ Swarnim Gujarat Kutch Water Grid

HARYANA

- ☐ Hathnikund Barrage
- ☐ Panipat Chimney

HIMACHAL PRADESH

- ☐ Chamera Hydro Power Project, Stage I
- ☐ Chamera Hydro Power Project, Stage III
- ☐ Kashang Hydro Power Project
- ☐ Nathpa Jhakri Hydro Power Project
- ☐ Sainj Hydro Power Project
- ● Sawra Kuddu HRT

JAMMU & KASHMIR

- ● Access Road Tunnel to Sawalkote Hydro Power Project
- ● AnjiKhad Cable Stayed bridge
- ● Tunnel T13
- ☐ Kishanganga Hydro Power Project
- ☐ Mughal Road
- ☐ Pir Panjal Tunnel
- ● Ramban Banihal Highway
- ☐ Salal Hydro Power Project
- ● T 49 Tunnel - Dharam-Qazigund
- ☐ Uri-II Hydro Power Project

JHARKHAND

- ☐ Chandil Dam
- ☐ Grand Trunk Road Improvement Project

KARNATAKA

- ☐ Bangalore Metro Reach 5, Package 3
- ☐ Cavern for Crude Oil Storage, Padur
- ● Yettinahole Project

KERALA

- ☐ Brahmapuram Diesel Power Plant
- ☐ Dam across Idamalayar
- ☐ Lower Periyar Hydro Power Project
- ☐ Sebarigiri Dam
- ☐ Wellington Bridge, Cochin

LADAKH

- ☐ Chutak Hydro Power Project
- ☐ Nimoo Bazgo Hydro Power Project

MADHYA PRADESH

- ● Bistan Lift Irrigation Scheme
- ☐ Road Bridge over River Indravati
- ☐ Satpura Thermal Power Station
- ☐ Tons Hydro Power Project

MAHARASHTRA

- ☐ Bandra-Worli Sea Link
- ● BARC - Integrated Nuclear Recycle Plant, Tarapur
- ● Bhama Askhed Pipeline
- ☐ Bhandup Pipeline
- ☐ Bhandup Water Treatment Complex
- ☐ Bhorghat Tunnel
- ● Pune Metro
- ● DGNP Dry-Dock and Wharves
- ☐ Factory Civil Works for Premier Automobiles Limited
- ☐ Ghatkopar High Level Water Tunnel

- ☐ Koyna Hydro Power Project Stage I to IV
- ☐ Middle Vaitarna Water Pipeline
- ● Mumbai Coastal Road – Pkg II
- ● Mumbai Metro Line 3: UGC-02
- ☐ Mumbai Metro One
- ☐ Mumbai-Pune Expressway
- ☐ NH-3 MP/Maharashtra Border - Dhule Highway
- ☐ NH-4 - Satara Kolhapur Highway
- ☐ Nhava Sheva WTP Works, Raigadh
- ● Residential Buildings, Anushaktinagar
- ☐ Trombay Chimney Works
- ☐ Vaitarna Dam
- ☐ Water Supply Tunnel from Bhandup to Charkop, Mumbai
- ☐ Water Tunnel between E Moses Road and Ruparel College, Mumbai
- ☐ Water Tunnel between Sewri and Futka
- ☐ Water Tunnel from Maroshi to Ruparel College, Mumbai

MANIPUR

- ● Imphal Kangchup Tamenglong Road
- ● Parallel safety tunnel of T-12
- ☐ Railway Tunnel No.1 between Jiribam and Tupul
- ☐ Railway Tunnel No. 3 between Jiribam and Tupul
- ☐ Railway Tunnel No. 10 between Jiribam and Tupul
- ☐ Railway Tunnel No. 12 between Jiribam and Tupul
- ● Railway Tunnel No. 12 between Tupul and Imphal

ORISSA

- ☐ Aditya Aluminium Project
- ☐ Dam at Upper Kolab
- ☐ Naraj Barrage, New Cuttack
- ☐ Paradip Port Road

PUNJAB

- ☐ 140 m High Chimney at Ropar
- ☐ Rail Coach Factory at Kapurthala

RAJASTHAN

- ☐ East-West Corridor Project
- ● Parwan Dam & Tunnel
- ☐ Rajasthan Atomic Power Project, Units 1 & 2
- ☐ Rajasthan Atomic Power Project, Units 3 & 4
- ☐ Rajasthan Atomic Power Project, Units 5 & 6
- ● Rajasthan Atomic Power Project, Units 7 & 8

TAMIL NADU

- ☐ Chennai Bypass
- ☐ Ennore Port
- ● Fast Reactor Fuel Cycle Facility, Kalpakkam
- ● Residential Buildings, Anupuram
- ☐ Kadamparai Pumped Storage Project
- ☐ Kudankulam Nuclear Power Project, Units 1 & 2
- ☐ Lower Mettur Hydro Power Project
- ☐ Navamalai Irrigation Tunnel
- ☐ Tirupur Water Supply Project
- ☐ Upper Nirar Irrigation Tunnel

TELANGANA

- ☐ JCR Devadula Lift Irrigation Scheme Phase I
- ☐ JCR Devadula Lift Irrigation Scheme Phase II
- ● JCR Devadula Lift Irrigation Scheme Phase III
- ☐ North-South Corridor NHDP Phase II Package AP-8
- ● Pranahita Chevella Lift Irrigation Scheme
- ☐ Rajiv Dummugudem Lift Irrigation Scheme
- ☐ Ramagundam Thermal Power Project

UTTAR PRADESH

- ☐ Allahabad Bypass
- ☐ Gomti Aqueduct
- ☐ Maneri Bhali Hydroelectric Power Project
- ☐ Naini Cable Stayed Bridge
- ☐ Narora Atomic Power Project
- ☐ NH - 28 - Lucknow Muzaffarpur Highway
- ☐ Rihand Dam
- ☐ Sai Aqueduct
- ☐ Sharda and Ghogra Barrages
- ☐ Varanasi Bridge
- ☐ Yamuna Hydro Power Project

UTTARAKHAND

- ● Tapovan Vishnugad Hydro Power Project
- ☐ Dhauliganga Hydro Power Project
- ● Tehri Pumped Storage Project
- ● Vishnugad Pipalkoti Hydro Power Project

WEST BENGAL

- ☐ Elevated Road from Park Circus to E.M. Bypass, Kolkata
- ☐ Farakka Barrage
- ☐ Golden Quadrilateral Road Project - Kolaghat to Kharagpur
- ☐ Haldia Docks Project
- ☐ Kalyani Bridge
- ☐ Kolkata Metro
- ☐ Mahananda Barrage
- ✶ NH-34 - Bahrampore - Farakka Highway
- ✶ NH-34 - Farakka - Raiganj Highway
- ☐ Purulia Pumped Storage Project
- ☐ Teesta Barrage
- ☐ Teesta Low Dam - Stage IV

BHUTAN

- ☐ Dagachhu Hydro Power Project
- ☐ Kurichhu Hydro Power Project
- ● Nikachhu Hydro Power Project
- ● Punatsangchhu Hydro Power Project
- ☐ Tala Hydro Power Project

BANGLADESH

- ● Rooppur Nuclear Power

CHAIRMAN'S LETTER

Dear Shareholder,

The world is in pain. So is our country. There is death, disease, natural disasters, and economic strife on all continents. The virus COVID19 has caused widespread havoc to the health of our people, stretched our health care services beyond limits, and dealt a severe blow to businesses and livelihoods. The necessary lockdowns and dislocation of the supply chains across the country and the world have debilitated us. And there seems to be no end in sight.

The impact of COVID19 has been debilitating on the Indian economy in particular, which was already decelerating prior to the lockdowns, which have been among the most stringent in the world. India's GDP growth has declined for five consecutive quarters and touched 3.1% in the fourth quarter of FY20- the lowest since 2004. The business disruptions and uncertainty created by the pandemic has further magnified the risks to India's economic outlook.

Historically, cyclical downturns are not new to engineering and construction companies but the speed and strength with which COVID19 struck can only be compared to the Spanish flu which occurred in 1918, over 100 years ago. The lockdown imposed to battle the spread of COVID19 had a material effect on the infrastructure sector as project execution was halted and working capital woes were further compounded. Though the government has announced COVID19 as Force Majeure and accordingly project durations will suitably be extended, operations in the near term will likely be affected while dealing with shortage of labour, supply chain disruptions, tighter working capital conditions etc.

Prior to COVID19, the construction industry was already under severe stress. Despite higher budget allocations, the sector was facing several challenges on account of delays in land acquisition, clearances, resolution and award of claims, constraints in availability of bank guarantees, lack of availability of long term project financing options, etc. This has affected liquidity, resulting in stretched balance sheets of almost all construction companies.

New order inflow with higher infrastructure spending by Government will be a key driver for the economy, whilst absorbing large swaths of unemployment, especially migrant labour. The importance of physical infrastructure for the nation's growth and prosperity is well documented. For instance, infrastructure investment has the highest GDP multiplier factor (2.0x) and our industry is among the largest employment generators impacting 7 crore households. In view of this, the support from Government is essential in the form of both liquidity and reforms so new infrastructure projects are bankable by financial institutions.

Over a period, the Government has been focusing on reforms and laws to improve the regulatory framework. The government has bought about important amendments in the Arbitration Act and announced initiatives through the Cabinet Committee of Economic Affairs (CCEA) to address the legacy payment issues. Though these changes have given some relief to the Industry, the regulatory framework needs to be improved further to reduce the risk aversion of Banks and financiers so that the huge infrastructure financing gap may be bridged.

Besides the fiscal stimulus and RBI interventions, what the industry needs is large reforms that would spur investments and instil confidence in the minds of investors and entrepreneurs. In the face of economic slowdown and slack in aggregate demand, a series of structural reforms can be unleashed to tap the full potential of the infrastructure sector.

First and foremost, it is paramount to infuse confidence among contractors by re-calibrating contracts and preventing endless litigations that jeopardise projects, supply chains and financier capital. At a time when complexities of the project are on the rise, unforeseen political, natural, geotechnical risks are being pushed onto the contractors. The need of the hour is to have balanced contracts ensuring equitable risk distribution. This can immediately be implemented through FIDIC contract principles, which have balanced risk sharing mechanisms against unforeseen events as adopted in several parts of world and by multilateral development banks. Indian infrastructure success stories that rely on FIDIC guidelines are substantial undertakings like the Delhi and Mumbai Metros, and some of World Bank Funded NHAI Projects, all of which have resulted in swift execution, while minimising disputes and cost overruns.

Second, at a time when the government does not have the resources to fund a huge public investment drive, the risk aversion by financial institutions to infrastructure needs to be addressed as a top priority. It was prevalent pre-COVID19, and has now worsened because of the pandemic. To address this, the industry needs immediate liquidity and the unqualified payment of Arbitration Awards will help address lender concerns, unlock supply chains, and protect thousands of MSME while restarting the profit cycle that will trigger an economic revival. It is well-known that a healthy construction sector is critical to realise the ambitious National Infrastructure Pipeline (NIP) plan.

Third, government agencies must be instructed not to unilaterally encash Performance Bank Guarantees unless there is a third-party adjudication of non-performance. The Indian Banking Association (IBA) is encouraged to adopt and recommend URDG 758 (Uniform Rules for Demand Guarantees) guidelines that are accepted globally for BG encashment. Currently, 25% of the total contract value is locked up in BGs. There should be a drastic reduction in BGs sought for a project and government agencies must do away with multiple BGs sought such as retention money in contracts while Performance Bank Guarantee (PBG) is already sought.

Fourth, the formation of a Department of Construction as a nodal point for the construction industry within the PMO will consolidate the issues faced by the construction industry under one umbrella rather than requiring coordination with multiple ministries. International best practice dictates one nodal point as in countries like South Korea, Japan, etc.

As you all are aware, HCC was already passing through a very difficult financial situation and this lockdown has struck a severe blow. However, we at HCC believe that every crisis brings an opportunity too. And in the hour of crisis, the true mettle of our character is also tested. Resilience, rigour and resolve to perform against all odds is the true character of everyone at HCC.

In such an environment, HCC is focused on making its balance sheet lighter and improving its cash flows, while driving organisational change that is aimed to deliver operational robustness. Some of the key highlights are as follows:

Lenders of HCC have initiated a carve-out of about ₹ 2,800 crore of debt to a third-party-controlled SPV along with certain Arbitration Awards and Claims in a move that will significantly deleverage the Company and address its asset-liability mismatch.

HCC won a challenge in the Supreme Court of India for setting aside Section 87 of the Arbitration and Conciliation Act. Section 87 was a recent amendment to the Arbitration and Conciliation Act that prevented the execution of ₹ 1,584 crore of Awards.

In line with our efforts to create a more nimble and agile organisation, cost optimisation and resource deployment remained our key focus areas.

I am proud of the fact that this year your Company has completed Indian Navy's largest drydock in Mumbai to accommodate the largest Aircraft Carrier INS Vikramaditya. The dock was inaugurated by Defence Minister Mr. Rajnath Singh. The Company is also the first contractor among all packages to complete the entire length of twin tunnels using TBMs on Mumbai Metro Line 3. In Delhi, two crucial projects built by your Company – the 4.29 km long Dwarka-Najafgarh Corridor of Delhi Metro's Grey Line and the Rao Tula Ram (RTR) flyover was inaugurated by Delhi's Chief Minister Arvind Kejriwal. All project sites and office premises have started functioning, after a temporary halt due to COVID19, as per the guidelines issued by the Central/State governments. Specific steps and SOPs are implemented at working locations such as observing the social distancing and requisite safety norms to ensure adherence to guidelines issued by authorities. The possible impact of the situation on project progress and plan to ramp-up the site operations, has been communicated to project clients. Any disruption in the operations at project sites has been periodically communicated to clients and the overall impact of time and cost on projects will be negotiated with the client on a timely basis. We look to the courage of our employees and the support of our stakeholders, including senior lenders, to engineer unique solutions to meet the challenges of the post-COVID working environment.

It has been one of the toughest years in my memory. But we remain hopeful and determined more than ever of bouncing back and doing whatever it takes to make that happen.

I end this letter to you with hope in my heart that we shall overcome all this and that my next letter to you will be in better times.

Yours sincerely,

Ajit Gulabchand
Chairman & Managing Director

1

PROJECTS

2

1. **HCC completes RTR Flyover:** The Rao Tula Ram (RTR) flyover, popularly known as Munirka flyover in Delhi was inaugurated by Delhi Chief Minister on July 16, 2019.
2. **HCC constructs Biggest Naval Dry Dock:** The Aircraft Carrier Dry Dock was inaugurated by Defence Minister Rajnath Singh on 28 September 2019. It has been built to accommodate the Aircraft Carrier INS Vikramaditya, the Navy's Flagship. It is the largest dry dock of the Indian Navy.

3

UPDATE

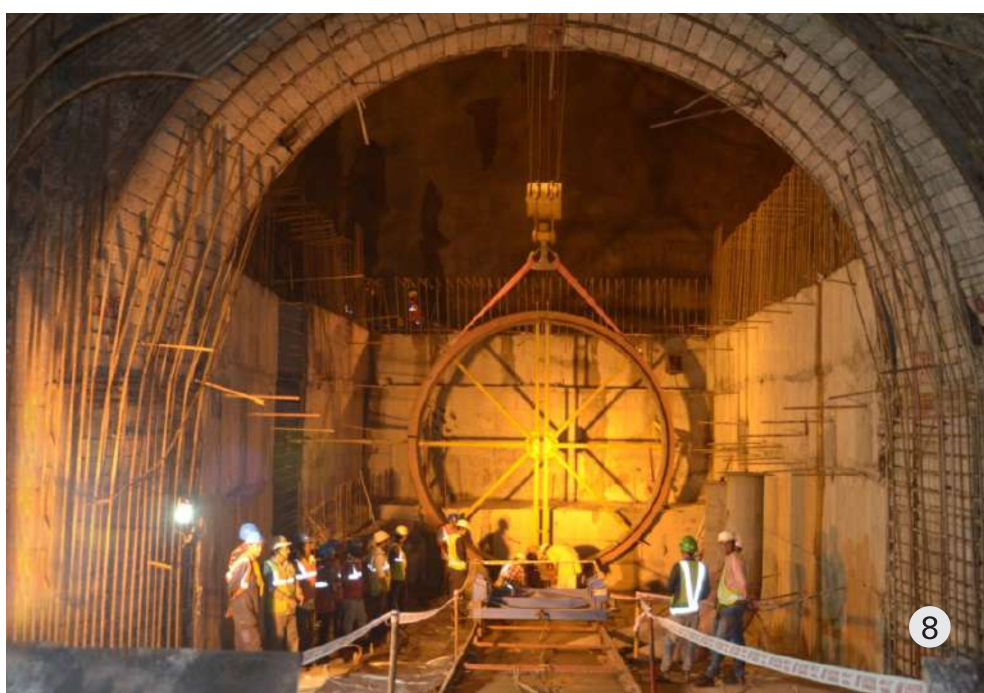
3. **HCC completes both tunnels for Metro III project:** HCC is the first contractor to complete the entire length of twin tunnels using TBMs on Mumbai Metro Line 3. The first tunnel was completed on August 02, 2019, and the second one was completed on April 30, 2020.

4. **DMRC – CC-66:** The 4.29 km long Dwarka-Najafgarh Corridor of Delhi Metro's Grey Line was formally flagged off on October 04, 2019, by Delhi Chief Minister. The corridor consists of three stations – Dwarka (interchange with Blue Line), Nangli, and Najafgarh.

4

5. **Mumbai Coastal Road:** The reclamation work on the Coastal road has progressed well. The project was stopped during the year following a High Court order relating to environmental issues. Work has resumed following relief granted by the Supreme Court.
6. **HCC rescues TBM stuck in the Himalayas:** The Tunnel Boring machine at Tapovan Vishnugad HEP, abandoned by a previous contractor after getting stuck in a fault zone, was successfully retrieved by HCC team and put into operation to complete the balance work.

7. **Training Centre Building of FRFCF, IGCAR Completed:** HCC has successfully completed the construction of the Training centre building of the Fast Reactor Fuel Cycle and Fuel reprocessing facility (FRFCF) of the Indira Gandhi Centre for Atomic Research (IGCAR), Kalpakkam, Tamil Nadu. The building has received Green Building's LEED Gold certification with a rating of 63 points.
8. **Commencement of Electro-Mechanical works at Tehri:** The Tehri Pumped Storage Plant has commenced the erection work of electro-mechanical equipment in the first unit of the 4x250 MW pumped storage plant.



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2

STEINER AG

1. **Vulcano, Aréna:** In Prilly, near Lausanne, Steiner AG is building the Vaudoise aréna, a new multi-sport centre comprising two covered artificial skating rinks, an outdoor artificial rink, a 50-meter Olympic pool, a diving platform, and table tennis and fencing areas.
2. **Bureau International du Travail (BIT) - Genevo:** The facelift of the International Labour Office (ILO), refurbishment of its Geneva headquarters, 11-story main building was executed.

COMPANY INFORMATION

BOARD OF DIRECTORS

Ajit Gulabchand | Chairman & Managing Director

Rajas R Doshi | Independent Director
(upto September 26, 2019)

Ram P. Gandhi | Independent Director
(upto September 27, 2019)

Sharad M. Kulkarni | Independent Director

Anil C. Singhvi | Independent Director

Shalaka Gulabchand Dhawan | Whole-time Director
(upto July 31, 2019)

Dr. Omkar Goswami | Independent Director
(upto September 26, 2019)

N. R. Acharyulu | Non- Executive & Non Independent Director

Arjun Dhawan | Group CEO & Whole-time Director

Samuel Joseph | Nominee Director
(upto October 30, 2019)

Santosh Janakiram Iyer | Independent Director
(w.e.f. June 17, 2019)

Mahendra Singh Mehta | Independent Director
(w.e.f. June 17, 2019)

Mukul Sarkar | Nominee Director
(w.e.f. February 06, 2020)

Mita Dixit | Independent Woman Director
(w.e.f. February 06, 2020)

KEY MANAGERIAL PERSONNEL

Amit Uplenchwar | Chief Executive Officer - HCC E&C
(upto March 27, 2020)

U.V. Phani | Chief Executive Officer - HCC E&C
(w.e.f. April 03, 2020)

Shailesh Sawa | Chief Financial Officer
(upto July 09, 2020)

Ajay Singh | Company Secretary
(upto February 06, 2020)

Vithal P Kulkarni | Company Secretary
(w.e.f. February 06, 2020)

AUDITORS

Walker Chandiok & Co., LLP Chartered Accountants

REGISTRAR & SHARE TRANSFER AGENTS

TSR Darashaw Consultants Private Ltd.
6-10 Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, Near Famous Studio,
Mahalaxmi, Mumbai- 400 011.

REGISTERED OFFICE

Hincon House, Lal Bahadur Shastri Marg, Vikhroli (West),
Mumbai- 400 083.

MANAGEMENT DISCUSSION & ANALYSIS

INTRODUCTION

Hindustan Construction Company ('HCC' or 'the Company') is one of India's leading engineering and construction (E&C) enterprises, with a rich heritage of 94 years. It focuses on EPC projects, with a dominant position in civil works and has a strong track record of executing large, complex infrastructure projects, many of which are of national importance. Today, HCC leverages its widespread knowledge base to deliver efficient solutions for its clients ranging from detailed engineering, project management and controls to project execution and commissioning.

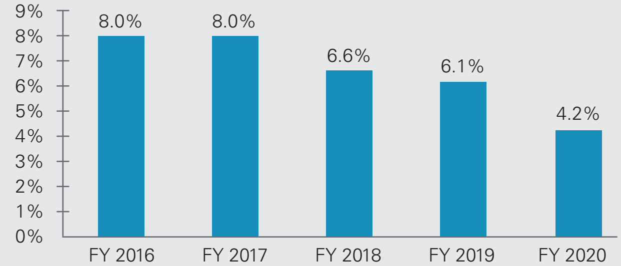
For the construction industry in India, Financial Year (FY) 2019-20 was a difficult one. The order inflow for the construction sector has been moderate, supported largely by government spending towards infrastructure. Concurrently, the sector was inundated with several adverse challenges including uncertainties related to regulatory and policy changes, legacy issues related to prolonged litigations on arbitration awards in favour of contractors and practical problems relating to the implementation of the new indirect tax regime. Consequently, high financial leverage continues in many companies coupled with tighter liquidity conditions, causing financial stress and a lockup of lender capital, resulting in their continued risk aversion to the infrastructure sector. The resultant impact on growth, employment and supply chains, including numerous MSMEs, has been depressing.

In such an environment, HCC has focused on improving its liquidity position through the realisations of its legitimate dues and the monetisation of non-core assets to bolster its balance sheet. The Company also continues to drive organisational change aimed at delivering operational robustness, while relying on a leaner structure.

MACROECONOMIC REVIEW

The estimates for FY2020 released by the Central Statistics Office (CSO) in May 2020 put India's real gross domestic product (GDP) growth rate at 4.2% compared to 6.1% for FY2019 – the lowest since FY2009. In fact, last year CSO had reported FY2019 growth estimate at 7.2%, which was revised downwards to 6.1%. Chart A gives the data for India's real GDP growth over the last five years.

Chart A: Real GDP Growth (2011-12 Prices)



Note: FY2020 are advance estimates.
Source: Ministry of Statistics and Programme Implentation, Govt. of India.

The GDP growth decelerated consecutively for the five quarters with Q4, FY2020 at 3.1%- the lowest since 2004. The CSO also revised downwards growth estimates of the preceding three quarters for FY2020. The revision confirmed fears of a deeper economic slowdown that existed prior to COVID-19's impact on the economy. Sharp growth deceleration during FY2020 reflected the impact of the recession in the manufacturing and construction sectors and further weakening of private consumption demand, which grew only by 5.3% during FY2020, as against 7.2% in FY2019. The marginal rise in government expenditure was not enough to compensate for overall weak demand.

Industrial growth measured by the Index of Industrial Production (IIP) declined sharply by 16.7% in March 2020 and by 0.7% for the FY2020. The Quick Estimates of IIP released by the National Statistical Office reported March output decline across all use-based components of the IIP for the month of March 2020, with drastic fall in capital goods (35.6%), consumer durables (33.1%), construction goods (23.8%) and intermediate goods (18.5%), mainly due to COVID-19 related disruptions in the second half of March 2020. The industrial output came to a near complete halt during May and June months due to a nationwide lockdown imposed by the government.

On the GDP growth front, the worst is yet to come. Core sector industries contracted 38% in April and are expected to worsen. For the first time in decades, the economy is predicted to contract, with some forecasts predicting a staggering 5% decline in FY2021 due to the unprecedented crisis brought on by COVID-19. By global standards, India's lockdown has been among the longest and most strict. The International Monetary Fund (IMF) in its latest World Economic Outlook update pared down India's GDP forecast to negative 4.5% in FY2021 compared to its projection of 1.9% growth made in April. The sharp forecast revision is due to a prolonged lockdown and slower recovery than anticipated in April with factors such as social distancing, etc. affecting both demand and supply side of economic activity.

While growth will likely recover in FY2022, a prolonged phase of business challenges is expected with investment being severely impacted. Even though the lockdown is now lifted by the central government, aside from certain containment zones, many states are still hesitant to permit full resumption of economic activities. Together with labour shortages and higher costs expected in the coming months due to reverse migration of labourers, economic activities will remain subdued for the most part of the FY2021.

The government has responded to the recessionary challenge by announcing a large stimulus package of ₹20.9 lakh crore or 10% of the nominal GDP. While providing support to various targeted segments, such as MSMEs, banking, trade, farmers, and so on, the stimulus package also aimed at reforms in select segments to make India 'self-reliant' as articulated by the PM. The reform measures included an easing of limits on foreign direct investment in defense manufacturing, privatization of six more airports, opening of more air space, and allowing the private sector in commercial coal mining. State governments such as in MP, UP and Karnataka have also announced reforms in land and labour laws to attract business investment.

While the intent of the stimulus package is laudable, many experts remain sceptical as the package implies limited direct public spending. The package has a large monetary component (₹8 lakh crore) in the form of extra liquidity through reductions in cash reserve ratio and repo rate by the RBI and push for lending by the banking system. The RBI measures alone are expected to release ₹3.75 lakh crore of additional liquidity in the system. However, in a scenario where the non-food credit continues to be sluggish and risk-averse banks continue to park ₹5.2 lakh crore funds with RBI (figure as on mid-May 2020), this additional liquidity may not result in the revival of output growth and employment.

The ₹3 lakh crore collateral free and automatic loans for businesses including micro, small and medium enterprises, are expected to help this segment. Under this, businesses with borrowings of up to ₹25 crore and turnover of up to ₹100 crore would be able to borrow up to ₹5 crore additionally. Further ₹2.4 lakh crore is provided for MSMEs, NBFCs, electricity distribution companies, etc. No doubt, some of these measures would help MSME activities, however, the stimulus leaves scant relief to a large part of the industry, which was already reeling under recessionary pressures well before COVID-19 related disruptions.

Some experts estimate that the stimulus will eventually amount in fiscal terms to about ₹2 lakh crore or 1% of the nominal GDP. With the fiscal deficit for FY2020 already pegged at a high 4.6% of GDP (against budget estimates of 3.5%), the scope for government spending is severely limited. With fiscal deficit limits for states already eased by additional 2%, the combined (Central and State) fiscal deficit is likely to rise sharply to 12.1% by the end of FY2021 compared to 7.9% in FY2020, according to the IMF report. Also, the public debt which is projected to rise from 70% of GDP in FY2020 to 84% by the end of FY2021.

Any consequent additional borrowings to finance government expenditure in a lower growth environment would maintain upward pressure on interest rates, inflation rate and could result in depreciation of the rupee. Already, retail inflation, measured by the year-on-year change in the Consumer Price Index (CPI), rose to 5.84% in March 2020 compared to 2.86% in March 2019, signalling the presence of inflationary pressures.

It remains to be seen how the Indian economy fares amidst continuing COVID-19 uncertainties and the deepest global recession the world has seen since World War II. The latest IMF report estimates World GDP to contract by 4.9% and global trade volume by 11.9% in 2020. The report is optimistic about a GDP growth recovery in 2021 to about 5.4%, predicated on the spread of the virus and timing for a vaccine.

Governments in major economies have erred on the side of caution, announcing tremendous fiscal stimulus packages (totalling US $11 trillion so far) to avoid a depression and sustain employment. The lockdowns have also created a unique situation where economies are facing both demand side as well as supply side constraints simultaneously. Unemployment rates have hit unprecedented levels. Getting out of this gridlock is not going to be easy and the path to recovery is expected to be long and arduous.

INFRASTRUCTURE AND CONSTRUCTION IN INDIA

Construction is the third largest sector in India, next only to agriculture and services. It accounts for 8% of India's GDP and offers direct and indirect employment for nearly 40 million people. India is also among the fastest growing economies in the world with a growth rate of 6.8% in 2018 and 6.1% in 2019. Though the economy has experienced slowdown in 2019, India has a huge demand for Infrastructure projects in Power, Roads, Railways, Ports, Airports, Water Supply & Irrigation.

The Government of India has announced several Infrastructure Development programs such as Bharatmala, Sagarmala, Smart Cities, Housing for all etc. to strengthen the country's infrastructure. Budgetary allocations to the sector have also been increased over the years to support infrastructure led growth in India. Investments in Infrastructure totalled ₹24 lakh crore in the 11th five-year plan (FY2007-12) and ₹36 lakh crore in the 12th five-year plan (FY2012-17). Investments of ₹10.2 lakh crore and ₹10 lakh crore were made in fiscal years FY18 and FY19, respectively. Power, Roads, Railways, Water Supply & Irrigation were the main beneficiaries of this investment.

Despite higher budget allocations and investments, the sector has been facing significant challenges on account of land acquisition, MOEF clearances, conflicts between central & state governments, etc. Furthermore, long delays in project execution and dispute resolution bottlenecks, especially mechanical challenges of arbitration payments stuck in courts for years have stretched the balance sheets of almost all companies in the Sector.

Consequently, these unresolved legacy issues coupled with the inability of the banking system and regulatory bodies to structure flexible solutions have resulted in a vicious cycle of further systemic stress leading to a heightened risk aversion by financial institutions to fund infrastructure projects in the country. This is one the largest bottlenecks the construction sector faces today.

Over a period, Government of India has been focusing on reforms and laws to improve the regulatory framework and speed up dispute resolution. GOI has brought about important amendments in Arbitration Act and announced initiatives through the Cabinet Committee on Economic Affairs (CCEA) to address the issue being faced by the Contracting community. Though these changes have given some relief to the Industry, the regulatory framework needs to ensure much swifter measures for contract enforcement and dispute resolution. This will in turn attract greater and less expensive financing that will address the huge infrastructure gap being faced by the nation.

Government of India has set a target to become a $5 trillion (₹375 lakh crore) economy by 2025. It is estimated that India would need to spend $4.5 trillion (₹338 lakh crore) on infrastructure by 2030 to realise the vision of a $5 trillion economy by 2025.

With a view to achieve this economic target, Government of India announced a National Infrastructure Pipeline on December 31, 2019. This plan talks about an investment of ₹111 lakh crore over FY2020-25. Power (24%), Roads (19%), Urban Infrastructure (16%), Railways (13%) and Irrigation (8%) account for 80% of projected infrastructure Investments.

The funding of the National Infrastructure Pipeline will be jointly made by the Centre, States, and the private sector in the proportion of 39:39:22 (39% each by the Centre and States and 22% by the private sector). The challenge for the Government would be in arranging funds for this investment considering ₹111 lakh crore has to be invested in the next 5 years as compared to ₹80 lakh crore invested over a decade (2008-2019).

Amidst the backdrop of the positivity generated by the National Infrastructure Plan, the COVID-19 pandemic hit the global economy in March 2020. In India, the lockdowns and their extensions, which have been among the most stringent in the world, had a triple whammy effect on the Construction Industry due to: a) Stoppage of all Project execution activity; b) Slowdown in fresh orders; c) Compounding of working capital woes of the industry.

Though Government has announced that COVID-19 will be treated as Force Majeure and accordingly, project duration will be suitably extended to account for these delays, project execution in near term is likely to face problems on account of labour shortage, supply change disruption, onset of monsoons and liquidity issues hampering project re-mobilisation.
The industry will require working capital support and swift reimbursements from Clients, without which normalisation of activity will be hampered.

HCC: STRATEGIC DEVELOPMENTS

HCC has undertaken several initiatives in reducing debt and improving cash flows to strengthen its financial position, apart from continuing the focus on enhancing execution capabilities and optimising resources. Some of these initiatives include:

- Company has initiated a material conciliation process with NHAI in December 2019 to settle certain Awards & Claims. Besides generating upfront liquidity, the process will reduce litigation costs, release BGs which were given to either Court or Client under CCEA directive and reduce bank's exposure and related costs. The Company has been working on conciliating both the Contractors' Awards and Claims as well as those of BOT assets of HCC Concessions. In this period, the Company has been successful in closing two conciliations of HCC Concessions. The Company has also initiated a similar process with its clients in the Power sector, including NHPC, NTPC, THDC etc.
- The BlackRock transaction could not be completed due to delay in lenders' approval and the subsequent withdrawal of BlackRock on account of regulatory changes. Instead, the Company has embarked on a similar, yet larger de-leveraging exercise to carve-out approximately ₹2,800 crore of its debt to a third-party-controlled SPV, along with certain Arbitration Awards and Claims. When implemented, HCC will stand substantially deleveraged which will help address the asset-liability mismatch it has suffered on account of delayed realisation of its receivables from Government Agencies. Consequently, the Company will not have any material debt servicing obligations till FY24 giving it room to normalise its operations and grow its cash flows. Though the Resolution Plan has in-principle approval from its senior lenders, it is subject to lenders' final approvals. The Company will also seek the requisite corporate approvals for the transaction. Delays on account of COVID-19 has pushed the closure of the plan back to second half of FY2021.
- In a significant victory for the Arbitration Process in the Country, and for the Construction Sector in particular, HCC won a challenge in the Supreme Court of India for setting aside Section 87 of the Arbitration and Conciliation Act. Section 87 was a recent amendment to the Arbitration and Conciliation Act, passed by Parliament in the last monsoon session and was notified on August 9, 2019. In HCC's case, the Company will now be in a position to execute Awards amounting to about ₹1,584 crore which were impacted by Section 87.
- By Office Memorandum issued by GOI dated November 28, 2019 the Cabinet Committee on Economic Affairs (CCEA) acknowledged and stated that, routine and mechanical challenge of the arbitration awards, in most cases, defers the payment of the arbitral award pending the decision in challenge/appeal, which process then takes years to attain finality. This is seen to cause severe liquidity constraints in the construction sector as the large sums of money raised by contractors / concessionaires for execution of projects get blocked- stressing their balance sheets. The foregoing then causes a ripple effect throughout the financial ecosystem – directly impacting the repayment of debt to lenders, leading to increasing Non-Performing Assets (NPAs) in their balance sheets. Keeping in mind the above aspects, the CCEA approved the following:
    a. With respect to Arbitral Awards decided in favour of the Contractors/ Concessioners, the Govt. entity will take the opinion of Law Officer – Attorney General of India/ Solicitor General of India/ Additional Solicitor General of India in consultation with Dept. of Legal Affairs at the Ministry of Law & Justice as per the procedure laid down in this respect, before filing appeal /initiate proceedings for setting aside the arbitral award.
    b. Where a Government Entity has challenged an arbitral award, resultant of which the amount of the arbitral award has not been paid, 75% of such award will be paid by the Government Entity to the contractor / concessionaire against a bank guarantee only for the said 75% and not for its interest component.
    c. In case, where BG for interest component already submitted by the contractor, the same will be refunded. The court order will prescribe the rate of interest and the same will prevail.
- The Company expects that the above will result in return of the top-up Bank Guarantees to the tune of ₹825-850 crore and that the realization of Arbitration Awards will be swifter, leading to a more efficient dispute resolution in the long run.
- HCC Concessions Ltd (HCON) is in advanced stages of closing the 100% stake sale deal of Farakka-Raiganj Highways Ltd (FRHL) to Cube Highways & Infrastructure II Pte. Ltd. The parties had planned to consummate the FRHL deal by March 31, 2020. However due to COVID-19 and extended lockdown situation in the country, closing formalities have been delayed to Q2 FY21.

OPERATIONS REVIEW

The Company's core business primarily comprises Engineering and Construction (E&C) services for large projects across sectors like Power (Hydro, Nuclear, Thermal), Transportation (Roads, Bridges, Metros, Ports), Water (Irrigation and Water Supply) and Industrial projects.

During FY2020, HCC's activities in the business were driven by certain broad strategic objectives such as (i) augmenting internal capabilities in the Company's core business of Engineering & Construction; (ii) managing and mitigating risks; (iii) being selective in securing new orders and optimising resources by entering in well-structured joint ventures (JVs); (iv) continuously improving operational parameters; and (v) resolving contractual issues with Clients.

Overall, the strategy focused on risk management with greater stress on liability reduction.

BUSINESS DEVELOPMENT

With concerted yet selective bidding, the Company secured one substantial order during FY 2019-20. HCC has been awarded a contract of ₹489 crore by Delhi Metro Rail Corporation Ltd., (DMRC) in a JV with VCCL, for design and construction of Twin tunnel from Janakpuri West to R. K. Ashram Corridor (Extn. of Line 8) of Phase IV- Delhi MRTS. HCC's share in the JV is 75% (₹367 crore).

The company's order backlog as on March 31, 2020 was ₹16,857 crore. Transportation and Hydro power sectors continue to have a large share. There is a substantial pipeline of new orders up for bidding, especially in the highways, bridges, BG Rail tunnels, metro-rail, hydropower and water supply segments. Chart B and C give the distribution of orders in terms of sectors and geography and represents future business potential.

Chart B: Order Backlog-Business Line wise

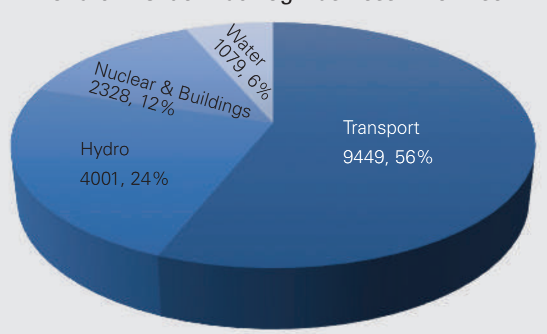
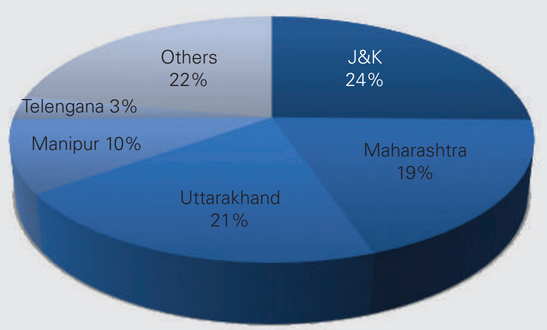


Chart C: Order Backlog - Geographic wise



PROJECTS UPDATE

Transportation:

During the year, several projects were completed and there was good progress on projects under execution. Notable highlights are given below.

- The Rao Tula Ram (RTR) flyover, popularly known as Munirka flyover in Delhi was inaugurated by Mr. Arvind Kejriwal, Chief Minister of Delhi, on July 16, 2019.

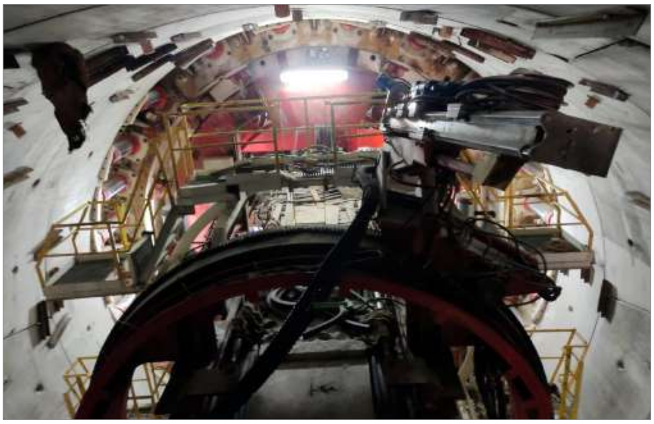
- The 4.29 km long Dwarka-Najafgarh Corridor of Delhi Metro's Grey Line was formally flagged off on October 04, 2019. The corridor consists of three stations – Dwarka (interchange with Blue Line), Nangli and Najafgarh. The stretch was inaugurated by Union Minister Shri Hardeep Singh Puri, Delhi Chief Minister Shri Arvind Kejriwal and State Transport Minister Shri Kailash Gehlot.
- The 4 km long South Bound tunnel between CST and Mumbai Central Metro Stations was completed using Tunnel Boring Machine (TBM) on August 02, 2019. HCC was the first contractor among all packages to complete the entire length of a tunnel on Mumbai Metro Line 3. The second tunnel was completed on April 30, 2020.
- Foundation and substructure works have progressed well on the Anji Khad Cable Stayed Bridge in J&K. The bridge superstructure will be taken in the next financial year.

- Reclamation work on the Coastal road progressed well. The project was stopped during the year following a High Court order relating to environmental issues. Work has resumed following relief granted by the Supreme Court. Bridges will be taken up during the next financial year.

- Brisk progress has been made on tunnelling and roadwork at Railway Tunnel T13 & T14 in the Katra Banihal section of Udhampur Srinagar Baramulla Railway line Project in Jammu and Kashmir.

Hydro Power:

- Civil work of the Head Race Tunnel for Sawra Kuddu HEP in Himachal Pradesh is complete. The project is ready for commissioning.
- The Tehri Pumped Storage Plant has commenced the erection work of electro-mechanical equipment in the first unit of the 4x250 MW pumped storage plant.
- The Tunnel Boring machine at Tapovan Vishnugad HEP, which was abandoned by the previous contractor after getting stuck in a fault zone, was successfully retrieved by HCC team and put in operation to complete the balance tunnel.
- At Vishnugad Pipalkoti HEP, HCC has commissioned the TBM for tunnel boring of its Head Race Tunnel (HRT).



Marine Works:

- The state-of-the-art Aircraft Carrier Dry Dock built by HCC was inaugurated by Defence Minister Rajnath Singh on September 28, 2019. It has been built to accommodate the Aircraft Carrier INS Vikramaditya, the Navy's Flagship. It is the country's first dry dock built in the sea and the largest dry dock of the Indian Navy

Nuclear Power:

- Civil and structural works continued for the three nuclear facilities: (i) the Fast Reactor Fuel Cycle Facility (FRFCF) at Kalpakkam in Tamil Nadu, (ii) the Rajasthan Atomic Power Project, and (iii) the Integrated Nuclear Recycle Plant for Bhabha Atomic Research Centre (BARC) at Tarapur.
- After erection of the dome for Unit 7 of Rajasthan Atomic Power Plant last year, the second dome was successfully erected for Unit 8 on May 17, 2020.

- HCC has successfully completed the construction of the Training centre building of the Fast Reactor Fuel Cycle and Fuel reprocessing facility (FRFCF) of the Indira Gandhi Centre for Atomic Research (IGCAR), Kalpakkam, Tamil Nadu. The building has received Green Building's LEED Gold certification with a rating of 63 points.

Water Supply and Irrigation:

- Work on a turnkey EPC contract for the Parwan Dam and Tunnel in Rajasthan and Bistan Lift Irrigation in Madhya Pradesh is progressing well.

RECOVERY OF CLIENT RECEIVABLES

In a historic judgement dated November 27, 2019, the Supreme Court of India, in Hindustan Construction Co Ltd (HCC) Vs Union of India has struck down the provision of Section 87 of the Arbitration Conciliation Act 1996 as being "manifestly arbitrary under Article 14 of Constitution of India". The aforementioned Section 87 was inserted by Section 13 of the Arbitration & Conciliation (Amendment) Act 2019 and brought in to force with effect from 30.08.2019. Consequently, there would not be any automatic stay on the execution of Arbitration Awards and the Company has filed several Execution Petitions for deposit of monies in various Courts for the Arbitration Award(s) passed in its favour.

The company has collected ₹323 crore through execution petitions filed and there is an amount of ₹593 crore already deposited in the Courts, which the Company is in the process of getting released against the Bank guarantees.

The Company has also entered into Conciliation with NHAI through Conciliation Committee of Independent Experts (CCIE) for settlement of some of the Arbitration awards and the Claims in arbitration.

MANAGEMENT SYSTEMS

HCC's entire construction operations are optimised and governed through an Integrated Management System (IMS) based on International standards stipulated by ISO 9001:2015 for Quality; ISO 14001:2015 for Environment, and ISO 45001:2018 This Integrated Management System has been developed to address the requirements of the ISO 9001;2015,ISO 14001:2015 and ISO 45001:2018 standards and outlines the systems and procedures that constitute the Integrated Management System implemented at HCC.

The effective implementation of ISO systems is ensured by MRM meetings, IMS Internal and external audits at construction Projects and Head Office functions.

The Company strongly believes in delivering quality products to its customers; and the backbone of delivering quality is the Company's established Mission, Vision, IMS policy and IMS objectives, processes and systems. To deliver on this objective, HCC has established SAP-QM (quality management) module at all sites for monitoring quality.

The Hazard Identification, Risk Assessment and Control Procedure (HIRAC) procedure was revised. A new procedure, called the Zero Tolerance and Reward system, has played an instrumental role in reducing accidents. To institutionalise processes that help the Company maintain highest safety standards, a Proactive Safety Observation Programme (PSOP) has been implemented across all construction sites. This programme has started paying dividend in terms of reduction in overall incidents at sites.

In September 2019, two HCC projects were awarded the ' National Safety Award 2018 (runner up) in accident free category. The awards are given based on Frequency Rate of accidents and accident- free period. The National Safety Award instituted by Ministry of Labour and employment; government of India is meant to give recognition to good safety performance.

This year's initiative focused on spreading awareness regarding the importance of occupational safety and health for workplace ergonomics and employee health and efficiency.

KEY SUBSIDIARIES

HCC INFRASTRUCTURE COMPANY LTD.

HCC Concessions Limited (HCON) is an 85.5%-owned subsidiary of HCC Infrastructure Company Ltd. with focus on BOT road projects. HCON has developed and operated over ₹6,000 crore worth of national highways projects in 4 states across India, covering over 1,300 lane kilometres.

- The turnover of Baharampore Farakka Highways Ltd. grew to ₹144.7 crore in FY20 with average daily collection of ₹39.5 lakh and traffic rising 8% yoy. Farakka Raiganj Highways Ltd. reported turnover of ₹167.1 crore in FY20 with average daily revenue of ₹45.5 lakh and traffic rising 20% yoy. Traffic and revenue for FY20 were marginally impacted from March 22 onwards due to COVID-19 lockdowns. On the resumption of toll collection from April 19 onward, traffic has recovered to pre-lockdown levels.
- During FY2019, HCON had executed a definitive agreement in respect of 100% stake sale of Farakka-Raiganj Highways Ltd (FRHL), its concessionaire subsidiary, to Cube Highways and Infrastructure II Pte. Ltd, an entity based in Singapore. The deal closure has been delayed due to the COVID-19 and is expected in Q2FY21. The company has also concluded the settlement of its termination payment for Badarpur Faridabad Tollways with NHAI in Q4 FY20.

STEINER AG

Steiner AG, HCC's wholly owned subsidiary, is one of Switzerland's leading project developers and general contractors/total contractors (GC/TC), offering comprehensive services in the fields of new construction, refurbishment, and real estate development.

The business is primarily divided into three offerings.

- First, the primary business of the company is General and Total Contracting, where it provides complete turnkey building services from design to construction.
- Second, Steiner is involved in real estate development including long-standing brownfield projects and redevelopment projects. The focus is on developing projects that will have a market in the future.
- Third, Steiner is evolving a model of developing financial vehicles that will fund real estate development and is working on partnerships with funds.

Some of the major projects being executed by Steiner AG are:

- Construction of Glasi-quarter, a new urban district in Bülach with 500-plus apartments, a residential and care centre, a hotel and over 20,000 m² of light-industrial and service-sector units, worth CHF worth approx. CHF 350 million.

- The new Horizont hospital building at Frauenfeld Cantonal Hospital, which includes an interdisciplinary outpatient clinic, an ultra-modern operating theatre area and much more, worth CHF 160 million.

- Vaudoise Aréna, a sports complex in Prilly worth CHF 124.5 million, comprising two covered ice-skating rinks, an outdoor ice-skating rink, a 50-metre Olympic swimming pool, a diving pool, a leisure pool and paddling pool.
- Baloise Park-FAUG sub-project in Basel worth CHF 129.4 million for construction of a 90-meter high-rise building comprising office spaces, a 5-star hotel, a conference centre, restaurants, and a ballroom.
- Vulcano project in Zurich worth approx. CHF 300 million and includes construction of three 80 m tall towers containing some 300 high-spec flats and business apartments, a 319-room city hotel plus various shops, offices, and service facilities.

Steiner AG reported revenues of CHF 802 million (₹5,779 crore) in the financial year 2019-20 as compared to CHF 825 million (₹5,855 crore) in the previous year and a profit of CHF 28.04 million (₹202 crore) as compared to a net profit of CHF 38.10 million (₹270 crore). The Company secured fresh orders worth CHF 705 million (₹5,080 crore). The order book stood at CHF 1.33 billion (₹9,584 crore) at the end of the financial year. In addition to this, the Company has secured orders for CHF 428 million (₹3,084 crore), where contracts are yet to be signed.

The World Health Organization officially declared the spread of the COVID-19 a pandemic as of 12 March 2020. On 19 March 2020, the federal council of Switzerland consequently decided on a partial lockdown. Steiner as a construction company mainly operates in Switzerland with an international supply chain and is therefore part of the Swiss and global construction industry dealing with the challenges the virus poses for everyone involved.

Like many other companies Steiner budgeted different scenarios to determine the impact of the lockdown on its operations including revenues, cash flows, liquidity and equity. As of the reporting date the impact of COVID-19 cannot finally be assessed.

Steiner's subsidiary Steiner India has achieved strong initial traction in India, having executed key high rise residential and hospitality and industrial projects in Mumbai, NCR and Kolkata. Recently they have awarded a five star category project "The Park" in Pune

HUMAN RESOURCES (HR)

In the year 2019-20, from Human Resources perspective, right sizing of the organisation, cost optimisation and resource deployment strategy remained the key focus areas.

Right sizing the organisation involved re-aligning some of the work processes, re-deployment of manpower and elimination of resultant redundant positions. This made the organisation significantly slimmer while maintaining efficiency. It also necessitated hiring of some key positions at the senior leadership level to oversee new processes. Recruitment strategy focused on optimisation of human resources and nurturing home-grown talent. Combining job roles and de-layering the organisation remained the key parameters while recruiting. Hiring from the campuses at the trainee level continued.

Employee Connect continued to be the focus area by adding new features to the already launched Intranet Homeport and bringing all new Projects into its fold. Many on-line HR processes were introduced to make the processes more efficient and accurate for team members to be comfortable working on-line.

For the first time in HCC, the new on-line Performance Appraisal System was introduced, and the entire appraisal process was handled and completed on time for employees at all levels. On site on-the-job training, HSE and OEM trainings were conducted at the site levels. Many of training programs were conducted by in-house trainers.

Employee retention remained a challenge during the year, along with the task of attracting challenge for replacement, as well as new positions. However, a total of 300 employees were hired during the year as per the organisational requirements. The engineers and officers number during the year remained at around 1,400 with some projects at mobilisation, as well as at closure phase.

The onset of COVID-19 towards the end of the year posed an unprecedented challenge. Being a responsible Corporate Citizen, we have adhered to all government directives, including reducing attendance at our offices through work from home, alternative-day working systems etc. before the national lockdown was initiated. We have kept and will continue to keep the safety and security of our staff and their families as our first priority.

FINANCIAL REVIEW

Table 1: Abridged Profit and Loss account of HCC

(₹ crore)

	FY 20	FY 19
Total Income from operations	3,676.1	4721.6
Construction Cost (incl. material) / other exp.	2767.9	3620.8
Employee Cost	413.7	393.7
EBITDA (excluding Other Income)	462.1	589.0
EBITDA margins (excluding Other Income)	12.7%	12.8%
Finance Cost	746.2	698.9
Depreciation	109.4	144.5
Exceptional Items – Gain / (Loss)	320.0	(2400.3)
Profit/ Loss before Tax	(360.9)	(136.3)
Profit / (Loss) Before Tax after Exceptional items	(41.0)	(2536.6)
Tax	127.7	(611.0)
Profit / (Loss) After Tax	(168.7)	(1925.6)
Other comprehensive income (after tax)	(13.9)	(9.5)
Total Comprehensive Income (after Tax)	(182.6)	(1935.1)

Key Financial Ratios

	Standalone	
	FY 20	FY 19
Debtors Turnover Ratio (in times)	0.84	1.17
Inventory Turnover Ratio (in times)	18.73	24.45
Interest Coverage Ratio (in times)	1.10	(2.75)
Current Ratio	0.70	1.05
Debt Equity Ratio	2.86	2.44
Operating Profit Margin (%)	12.68	12.79
Net Profit Margin^ (%)	(5.01)	(42.03)

^ pertains to Total comprehensive income/(loss), net of tax

CORPORATE SOCIAL RESPONSIBILITY (CSR): RESPONSIBLE INFRASTRUCTURE

At HCC, CSR has evolved from being passive philanthropy to corporate community investments, which takes the form of a social partnership initiative creating value for stakeholders. Such initiatives are an integral part of business ethos and go well beyond regulatory compulsions.

Having said so, as per section 135 of The Companies Act 2013, HCC has formalised a CSR policy keeping Schedule VII in mind. The IMS procedure for effective implementation of the policy has been made.

CSR INITIATIVES

As a pioneer and trend-setter in the construction industry in India, HCC is aware of its social responsibilities. The Company remains steadfast on its objective of pursuing holistic growth with responsibility towards the people and the environment. The Company's CSR philosophy is 'Do Good to Do Well and Do Well to Do Good'.

DISASTER RELIEF AND RESPONSE

The Company has provided timely interventions in a number of rescue and relief operations within India and internationally, such as the 2004 Indian Ocean tsunami, the 2005 Jammu and Kashmir earthquakes, the 2005 Mumbai floods, the 2007 Bangladesh cyclone, the 2010 Leh flash floods, the 2011 Sikkim earthquake, the 2013 flash floods in Uttarakhand, the 2015 floods in Kalpakkam, the 2016 bridge collapse at Kolkata, the 2017 landslides in Uttarakhand and the 2019 bridge collapse at CST Mumbai.

In FY 2019-20

- HCC provided necessary support like ambulance facility, food, and drinking water to local communities and stranded pilgrims during the COVID-19 lockdown in Vishugad, Uttarakhand.
- At HCC's Numaligarh Jorhat Road Project, provided food and necessary medical help during the flood.

- HCC provided necessary groceries and food to flood-affected communities at Manic chowk Dist. Malda at NH34 pkg-4 West Bengal.

HIV/AIDS EDUCATION AND AWARENESS.

In recognition of the serious impact of HIV/AIDS on migrant workers, HCC formed an HIV/AIDS workplace policy and adopted an intervention programme that focuses on educating and raising HIV/AIDS awareness amongst migrant workers. The policy was implemented in collaboration with the International Labour Organisation. The Company observes World AIDS Day every year on 1 December. Events are conducted with employee participation in rallies, pinning of red ribbons, and awareness lectures. Posters are prominently displayed in various project locations. In 2019-20, HIV/AIDS awareness programmes were conducted twice a year which involved circulating safety messages of the week to all project locations. The toolbox talks conducted during these weeks emphasise on HIV/AIDS training.

THE CEO WATER MANDATE: UNGC'S INITIATIVE

The Company is committed to monitor and conserve the amount of water used across its construction project sites. HCC, the first Indian Company to endorse United Nations Global Compact's 'The CEO Water Mandate' and an industry partner of the World Economic Forum (WEF), makes it a point to embed the principles of water resources management in all its activities. As a responsible corporate citizen, it has focused on sharing best practices of water stewardship.

In doing so, it has adopted various methodologies at the sites to reduce fresh water consumption. For example, HCC installed wastewater treatment plants at the Kishanganga hydroelectric power project, which helped to reduce fresh water consumption by recycling of treated wastewater. HCC also commissioned a decentralised wastewater treatment system at the Bogibeel rail-cum-road bridge to treat and reuse the sewage water from toilet blocks. The Company is also engaged in the national and international forums, such as the World Economic Forum, The Energy and Resources Institute, the World Business Council for Sustainable Development, the Alliance for Water Stewardship, CDP (formerly the Carbon Disclosure Project) and the Federation of Indian Chambers of Commerce and Industry.

Rejuvenation of Diversion Based Irrigation System on river Mhalungi at Sinnar (District Nasik, Maharashtra), conserved the water more than the consumption of the water at HCC Sites. Thus HCC achieved the status of water positive organization this year.

SUSTAINABILITY REPORTING

HCC believes in environmental transparency and disclosing the economic, environmental, and social impacts of its activities through sustainability reports. It had published six sustainability reports, each of which had been accredited by the Global Reporting Initiative guidelines with an A+ grade. For FY 2017-18 and FY 2018-19, we have adopted G4 standards and published as per 'in accordance with Core' option. The Company engages a third-party assurance provider to review the contents and accuracy of our sustainability reporting.

One of HCC's overarching sustainability priorities is to design and build infrastructure in an environmentally responsible manner. Its Integrated Management System reflects the commitment to improving environmental, safety, and quality performance in ways that go beyond regulatory compliance. The Company is also conscious of material consumption and water footprint and encourages the adoption of energy-efficient practices.

The Company is a member of UN Global Compact (UNGC), TERI-World Business Council on Sustainable Development, and signatory to various UNGC initiatives including 'Caring for Climate', and 'The CEO Water Mandate'.

INTERNAL CONTROLS AND THEIR ADEQUACY

HCC has an adequate system of internal control to ensure that the resources of the Company are used efficiently and effectively; that all assets are safeguarded and protected against loss from unauthorised use or disposition; that all significant transactions are authorised, recorded and reported correctly; that financial and other data are reliable for preparing financial information; and that other data are appropriate for maintaining accountability of assets. The internal control is supplemented by extensive programme of internal audits, review by management, documented policies, guidelines and procedures.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the infrastructure sector, significant changes in political and economic environment in India, exchange rate fluctuations, tax laws, litigation, labour relations and interest costs.

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY

Hindustan Construction Company ('the Company' or 'HCC') has always been committed to develop sustainable value for all its stakeholders including customers, employees, shareholders, suppliers, regulatory authorities and the communities that it operates in. In this pursuit, the Company believes in managing and conducting business by adopting strong value systems.

This involves institutionalizing the highest standards of corporate governance across business activities, which is based on the principles of accountability, transparency, responsibility and fairness in all aspects of its operations. This is the corner stone of HCC's business philosophy.

The Company has an active and independent Board that provide supervisory and strategic advice and direction. The entire governance system is supported by well-structured systems and procedures that ensure well informed decision making across different levels of management.

This Chapter reports the Company's compliance with the Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Listing Regulations) as given below:

I. BOARD OF DIRECTORS

a) Composition of the Board

The Board of Directors has an optimum combination of Executive and Non-Executive Directors, which includes a Women Independent Director and is in conformity with the provisions of Companies Act, 2013 (the Act) and Regulation 17 of the SEBI Listing Regulations.

The Chairman of the Board of Directors is an Executive Director.

Composition of the Board as on March 31, 2020:

Category	No. of Directors
Chairman & Managing Director (Promoter Director)	1
Group CEO & Whole- time Director	1
Independent Directors, including Independent Woman Director **	5
Non Executive Director	1
Nominee Director*	1

*Mr. Mukul Sarkar (DIN: 00893700) was appointed as Nominee Director on the Board of Company w.e.f. February 06, 2020 in place of Mr. Samuel Joseph, erstwhile Nominee Director whose nomination was withdrawn by EXIM Bank w.e.f. October 30, 2019.

**Dr. Mita Dixit (DIN: 08198165) was appointed as an Additional Director under the category of Independent Woman Director on February 6, 2020.

Mr. N. R. Acharyulu (DIN: 02010249), Non- Executive- Non Independent Director retires by rotation and, being eligible, offers himself for re-appointment.

Except for Mr. Ajit Gulabchand and Mr. Arjun Dhawan, who are related *inter-se*, the other Directors of the Company are not related to each other.

b) Number of Board Meetings

The Board of Directors of your Company met 5 times during 2019-20. The meetings were held on May 9, 2019, June 17, 2019, August 1, 2019, November 14, 2019 and February 6, 2020. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days.

c) Directors' attendance record and details of Directorships/Committee Positions held

None of the Directors on the Board is a member of more than ten Board-level committees or Chairman of more than five such committees and none of the Directors serve as an Independent Director in more than seven listed companies

Table 1 below gives the names and categories of Directors, their attendance at the Board Meetings held during the year and at the last Annual General Meeting as also the number of Directorships and board-level committee positions held by them.

d) Information to the Board

The Company provides information as set out in Regulation 17 read with Part A of Schedule II of the SEBI Listing Regulations to the Board and the Board Committees to the extent applicable.

A detailed agenda folder is sent to each Director within the timeline prescribed under the Act and the SEBI Listing Regulations. All the agenda items are appended with necessary supporting information and documents (except for price sensitive information, which were circulated separately before the meeting) to enable the Board to take informed decisions.

Further, the Board also reviews the Annual Financial Statements of the Unlisted Subsidiary Companies. Pursuant to Regulation 24 of the SEBI Listing Regulations, the Minutes of the Board Meetings and a statement of all significant transactions and arrangements entered into by the Company's Unlisted Subsidiary Companies are placed before the Board.

e) Directors with pecuniary relationship or business transaction with the Company

The Chairman & Managing Director and the Whole-time Director(s) receive salary, perquisites and allowances, while all the Non-Executive Directors receive Sitting Fees.

Table 1: Details of the Directors as on March 31, 2020:

Name of the Director	Category	No. of Board meetings held during FY 2019 -20	No. of Board meetings attended during FY 2019-20	Whether attended last AGM	No. of Directorships of other public companies*	Committee positions #		Whether having any pecuniary or business relation with the Company
						Chairman	Member	
Ajit Gulabchand **	Promoter, Chairman & Managing Director	5	5	Yes	3	-	1	None
Rajas R. Doshi (Retired on September 26, 2019)	Independent Director	5	3	Yes	2	1	1	None
Ram P. Gandhi (Resigned on September 27,2019)	Independent Director	5	2	Yes	1	--	--	None
Sharad M. Kulkarni	Independent Director	5	5	No	2	2	-	None
Anil C. Singhvi	Independent Director	5	5	No	4	1	4	None
Shalaka Gulabchand Dhawan**	Whole-time Director	5	2	No	3	--	--	None
Dr.Omkar Goswami (Retired on September 26, 2019)	Independent Director	5	2	No	7	-	7	None
N.R. Acharyulu	Non-Executive Non Interdependent Director	5	5	Yes	1	-	-	None
Arjun Dhawan**	Group CEO & Whole-time Director	5	5	Yes	4	-	-	None
Samuel Joseph***	Non-Executive Nominee Director	5	2	No	-	-	-	Nominee of Exim Bank
Santosh Janakiram Iyer$ (w.e.f. June 17, 2019)	Independent Director	5	3	Yes	1	1	1	None
Mahendra Singh Mehta$ (w.e.f. June 17, 2019)	Independent Director	5	3	Yes	1	-	2	None
Mukul Sarkar*** (w.e.f. February 06, 2020)	Non-Executive Nominee Director	5	1	No	1	-	-	Nominee of Exim Bank
Dr. Mita Dixit$ (w.e.f. February 06, 2020)	Independent Woman Director	5	-	No	1	-	-	None

* Excludes Private Limited Companies, Foreign Companies and companies registered under Section 8 of the Companies Act, 2013.

Chairmanship/Membership of Audit Committee and Stakeholder's Relationship Committee in other Public Companies has been considered.

** Ms. Shalaka Gulabchand Dhawan is the daughter and Mr. Arjun Dhawan is the son in law of Mr. Ajit Gulabchand, Chairman & Managing Director of the Company. Further Ms. Shalaka Gulabchand Dhawan resigned from the Board on July 31, 2019 and was appointed as Management Advisor of the Company w.e.f. August 1, 2019.

$ Mr. Santosh Jankiram Iyer and Mr. Mahendra Singh Mehta were appointed as Independent Directors on June 17, 2019 and Dr. Mita Dixit was appointed as an Additional Director under the category of Independent Woman Director on February 6,2020.

*** Mr. Mukul Sarkar was appointed as Nominee Director on the Board of Company w.e.f. February 6, 2020 in place of Mr. Samuel Joseph, erstwhile nominee director whose nomination was withdrawn by EXIM Bank w.e.f. October 30, 2019.

Additional Information related to Directorship in other listed entities as on March 31, 2020 as per the SEBI Listing Regulations:

Name of the Director	Name of other Listed entities	Category of Directorship
Ajit Gulabchand	-	Promoter, Chairman & Managing Director
Sharad M. Kulkarni	Navin Fluorine International Ltd Camlin Fine Sciences Ltd	Independent Director Independent Director
Anil C. Singhvi	Subex Ltd Shree Digvijay Cement Co Ltd	Independent Director Executive Director- Chairperson
N.R. Acharyulu	-	-
Arjun Dhawan	-	-
Santosh Janakiram Iyer	Ador Fontech Ltd	Independent Director
Mahendra Singh Mehta	-	-
Mukul Sarkar	-	-
Dr. Mita Dixit	Anuh Pharma Ltd	Independent Director

f) Remuneration to Directors

Remuneration was paid to Mr. Ajit Gulabchand, Chairman & Managing Director, Ms. Shalaka Gulabchand Dhawan, Whole-time Director (upto the date of resignation i.e. July 31, 2019) and Mr. Arjun Dhawan, Group CEO & Whole-time Director, pursuant to approval of the Nomination and Remuneration Committee, the Board of Directors, and Shareholders. However, the lenders approval is still awaited for the payment of remuneration.

Table 2 gives the details of remuneration paid/payable to Directors for the year ended March 31, 2020.

The Company did not advance loans to any of its Directors during 2019-2020.

Table 2: Remuneration paid/payable to Directors during the financial year ended March 31, 2020

Name of the Director(s)	Salaries, Perquisites & Allowances+ (₹)	Sitting fees* (₹)	Total (₹)
Ajit Gulabchand** (a) (Chairman & Managing Director)	70000000	-	70000000
Rajas R. Doshi (Retired on September 26, 2019)	-	1000000	1000000
Ram P. Gandhi (Resigned on September 27, 2019)	-	300000	300000
Sharad M. Kulkarni	-	900000	900000
Anil C. Singhvi	-	1500000	1500000
Shalaka Gulabchand Dhawan ** (b) (Whole-time Director - upto July 31, 2019)	5836040	-	5836040
Omkar Goswami (Retired on September 26, 2019)	-	400000	400000
N.R. Acharyulu	-	1100000	1100000
Arjun Dhawan ** (a) (Group CEO & Whole-time Director)	60000000	-	60000000
Samuel Joseph^	-	200000	200000
Santosh Janakiram Iyer		600000	600000
Mahendra Singh Mehta		700000	700000
Mukul Sarkar ^	-	100000	100000
Dr. Mita Dixit***		-	-
Total	**135836040**	**6800000**	**142636040**

** The Company has paid remuneration to Mr. Ajit Gulabchand, Ms. Shalaka Gulabchand Dhawan and Mr.Arjun Dhawan, pursuant to the approval of the Nomination and Remuneration Committee, the Board of Directors, and Shareholders. However, lenders approval is still awaited.
(a) Payment of remuneration subject to lenders approval, which is awaited. Actual remuneration paid is only from April- July, 2019. Remuneration from August, 2019- March, 2020 is yet to be paid.
(b) Payment of remuneration from April 1, 2019 to July 31, 2019 has paid subject to lenders approval, which is awaited.
+ Perquisites include Company's contribution to Provident Fund and Superannuation Fund.
* Sitting fees comprises payment made to Non-Executive Directors for attending Board meetings and/or Board Committee meetings.
^ In case of Mr. Mukul Sarkar, who was appointed as Nominee Director on the Board of Company w.e.f. February 6, 2020 in place of Mr. Samuel Joseph, erstwhile nominee director whose nomination was withdrawn by EXIM Bank w.e.f. October 30, 2019, the sitting fees for attending Board Meetings for both Nominee Directors were paid to the EXIM Bank.
*** Dr. Mita Dixit was appointed as an Additional Director under the category of Independent Woman Director w.e.f. February 06, 2020.

Note:

(a) The service contract details and the notice period has been mentioned in the agreement entered with the Chairman & Managing Director, Whole-time Director and Group CEO & Whole-time Director.

(b) There are no outstanding stock options held by the Directors.

g) Details of Equity Shares held by the Non- Executive Directors

There were no outstanding stock options held by Non-Executive Directors and the details of the Equity Shares held by the Non-Executive Directors as on March 31, 2020 are given in Table 3 below.

Table 3: Details of Equity Shares held by Non-Executive Directors as on March 31, 2020:

Name of the Director(s)	No. of Equity Shares
Sharad M. Kulkarni	20000
Anil C. Singhvi	Nil
N.R. Acharyulu	4100
Santosh Janakiram Iyer	Nil
Mahendra Singh Mehta	Nil
Mukul Sarkar	Nil
Dr. Mita Dixit	Nil

h) Code of Conduct

The Board of Directors has laid down two separate Codes of Conduct ('Code(s)')- one for the Non-Executive Directors including Independent Directors and the other for Executive Directors and Senior Managers (Senior Management). These Codes have been placed on the Company's website – www.hccindia.com. The Codes lay down the standard of conduct which is expected to be followed by the Directors and by the Senior Managers in their business dealings and in particular on matters relating to integrity at the work place, in business practices and in dealing with stakeholders. A declaration that the member of the Board of Directors and Senior Management Personnel has affirmed compliance under the Code during the year 2019-2020 has been signed by Mr. Arjun Dhawan, Group CEO & Whole-time Director and is annexed to this Report.

i) Familiarisation Programme for Board Members

The Company has a familiarisation programme for the Independent Directors with regard to their roles, rights and responsibilities in the Company and provides details regarding the nature of the industry in which the Company operates, the business models of the Company etc. which aims to provide insight to the Independent Directors to understand the business of the Company. Upon induction, the Independent Directors are familiarized with their roles, rights and responsibilities.

The details of the familiarisation programme for Independent Directors are available on the website of the Company and can be accessed by weblink http://www.hccindia.com/pdf/familiarisation_program_for independent_directors.pdf.

j) Nomination and Remuneration Policy

The Non-Executive Directors (NEDs) are paid sitting fees for attending the Meetings of the Board of Directors and the Board Committees, which are within the limits laid down by the Act read with relevant Rules thereunder. The Company pays a sitting fee of ₹ 1,00,000 to each NEDs for their attendance at every Board meeting or Board constituted Committee meeting. In respect of Mr. Samuel Joseph, erstwhile Nominee Director whose nomination was withdrawn by EXIM Bank w.e.f. October 30, 2019 and Mr. Mukul Sarkar, Nominee Director w.e.f. February 6, 2020, the sitting fees are paid to Exim Bank.

The Nomination and Remuneration Policy amended by the Company on May 9, 2019 to bring in line with the requirements of the SEBI (LODR) Amendment Regulations, 2018 is available on the website: www.hccindia.com.

k) Independent Directors Meeting

In terms of the Schedule IV to the Act and Regulation 25 of the SEBI Listing Regulations, Independent Directors of the Company to hold at least one meeting in a financial year without the attendance of Non-Independent Directors and members of management.

During the year under review, no separate meeting of Independent Directors was held on or before March 31, 2020 due to COVID-19 pandemic. However, the MCA vide its circular number 11/2020 dated March, 24, 2020 has clarified that if Independent Directors are unable to hold Independent Director Meeting during the financial year 2019-2020, it will not be viewed as a non-compliance of statutory provisions.

However, subsequent to closure of the financial year, Independent Directors of the Company met separately on June 29, 2020 through Video Conferencing, *inter-alia*, for –

- Evaluation of performance of Non-Independent Directors and the Board of Directors of the Company as a whole;
- Evaluation of performance of the Chairman of the Company, taking into views of Executive and Non-Executive Directors;
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

l) Detailed reasons for the resignation of an Independent Director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided.

Mr. Ram Gandhi, Independent Director of the Company resigned on September 27, 2019.

Reason for Resignation- Resignation due to advancing age and health problems.

The Company has received confirmation from Mr. Ram Gandhi that there are no other material reasons other than those provided.

II. BOARD COMMITTEES

Details of the role and composition of the Committees, including the number of meetings held during the financial year and attendance at meetings, are provided below:

a) Audit Committee

As on March 31, 2020, the Audit Committee comprises four Directors. viz Mr. Sharad M. Kulkarni (Chairman), Mr. Anil C. Singhvi, Mr. N. R. Acharyulu and Mr. Mahendra Singh Mehta. All Members of the Audit Committee possess accounting and financial management knowledge.

The terms of reference of the Audit Committee has been amended by the Company on May 9, 2019 to bring in line with the requirements of the SEBI (LODR) Amendment Regulations, 2018.

The Senior Management team comprising Group CEO & whole-time Director, Chief Executive Officer-E&C, Chief Financial Officer, the Chief Internal Auditor and the representative of the Statutory Auditors are invited for the meetings of the Audit Committee. The Company Secretary is the Secretary to the Committee.

The Audit Committee met 4 times during the year, i.e. on May 9, 2019, August 1, 2019, November 14, 2019 and February 6, 2020. The details of the composition of the Committee, attendance at the meetings are given in Table 4.

Table 4: Details of the Audit Committee:

Name of the Director	Category	Position	No. of meetings attended
Sharad M. Kulkarni	Independent Director	Chairman	4
Rajas R. Doshi (Retired w.e.f. September 26, 2019)	Independent Director	Member	2
Anil C. Singhvi	Independent Director	Member	4
N. R. Acharyulu	Non-Executive and Non Independent Director	Member	4
Mahendra Singh Mehta*	Independent Director	Member	2

*Mr. Mahendra Singh Mehta was appointed as a Member w.e.f. August 1, 2019.

In the absence of Mr. Sharad Kulkarni, Chairman of Audit Committee, Mr. Rajas R. Doshi represented him, at the Annual General Meeting of the Company held on September 26, 2019, to answer the members' queries.

The terms of reference of the Audit Committee are reproduced below:

- Overseeing of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the Management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of subsection 3 of Section 134 of the Act;
    - Changes, if any, in accounting policies and practices and reasons for the same;
    - Major accounting entries involving estimates based on the exercise of judgment by the management;
    - Significant adjustments made in the financial statements arising out of audit findings;
    - Compliance with listing and other legal requirements relating to financial statements;
    - Disclosure of any related party transactions;
    - Modified opinion(s) in the draft audit report;
- Reviewing with the Management, quarterly financial statements before submission to the Board for approval;
- Reviewing with the Management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the Management, performance of the statutory and internal auditors and adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with the internal auditors of any significant findings and follow-up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

- Discussions with the statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussions to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to depositors, debenture holders, members (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism/Vigil mechanism;
- Approval for appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other functions as specified in the terms of reference, as amended from time to time;
- Review of Information by Audit Committee;
- Review the utilization of loans and/or advances from/ investment by the holding Company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower, including existing loans/ advances/investments.

  Besides the above, the role of the Audit Committee includes mandatory review of the following information:

  - Management Discussion and Analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the audit committee), submitted by Management;
  - Management letters/letters of internal control weaknesses issued by the statutory auditors, if any;
  - Internal audit reports relating to internal control weaknesses;
  - The appointment, removal and terms of remuneration of the Chief Internal Auditor;
  - Statement of deviations.

Quarterly statements of deviation(s) including report of monitoring agency, if applicable, submitted to the stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations.

Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(5) of the SEBI Listing Regulations.

b) Nomination and Remuneration Committee

As of March 31, 2020, this Committee comprised four Directors viz. Mr. Mahendra Singh Mehta (Chairman), Mr. Anil Singhvi, Mr. Ajit Gulabchand, Chairman & Managing Director of the Company and Mr. Santosh Janakiram Iyer as Members of this Committee. The Group EVP- HR is invited for the meetings. The Company Secretary is the Secretary to the Committee.

The Nomination and Remuneration Committee met 3 times during the financial year i.e. on May 9, 2019, June 17, 2019 and February 6, 2020. The details of the composition of the Committee and attendance at the meetings are given in Table 5 below:

Table 5: Details of the Nomination and Remuneration Committee:

Name of the Director	Category	Position	No. of meetings attended
Mahendra Singh Mehta***	Independent Director	Chairman	1
Anil C. Singhvi**	Independent Director	Member	3
Rajas R. Doshi*	Independent Director	Member	2
Omkar Goswami*	Independent Director	Member	2
Ajit Gulabchand	Chairman & Managing Director	Member	3
Santosh Janakiram Iyer***	Independent Director	Member	1

*Mr. Rajas R. Doshi and Omkar Goswami retired as Directors of the Company w.e.f. September 26, 2019.

*** Mr. Mahendra Singh Mehta and Mr. Santosh Janakiram were appointed as Members of Committee w.e.f. August 1, 2019.

**Mr Anil Singhvi was Chairman of the Nomination and Remuneration Committee prior to February 6, 2020. On August 1, 2019 the Committee was reconstituted and Mr. Mahendra Singh Mehta was appointed as Chairman of the Committee from February 6, 2020.

The role of the Nomination and Remuneration Committee has got enhanced with effect from May 9, 2019 to bring it in line with the requirements of the SEBI (LODR) Amendment Regulations, 2018.

Accordingly, the role of the Nomination and Remuneration Committee of the Company inter-alia is as under:

- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Formulation of the criteria for determining qualifications, positive attributes and Independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees;
- Devising a policy on Board diversity;
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- Recommendation for appointment of senior management and remuneration payable to them.

c) Stakeholders Relationship Committee

This Committee comprises four Directors viz. Mr. Santosh Janakiram Iyer (Chairman) Independent Director, Mr. Arjun Dhawan, Group CEO & Whole-time Director and Mr. Ajit Gulabchand, Chairman & Managing Director of the Company. Mr. Vithal P Kulkarni, Company Secretary is the Compliance Officer of the Company.

The Stakeholder Relationship Committee met 4 times during the year i.e. on May 9, 2019, August 1, 2019, and November

14, 2019 and February 6, 2020.The details of the composition of the Committee and attendance at the meetings are given in Table 6 below:

Table 6: Details of the Stakeholders Relationship Committee:

Name of the Director	Category	Position	No. of meetings attended
Santosh Janakiram Iyer***	Independent Director	Chairman	3
Ram P. Gandhi*	Independent Director	Chairman	4
Rajas R. Doshi **	Independent Director	Member	3
Ajit Gulabchand	Chairman & Managing Director	Member	4
Arjun Dhawan	Group CEO & Whole-time Director	Member	4

*Mr. Ram Gandhi resigned as an Independent Director of the Company on September 27, 2019.
**Rajas R. Doshi retired as an Independent Director of the Company on September 26, 2019.
*** Mr. Santosh Janakiram Iyer was appointed as a Member of the Committee w.e.f. August 1, 2019 and Chairman on November 14, 2019.

During the year under review, queries/complaints were received by the Company from members/investors/ authorities, majority of which have been redressed/resolved to date, satisfactorily as shown in

Table 7: Details of Investor queries/complaints received and attended during the financial year 2019-20

Sr. No	Nature of Query/Complaint	Pending as on 01-APR-2020	Received during the above period	Redressed during the above period	Pending as on 31-MAR-2020
1.	Transfer/ Transmission/Duplicate	5	61	66	0
2.	Non-receipt of warrants	2	57	58	1
3.	Dematerialisation/ Rematerialisation of Securities	0	3	3	0
4.	Complaints Received Through:				
	a. Consumer Forum/ Court Case / Legal Notice	0	0	0	0
	b. Advocate	0	0	0	0
	c. SEBI	0	0	0	0
	d. Stock Exchanges	0	0	0	0
	e. NSDL, CDSL, MOCA	0	0	0	0
	f. Any Other Governing Body	0	0	0	0
5.	Other Queries	7	100	106	1
	TOTAL	**14**	**221**	**233**	**2**

The terms of reference for Stakeholders Relationship Committee have been amended on May 9, 2019 to bring in line with the requirements of the SEBI (LODR) Amendment Regulations, 2018.

In accordance with the Act and SEBI Listing Regulations, the role of the Stakeholders Relationship Committee inter-alia is as under:

- Noting transfer/transmission of shares;
- Review of dematerialised/rematerialised shares and all other related matters;
- Monitors expeditious redressal of investor grievance matters received from Stock Exchanges, SEBI, ROC, etc.;
- Monitors redressal of queries/complaints received from members relating to transfers, non-receipt of Annual Report, dividend etc.;
- Resolving grievances of security holders;
- Review of measures taken for effective exercise of voting rights;
- Review of adherence to service standards of listed entity by Registrar and Transfer Agent;
- Review of measures taken for reducing quantum of unclaimed dividend and timely receipt of dividend/reports/ notices by shareholders;
- All other matters related to shares/debentures.

d) Corporate Social Responsibility (CSR) Committee

The CSR Committee comprises three Directors viz. Mr. Ajit Gulabchand (Chairman), Mr. Mahendra Singh Mehta and Mr. N R Acharyulu and the role of the Committee *inter-alia* is as under:

- Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act,;
- Recommend the amount of expenditure to be incurred on the activities referred in the CSR Policy;
- Monitor the CSR Policy of the Company and its implementation from time to time;
- Such other functions as the Board may deem fit from time to time.

The CSR Committee met once during the year i.e. on February 6, 2020. The Minutes of meeting of the Corporate Social Responsibility Committee are noted by the Board.

The CSR Policy is available on the website of the Company at https://hccindia.com

e) Risk Management Committee

Risk Management Committee was constituted voluntarily by the Company and it comprises 4 Members.

This Committee has been delegated with the authority by the Board to review and monitor the implementation of the Risk Management Policy of the Company.

Risk Management

The Company has established a well-documented and robust risk management framework under the provisions of the Act. The Company has constituted Risk Management Committee in place, which has been delegated with the authority by the Board to review and monitor the implementation of the Risk Management Policy of the Company.

Under this framework, risks are identified across all business processes of the Company on a continuous basis. Once identified, these risks are managed systematically by categorizing them into Enterprise Level Risk & Project Level Risk. These risks are further broken down into various subcategories of risks such as operational, financial, contractual, order book, project cost & time overrun etc. and proper documentation is maintained in the form of activity log registers, mitigation, reports; and monitored by respective functional heads. Review of these risk and documentation is undertaken by Risk Review Committee regularly at agreed intervals but at least once in a quarter and mainly during quarterly project reviews. Risk Review Committee was successful in early identification of financial risk related to borrowing structure & cash flow mismatch due to late realization of claims lodged with clients.

During the last year, the Company has successfully infused Rs 497.6 crore as additional capital, by way of Rights Issue to support the cash flow mismatch. Proceeds of Rights Issue were used to fund its working capital requirements and for general corporate purpose. The Company is also under active discussion with lenders to have carve out structure for transferring its term loan, Cash credit facilities and other loan alongwith agreed pool of arbitration awards and claims to a separate entity wherein company would be shareholder however such entity would be substantially owned by outside investor. This will substantially deleverage the Company and recurring interest liability on term loan will extinguish permanently. These two long term initiatives were discussed & implemented by risk committee during the year apart from other initiatives towards improving of operational efficiencies. The Company in its Notes to Accounts have disclosed risk management objectives and policies for managing financial and reporting risk.

III. COMPLIANCE

a) Performance Evaluation criteria for Board Directors

Annual performance evaluation of the Directors as well as of the other Board- level Committee has been carried out. The performance evaluation of the Independent Directors was carried out by the entire Board and the Performance Evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors.

b) Accounting treatment in preparation of financial statements

The Financial Statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ('IND-AS') notified under the Companies (Accounting Standards) Rules, 2015.

c) Subsidiary Companies

In accordance with Regulation 24 of the SEBI Listing Regulations, Steiner AG, Switzerland falls under the category of unlisted material subsidiary of the Company whose individual income or networth exceed 20% of the consolidated income or networth respectively, of the Company and its subsidiaries in the immediately preceding financial year.

Mr. Anil Singhvi, Independent Director of the Company is also a Director on the Board of Steiner AG, Switzerland.

The Minutes of the Board Meetings of the subsidiary companies are placed before the Board of Directors of the Company.

The details of all significant transactions and arrangements entered into by the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

The Policy for determining "Material Subsidiaries" is available on the website of the Company at http://www.hccindia.com/pdf/_Policy_for_determining_ Material_Subsidiaries.pdf

d) Code for Prevention of Insider Trading Practices and other Policies

In accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company had adopted a Code of Conduct for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information which has been further revised to bring the same in line with the amendments made by the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018. w.e.f. April 1, 2019.

The Codes viz "Code of Conduct for Prevention of Insider Trading" and the "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" allows the formulation of trading plan subject to certain conditions as mentioned in the said Regulations and requires pre-clearance for dealing in the Company's shares. It also prohibits the purchase or sale of Company's securities by the Directors, designated person and connected persons, while in possession of unpublished price sensitive information in relation to the

Company and during the period when the trading window is closed. The Company Secretary of the Company is designated as the Compliance Officer for this Code.

e) CEO/CFO Certification

As required under the SEBI Listing Regulations, the Group CEO and the Chief Financial Officer of the Company have submitted a Compliance Certificate for the financial year ended March 31, 2020, which is annexed to this Report.

f) Pledge of Equity Shares

Hincon Holdings Ltd and Hincon Finance Ltd (Promoter Companies of HCC) had recreated the pledge on 21,60,23,600 and 2,38,95,686 equity shares of ₹ 1/- each respectively held in HCC in favour of Universal Trusteeship Services Ltd., the Security Trustee for the HCC Lenders, in accordance with the terms of the Master S4A Framework Agreement executed on December 28, 2016 and Master Pledge Agreement executed on March 29, 2018 in relation to facility agreements entered by HCC during financial year 2017-18 for availment of additional working capital facilities from its Lenders for Operations and Arbitration Bank Guarantees as per details given above.

Arya Capital Management Pvt Ltd, Member of the Promoter Group has pledged their shareholding in the Company during FY 2018-19 in favour of the Debenture Trustees, who holds the pledge for the benefits of holders of listed debentures issued by Arya Capital Management Pvt. Ltd; as at March 31, 2020, there is a pledge on 24,40,13,391 shares of ₹ 1/- each which, representing 16.13% of the paid-up Equity Share Capital of the Company.

Thus, in aggregate, Pledge has been created on 48,39,32,677 equity shares in aggregate held by the respective Promoter Companies as above, representing 31.98% of the paid up equity share capital of the Company.

The aggregate shareholding of the Promoters and Members of the Promoter Group as on March 31, 2020, was 52,52,14,871 equity shares of ₹ 1 each representing 34.71% of the paid-up Equity Share Capital of the Company.

g) Disclosures in relation to the Sexual Harassment of Women at Workplace

HCC has a well formulated Policy on Prevention & Redress of Sexual Harassment. The objective of the policy is to prohibit, prevent and address issues of sexual harassment at the workplace. The policy covers all employees, irrespective of their nature of employment and also applicable in respect of all allegations of sexual harassment made by an outsider against an employee.

The Company has duly constituted an Internal Complaints Committee in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. During the year 2019-20, no case of Sexual Harassment was reported.

h) Chart/Matrix of setting out the skills/experiences/ competences of the Board of Directors:

In compliance with the provisions of the SEBI Listing Regulations, the Board of Directors has identified the following skills/expertise/competencies with reference to its Business and Industry that are fundamental for the effective functioning of the Company:

Sr. No.	Skill Area
1	Strategic Thinking, Planning and Management
2	Leadership Traits
3	Accounting and Financial Management expertise
4	Expertise in Engineering and Construction, Infrastructure, Industrial Projects
5	Expertise in Transportation- Road, Bridges, Metros and urban transport system
6	Expertise in Hydro, Marine and Water projects
7	Expertise in Nuclear Power and Special Projects
8	Expertise in General Project Contracting
9	Expertise in Commerce, Fund Management, Legal, Communication, Economics
10	Information Technology/Digital Skills/additional skills

The Directors so appointed are from diverse backgrounds and possess special skills with regard to the industries / fields from where they come.

i) Credit Rating

The SEBI (LODR) Amendment Regulations, 2018 effective from April 1, 2019, requires the Company to provide details of the credit ratings for all debt instruments issued by the Company which is mentioned as below :

Sr. No.	Nature of Instruments	Ratings
1.	Non-Convertible Debentures – LIC	Care D (Single D) – reaffirmed
2.	Non-Convertible Debentures- Axis Bank	Care D (Single D) – reaffirmed

During the year, there were no revisions in the credit ratings of the debt instruments.

IV. SHAREHOLDER INFORMATION

a) Disclosures regarding the Board of Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed under the Act and the SEBI Listing Regulations. Based on the same, the Board has confirmed that in their opinion, the Independent Directors meet with the criteria of Independence and are Independent of the Management. Detailed profile of the Directors who may be seeking appointment/re-appointment at the ensuing Annual General Meeting of the Company is given under the Explanatory Statement to the Notice which is forming part of the Annual Report of the Company.

b) Means of Communication

In accordance with the SEBI Listing Regulations, the Company has maintained a functional website at www.hccindia.com containing information about the Company and the same is updated from time to time. The quarterly and annual results are published in Business Standard (English) and Sakal(Marathi), which are national and local dailies respectively and also displayed on the Company's website. Presentations made to institutional investors or to analysts, are also uploaded on the website of the Company.

The Company also disseminates to the Stock Exchanges (i.e. BSE and NSE), all mandatory information and price sensitive/ such other information, which in its opinion, are material and/or have a bearing on its performance/operations and issues press releases, wherever necessary, for the information of the public at large. A designated email id has been created for member's correspondence viz., secretarial@hccindia.com

c) General Body Meetings

The Company generally convenes the Annual General Meeting (AGM) in the month of June/July after the end of the financial year. For the financial year 2019, AGM was held on September 26, 2019.

d) Postal Ballot

During the year, resolutions were passed through postal ballot with requisite majority and are deemed to have been passed on the date of announcement of results of postal ballot i.e. September 10, 2019

The details of Special Resolution passed through postal ballot, the persons who conducted the postal ballot exercise, the voting pattern and procedure of postal ballot:

The Company had sought the approval of the shareholders by way of a Special Resolution through notice of postal ballot dated August 1, 2019 for payment of remuneration to Mr. Ajit Gulabchand, Chairman & Managing Director, for financial year 2014-2015 and 2015-2016, which was duly passed and the results of which were announced on September 10, 2019. Mr. P N Parikh (Membership No. FCS 327) of Parikh and Associates, Practising Company Secretaries, was appointed as the Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner.

Description of Special Resolution	Votes in favour of the resolution			Votes against resolution			Invalid votes	
	No. of members voted through electronic voting system and through Physical ballot form	No. of valid Votes cast (Shares)	Percentage of total number of valid votes cast	No. of members voted through electronic voting system and through Physical ballot form	No. of valid Votes cast (Shares)	Percentage of total No. of valid votes cast	Total No. of members whose votes were declared invalid	Total No. of invalid votes cast (Shares)
Payment of remuneration to Mr. Ajit Gulabchand, Chairman & Managing Director for financial year 2014-2015	492	65,05,89,389	88.22	276	8,68,66,032	11.78	5	4320
Payment of remuneration to Mr. Ajit Gulabchand, Chairman & Managing Director for financial year 2015-2016	492	65,05,80,037	88.22	278	8,68,76,184	11.78	5	4320

Procedure for Postal Ballot:

The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder.

e) General Shareholder Information

Forthcoming Annual General Meeting

Date:	December 24, 2020
Day:	Thursday
Time:	11.00 a.m.
Venue:	Through Video Conferencing or Other Audio -Visual Means only as per the General Circular dated May 5, 2020 issued by the MCA.

Last date for Receipt of Proxies –

Not applicable as AGM will be held through Video Conferencing

Financial Year

The financial year of the Company covers the financial period from April 1 to March 31.

During the financial year under review, the Board Meetings for approval of quarterly and annual financial results were held on the following dates:

1st Quarter Results:	:	August 1, 2019
2nd Quarter Results:	:	November 14, 2019
3rd Quarter Results:	:	February 6, 2020
4th Quarter & Annual Results:	:	July 9, 2020

The tentative dates of the Board Meetings for consideration of financial results for the year ending March 31, 2021 are as follows:

1st Quarter Results:	:	August 27, 2020
2nd Quarter Results:	:	November 12, 2020
3rd Quarter Results:	:	February 4, 2021
4th Quarter & Annual Results:	:	May 6, 2021

Date of Book Closure

Friday, December 18, 2020 to Thursday, December 24, 2020 (both days inclusive)

Listing

Presently, the Equity Shares of the Company are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Company has paid the annual listing fees for the financial year 2020-2021 to BSE Limited and NSE of India Limited.

Stock Codes:

ISIN (Equity Shares) in NSDL & CDSL	INE549A01026
BSE Code	500185
NSE Code	HCC

Corporate Identification Number:

Corporate Identity Number (CIN) of the Company is L45200MH1926PLC001228.

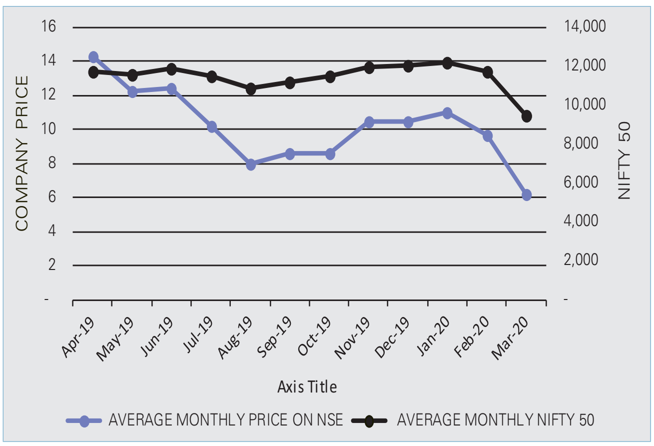
Details of the AGM/EGM held at Walchand Hirachand Hall, Indian Merchants' Chamber, Indian Merchants' Chamber Marg, Churchgate, Mumbai-400 020 in the last three years along with special resolutions passed thereat:

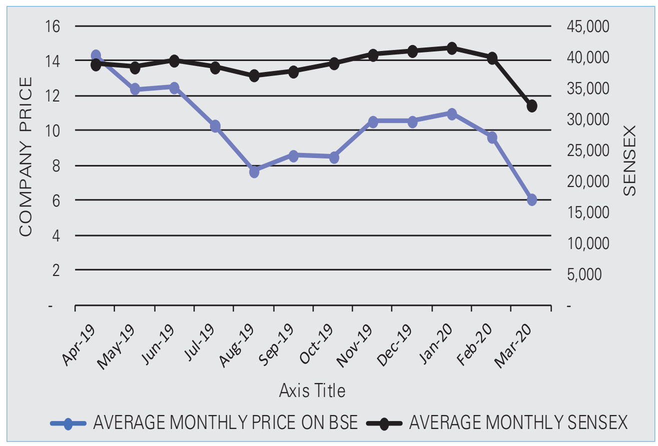
Financial Year	Day, Date & Time	Particulars of Special Resolution passed
Extra – Ordinary General Meeting	Thursday, January 5, 2017 at 11.00 am	1. Approval for conversion of Loan by Lenders into equity shares/ Optionally Convertible Debentures of the Company pursuant to RBI S4A scheme. 2. Approval for offer and issue of equity shares and Optionally Convertible Debentures (OCD) on preferential basis pursuant to implementation of S4A scheme.
2016- 2017 (AGM)	Thursday, July 6, 2017 at 11.00 am	1. Re-appointment of Mr. Ram P. Gandhi (DIN : 00050625), Independent Director of the Company, to hold office for a second term of three years. 2. Re-appointment of Mr. Sharad M. Kulkarni (DIN : 00003640), Independent Director of the Company, to hold office for a second term of three years. 3. Payment of revised Remuneration to Mr. Ajit Gulabchand, Chairman & Managing Director of the Company for FY 2016-17 4. Payment of Remuneration to Mr. Ajit Gulabchand, Chairman & Managing Director of the Company for FY 2017-2018 5. Appointment of Mr. Arjun Dhawan (DIN: 1778379) as Group CEO & Whole-time Director of the Company for a period of five years effective from April 1, 2017 (including terms of remuneration for three years) 6. Option to Lenders for conversion of Outstanding Borrowings arising from default of Part A Debt under S4A Scheme and/or default of additional facilities, into Equity Shares of the Company. 7. Offer and Issue of Equity Shares of the Company of face value ₹1 each and Optionally Convertible Debentures (OCDs) of face value ₹1000 each on Preferential basis, pursuant to implementation of S4A Scheme. 8. Issue of Securities of the Company.
2017-2018 (AGM)	Thursday, July 12, 2018 at 11.00 am	1. Appointment of Mr. N.R. Acharyulu (DIN 02010249) who retires by rotation and being eligible, offers himself for re-appointment as Director 2. Continuance of Directorship of Mr. Sharad M Kulkarni (DIN 00003640), Independent Director of the Company 3. Re-appointment of Mr. Ajit Gulabchand (DIN 00010827) as Chairman & Managing Director of the Company for a period of five years effective from April 1, 2018 (including terms of remuneration for FY 2018-19) 4. Amendment to the existing HCC Employees Stock Option Scheme, to bring the Scheme in conformity with the SEBI (Share Based Employee Benefits) Regulations, 2014 5. Extension of the period of conversion of the Optionally Convertible Debentures (OCDs) of face value ₹1000/- each issued by the Company. 6. Issue of Securities of the Company
2017-2018 (EGM)	Monday October 8, 2018	Increase in the Authorised Share Capital from ₹135,00,00,000 (Rupees One Hundred Thirty Five Crore only) divided into 125,00,00,000 (One Hundred Twenty Five Crore) Equity Shares of ₹1/- each and 1,00,00,000 (One Crore) Redeemable Preference Shares of ₹10/- each be and is hereby increased to ₹210,00,00,000 (Rupees Two Hundred Ten Crore only) divided into 200,00,00,000 (Two Hundred Crore Only) Equity Shares of ₹1/- each and 1,00,00,000 (One crore) Redeemable Preference Shares of ₹10/- each and consequential amendments to Memorandum of Association of the Company
2018-2019 (AGM)	Thursday September 26, 2019	1. Appointment of Mr. N.R. Acharyulu (DIN 02010249) who retires by rotation and being eligible, offers himself for re-appointment as Director 2. Re-appointment of Mr. Anil C. Singhvi (DIN:00239589) as an Independent Director of the Company. 3. Payment of Remuneration to Mr. Ajit Gulabchand, Chairman and Managing Director for 3 years with effect from April 1, 2019 upto March 31, 2022. 4. Payment of Remuneration to Ms. Shalaka Gulabchand Dhawan for the period from April 30, 2019 upto July 31,2019 as Whole-time Director 5. Revision in Remuneration of Mr. Arjun Dhawan, CEO & Whole-time Director for 3 years with effect from April 1, 2019 upto March 31, 2022 6. Issue of Securities of the Company

Share Price Data: High/Low and Volume during each month of 2019-2020 at BSE and NSE Month Table

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April 2019	15.40	13.20	62,03,977	15.40	13.25	5,38,13,398
May 2019	13.65	11.05	57,70,980	13.55	11.05	5,39,62,180
June 2019	13.45	11.53	40,99,194	13.35	11.50	2,13,94,751
July 2019	12.15	8.49	34,69,079	12.10	8.40	2,84,31,363
August 2019	9.06	6.31	35,30,897	9.15	6.90	3,07,11,628
September 2019	9.40	7.75	25,67,985	9.45	7.75	2,35,57,492
October 2019	10.06	7.00	61,05,063	10.05	7.20	3,16,81,796
November 2019	13.31	7.80	2,64,26,351	13.30	7.75	17,07,98,721
December 2019	11.95	9.18	63,60,540	11.85	9.15	5,68,93,950
January 2020	12.15	9.90	72,44,812	12.20	9.85	6,07,42,242
February 2020	11.37	8.04	32,73,395	11.40	8.05	3,37,05,096
March 2020	8.66	3.60	1,25,53,922	8.75	3.60	5,43,89,309

Chart A& B show the movement of HCC share prices compared to the principal indices - Sensex & Nifty





Distribution of shareholding as on March 31, 2020

Distribution range of Shares	No. of Shares	Percentage of Shares	No. of Shareholders	Percentage of Shareholders
1 to 500	297,62,542	1.97	1,53,769	64.68
501 to 1000	292,79,634	1.94	34,379	14.46
1001 to 2000	364,60,522	2.41	22,483	9.46
2001 to 3000	235,19,089	1.55	8,847	3.72
3001 to 4000	154,95,261	1.02	4,207	1.77
4001 to 5000	169,05,773	1.12	3,542	1.49
5001 to 10000	420,82,223	2.78	5,615	2.36
Greater than 10000	13195,23,200	87.21	4,895	2.06
Total	**15130,28,244**	**100**	**2,37,737**	**100**

Shareholding Pattern

Categories	As on March 31, 2020		As on March 31, 2019	
	No. of Shares	Percentage	No. of Shares	Percentage
Promoter and Promoter Group	525214871	34.71	527457097	34.86
Foreign Institutional Investors/FPIs –Corporation	191636561	12.67	194118575	12.83
Public Financial Institutions/State Financial Corporation/Insurance Companies	10691122	0.71	17766396	1.18
Mutual Funds (Indian) and UTI	88994219	5.88	117859277	7.79
Nationalised and other Banks	213275982	14.10	216867346	14.33
NRI/OCBs	18574978	1.23	15995401	1.06
GDSs	0	0.00	0	0.00
Directors and Relatives	24100	0.00	1221100	0.08
Investor Education And Protection Fund Authority Ministry Of Corporate Affairs	3391729	0.22	3394729	0.22
Public	461224682	30.48	418348323	27.65
Total	**1513028244**	**100.00**	**1,51,30,28,244**	**100.00**

List of Top 20 Shareholders of the Company as on March 31, 2020:

Sr. No.	Name of the Shareholder	Category	No. of Shares	% to Total Capital
1	Arya Capital Management Pvt Ltd	Member of the Promoter Group	2440,13,391	16.13
2	Hincon Holdings Ltd	Promoter Company	2160,23,600	14.28
3	Asia Opportunities Iv (Mauritius) Ltd	Foreign Portfolio Investors (Corporate)	1154,62,961	7.63
4	Hdfc Trustee Company Limited-Hdfc Equity Fund	Mutual Funds	889,92,219	5.88
5	Hincon Finance Ltd	Promoter Company	622,61,186	4.12
6	State Bank Of India	Nationalized Banks	295,00,105	1.95
7	IDBI Bank Ltd	Other Banks	247,18,683	1.63
8	Export- Import Bank Of India	Other Banks	242,51,091	1.60
9	Punjab National Bank	Nationalized Banks	219,55,252	1.45
10	Government Pension Fund Global	Foreign Portfolio Investors (Corporate)	216,92,360	1.43
11	Canara Bank-Mumbai	Nationalized Banks	196,05,966	1.30
12	Axis Bank Ltd	Other Banks	163,38,580	1.08
13	ICICI Bank Ltd	Other Banks	155,34,100	1.03
14	United Bank Of India	Nationalized Banks	145,69,452	0.96
15	Vanguard Total International Stock Index Fund	Foreign Portfolio Investors (Corporate)	129,67,528	0.86
16	Bank Of Baroda	Nationalized Banks	112,24,651	0.74
17	Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International Equity Index Funds	Foreign Portfolio Investors (Corporate)	111,01,906	0.73
18	Ashish Kacholia	Resident Individual	110,00,000	0.73
19	Syndicate Bank	Nationalized Banks	96,93,580	0.64
20	Sonal Rajeev Sangoi	Resident Individual	87,18,000	0.58

Dematerialization of Shares and Liquidity

As on March 31, 2020, 150,85,98,022 equity shares representing 99.71 % of the total equity share capital of the Company, were held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited. The break-up of equity shares held in Physical and Dematerialised form as on March 31, 2020, is given below:

Particulars	No. of Equity shares	Percentage
Physical Segment	44,30,222	0.29
Demat Segment:-		
NSDL	13322,56,022	88.05
CDSL	1763,42,000	11.65
Total	**15130,28,244**	**100.00**

The Promoters hold their entire equity shareholding in the Company in dematerialized form. The Company's equity shares are regularly traded on the BSE and NSE.

Employees Stock Options (ESOPs)

a) As on March 31, 2020, the number of options (yet to be vested), which are outstanding is 3,00,000. in aggregate, for exercise as per the exercise schedule and are exercisable at a price of ₹ 31.15 per stock option.

b) Each option, when exercised, as per the exercise schedule, would entitle the holder to subscribe for one equity share of the Company of face value ₹ 1 each.

c) During the year under review, no options were vested in the employees of the Company.

d) No options were due for exercise by the eligible employees during the year.

Details regarding Listing and redemption of Debt Securities

Non-Convertible Debentures issued to LIC & Axis Bank were revived w.e.f July 7, 2017 in the F Group-Debt Instruments of the BSE and the Company has been carrying out the necessary compliances as required under the SEBI Listing Regulations.

Further, the Company has not issued any fresh debentures and debentures worth ₹ 21.17 crore have been redeemed during the year.

As of March 31, 2020, an amount of ₹ 18.48 crore was outstanding as regards NCD's held by Axis Bank and an amount of ₹ 61.85 crore was outstanding for NCD's held by LIC., the payments are made under the approved S4A Scheme.

In respect of the aforesaid debt securities, following are the details of Debenture Trustees:

Debenture Trustees details

1) Axis Trustees Services Ltd
(Debenture Trustee for Axis Bank)
Ruby Towers, 2nd Floor (S W),
29, Senapati Bapat Marg,
Dadar (W), Mumbai 400 025
Contact Person: Mr. Indraprakash Rai
Tel : 022 6230 0605

2) IDBI Trusteeship Services Ltd
(Debenture Trustee for LIC) Asian Building,
Ground Floor, 17, R Kamani Marg,
Ballard Estate, Mumbai 400 001
Contact Person: Mr. Naresh Sachwani
Tel: 022 4080 7016

Share Transfer system

The Registrar and Share Transfer Agents have put in place an appropriate Share Transfer system to ensure timely share transfers. Share transfers are registered and returned in the normal course within an average period of 30 days from the date of receipt, if the documents are clear in all respects. Requests for dematerialisation of shares are processed and confirmation is given to the respective depositories i.e. NSDL and CDSL within 21 days.

Address for members' correspondence

Members are requested to correspond with the Registrar and Share Transfer Agents at the below given address on all matters relating to transfer/ dematerialisation of shares, payment of dividend and any other query relating to Equity Shares or Debentures of the Company.

Registrar and Share Transfer Agents:

Contact Officer: Ms. Mary George,
TSR Darashaw Consultants Private Limited
Unit: Hindustan Construction Co. Ltd.
6-10, Haji MoosaPatrawala Ind. House, 20,
Dr. E. Moses Road, Near Famous Studio,
Mahalaxmi, Mumbai- 400 011
Telephone: +91-22-66568484 | Fax: +91-22-66568494
Email: csg-unit@tsrdarashaw.com
Website: www.tsrdarashaw.com

The Company has maintained an exclusive email id: secretarial@hccindia.com which is designated for investor correspondence for the purpose of registering any investor related complaints and the same have been displayed on the Company's website: www.hccindia.com

Members may contact the Compliance Officer and/or the Investor Relations Officer at the following address:

Compliance Officer:

Mr. Vithal P. Kulkarni, Company Secretary
Hindustan Construction Co. Ltd.
Hincon House, Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai- 400 083, India.
Tel: +91-22-2575 1000 Fax: +91-22-25777568
Website: www.hccindia.com
Email: secretarial@hccindia.com

Investor Relations Officer:

Mr. Santosh Kadam
Hindustan Construction Co. Ltd.
Hincon House, Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai-400 083, India
Tel: +91-22-2575 1000 Fax: +91-22-25777568
Website: www.hccindia.com
Email: secretarial@hccindia.com

f) Disclosure under Regulation 30 and 46 of SEBI Listing Regulations regarding certain agreements with the media companies:

Pursuant to the requirement of Regulation 30 of the SEBI Listing Regulations, the Company would like to inform that no agreement(s) have been entered with media companies and/ or their associates which has resulted/ will result in any kind of shareholding in the Company and consequently any other related disclosures viz., details of nominee(s) of the media companies on the Board of the Company, any management control or potential conflict of interest arising out of such agreements, etc. are not applicable. The Company has not entered into any other back to back treaties/ contracts/ agreements/ MoUs or similar instruments with media companies and/or their associates.

g) Investor safeguards and other information:

Dematerialisation of shares

Members are requested to convert their physical holdings to demat/electronic form through any of the registered Depository Participants (DPs) to avoid the hassles involved in dealing in physical shares such as possibility of loss, mutilation, etc. and also to ensure safe and speedy transaction in respect of the shares held.

With effect from April 1, 2019, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form.

Transfer of Unclaimed Dividend and Equity Shares to Investor Education and Protection Fund (IEPF)

Pursuant to Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund Rules), 2016 ("the IEPF Rules'), During the under review, the Company has not transferred any amount of Unclaimed dividend and corresponding equity shares to IEPF account.

Members are further requested to note that no claims shall lie against the Company with respect to the unclaimed dividend and share(s) transferred to the IEPF pursuant the the IEPF Rules.

Unclaimed shares under Regulation 39(4) of the SEBI Listing Regulations

As required under Regulation 39(4) of the SEBI Listing Regulations, the Company has already sent reminders in the past to the shareholders to claim these shares. These share certificates are regularly released on requests received from the eligible Shareholders after due verification.

All corporate benefits on such shares viz. bonus shares, etc. shall be transferred in accordance with the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer, and Refund) Rules, 2016 (IEPF Rules) read with Section 124(6) of Act. The eligible shareholders are requested to note the same and take action for claiming the shares from the said account upon giving necessary documents.

Update Address/E-Mail Address/Bank Details

To receive all communications/corporate actions promptly, members holding shares in dematerialised form are requested to please update their address/email address/ bank details with the respective DPs and in case of physical shares, the updated details have to be intimated to the Registrar & Share Transfer Agents.

Electronic Service of Documents to Members at the Registered Email Address

The Company shall send all documents to Members like General Meeting Notices (including AGM), Annual Reports and any other future communication (hereinafter referred as "documents") in electronic form, in lieu of physical form, to all those Members, whose email address is registered with Depository Participant (DP)/Registrar & Share Transfer Agents (RTA) (hereinafter "registered email address') and made available to us, which has been deemed to be the Member's registered email address for serving the aforesaid documents. We wish to reiterate that Members holding shares in electronic form are requested to please inform any changes in their registered e-mail address to their DP from time to time and Members holding shares in physical form have to write to our RTA, TSR Darashaw Consultants Private Limited at their specified address.

It may be noted that the Annual Report of the Company is available on the Company's website www.hccindia.com for ready reference.

V. OTHER DISCLOSURES

1. There were no material related party transactions entered by the Company that may have a potential conflict with the interests of the Company. The Company has formulated a policy on Related Party Transactions and the said Policy is available on the website of the Company at http://www.hccindia.com/pdf/HCC_Policy_for_Related_Party_Transactions.pdf

2. Except as mentioned below, there were no non-compliances by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital market during the last three years

   The Company had received notice from the Stock Exchanges i.e. BSE & NSE on 3rd February 2020 intimating about the non-compliance of Corporate Governance requirement specifically Regulation 17(1)- composition of the Board including failure to appoint Women Independent Director and levied fines for the period upto 31st December, 2019. However, the Company has complied with the same by appointing Dr. Mita Dixit as an Independent Woman Director with effect from February 6, 2020. Further the Company has paid stipulated fines within the time frame provided by respective Stock Exchanges.

3. The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism Policy under which the employees are free to report violations of applicable laws and regulations. None of the personnel has been denied access to the Audit

Committee. The same is placed on the website of the Company www.hccindia.com

4. The Company has complied with the mandatory requirements of Corporate Governance as specified in the SEBI Listing Regulations

5. The Company is not dealing in commodities and hence disclosure relating to commodity price risks and commodity hedging activities is not applicable

6. Adoption of discretionary requirements of the SEBI Listing Regulations is being reviewed by the Company from time to time

7. There is no Non-Compliance of any requirement of Corporate Governance Report of as per the Part C of Schedule V of the SEBI Listing Regulations

8. The policy for determining material subsidiaries is available on the website of the Company at http://www.hccindia.com

9. Details of utilization of funds raised through Preferential Allotment or Qualified Institutions Placement as specified under Regulation 32 (7A) of the SEBI Listing Regulations-Not Applicable

10. A certificate from BNP & Associates, Company Secretary in practice, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority is annexed to this Corporate Governance Report

11. There are no shares lying in the demat suspense account or unclaimed suspense account of the Company and hence the details of the same are not provided

12. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the Statutory Auditors and all entities in the network firm/network entity of which the Statutory Auditors is a part:

Details relating to fees paid to the Statutory Auditors are given in Note 30 to the Standalone Financial Statements and Note 32 to the Consolidated Financial Statements.

Auditors' Certificate on compliance with the conditions of Corporate Governance

The Company has obtained a Certificate from its Statutory Auditors regarding compliance of the conditions of Corporate Governance, as stipulated in the SEBI Listing Regulations, which together with this Report on Corporate Governance is annexed to the Directors' Report and shall be sent to all the members of the Company and the Stock Exchanges along with the Annual Report of the Company.

CERTIFICATION BY CEO AND CFO UNDER REGULATION 17(8) OF SEBI LISTING REGULATIONS

The Board of Directors of Hindustan Construction Co. Ltd

We have reviewed the financial statements and the cash flow statement of Hindustan Construction Co. Ltd. for the year ended March 31, 2020 and that to the best of our knowledge and belief:

a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violates the Company's Code of Conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take for rectifying these deficiencies.

d) We have indicated to the Auditors and the Audit Committee:

i. significant changes in internal control over financial reporting during the year.

ii. significant changes in accounting policies made during the year and the same have been disclosed in the notes to the financial statements; and

iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Shailesh Sawa
Chief Financial Officer

Arjun Dhawan
Group CEO & Whole-time Director

Place: Mumbai
Date: July 9, 2020

DECLARATION BY THE CEO UNDER REGULATION 34(3) READ WITH PART D OF SCHEDULE V THE SEBI LISTING REGULATIONS

To,

The Members
Hindustan Construction Co Ltd

I hereby declare that all the Directors and the designated employees in the Senior Management of the Company have affirmed compliance with their respective Codes for the financial year ended March 31, 2020.

For Hindustan Construction Co Ltd

Arjun Dhawan
Group CEO & Whole-time Director

Place: Mumbai
Date: July 9, 2020

CERTIFICATE FROM A PRACTISING COMPANY SECRETARY

[pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members,
Hindustan Construction Co. Ltd.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Hindustan Construction Co. Ltd having CIN:- L45200MH1926PLC001228 and having registered office at Hincon House, Lal Bahadur Shastri Marg, Vikhroli West, Mumbai 400083 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of the Director	DIN	Date of Appointment in Company
1	Ajit Gulabchand	00010827	03/03/1983
2	Sharad Madhav Kulkarni	00003640	10/08/2001
3	Anil Chandanmal Singhvi	00239589	27/07/2007
4	N R Acharyulu	02010249	02/05/2016
5	Arjun Dhawan	01778379	01/04/2017
6	Santosh Janakiram Iyer	06801226	17/06/2019
7	Mahendra Singh Mehta	00019566	17/06/2019
8	Mukul Sarkar	00893700	06/02/2020
9	Dr. Mita Dixit	08198165	06/02/2020

Ensuring the eligibility of/for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **BNP & Associates**
Company Secretaries

Avinash Bagul
Partner
FCS No. 5578
C P No. 19862
Peer Review No. 637/2019
Firm Registration No.P2014MH037400
UDIN: F005578B000433401

Place: Mumbai
Date : July 9, 2020

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of Hindustan Construction Company Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated July 19, 2019.

2. We have examined the compliance of conditions of Corporate Governance by Hindustan Construction Co. Ltd. ('the Company') for the year ended on March 31, 2020, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI Listing Regulations').

Management's Responsibility

3. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the SEBI Listing Regulations.

Auditor's Responsibility

4. Pursuant to the requirements of the SEBI Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of Corporate Governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations during the year ended March 31, 2020.

   We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

8. This certificate is issued solely for the purpose of complying with the aforesaid the SEBI Listing and may not be suitable for any other purpose.

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

Rakesh R. Agarwal
Partner
Membership No: 109632
UDIN: 20109632AAAAGY8963

Place: Mumbai
Date : July 9, 2020

BOARD'S REPORT

To,
The Members of Hindustan Construction Co. Ltd.

1. Report

Your Directors are pleased to present the 94th Annual Report together with the Audited Financial Statements for the year ended March 31, 2020.

2. Financial Highlights (As per IND AS)

Standalone (₹ in crore)

		Year ended March 31, 2020		Year ended March 31, 2019 Restated
Income from Operations		3643.64		4603.49
Profit before Interest, Depreciation, Exceptional Items, Other Income and Tax		462.10		588.99
Less: Finance Costs	746.15		698.91	
Depreciation	109.37		144.53	
Exceptional Item	(319.95)		2,400.30	
		(535.57)		(3,243.74)
Add: Other Income		32.51		118.13
Add/Less: Exchange Gain/(Loss)		-		-
Profit /(Loss) before Tax		(40.97)		(2536.62)
Less: Tax Expense		127.75		(611.04)
Profit/(Loss) after Tax		(168.72)		(1,925.58)
Add: Other Comprehensive Income / Loss		(13.87)		(9.48)
Total Comprehensive income carried to Other Equity		**(182.59)**		**(1,935.06)**

3. Dividend

In view of the losses incurred by the Company, your Directors have not recommended any dividend for the financial year ended March 31, 2020.

4. Strategic Development

HCC has undertaken several initiatives in reducing debt and improving cash flows to strengthen its financial position, apart from continuing the focus on enhancing execution capabilities and optimising resources. Some of these initiatives include:

- Company has initiated a material conciliation process with NHAI in December 2019 to settle certain Awards & Claims with the Client. Besides generating upfront liquidity, the process will reduce litigation costs, release BGs which were given to either Court or Client under CCEA directive and reduce bank's exposure and related costs. The Company has been working on conciliating both the Contractors' Awards and Claims as well as those of BOT assets of HCC Concessions. In this period, the Company has been successful in closing two conciliations of HCC Concessions. The Company has also initiated a similar process with its clients in the Power sector, including NHPC, NTPC, THDC etc.

- The BlackRock transaction could not be completed due to delay in lenders' approval and the subsequent withdrawal of BlackRock on account of regulatory changes. Instead, the Company has embarked on a similar, yet larger de-leveraging exercise to carve-out over ₹ 2,500/nearly ₹ 2,800 crore of its debt to a third-party-controlled SPV, along with certain Arbitration Awards and Claims. When implemented, HCC will stand substantially deleveraged which will help address the asset-liability mismatch it has suffered on account of delayed realisation of its receivables from Government Agencies. Consequently, the Company will not have any debt servicing obligations till FY23/FY25 giving it room to normalise its operations and grow its cash flows. Though the Resolution Plan has in principal approval from a consortium of senior lenders, it is subject to lenders' final approvals. The Company will also seek the requisite corporate approvals for the transaction. Delays on account of COVID19 has pushed the closure of the plan back to second half of FY2021.

- In a significant victory for the Arbitration Process in the Country, and for the Construction Sector in particular, HCC won a challenge in the Supreme Court of India for setting aside Section 87 of the Arbitration and Conciliation Act. Section 87 was a recent amendment to the Arbitration and Conciliation Act, passed by Parliament in the last monsoon session and was notified on August 9, 2019. In HCC's case, the Company will now be in a position to execute Awards amounting to about ₹ 1,584 Crore which were impacted by Section 87.

- By Office Memorandum issued by GOI dated November 28, 2019 the Cabinet Committee on Economic Affairs (CCEA) acknowledged that, routine and mechanical Challenge of the arbitration awards, in most cases, defers the payment of the arbitral award pending the decision in challenge/appeal, which process then takes years to attain finality. This is seen to cause severe liquidity constraints in the construction sector as the large sums of money raised by contractors / concessionaires for execution of projects get blocked- stressing their balance sheets. The foregoing then causes a ripple effect throughout the financial ecosystem – directly impacting the repayment of debt to lenders, leading to increasing Non-Performing Assets (NPAs) in their balance sheets. Keeping in mind the above aspects, the CCEA approved the following:

    a. With respect to Arbitral Awards decided in favour of the Contractors/Concessioners, the Govt. entity will take the opinion of Law Officer – Attorney General of India/Solicitor General of India/ Additional Solicitor General of India in consultation with Dept. of Legal Affairs at the Ministry of Law & Justice as per the procedure laid down in this respect, before filing appeal /initiate proceedings for setting aside the arbitral award.

    b. Where a Government Entity has challenged an arbitral award, resultant of which the amount of the arbitral award has not been paid, 75% of such award will be paid by the Government Entity to the contractor / concessionaire against a bank guarantee only for the said 75% and not for its interest component.

    c. In case, where BG for interest component already submitted by the contractor, the same will be refunded. The court order will prescribe the rate of interest and the same will prevail.

       The Company expects that the above will result in return of the top-up Bank Guarantees to the tune of 825-850 Crores and that the realization of Arbitration Awards will be swifter, leading to a more efficient dispute resolution in the long run.

- HCC Concessions Ltd (HCON) is in advanced stages of closing the 100% stake sale deal of Farakka-Raiganj Highways Ltd (FRHL) to Cube Highways & Infrastructure II Pte. Ltd. The parties had planned to consummate the FRHL deal by March 31, 2020. However due to COVID-19 and extended lockdown situation in the country, closing formalities have been delayed to Q2 FY21.

5. COVID-19 - Impact on Business operations

The World Health Organisation has declared COVID-19 a pandemic. The outbreak which has infected millions number of people globally has had an unprecedented impact on people and economies worldwide.

In compliance with the directives of the Government of India / State Governments, the Company had during the lockdown period, suspended all its project site operations across India, except where specific permission was granted by the State Governments to resume operations.

The sheer uncertainty arising out of the extended lockdown, supply chain disruptions, the loss of migrant labour and the evolving regulation while restarting works may have a material adverse impact on the Company's operations. The Company is closely monitoring the situation and will take all necessary measures in terms of mitigating the impact of the challenges being faced in the business as may be required in the interests of all stakeholders. The process of remobilizing sites has started as per the prevailing guidelines in the respective states.

The Company has been taking necessary precautionary measures at all its project site operations to contain the spread of COVID-19 as advised by the Government and its Clients, from time to time. The Company has also followed "Work from Home" policy for its employees and continues to follow the Government guidelines pertaining to re-opening of offices.

At this stage, the Company is unable to ascertain the financial impact on the business of the Company.

6. Share Capital of the Company

The present paid-up Equity Share Capital of the Company is ₹ 1,51,30,28,244/- which comprising 1,51,30,28,244 Equity Shares of face value ₹ 1/- each.

7. Operations

The turnover of the Company in the year is ₹ 3,643.64 crore as compared to ₹ 4,603.49 crore.

During the year under review, the Company has secured the contract for Delhi MRTS Phase IV: Package DC 06. Contract Value ₹ 489 crore (HCC Share ₹ 367 crore).

The total balance value of works on hand as on March 31, 2020 is ₹16,857 crore.

Decisions are awaited from various clients for tenders submitted by the Company for nine bids amounting to approx. ₹ 9,225 crore (HCC share ₹ 5,311 crore). Tenders for 13 projects worth ₹ 38,112 crore (HCC share ₹ 23,390 crore) are expected to be submitted in the near future.

Operations of Subsidiaries

i) HCC Infrastructure Company Ltd

HCC Infrastructure Company Ltd., a wholly owned subsidiary of your Company, develops and operates 'Build Operate and Transfer' (BOT) infrastructure Assets under Public Private Partnership (PPP) mode with the Government of India. HCC Concessions Ltd (HCON), a step down subsidiary of the Company, develops National Highway assets through SPVs created for the purpose.

HCON has developed 6 projects, of which 2 operational projects on NH34 in the state of West Bengal are running successfully, 2 projects were divested in the year 2015-16, 1 project was conciliated and foreclosed due to a Force Majeure event, and the last Concession Agreement was terminated on account of delay in land acquisition, for which claims are filed and pursued.

- The two operational projects in the state of West Bengal, Baharampore-Farakka Highways Ltd (BFHL) and Farakka-Raiganj Highways Ltd (FRHL) earned operational revenue of ₹ 145 crore and ₹ 167 crore, respectively. Both the projects have witnessed substantial year-over-year increase in PCUs and traffic. For BFHL, PCUs grew by 8% and traffic grew by 6%. For FRHL, PCUs grew by 20% and traffic grew by 14%. Revenues were impacted from March 22, 2020 onwards due to lockdown announced by West Bengal Government and thereafter by Government of India. Toll collection was completely suspended by NHAI from March 26, 2020 till April 19, 2020. On resumption of collection from April 20 onward, the traffic has swiftly recovered to pre-lockdown levels. In the coming years, both the projects are expected to exhibit healthy growth as NH34 is the main arterial road across the 9 Crore dense population of Bengal, in addition to strategically connecting to the North-Eastern states. The balance [~10%] construction work in these two projects is well underway. Upon full completion, substantial revenue growth is expected in both these projects due to higher toll rates attributable to the bypass section in each project. BFHL and FRHL have also referred all arbitration awards/ claims filed on NHAI worth ₹ 5,600 crore for amicable and expeditious settlement to Conciliation Committee of Independent Experts (CCIE) of NHAI. As per CCIE Standard Operating Procedures (SOP), all the Arbitration/ Court proceedings relating to these claims are kept on hold for minimum period of 180 days. The CCIE progress has been temporarily hampered on account of COVID-19, however both BFHL and FRHL are continuously in discussion with NHAI to close the proceedings at the earliest. HCON has indicated its willingness to enter into reasonable Settlement Agreements and if award/ claim proceeds are received in a short time frame, thereby aiding cash flows and project completion. The conciliation proceedings are approaching an advanced stage and are expected to be finalised by end Q2FY21.

- Another SPV, namely Badarpur Faridabad Tollway Limited (BFTL), together with its Lenders, has been pursuing a termination payment from NHAI after termination of its Concession Agreement in February, 2018 due to Force Majeure event when the Supreme Court passed an order effectively preventing commercial vehicles from entering Delhi. BFTL lenders had sought payment of outstanding dues (with penalties) to the tune of ₹ 700-900 Crore from BFTL and HCON (Corporate Guarantee provider). BFTL lenders had also levied temporary restriction, through Debt Recovery Tribunal, for monetisation of HCON's assets. After negotiations post joint meetings with MoRTH and NHAI, BFTL and HCON have arrived at a full & final settlement of dues with BFTL lenders for ₹ 347 Crore, of which ₹ 300 crore will be paid by NHAI as a Termination Payment per the Concession Agreement and balance ₹ 47 Crore will be arranged by HCON from the stake sale of FRHL. The Settlement Agreement(s) with NHAI and Lenders have been executed and all securities provided by HCON to BFTL lenders will be released. Out of ₹ 300 Crore, NHAI has paid 75% before March 31, 2020. As agreed, BFTL has withdrawn the court case against NHAI and the balance 25% is expected to be released by NHAI shortly.

- The fourth SPV Raiganj-Dalkhola Highways Limited (RDHL) is actively pursuing termination and cost overrun claims through arbitration from NHAI post termination of its Concession Agreement due to a 5-year delay in land acquisition. The arbitration proceedings are in advance stages with decision by the tribunal expected in Q2 FY21.

- Narmada Bridge Tollway Limited (NBTL), received an Arbitration Award of ₹ 39.19 crore during last year towards expenses incurred for repair & rehabilitation works. As per request of NHAI the matter was referred for amicable settlement to Conciliation Committee of Independent Experts (CCIE). Both the parties have entered into a Settlement Agreement on 04.03.2020 wherein NHAI agreed to pay ₹ 30 crore to NBTL as full and final settlement against all claims and counterclaims related to the Project.

In order to maximize shareholder value, HCON had signed a Share Purchase Agreement to sell 100% stake in Farakka-Raiganj Highways Ltd. to Cube Highways & Infrastructure II PTE. Ltd in September 2018. The deal closure which was expected by March 31, 2020 has got temporarily delayed due to COVID-19 and is now expected in Q2 FY21.

Keeping in view HCC's long standing presence in the infrastructure sector and the road network expected to be built in the country, HCC has plans to selectively bid for new PPP projects including Hybrid-Annuity-Model (HAM) projects. The Company's strategy will include suitable tie-ups with strategic and financial partners with judicious use of capital that maximises cash flow and returns to the Group.

ii) Steiner AG, Switzerland

Steiner AG, HCC's wholly owned subsidiary, is one of Switzerland's leading project developers and general contractors/total contractors (GC/TC), offering comprehensive services in the fields of new construction, refurbishment, and real estate development.

The business is primarily divided into three offerings.

- First, the primary business of the company is General and Total Contracting, where it provides complete turnkey building services from design to construction.

- Second, Steiner is involved in real estate development including long-standing brownfield projects and redevelopment projects. The focus is on developing projects that will have a market in the future.

- Third, Steiner is evolving a model of developing financial vehicles that will fund real estate development and is working on partnerships with funds.

Some of the major projects being executed by Steiner AG are:

- Construction of Glasi-quarter, a new urban district in Bülach with 500-plus apartments, a residential and care centre, a hotel and over 20,000 m² of light-industrial and service-sector units, worth CHF worth approx. CHF 350 million.

- The new Horizont hospital building at Frauenfeld Cantonal Hospital, which includes an interdisciplinary outpatient clinic, an ultra-modern operating theatre area and much more, worth CHF 160 million.

- Vaudoise Aréna, a sports complex in Prilly worth CHF 124.5 million, comprising two covered ice-skating rinks, an outdoor ice-skating rink, a 50-metre Olympic swimming pool, a diving pool, a leisure pool and paddling pool.

- Baloise Park-FAUG sub-project in Basel worth CHF 129.4 million for construction of a 90-meter high-rise building comprising office spaces, a 5-star hotel, a conference centre, restaurants, and a ballroom.

- Vulcano project in Zurich worth approx. CHF 300 million and includes construction of three 80 m tall towers containing some 300 high-spec flats and business apartments, a 319-room city hotel plus various shops, offices, and service facilities.

With new orders worth CHF 705 million (₹ 5,479 crore) booked in FY2020, Steiner's order backlog was CHF 1,333 million (₹10,362 crore) as of March 31, 2020. Consolidated revenue remained stable at CHF 757 million (₹ 5,882 crore) for FY2020, while consolidated profit before exceptional items stood at CHF 11.6 million (₹ 90 crore). PAT and after exceptional items stood at CHF(-) 0.7 million (₹ -5.7 crore) mainly due exceptional item on account of impairment of capitalised claims based on court decision, amounting to CHF 13.7 million (₹ 106.5 crore). The company had a healthy cash balance of CHF 83 million (₹ 648 crore) as of March 31, 2020.

The World Health Organization officially declared the spread of the COVID 19 a pandemic as of March 12, 2020. On March 19, 2020, the federal council of Switzerland consequently decided on a partial lockdown. Steiner as a construction company mainly operates in Switzerland with an international supply chain and is therefore part of the Swiss and global construction industry dealing with the challenges the virus poses for everyone involved.

Like many other Companies Steiner budgeted different scenarios to determine the impact of the lockdown on its operations including revenues, cash flows, liquidity and equity. As of the reporting date the impact of COVID 19 cannot finally be assessed.

Steiner's subsidiary Steiner India has achieved strong initial traction in India, having executed key high rise residential and hospitality and industrial projects in Mumbai, NCR and Kolkata. Recently they have awarded five start category project "The Park" in Pune.

Steiner India Ltd. reported revenue of ₹ 39 crore and a loss of ₹ 4.48 crore in financial year 2019-2020.

8. Subsidiaries and Associate Companies

The list of Subsidiaries and Associates of your Company as on March 31, 2020, forms part of Form No. MGT-9, Extract of the Annual Return, which is annexed at Annexure VI to the Board's Report.

The details as required under Rule 8 of the Companies (Accounts) Rules, 2014 regarding the performance and financial position of each of the Subsidiaries, Associates and Joint Ventures of the Company are provided in Form AOC-1, which form part of the Consolidated Financial Statements of the Company for the financial year ended March 31, 2020.

The Company has formulated a Policy for determining material subsidiaries and the said Policy is available on the Company website and can be accessed by weblink at http://www.hccindia.com/pdf/Policy_for_determining_Material_Subsidiaries.pdf

9. Public Deposits

Your Company has not accepted any deposits from the public, or its employees during the year under review.

10. Particulars of Loans, Guarantees or Investments

Particulars of Loans, Guarantees and Investments made during the year as required under the provisions of Section 186 of the Companies Act, 2013 (the Act) are given in the notes to the Financial Statements forming part of Annual Report.

Also, pursuant to Paragraph A (2) of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Listing Regulations), particulars of Loans/Advances given to Subsidiaries have been disclosed in the notes to the Financial Statements.

11. Employee Stock Option Scheme (ESOP)

As on March 31, 2020, 3,00,000 stock options are outstanding, in aggregate, for exercise as per the exercise schedule and are exercisable at an exercise price of ₹ 31.15 per stock option. Each option, when exercised, as per the exercise schedule would entitle the holder to subscribe for one equity share of the Company of face value ₹ 1 each.

During the year under review, no options got vested in the employees of the Company and none were due for exercise. The particulars with regard to ESOP as on March 31, 2020, as required to be disclosed pursuant to the provisions of Companies (Share Capital and Debentures) Rules, 2014 read with the SEBI Listing Regulations, is set out at Annexure I to this Report.

12. Consolidated Financial Statements

In accordance with the Act and implementation requirements of Indian Accounting Standards ('IND-AS') on accounting and disclosure requirements, and as prescribed by the SEBI Listing Regulations, the Audited Consolidated Financial Statements are provided in this Annual Report.

Pursuant to Section 129(3) of the Act, a statement containing the salient features of the Financial Statements of each of the Subsidiaries, Associates and Joint ventures of the Company in the prescribed form AOC-1 is annexed to this report.

Pursuant to Section 136 of the Act, the Financial Statements of the Subsidiaries are available on the website of the Company www.hccindia.com under the Investors Section.

13. Corporate Governance

The Company is committed to maintain the highest standards of Corporate Governance and adheres to the Corporate Governance requirements as stipulated by the Securities and Exchange Board of India (the SEBI).

The report on Corporate Governance as prescribed in the SEBI Listing Regulations forms an integral part of this Annual Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance along with a declaration signed by Group CEO & Whole-time Director stating that the members of the Board of Directors and Senior Management personnel have affirmed the compliance with code of conduct of the Board of Directors and Senior Management is attached to the report on Corporate Governance.

14. Directors

As per the provisions of Section 152 of the Act, Mr. N. R. Acharyulu, Non-Executive and Non Independent Director of the Company, is due to retire by rotation and, being eligible, offers himself for re-appointment.

Mr. Mukul Sarkar was appointed as Nominee Director on the Board of Company with effect from February 6, 2020 in place of Mr. Samuel Joseph, erstwhile Nominee Director whose nomination was withdrawn by EXIM Bank w.e.f. October 30, 2019.

Dr. Mita Dixit was appointed as an Additional Director of the Company in the category of Independent Woman Director with effect from February 6, 2020 in terms of terms of Section 161(1) of the Act read with Article 88 of the Articles of Association of the Company. She holds office upto the date of the ensuing Annual General Meeting and Dr. Mita Dixit is eligible for being appointed as an Independent Woman Director, not liable to retire by rotation.

The Company has received a notice in writing from a Member proposing Dr. Mita Dixit as a candidate for the office of Director of the Company. The Company has also received the declarations from Dr. Mita Dixit confirming that she meets the criteria of Independence as prescribed under Section 149 of the Act and Regulation 16 (1)(b) read with Regulation 25(8) of the SEBI Listing Regulations. Accordingly, the Board recommends the resolution in relation to appointment of Dr. Mita Dixit as an Independent Woman Director for the period of three years for approval by the Members of the Company.

The Independent Directors of the Company viz., Mr. Sharad Kulkarni, Mr. Anil C. Singhvi, Mr. Santosh Janakiram Iyer and Mr. Mahendra Singh Mehta have furnished the declarations to the Company confirming that they meet the criteria of Independence as prescribed under Section 149 of the Act and Regulation 16 (1)(b) read with Regulation 25(8) of the SEBI Listing Regulations and the Board has taken on record the said declarations after undertaking due assessment of the veracity of the same.

Mr. Sharad Kulkarni was appointed as an Independent Director of the Company for a 2nd term of three years with effect from July 6, 2017 (91st AGM) upto the conclusion of the 94th Annual General Meeting. Accordingly, Mr. Sharad Kulkarni would be retiring as an Independent Director of the Company on December 24, 2020, upon completion of his 2nd term.

Ms. Shalaka Gulabchand Dhawan tendered her resignation as a Whole- time Director of the Company w.e.f. close of business hours on July 31,2019. Accordingly, she ceases to be the Director and also Whole-time Director of the Company with effect from the said date.

Mr. Rajas R. Doshi and Dr. Omkar Goswami had retired as Independent Directors at the conclusion of the 93rd Annual General Meeting held on September 26, 2019.

Mr. Ram Gandhi tendered his resignation as Independent Director of the Company with effect from September 27, 2019. Accordingly, he ceases to be the Independent Director of the Company with effect from the said date.

The Board had placed on record its appreciation for the services rendered by Mr. Rajas R. Doshi, Ms. Shalaka Gulabchand Dhawan, Dr Omkar Goswami and Mr. Ram Gandhi during their respective tenure as Directors / Whole-time Director of the Company.

The Company has received Form DIR-8 from all Directors pursuant to Section 164(2) and Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014. The brief profile of the Directors seeking appointment/ re-appointment has been given in the Explanatory Statement to the Notice of the 94th Annual General Meeting.

15. Key Managerial Personnel

The following persons are the Key Managerial Personnel (KMP) of the Company pursuant to Section 2(51) and Section 203 of the Act, read with the Rules framed thereunder:

i. Mr. Ajit Gulabchand, Chairman & Managing Director;

ii. Mr. Arjun Dhawan, Group CEO and Whole-time Director;

iii. Mr. Amit Uplenchwar, Chief Executive Officer- HCC (E&C) Division (upto March 27, 2020);

iv. Mr. U V Phani Kumar, Chief Executive Officer- HCC (E&C) Division (w.e.f. April 3, 2020);

v. Mr. Shailesh Sawa, Chief Financial Officer (upto July 9, 2020);

vi. Mr. Ajay Singh, Company Secretary (upto February 6, 2020);

vii. Mr. Vithal P. Kulkarni, Company Secretary (w.e.f. February 6, 2020).

The Board had placed on record its appreciation for the services rendered by Mr. Amit Uplenchwar, Mr. Shailesh Sawa and Mr. Ajay Singh, during their respective tenure as KMP of the Company.

16. Board Committees

The Board of Directors of your Company had constituted / re-constituted various Committees in compliance with the provisions of the Act and the SEBI Listing Regulations viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee.

The Board has also voluntarily constituted the Risk Management Committee in terms of the SEBI Listing Regulations.

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of reference/role of the Committees are taken by the Board of Directors.

The details of the role and composition of these Committees, including the number of meetings held during the financial year and attendance at these meetings, are provided in the Corporate Governance Section of the Annual Report.

17. Meetings

A calendar of Board Meetings, Annual General Meeting and Committee Meetings is prepared and circulated in advance to the Directors of your Company. The Board of Directors of your Company met 5 times during financial year 2019-20. The meetings were held on May 9, 2019, June 17, 2019, August 1, 2019, November 14, 2019 and February 6, 2020.The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days..

18. Familiarization Programme of Independent Directors

In compliance with the requirements of SEBI Listing Regulations, the Company has put in place a familiarization programme for Independent Directors to familiarise them with their role, rights and responsibility as Directors, the operations of the Company, business overview etc. The details of the familiarisation programme are explained in the Corporate Governance Report and the same is also available on the website of the Company and can be accessed by weblink http://www.hccindia.com/pdf/familiarisation_program_for_independent_directors.pdf

19. A statement regarding opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the independent directors appointed during the year

The Company has received declaration from the Independent Directors that they meet the criteria of independence as prescribed under Section 149(6) of the Act. In the opinion of the Board, they fulfill the condition for appointment/ re-appointment as Independent Directors on the Board. Further, in the opinion of the Board, the Independent Directors also possess the attributes of integrity, expertise and experience as required to be disclosed under Rule 8(5) (iiia) of the Companies (Accounts) Rules, 2014.

20. Independent Directors Meeting

In terms of the Schedule IV to the Act and Regulation 25 of the SEBI Listing Regulations, Independent Directors of the Company to hold at least one meeting in a financial year without the attendance of Non-Independent Directors and members of management.

During the year under review, no separate meeting of Independent Directors was held on or before March 31, 2020 due to COVID-19 pandemic. However, the MCA vide its circular number 11/2020 dated March, 24, 2020 has clarified that if Independent Directors are unable to hold Independent Director Meeting during the financial year 2019-2020, it will not be viewed as non- compliance of statutory provisions.

However, subsequent to closure of the financial year, Independent Directors met separately on June 29, 2020, through Video Conferencing *inter-alia*, for

- Evaluation of performance of Non-Independent Directors and the Board of Directors of the Company as a whole;
- Evaluation of performance of the Chairman of the Company, taking into views of Executive and Non-Executive Directors;
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

21. Performance Evaluation

Pursuant to the applicable provisions of the Act and the SEBI Listing Regulations, the Board has carried out an Annual Evaluation of its own performance, performance of the Directors and the working of its Committees based on the evaluation criteria defined by Nomination and Remuneration Committee for performance evaluation process of the Board, its Committees and Directors.

The Board's functioning was evaluated on various aspects, including *inter-alia* the Structure of the Board, Meetings of the Board, Functions of the Board, Degree of fulfilment of key responsibilities, Establishment and delineation of responsibilities to various Committees, Effectiveness of Board Processes, information and functioning.

The Committees of the Board were assessed on the degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings. The Directors were evaluated on aspects such as attendance, contribution at Board/ Committee Meetings and guidance/support to the Management outside Board/Committee Meetings.

As mentioned earlier, the performance assessment of Non-Independent Directors, Board as a whole and the Chairman were evaluated in a separate meeting of Independent Directors. The same was also discussed in the Board meeting. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

22. Criteria for selection of candidates for appointment as Directors, Key Managerial Personnel and Senior Management Personnel

The Nomination and Remuneration Committee has laid down a well-defined criteria for selection of candidates for appointment as Directors, Key Managerial Personnel and Senior Management Personnel. The said Policy was recommended by the Nomination and Remuneration Committee and approved by the Board of Directors in May 2014 and which was further amended on May 9, 2019 to bring in line with requirements of the SEBI (LODR) (Amendment) Regulations, 2018.

The said Policy is available on the Company website and can be accessed by weblink http://www.hccindia.com/pdf/Nomination-and-Remuneration-Policy.pdf

23. Remuneration Policy for Directors, Key Managerial Personnel and Senior Management Employees

The Nomination and Remuneration Committee has laid down the policy for remuneration of Directors, Key Managerial Personnel and Senior Management Personnel in the Nomination and Remuneration Policy recommended by them and approved by the Board of Directors. The Policy *inter-alia* defines Key

Managerial Personnel and Senior Management personnel of the Company and also prescribes the role of the Nomination and Remuneration Committee. The Policy lays down the criteria for identification, appointment and retirement of Directors and Senior Management. The Policy broadly lays down the framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management employees. The policy also provides for the criteria for determining qualifications, positive attributes and Independence of Director and lays down the framework on Board Diversity.

The said Policy is available on the Company website and can be accessed by weblink
http://www.hccindia.com/pdf/Nomination-and-Remuneration-Policy.pdf

24. Corporate Social Responsibility Policy

A brief outline of the Corporate Social Responsibility (CSR) Policy as recommended by the CSR Committee and approved by the Board of Directors of the Company in May 2014 and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure II of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The said Policy is available on the Company website and can be accessed by weblink http://www.hccindia.com/pdf/HCC_Corporate_Social_Responsibility_Policy.pdf

25. Related Party Transactions

All the related party transactions entered during the year were in the ordinary course of business and on an arm's length basis. The related party transactions attracting the compliance under Section 177 of the Act and/or SEBI Listing Regulations were placed before the Audit Committee for necessary approval/review.

The related party transaction attracting the compliance under Section 188 of the Act and / or SEBI Listing Regulations were placed before the Audit, Board and Shareholders for necessary approval/review.

The routine related party transactions were placed before the Audit Committee for their omnibus approval. A statement of all related party transactions entered was presented before the Audit Committee on a quarterly basis, specifying the nature, value and any other related terms and conditions of the transactions.

Transactions to be reported in Form AOC-2 in terms of Section 134 of the Act read with Companies (Accounts) Rules, 2014, including the details of the transactions with related parties are provided in the Company's financial statements in accordance with the Indian Accounting Standards.

The Related Party Transactions Policy approved by the Board of Directors of the Company, in May, 2014 and which was further amended on May 9, 2019 in line with the requirements of the SEBI (LODR) (Amendment) Regulations, 2018.

The said Policy is available on the Company website and can be accessed by weblink http://www.hccindia.com/pdf/Policy-for-Related-Party-Transactions.pdf

26. Business Responsibility Statement

As per SEBI Listing Regulations, a Business Responsibility Report, covering the performance of the Company on the nine principles as per National Voluntary Guidelines (NVGs) is forming part of this Annual Report as Annexure VII.

27. Directors' Responsibility Statement

In accordance with the provisions of Section 134 of the Act, your Directors confirm that:

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

(b) the selected accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the loss of the Company for the year ended on that date;

(c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the annual accounts have been prepared on a going concern basis;

(e) the internal financial controls have been laid down to be followed by the Company and such controls are adequate and are generally operated effectively during the year;

(f) proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems are adequate and are operating effectively.

Internal financial control over carrying cost of investment in subsidiaries and recoverability of dues from subsidiaries, is covered under internal financial control.

The Management is of the view that diminution in the carrying cost of investment in subsidiaries, if any, is temporary in nature and recoverability of dues from subsidiaries are good. The view of the management is also supported by a third party expert report. This view of Management has been accepted by Auditors and they have not modified their opinion in this behalf.

Your Auditors have opined that the Company has in, all material respects, maintained adequate internal financial controls over financial reporting and that they were operating effectively.

28. Industrial Relations

The industrial relations continued to be generally peaceful and cordial during the year.

29. Transfer of Unclaimed Dividend and Equity Shares to Investor Education and Protection Fund (IEPF)

Pursuant to the applicable provisions of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to IEPF, after the completion of seven years. Further, according to the IEPF Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to IEPF. Accordingly, during the year under review, the Company has not transferred any amount to of unclaimed dividend and equity shares to the IEPF account.

30. Particulars of Employees and other additional information

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been set out at Annexure III to this Report.

The information as per Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be provided upon request by any Member of the Company. In terms of Section 136 of the Act, the Annual Report including the Board's Report and the Audited Financial Statements are being sent to the Members excluding the same. Any Member interested in obtaining a copy of the same may write to the Company Secretary at the Registered Office of the Company. The said information is available for inspection in electronic form (Scanned copy) without any fee by the Members during the normal business hours from the date of circulation of Notice of AGM and upto the date of the 94th Annual General Meeting. Members seeking to inspect such documents can send an email to secretarial @hccindia.com.

31. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required to be disclosed under the Companies (Accounts) Rules, 2014, is given in Annexure IV forming part of this Report.

32. Secretarial Standards

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

33. Statutory Auditors

The Members of the Company, had at the 93rd Annual General Meeting ("AGM") held on September 26, 2019, approved the re-appointment of M/s Walker Chandiok & Co. LLP, Chartered Accountants, Mumbai, bearing ICAI Registration No. 001076N, for second term of 5 consecutive years, as the Statutory Auditors of the Company, to hold office from the conclusion of that AGM until the conclusion of the 6th AGM to be held in the year 2024. As required under Section 139 of the Act, the Company has obtained certificate from them to the effect that their continued appointment, would be in accordance with the conditions prescribed under the Act and the rules made thereunder, as may be applicable.

34. Secretarial Audit

Secretarial Audit for the financial year 2019-20 was conducted by M/s. BNP & Associates, Company Secretaries in Practice in accordance with the provisions of Section 204 of the Act. The Secretarial Auditor's Report is attached to this Report at Annexure V.

35. Cost Audit

In compliance with the provisions of Section 148 of the Act, the Board of Directors of the Company at its meeting held on August 1, 2019 appointed M/s. Joshi Apte & Associates, Cost Accountants as Cost Auditors of the Company for the financial year 2019-20.

In terms of the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors has to be ratified by the Members. Accordingly, necessary resolution is proposed at the 94th Annual General Meeting for ratification of the remuneration payable to the Cost Auditors for financial year 2019-20.

The Company is maintaining the accounts and cost records as specified by the Central Government under Sub-section (1) of Section 148 of the Act and Rules made thereunder.

36. Risk Management

The Company has established a well-documented and robust risk management framework under the provisions of the Act. The Company has constituted Risk Management Committee, which has been delegated with the authority by the Board to review and monitor the implementation of the Risk Management Policy of the Company.

Under this framework, risks are identified across all business processes of the Company on a continuous basis. Once identified, these risks are managed systematically by categorizing them into Enterprise Level Risk & Project Level Risk. These risks are further broken down into various subcategories of risks such as operational, financial, contractual, order book, project cost & time overrun etc. and proper documentation is maintained in the form of activity log registers, mitigation, reports; and monitored by respective functional heads. Review of these risk and documentation is undertaken by Risk Review Committee regularly at agreed intervals but at least once in a quarter and mainly during quarterly project reviews. Risk Review Committee was successful in early identification of financial risk related to borrowing structure & cash flow mismatch due to late realization of claims lodged with clients.

During the last year, the Company has successfully infused ₹497.6 crore as additional capital, by way of Rights Issue to support the cash flow mismatch. Proceeds of Rights Issue were used to fund its working capital requirements and for general corporate purpose. The Company is also under active discussion with lenders to have carve out structure for transferring its term loan, Cash credit facilities and other loan alongwith agreed pool of arbitration awards and claims to a separate entity wherein company would be shareholder, however such entity would be substantially owned by outside investor. This will substantially deleverage the Company and recurring interest liability on term loan will extinguish permanently. These two long term initiatives were discussed and implemented by Risk Management Committee during the year apart from other initiatives towards improving of operational efficiencies. The Company in its Notes to Accounts have disclosed risk management objectives and policies for managing financial and reporting risk.

37. Internal Control Systems and their adequacy

The Company has Internal Control Systems, commensurate with the size, scale and complexity of its operations. The Internal Audit Department evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies within the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls significant observations and corrective actions thereon are presented to the Audit Committee from time to time.

38. Internal Financial Controls and their adequacy

The Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, 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. The Company has adopted accounting policies, which are in line with the Accounting Standards and the Act.

39. Whistle Blower Policy / Vigil Mechanism Policy

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company have been denied access to the Audit Committee.

The said Policy is available on the Company website and can be accessed by weblink https://hccindia.com/uploads/Investors/Vigil_Mechanism_Policy.pdf.

40. Sexual Harassment

The Company has always believed in providing a conducive work environment devoid of discrimination and harassment including sexual harassment. The Company has a well formulated Policy on Prevention and Redress of Sexual Harassment. The objective of the policy is to prohibit, prevent and address issues of sexual harassment at the workplace. This policy has striven to prescribe a code of conduct for the employees and all employees have access to the Policy document and are required to strictly abide by it. The policy covers all employees, irrespective of their nature of employment and also applicable in respect of all allegations of sexual harassment made by an outsider against an employee.

The Company has duly constituted an Internal Complaints Committee in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. During the year 2019-20, no case of Sexual Harassment was reported.

41. Reporting of Frauds

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of the Act and the rules made thereunder.

42. Significant and material Orders passed by the Regulators/Courts, if any

There are no significant or material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of your Company and its future operations.

43. Material changes & commitment if any, affecting financial position of the Company from the end of financial year till the date of the report:

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year to which the Financial Statements relate and the date of this Report.

44. Annual Return

The Company has uploaded Annual Return on the website of the Company i.e. www.hccindia.com.

45. Green Initiatives

In line with the Green Initiatives, electronic copy of the Notice of 94th Annual General Meeting of the Company are sent to all Members whose email addresses are registered with the Company/Depository Participant(s). For Members who have not registered their e-mail addresses, are requested to register their e-mail IDs with Company's Registrar and Share Transfer Agents, TSR Darashaw Consultants Private Limited at 6-10, Haji Moosa Patrawala Indl. Estate, 20, Dr. E. Moses Road, Near Famous Studio, Mahalaxmi, Mumbai- 400 011.

46. Acknowledgement

Your Directors would like to acknowledge and place on record their sincere appreciation to all Stakeholders, Clients, Financial Institutions, Banks, Central and State Governments, the Company's valued Investors and all other Business Partners, for their continued co-operation and support received during the year.

Your Directors recognize and appreciate the efforts and hard work of all the employees of the Company and their continued contribution to promote its development.

For and on behalf of Board of Directors,

Ajit Gulabchand
Chairman & Managing Director

Registered Office:
Hincon House, Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai 400 083

Place: Mumbai
Date: July 9, 2020

ANNEXURE I TO THE BOARD'S REPORT

DISCLOSURE PURSUANT TO THE COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014 AND SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 AS AT MARCH 31, 2020:

No.	Particulars	Details
a)	No. of Options outstanding at the beginning of the year	3,00,000 Options under the existing ESOP Scheme of the Company ('Scheme')
b)	No. of Options granted during the year	Nil
c)	Pricing formula	The closing market price on the Stock Exchange, which recorded the highest trading volume in the Company's share prior to the date of the Meeting of ESOP Compensation Committee in which Options were granted.
d)	Vesting Requirements	Refer Paragraph 9 of the ESOP Scheme with respect to vesting requirements
e)	Maximum term /exercise period of the Options granted	Refer Paragraph 11 of the ESOP Scheme regarding exercise of options
f)	No. of Options vested	Nil
g)	No. of Options exercised	Nil
h)	No. of shares arising as a result of exercise of Options	Nil
i)	Money realized by exercise of Options	-
j)	No. of Options lapsed	-
k)	Variation in the terms of Options	-
l)	No. of Options in force at the end of the year	3,00,000
m)	No. of Options exercisable at the end of the year	-
n)	Balance Options available for grant	47,450

Employee wise details of Outstanding Options as of March 31, 2020:

Sr. No.	Senior Managerial Personnel Name	Designation	Number of Options granted and in force
1.	Mr. Amit Uplenchwar	Chief Executive Officer- HCC E & C	3,00,000*
	Total No. of Options Outstanding		**3,00,000***

* Options have lapsed on May 15, 2020.

Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital of the Company at the time of grant: Nil

For and on behalf of Board of Directors,

Ajit Gulabchand
Chairman & Managing Director

Registered Office:
Hincon House,
Lal Bahadur Shastri Marg,
Vikhroli (West),
Mumbai 400 083

Place : Mumbai
Date : July 9, 2020

ANNEXURE II TO THE BOARD'S REPORT

REPORTING ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

[Pursuant to clause (o) of sub-section (3) of Section 134 of the Act read with Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014].

Brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes

As a pioneer and trend-setter in the construction industry in India, HCC is aware of the social responsibilities that accompany its leadership status. The Company remains steadfast on its objective of pursuing holistic growth with responsibility towards the people and the environment. The Company's CSR philosophy is 'Do Good to Do Well and Do Well to Do Good'. HCC's vision is to be a responsible industry leader and demonstrate environmental, transparent and ethical behavioural practices which will contribute to the economic and sustainable development within the Company, industry, and society at large.

At HCC, CSR has effectively evolved from being engaged in passive philanthropy to corporate community investments, which takes the form of a social partnership initiative creating value for stakeholders.

The HCC CSR Policy has been formulated on May 2, 2014, in compliance with Section 135 of the Companies Act, 2013 ('the Act') read with Rule 9 of the Companies (Corporate Social Responsibility)Rules, 2014 and aims at implementing the CSR activities in accordance with Section 135 and Schedule VII of the Act and the same is available on the Company website on the specified weblink.

The CSR Committee shall periodically review the implementation of the CSR Policy. The Company's CSR projects or activities will be identified and implemented according to the Board's approved CSR policy. The Company's CSR activities build an important bridge between business operations and social commitment evolving into an integral part of business functions, goals and strategy. The CSR expenditure will be approved by the CSR committee and the reporting thereto will be done annually in the prescribed manner.

Composition of the CSR Committee

In accordance with Section 135 of the Act, the Board of Directors of the Company at its meeting held on May 2, 2014, has approved the constitution of the CSR Committee, which was re-constituted on August 1, 2019. Now, the Committee comprises three directors viz. Mr. Ajit Gulabchand (Chairman), Mr. N. R. Acharyulu and Mr. Mahendra Singh Mehta.

Average net profit of the Company for the last 3 financial years

Year	Profit/Loss (₹ in crore) as computed under Section 198 of the Companies Act, 2013
FY 2016-17	(192.42)
FY 2017-18	92.61
FY 2018-19	(2549.57)

Average net profit of the Company for the last three financial years is negative.

Prescribed CSR expenditure (two per cent of the average net profit stated in item 3 above)

Not Applicable as average net profit of the three preceding years is negative.

Details of CSR spent during the financial year

a) Total amount to be spent for the financial year: Not Applicable

b) Amount unspent, if any: Not Applicable

c) Manner in which the amount spent during the financial year is detailed below

Amount in ₹

Sr. No.	CSR Project or activity Identified	Sector in which the project is covered	Projects or programmes Local area or other Specify the state and District where projects or programmes was undertaken	Amount Outlay (budget) project or programmes wise	Amount spent on the projects or programmes Sub heads. 1.Direct expenditure on projects or programmes 2.Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency	
							Direct	Indirect
1	Provided food and necessary medical help during flood at West Bengal Dist. Malda NH34 Pkg-4 project	WB	Disaster relief		12,626	NA	12,626	
2	Provided food and necessary medical help during the Assam flood at NJRP	Assam	Disaster relief		15,200	NA	15,200	
	Total				**27,826**	**NA**	**27,826**	

Initiatives:

1. HCC provided necessary support like ambulance facility, food and drinking water to local communities and stranded pilgrims during the COVID19 lockdown in Vishugad Pipalkoti Hydroelectric project, Uttarakhand.

2. At HCC's Numaligarh Jorhat Road Project, provided food and necessary medical help during the flood.

3. HCC provided necessary grocery and food to flood affected communities at manic chowk Dist. Malda at NH34 pkg-4 West Bengal.

Ajit Gulabchand
Chairman & Managing Director and
Chairman of the CSR Committee

Registered Office:
Hincon House, Lal Bahadur Shastri Marg
Vikhroli (West), Mumbai 400 083

Place : Mumbai
Date : July 9, 2020

ANNEXURE III TO THE BOARD'S REPORT

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

i. The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year

Mr. Ajit Gulabchand *	1:72
Mr. Arjun Dhawan *	1:62

* The above ratios are with reference to the remuneration approved by the Shareholders in FY 19-20 for Mr. Ajit Gulabchand and Mr. Arjun Dhawan. However, approved remuneration has not been implemented pending the lenders approval; Accordingly, the above ratios depict the scenario as and when approved remuneration is implemented.

ii. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.

Key Managerial Personnel:

Mr. Ajit Gulabchand **	113%
Mr. Arjun Dhawan	0%

** The above increase is with reference to the remuneration approved by the Shareholders in FY 19-20 for Mr. Ajit Gulabchand. However, approved remuneration has not been implemented pending the lenders approval; Accordingly, the above increase depict the scenario as and when the approved remuneration is implemented.

Key Managerial Personnel:

Mr. Amit Uplenchwar, CEO – E&C (upto March 27,2020)	6%
Mr. Shailesh Sawa, CFO (upto July 9, 2020)	2%
Mr. Ajay Pratap Singh, Company Secretary (upto February 6, 2020);	0%
Mr. Vithal P. Kulkarni (w.e.f. February 6, 2020)	0%

iii. The percentage increase in the median remuneration of employees in the financial year – 6% approx.

iv. The number of permanent employees on rolls of the Company: 1380 employees as on March 31, 2020.

v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Average Salary Increase for KMPs (other than CMD and WTD):	4%
Average Salary Increase for non KMPs:	6%

vi. Affirmation that the remuneration is as per the Remuneration policy of the Company.

The remuneration paid to employees is as per the Nomination and Remuneration Policy of the Company.

For and on behalf of Board of Directors,

Ajit Gulabchand
Chairman & Managing Director

Registered Office:
Hincon House, Lal Bahadur Shastri Marg
Vikhroli (West), Mumbai 400 083

Place : Mumbai
Date : July 9, 2020

ANNEXURE IV TO THE BOARD'S REPORT

INFORMATION AS PER SECTION 134 (3) (m) READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014 FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020.

A. Conservation of Energy-

1. Water from Batching Plant collected in sedimentation tank for deposition of sludge. After testing the water is then reused in sprinkler for dust suppression on site and camp areas.

2. Well properly planned rainwater drainage system in Tata Memorial Hospital project and rainwater harvesting implemented at site.

B. Technology Absorption-

1. Additional Construction Research and Development (CR&D)-

a) Mass use of fly ash in embankment constructions in NH34 P-4 and NH-34 P-3 mass reduction of industrial waste and improved embankment fill properties for construction.

b) Use of Reclaimed Asphalt Pavement (RAP) aggregate in WMM layer blended with virgin aggregate with suitable proportion at Indo Nepal road project.

2. Efforts made towards technology absorption and adaptations during the last year/ years

a) Flexible geosynthetics as facing material secured with mechanical ground, anchors were used in land constrain areas to satisfy environmental clearance aspects at Imphal road project

b) Proposed use of mastic Pads in lieu of regular mastic asphalt at Ramban Banihal site for ease of working, time saving and economical.

c) Approx. 7500 cum temperature controlled high performance concreting completed at Kalpakkam nuclear power project in single pour with micro planning and other logistics thereby optimizing the time required for completion and avoiding the construction joints.

d) Lightning conductors installed at major buildings at Tata memorial Hospital project.

e) Helium Leak test of coil by vacuum method meeting stringent helium leak rate requirement of 1x10-8 std cc/sec and digitization of radiographic films is being done successfully at Integrated Nuclear Recycle Plant (INRP) BARC Tarapur project, which is part of the first phase of new INRP being built to process spent fuel from upcoming nuclear power plants including Haryana, RAPP 7&8, Kakrapara and future pressurized heavy water reactors.

f) Quality award for "Reduction of Weld Repair to 5% Level" is obtained from Quality Council of India for Bogibeel Rail cum Road Bridge Project.

g) Automatic mechanized welding operations, KAT Oscillator and KBM-28 of M/s Gullco is being used for vertical welding and for beveling of steel plate edges respectively to increase the production and improve the quality of the weld produced by minimizing weld defects such as poor penetration, incomplete fusion, overlap and undercut at Bogibeel rail cum road bridge project.

h) PSOP Escalations: PSOP was a pre-developed programme since 2014. It shows the details of unsafe conditions and acts observations towards safety at site. All these observations are gathered by conducting round with cross functional team and the reports are submitted online.

This year an escalation mechanism was initiated so as to gain focus of top management in closing such observations. The programme was re modified in such a way that if the observations observed and uploaded on the programme are not complied and closed within a particular time frame then that will get escalated to top management as per escalation matrix. The top escalation will be CEO. Involved CEO in some critical and high-risk level observations which eventually lead us in reducing the incidents at project site.

i) Speed governor is introduced in construction vehicle of hilly project to limit and control the speed of the engine in order to limit the vehicle speed to the pre-specified value and simultaneously reducing accident causing due to over speeding of the vehicles.

C. Foreign Exchange earnings and outgo:

1. Total Foreign Exchange used and Earned:

Earnings in Foreign Currency	₹ 187. 00 crore
Expenditure in Foreign Currency	₹ 49.21 crore

For and on behalf of Board of Directors,

Ajit Gulabchand
Chairman & Managing Director

Registered Office:
Hincon House, Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai 400 083

Place : Mumbai
Date : July 9, 2020

ANNEXURE V TO THE BOARD'S REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31, 2020
[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule no. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
Hindustan Construction Co. Ltd
Hincon House,
Lal Bahadur Shashtri Marg,
Vikhroli West
Mumbai- 400083

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Hindustan Construction Company Limited**-CIN No. L45200MH1926PLC001228 (hereinafter called the 'Company') during the financial year from April 01, 2019 to March 31, 2020, ('the year'/ 'audit period'/ 'period under review').

We conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the company's corporate conducts/statutory compliances and expressing our opinion thereon.

We are issuing this report based on :

(i) our verification of the books, papers, minute books, soft copy as provided by the company and other records maintained by the Company and furnished to us, forms/ returns filed and compliance related action taken by the company during the financial year ended March 31, 2020 as well as before the issue of this report.

(ii) Our observations during our visits to the corporate office of the Company,

(iii) Compliance Certificates confirming Compliance with all laws applicable to the company given by Key Managerial Personnel / Senior Managerial Personnel of the company and taken on record by Audit Committee / Board of Directors, and

(iv) Representations made, documents shown and information provided by the company, its officers, agents, and authorised representatives during our conduct of secretarial Audit.

We hereby report that in our opinion, during the audit period covering the financial year ended on March 31, 2020 the Company has:

(i) complied with the statutory provisions listed hereunder, and

(ii) Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

The members are requested to read along with our letter of even date annexed to this report as Annexure- A.

1. Compliance with specific statutory provisions

We further report that:

1.1 We have examined the books, papers, minute books and other records maintained by the Company and the forms, returns, reports, disclosures and information filed or disseminated during the year according to the applicable provisions/ clauses of:

(i) The Companies Act, 2013 and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) The Foreign Exchange Management Act, 1999 and the Rules/ Regulations made thereunder to the extent of overseas Direct Investment(FEMA);

(v) The following Regulations Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Regulations'):

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(g) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(vi) Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial standards)

1.2 During the period under review, and also considering the compliance related action taken by the company after March 31, 2020 but before the issue of this report, the company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us :

(i) Complied with the applicable provisions/clauses of the Act, Rules, SEBI Regulations and Agreements mentioned under sub-paragraphs (ii),(iii), (iv) and (v) of paragraph 1.1 above except the following:

(a) As per Regulation 17(1) (a) of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the LODR) the company is required to have a woman Director on its Board. The vacancy caused by the resignation of Ms. Shalaka Gulabchand Dhawan on and from July 31, 2019, was filled up only on February 6, 2020, by the appointment of Ms. Mita Dixit (DIN: 08198165) as Additional Independent Director on the Board.

(b) The Company was not compliant with a similar requirement prescribed under Section 149(1) of the Companies Act 2013 for filling up the vacancy caused by the resignation of Ms Shalaka Gulabchand Dhawan within a period of 3 months as specified therein in the said Section.

A penalty was imposed on the Company by NSE and BSE of ₹ 3,65,800/- each for non-compliance with Regulation 17(1) (a) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(c) As per Regulation 50(1) and Regulation 57(1) of LODR, the company had to intimate the date of interest payment and certificate of interest of payment to the Stock Exchange respectively. However, since the Company is following HCC Sustainable Structuring of Stressed Assets Scheme (HCC S4A Scheme) of RBI, there has been a delay in payment of the of the interest and principal amount. Thus owing to the delay the Company has not given disclosure to stock exchange under Regulation 50(1) and Regulation 57(1) of the LODR.

(d) The Company has accounted for managerial remuneration paid / payable to Whole-time Directors (including Chairman & Managing Director) of the Company aggregating 30.97 crore for the financial years ended 31 March 2015, 31 March 2016 and 31 March 2020 in excess of the limits prescribed under Section 197 of the Act, in respect of which approvals from the shareholders have been obtained as prescribed, however prior approval from the lenders of the Company in accordance with Section 197 has not been obtained by the Company.

(ii) Generally complied with the applicable provisions/ clauses of :

(a) The Act and rules mentioned under paragraph 1.1 (i); except for Section 149(1) as mentioned above.

(b) FEMA to extent of overseas Direct Investment mentioned under paragraph 1.1(iv),and

(c) The Secretarial standards on meetings of the Board of Directors (SS-1) and Secretarial standards on General Meetings (SS-2) mentioned under paragraph 1.1 (vi) above to the extent applicable to Board and Committee meetings held during the year, the 93rd Annual General Meeting held on September 26, 2019 (93rd AGM) and the postal ballot process which concluded on September 10, 2019. The Compliance of the provisions of the Rules made under the Act [paragraph 1.1(i)] and SS-1 [paragraph 1.1(vi) with regard to the Board and Committee meeting held through video conferencing during the year were verified based on the minutes of the meeting provided by the company.

1.3 We are informed that, during/ in respect of the year, the Company was not required to initiate any compliance related action in respect of the following laws/rules/ regulations/standards, and was consequently not required to maintain any books, papers, minute books or other records or file any form/ returns thereunder:

(i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(ii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and

(iii) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Overseas Direct Investment.

1.4 There was no other law that was specifically applicable to the Company, considering the nature of its business. Hence the requirement to report on compliance with any other specific law under paragraphs 1.1 and 1.2 above did not arise.

2. Board processes:

We further report that:

2.1 The Board of Directors of Company as on March 31, 2020 comprised of:

(i) Two Executive Director,

(ii) Two Non- Executive Non Independent Director of which one is Nominee Director.

(iii) Five Non- Executive Independent Directors, including a Independent Woman Director.

2.2 The processes relating to the following changes in the composition of the board of Directors during the year were carried out in compliance with the provisions of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

(i) Re- appointment of Mr N R Acharyulu (DIN:02010249 (as Director retiring by rotation at 93rd AGM,

(ii) Re- appointment of Mr Anil Singhvi (DIN:00239589) for his second term as Independent Director of three years at the 93rd AGM

(iii) Appointment of Mr Santosh Janakiram Iyer (DIN: 06801226) and Mr Mahendra Singh Mehta (DIN:00019566) for their first term as Independent Directors of the Company for a period three years i.e. from conclusion of 93rd AGM till the conclusion of 96th AGM.

(iv) Appointment of Ms Mita Dixit (DIN: 08198165) as Additional Independent Woman Director on February 6, 2020

(v) Appointment of Mr Mukul Sarkar (DIN:00893700) as Nominee Director of EXIM Bank for the Company w.e.f. February 6, 2020.

(vi) During the year Mr Ram Gandhi (DIN:00050625) resigned as the Director of the Company w.e.f. September 27, 2019, Mr Omkar Goswami (DIN: 00004258) retired as the Director of the Company w.e.f. September 26, 2019 and Mr Rajas Doshi (DIN:00050594) retired as the Director of the Company w.e.f. September 26, 2019.

2.3 Adequate notice was given to all the directors to enable them to plan their schedule for the Board meetings and Committee Meetings held during the financial year.

2.4 Notice of Board meetings and Committee meetings held during review period was sent to directors at least seven days in advance.

2.5 Agenda and detailed notes on agenda were sent to the directors at least seven days before the board meetings, other than those which included price sensitive information.

2.6 Agenda and detailed notes on agenda for the following items were either circulated separately less than seven days before or at the Board meetings and consent of the Board for so circulating them was duly obtained as required under SS-1:

(i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited financial statement/ results, unaudited financial results and connected papers, and

(ii) Additional subjects/ information/ presentations and supplementary notes.

2.7 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.

2.8 We note from the minutes verified that, at the Board meetings held during the year:

(i) Majority decisions were carried through; and

(ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, that were required to be captured and recorded as part of the minutes.

3. Compliance mechanism

There are reasonably adequate systems and processes in the company, commensurate with the company's size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. There is scope for further improvement in the compliance systems and processes, Commensurate with the increasing statutory requirements and growth in operations.

4. Specific events/ actions

4.1 During the year, the following specific events/ actions having a major bearing on the Company's affairs took place, in pursuance of the above referred laws, rules, regulations and standards :

(a) Resignation of Mr Ajay Singh, Company Secretary and KMP of the Company on February 6, 2020 and subsequent to his resignation appointment of Mr Vithal Kulkarni as the Company Secretary and KMP of the Company w.e.f. February 6, 2020.

For **BNP & Associates**
Company Secretaries

Avinash Bagul
Partner
FCS No. 5578
C P No. 19862
Peer Review No. 637/2019
Firm Registration No.P2014MH037400
UDIN: F005578B000433357

Place : Mumbai
Date : July 9, 2020

Note:This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report

Annexure A

To,
The Members,
Hindustan Construction Co. Ltd.

Secretarial Audit Report of even date is to be read along with this letter.

a. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.

b. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.

c. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the company after March 31, 2020 but before the issue of this report.

d. We have considered compliance related actions taken by the company based on independent legal /professional opinion obtained as being in compliance with law.

e. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the company on a test basis. We believe that the processes and practices we followed, provides a reasonable basis for our opinion.

f. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

g. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.

h. Our Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **BNP & Associates**
Company Secretaries

Avinash Bagul
Partner
FCS No. 5578
C P No. 19862
Peer Review No. 637/2019
Firm Registration No.P2014MH037400
UDIN: F005578B000433357

Place : Mumbai
Date : July 9, 2020

ANNEXURE VI TO THE BOARD'S REPORT

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

For the financial year ended on March 31, 2020
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L45200MH1926PLC001228
ii)	Registration Date	January 27, 1926
iii)	Name of the Company	Hindustan Construction Company Limited
iv)	Category / Sub-Category of the Company	Company having Share Capital
v)	Address of the Registered office and contact details	Hincon House, LBS Marg, Vikhroli (West) Mumbai – 400 083. Tel: +91 22 2575 1000 Fax: +91 22 2577 7568
vi)	Whether listed Company Yes / No	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	TSR Darashaw Consultants Private Limited 6-10, Haji Moosa Patrawala Industrial Estate, Nr. Famous Studio, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai- 400011

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1	Engineering and Construction Activities	42101,42201,42204	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name of the Company	Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held by the Company / Subsidiary/ Associate Company	Applicable Section
1	Western Securities Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U67120MH1985PLC037511	Subsidiary	97.87	2 (87) (ii)
2	HREL Real Estate Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U70100MH2005PLC154004	Wholly Owned Subsidiary	100.00	2 (87)(ii)
3	Panchkutir Developers Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U45201MH2006PLC165073	Wholly Owned Subsidiary	100.00	2 (87) (ii)
4	HCC Mauritius Enterprises Limited	St James Court – Suite 308, St Denis Street, Port Louis, Republic of Mauritius	Not Applicable	Wholly Owned Subsidiary	100.00	2 (87) (ii)
5	HCC Mauritius Investment Limited	St James Court Suite 308, St Denis Street, Port Louis, Republic of Mauritius	Not Applicable	Wholly Owned Subsidiary	100.00	2 (87) (ii)
6	HCC Construction Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U45200MH2009PLC190725	Wholly Owned Subsidiary	100.00	2 (87) (ii)
7	Highbar Technologies Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U72900MH2009PLC197299	Wholly Owned Subsidiary	100.00	2 (87) (ii)
8	HCC Infrastructure Company Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U45400MH2010PLC210944	Wholly Owned Subsidiary	100.00	2 (87) (ii)

Sr. No.	Name of the Company	Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held by the Company / Subsidiary/ Associate Company	Applicable Section
9	HRL Township Developers Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U45201MH2006PLC163478	Wholly Owned Subsidiary	100.00	2 (87) (ii)
10	HRL (Thane) Real Estate Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U45201MH2006PLC163515	Wholly Owned Subsidiary	100.00	2 (87) (ii)
11	Nashik Township Developers Ltd	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U45200MH2007PLC167416	Wholly Owned Subsidiary	100.00	2 (87) (ii)
12	Maan Township Developers Ltd	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U45200MH2007PLC167462	Wholly Owned Subsidiary	100.00	2 (87) (ii)
13	Powai Real Estate Developer Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U70102MH2009PLC189760	Wholly Owned Subsidiary	100.00	2 (87) (ii)
14	HCC Realty Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U70102MH2010PLC200209	Wholly Owned Subsidiary	100.00	2 (87) (ii)
15	HCC Aviation Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U63033MH2008PLC182384	Wholly Owned Subsidiary	100.00	2 (87) (ii)
16	Steiner AG	Hagenholzstrasse 56, CH-8050 Zürich, Switzerland	Not Applicable	Wholly Owned Subsidiary	100.00	2 (87) (ii)
17	Steiner Promotions et Participations SA	Route de Lully 5, 1131 Tolochenaz, Switzerland	Not Applicable	Wholly Owned Subsidiary	100.00	2 (87) (ii)
18	Steiner (Deutschland) GmbH	Einsteinstrasse 7, D-33104 Paderborn, Germany	Not Applicable	Wholly Owned Subsidiary	100.00	2 (87) (ii)
19	Manufakt8048 AG	Hagenholzstrasse 56, CH-8050 Zürich, Switzerland	Not Applicable	Wholly Owned Subsidiary	100.00	2 (87) (ii)
20	VM + ST AG	Hagenholzstrasse 56, CH-8050 Zürich, Switzerland	Not Applicable	Wholly Owned Subsidiary	100.00	2 (87) (ii)
21	Steiner Leman SAS	Site d'Archamps- Athéna 1, 74160 Archamps, France	Not Applicable	Wholly Owned Subsidiary	100.00	2 (87) (ii)
22	Steiner India Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U45203MH2011FLC221029	Wholly Owned Subsidiary	100.00	2 (87) (ii)
23	Dhule Palesner Operations & Maintenance Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U93000MH2011PLC217639	Wholly Owned Subsidiary	100.00	2 (87) (ii)
24	HCC Power Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U40300MH2011PLC218286	Wholly Owned Subsidiary	100.00	2 (87) (ii)
25	HCC Concessions Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U45202MH2008PLC178890	Subsidiary	85.45	2 (87) (ii)
26	HCC Operations & Maintenance Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U93030MH2012PLC237676	Wholly Owned Subsidiary	100.00	2 (87) (ii)
27	Narmada Bridge Tollway Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U45400MH2012PLC232354	Subsidiary	85.45	2 (87) (ii)
28	Badarpur Faridabad Tollway Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U45203MH2008PLC184750	Subsidiary	85.45	2 (87) (ii)
29	Baharampore-Farakka Highways Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U45200MH2010PLC200748	Subsidiary	85.45	2 (87) (ii)
30	Farakka–Raiganj Highways Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U45400MH2010PLC200733	Subsidiary	85.45	2 (87) (ii)
31	Raiganj–Dalkhola Highways Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U45400MH2010PLC200734	Subsidiary	86.91	2 (87) (ii)
32	HCC Energy Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U40300MH2015PLC267394	Wholly Owned Subsidiary	100.00	2 (87) (ii)
33	*Lavasa Corporation Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U55101MH2000PLC187834	Subsidiary	68.70	2 (87) (ii)
34	**Lavasa Hotel Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U55100MH2007PLC173728	Wholly Owned Subsidiary	100.00	2 (87) (ii)

Sr. No.	Name of the Company	Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held by the Company / Subsidiary/ Associate Company	Applicable Section
35	**Lakeshore Watersports Company Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U92400MH2008PLC185314	Wholly Owned Subsidiary	100.00	2 (87) (ii)
36	*Dasve Convention Center Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U70101MH2008PLC185945	Wholly Owned Subsidiary	100.00	2 (87) (ii)
37	**Dasve Business Hotel Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U55101MH2008PLC185939	Wholly Owned Subsidiary	100.00	2 (87) (ii)
38	**Dasve Hospitality Institutes Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U55100MH2008PLC186901	Wholly Owned Subsidiary	100.00	2 (87) (ii)
39	**Lakeview Clubs Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U55101MH2008PLC186900	Wholly Owned Subsidiary	100.00	2 (87) (ii)
40	**Dasve Retail Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U51109MH2008PLC187367	Wholly Owned Subsidiary	100.00	2 (87) (ii)
41	**Full Spectrum Adventure Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U74990MH2008PLC188519	Subsidiary	90.91	2 (87) (ii)
42	**Spotless Laundry Services Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U74990MH2009PLC189732	Subsidiary	76.02	2 (87) (ii)
43	**Lavasa Bamboocrafts Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U74990MH2009PLC190551	Wholly Owned Subsidiary	100.00	2 (87) (ii)
44	**Green Hills Residences Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U55101MH2009PLC192224	Wholly Owned Subsidiary	100.00	2 (87) (ii)
45	**My City Technology Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U72900MH2009PLC194613	Subsidiary	63.00	2 (87) (ii)
46	**Reasonable Housing Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U70102MH2009PLC195985	Wholly Owned Subsidiary	100.00	2 (87) (ii)
47	**Future City Multiservices SEZ Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U45400MH2009PLC197467	Wholly Owned Subsidiary	100.00	2 (87) (ii)
48	**Verzon Hospitality Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U55204MH2010PLC198686	Wholly Owned Subsidiary	100.00	2 (87) (ii)
49	**Rhapsody Commercial Space Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U74930MH2010PLC198921	Wholly Owned Subsidiary	100.00	2 (87) (ii)
50	**Valley View Entertainment Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U74990MH2010PLC199136	Wholly Owned Subsidiary	100.00	2 (87) (ii)
51	**Whistling Thrush Facilities Services Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U74900MH2010PLC199381	Subsidiary	51.00	2 (87) (ii)
52	**Warasgaon Tourism Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U63040MH2010PLC200459	Wholly Owned Subsidiary	100.00	2 (87) (ii)
53	**Our Home Service Apartments Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U74900MH2010PLC200692	Wholly Owned Subsidiary	100.00	2 (87) (ii)
54	**Warasgaon Power Supply Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U40101MH2010PLC200845	Wholly Owned Subsidiary	100.00	2 (87) (ii)
55	**Sahyadri City Management Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U74900MH2010PLC200834	Wholly Owned Subsidiary	100.00	2 (87) (ii)
56	**Hill City Service Apartments Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U45400MH2010PLC201322	Wholly Owned Subsidiary	100.00	2 (87) (ii)
57	**Kart Racers Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U74900MH2010PLC201574	Subsidiary	90.00	2 (87) (ii)
58	**Warasgaon Infrastructure Providers Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U45200MH2010PLC201647	Wholly Owned Subsidiary	100.00	2 (87) (ii)
59	**Nature Lovers Retail Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U74990MH2010PLC202616	Wholly Owned Subsidiary	100.00	2 (87) (ii)

Sr. No.	Name of the Company	Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held by the Company / Subsidiary/ Associate Company	Applicable Section
60	**Warasgaon Valley Hotels Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U55101MH2010PLC210104	Wholly Owned Subsidiary	100.00	2 (87) (ii)
61	**Rosebay Hotels Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U55101MH2010PLC210289	Wholly Owned Subsidiary	100.00	2 (87) (ii)
62	**Mugaon Luxury Hotels Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U55101MH2010PLC210390	Wholly Owned Subsidiary	100.00	2 (87) (ii)
63	*Warasgaon Assets Maintenance Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U74990MH2011PLC219078	Wholly Owned Subsidiary	100.00	2 (87) (ii)
64	**Warasgaon Lakeview Hotels Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U55100MH2007PLC173733	Associate Company	24.56	2 (6)
65	**Hill View Parking Services Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U74120MH2011PLC219079	Wholly Owned Subsidiary	100.00	2 (87) (ii)
66	**Ecomotel Hotel Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U55101MH2008PLC185873	Associate Company	40.04	2 (6)
67	**Highbar Technocrat Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U55204MH2010PLC210078	Associate Company	49.00	2 (87) (ii)
68	**Andromeda Hotels Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U55101MH2010PLC199240	Associate Company	40.03	2 (6)
69	**Knowledge Vistas Limited	401 & 402, 4th Floor, Kaatyayni Busines Park, OFF:Mahakali Caves Road, MIDC,Andheri, Kurla Road, Mumbai – 400093	U80301MH2009PLC190552	Associate Company	49.00	2 (6)
70	**Bona Sera Hotels Limited	640-B, Khorshed Villa, Khareghat Road, Parsi Colony, Dadar, Mumbai – 400 014	U55101MH2008PLC185253	Associate Company	26.00	2 (6)
71	**Evostate AG	Hagenholzstrasse 56, 8050 Zürich, Switzerland	Not Applicable	Associate Company	30.00	2 (6)
72	**Projektentwicklungsges Parking Kunstmuseum AG	Kunstmuseum Basel AG, c/o Peter Andreas Zahn, St. Jakobs-Strasse 7, 4052 Basel, Switzerland	Not Applicable	Associate Company	38.64	2 (6)
73	**MCR Managing Corp. Real Estate AG	Route de Lully 5, 1131,Tolochenaz, Switzerland	Not Applicable	Associate Company	30.00	2 (6)
74	**Apollo Lavasa Health Corporation Limited	Plot No. 13, Parsik Hill Road, Off. Uran Road, Sector 23, CBD Belapur, Navi Mumbai 400614	U85100MH2007PLC176736	Associate Company	49.00	2(6)
75	**Starlit Resort Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U55204MH2010PLC210107	Associate Company	26.00	2(6)
76	**Evostate Immobilien AG	Hagenholzstrasse 56 8050 Zürich	Not Applicable	Associate Company	30.00	2 (6)
77	**Werkarena Basel AG	Zürich, Switzerland	Not Applicable	Subsidiary	50.00	2 (87) (ii)

* The Hon'ble National Company Law Tribunal, Mumbai ('NCLT') vide its Orders dated August 30, 2018, December 17, 2018 and February 5, 2019 has admitted applications against Lavasa Corporation Limited (LCL), Warasgaon Assets Maintenance Limited (WAML) and Dasve Convention Center Limited (DCCL), respectively and initiated the Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code 2016 (IBC).

Pursuant to the initiation of the CIRP and in accordance with the provisions of IBC, the powers of the Board of Directors of these entities stand suspended and the management of these subsidiaries presently vests with the Resolution Professional (RP) appointed under the provisions of IBC.

** The Subsidiary and Associate companies of Lavasa Corporation Limited.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

	Category of Members	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
1.	**Indian**									
a)	Individual/HUF	2378694	0	2378694	0.16	2378694	0	2378694	0.16	0.00
b)	Central Govt.or State Govt.	0	0		0.00	0	0	0	0.00	0.00
c)	Bodies Corporates	525078403	0	525078403	34.70	522836177	0	522836177	34.56	-0.15
d)	Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
e)	Any other	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL:(A) (1)	**527457097**	**0**	**527457097**	**34.86**	**525214871**	**0**	**525214871**	**34.71**	**-0.15**
2.	**Foreign**									
a)	NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b)	Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c)	Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d)	Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e)	Any other	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (A) (2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)		**527457097**	**0**	**527457097**	**34.86**	**525214871**	**0**	**525214871**	**34.71**	**-0.15**
B.	Public Shareholding									
1.	**Institutions**									
a)	Mutual Funds/UTI	117857277	2000	117859277	7.79	88992219	2000	88994219	5.88	-1.91
b)	Banks/FI	226249098	2500	226251598	14.95	215582460	2500	215584960	14.25	-0.70
c)	Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d)	State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e)	Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f)	Insurance Companies	8382144	0	8382144	0.55	8382144	0	8382144	0.55	0.00
g)	FIIS//FPIs-Corp	194087575	31000	194118575	12.83	191605561	31000	191636561	12.67	-0.16
h)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i)	Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (B)(1):	**546576094**	**35500**	**546611594**	**36.13**	**504562384**	**35500**	**504597884**	**33.35**	**-2.78**
2.	**Non Institutions**									
a)	Bodies corporates									
	i. Indian	38089065	26000	38115065	2.52	33841910	26000	33867910	2.24	-0.28
	ii. Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b)	Individuals									
	i. Individual Members holding nominal share capital upto ₹ 1 lakh	254062113	4463501	258525614	17.09	265610487	4199722	269810209	17.83	0.75

Category of Members		No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii.	Individuals Members holding nominal share capital in excess of ₹ 1 lakh	67765076	168000	67933076	4.49	109097730	168000	109265730	7.22	2.73
c)	Others (specify)									
i.	Clearing Members	29372280	0	29372280	1.94	25578122	0	25578122	1.69	-0.25
ii.	LLP	7067325	0	7067325	0.47	2224147	0	2224147	0.15	-0.32
iii.	Ind – HUF	18539283	0	18539283	1.23	20413384	0	20413384	1.35	0.12
iv.	Investor Education and Protection Fund	3394729	0	3394729	0.22	3391729	0	3391729	0.22	0.00
v.	Trust	16780	0	16780	0.00	89280	0	89280	0.01	0.00
vi.	NRI- Individuals	15994401	1000	15995401	1.06	18573978	1000	18574978	1.23	0.17
SUB TOTAL (B)(2):		**434301052**	**4658501**	**438959553**	**29.01**	**478820767**	**4394722**	**483215489**	**31.94**	**2.92**
Total Public Shareholding (B)= (B)(1)+(B)(2)		**980877146**	**4694001**	**985571147**	**65.14**	**983383151**	**4430222**	**987813373**	**65.29**	**0.15**
C.	**Shares held by Custodian for GDRs & ADRs**	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)		**1508334243**	**4694001**	**1513028244**	**100.00**	**1508598022**	**4430222**	**1513028244**	**100.00**	**0.00**

ii) Shareholding of Promoters:

Sr. No.	Member's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Arya Capital Management Pvt Ltd	24,62,55,617	16.28	100.00	24,40,13,391	16.13	100.00	-0.15
2	Hincon Holdings Ltd	21,60,23,600	14.28	100.00	21,60,23,600	14.28	100.00	0.00
3	Hincon Finance Limited	6,22,61,186	4.12	38.38	6,22,61,186	4.12	38.38	0.00
4	Ajit Gulabchand	21,17,294	0.14	0	21,17,294	0.14	0	0.00
5	Shalaka Investment Pvt Ltd	5,38,000	0.04	0	5,38,000	0.04	0	0.00
6	Anjani Ashwin Parekh	2,51,400	0.02	0	2,51,400	0.02	0	0.00
7	Shalaka Gulabchand Dhawan	10,000	0.00		10,000	0.00	0	0.00
Total		**52,74,57,097**	**34.86**	**92.17**	**52,52,14,871**	**34.71**	**92.14**	**-0.15**

iii) Change in Promoters' Shareholding:

Sr No.	Name	Shareholding at the beginning of the year		Date	Increase / (Decrease)	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Arya Capital Management Pvt Ltd	24,62,55,617	16.28	30-Mar-2019			24,62,55,617	16.28
				28-Jun-2019	40,000	Market Purchase	24,62,95,617	16.28
				05-Jul-2019	2,71,000	Market Purchase	24,65,66,617	16.30
				09-Aug-2019	2,64,774	Market Purchase	24,68,31,391	16.31
				16-Aug-2019	2,05,000	Market Purchase	24,70,36,391	16.33
				31-Dec-2019	-27,08,000	Invocation of pledge	24,43,28,391	16.15
				10-Jan-2020	-3,15,000	Invocation of pledge	24,40,13,391	16.13
		246,255,617	16.28	31-Mar-2020	----	----	24,40,13,391	16.13

iv) Shareholding Pattern of top ten Members (other than Directors, Promoters)

Sr. No.	Name of the Member	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Asia Opportunities Iv (Mauritius) Limited	12,38,75,000	8.19	11,54,62,961	7.63
2	Hdfc Trustee Company Limited-Hdfc Equity Fund	8,89,92,219	5.88	8,89,92,219	5.88
3	State Bank Of India	2,95,00,105	1.95	2,95,00,105	1.95
4	IDBI Bank Ltd.	2,54,34,620	1.68	2,47,18,683	1.63
5	Punjab National Bank	2,43,35,608	1.61	2,43,35,608	1.61
6	Export- Import Bank Of India	2,42,51,091	1.60	2,42,51,091	1.60
7	Government Pension Fund Global	1,51,44,009	1.00	2,16,92,360	1.43
8	Canara Bank-Mumbai	1,96,05,966	1.30	1,96,05,966	1.30
9	Axis Bank Limited	1,64,62,617	1.09	1,63,38,580	1.08
10	ICICI Ltd	1,50,74,340	1.00	1,55,34,100	1.03

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Directors / Key Managerial Personnel	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
Directors					
1	Mr. Ajit Gulabchand	21,17,294	0.14	21,17,294	0.14
2	Mr. Rajas R. Doshi (upto 26.09.2019)	1,32,000	0.01	1,32,000	0.01
3	Mr. Ram P. Gandhi (upto 27.09.2019)	48,000	0.00	48,000	0.00
4	Mr. Sharad M. Kulkarni	20,000	0.00	20000	0.00
5	Mr. Anil C. Singhvi	10,00,000		0	
6	Mr. Samuel Joseph (upto 30.10.2019)	0	0.00	0	0.00
7	Dr. Omkar Goswami (upto 26.09.2019)	0	0.00	0	0.00

Sr. No.	Directors / Key Managerial Personnel	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
8	Mr. Arjun Dhawan	0	0.00	0	0.00
9	Ms. Shalaka Gulabchand Dhawan (upto 31.07. 2019)	10,000	0.00	10,000	0.00
10	Mr. N. R. Acharyulu	4,100	0.00	4,100	0.00
11	Mr. Santosh Janakiram Iyer	0	0.00	0	0.00
12	Mr. Mahendra Singh Mehta	0	0.00	0	0.00
13	Mr. Mukul Sarkar (From 6.02.2020)	0	0.00	0	0.00
14	Dr. Mita Dixit (From 6.02.2020)	0	0.00	0	0.00
Key Managerial Personnel					
1	Mr. Amit Uplenchwar (upto 27.03.2020)	0	0.00	0	0.00
2	Mr. U V Phani Kumar (From 3.04.2020)	0	0.00	0	000
3	Mr. Shailesh Sawa (upto 9.07.2020)	0	0.00	0	0.00
4	Mr. Ajay Singh (upto 6.02.2020)	0	0.00	0	0.00
5	Mr. Vithal P. Kulkarni (From 6.02.2020)	2,000	0.00	2,000	0.00

V. INDEBTEDNESS (IND-AS)

Indebtedness of the Company including interest outstanding/accrued but not due for payment

₹ crore

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,298.80	0.92	-	3,299.72
ii) Interest due but not paid	8.60	-	-	8.60
iii) Interest accrued but not due	513.58	-	-	513.58
Total (i+ii+iii)	**3,820.98**	**0.92**		**3,821.90**
Change in Indebtedness during the financial year				
• Addition	641.14		-	641.14
• Reduction	349.63	0.51	-	350.14
Net Change	291.51	-0.51	-	291.00
Indebtedness at the end of the financial year			-	
i) Principal Amount	3,369.82	0.41	-	3,370.23
ii) Interest due but not paid	74.49	-	-	74.49
iii) Interest accrued but not due*	668.18	-	-	668.18
Total (i+ii+iii)	**4,112.49**	**0.41**	**-**	**4,112.90**

*Interest of ₹ 252.84 crore on group companies liabilities excluded

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A) Remuneration paid / payable to Managing Director, Whole-time Directors and/or Manager: (Amount in ₹)

Sr. No.	Particulars of Remuneration	Mr. Ajit Gulabchand @	Mr. Arjun Dhawan @	Ms. Shalaka Gulabchand Dhawan $ Upto July 31, 2019	Total Amount
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	3,08,37,005	2,64,31,718	25,70,943	5,98,39,666
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,08,37,005	2,64,31,718	25,70,943	5,98,39,666
	(c) Profits in lieu of salary under Section 17(3) Income tax Act, 1961				
2	Stock Option (Nos)	-	-	-	-
3	Sweat Equity				
4	Commission				
	- as % of profit				
	- others, specify				
5	Others, please specify (Contribution to Provident Fund and other Funds)	83,25,990	71,36,564	6,94,154	1,61,56,708
	Total	**7,00,00,000**	**6,00,00,000**	**58,36,040**	**13,58,36,040**

@. Payment of remuneration subject to lenders approval, which is awaited. Actual remuneration paid is only from April- July, 2019. Remuneration from August, 2019- March, 2020 is yet to be paid.

$ Payment of remuneration from April 1, 2019-July 31, 2019 has paid subject to lenders approval, which is awaited.

B) Remuneration to other Directors (Amount in ₹)

Sr. No.	Particulars of Remuneration	Rajas R Doshi	Ram P Gandhi	Sharad M Kulkarni	Anil Singhvi	Dr. Omkar Goswami	N. R. Acharyulu	Santosh Jankiram Iyer	Mahendra Singh Mehta	Mukul Sarkar	Samuel Joseph	Dr. Mita Dixit	Total Amount
1.	Independent Directors												
	• Fee for attending board / committee meetings	1000000	300000	900000	1500000	400000		600000	700000			0	5400000
	• Commission												
	• Others												
	Total (1)	**1000000**	**300000**	**900000**	**1500000**	**400000**		**600000**	**700000**			**0**	**5400000**
2.	Other Non-Executive Directors												
	• Fee for attending board / committee meetings						1100000			100000	200000		1400000
	• Commission												
	• Others												
	Total (2)						**1100000**			**100000**	**200000**		**1400000**
	Total (B)=(1+2)	**1000000**	**300000**	**900000**	**1500000**	**400000**	**1100000**	**600000**	**700000**	**100000**	**200000**	**0**	**6800000**
	Total Managerial Remuneration												* 142636040

* Total remuneration includes the remuneration paid / payable to Chairman and Managing Director and the Whole-time Directors of the Company.

C) Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD

(Amount in ₹)

Sr. no.	Particulars of Remuneration	Amit Uplenchwar	Shailesh Sawa	Ajay Pratap Singh	Vithal Pandurang Kulkarni
	Period	01.04.2019 to 27.03.2020	01.04.2019 to 31.03.2020	01.04.2019 to 17.02.2020	04.02.2020 to 31.03.2020
1	Gross salary	40449228	32856246	4719060	1605964
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites under section 17(2) Income-tax Act, 1961	28800	21600	19056	3500
	(c) Profits in lieu of salary under Section 17(3) Income tax Act, 1961				
2	Stock Option (Nos.)	*300000			
3	Sweat Equity				
4	Commission - as % of profit - others, specify				
	Others, please specify Provident Fund & other Funds	1194000	1253730	461066	0
	Total	**41672028**	**34131576**	**5199182**	**1609464**

Note: Remuneration actually paid from April- November, 2019. Remuneration from December, 2019- March, 2020 is yet to be paid.

* Options have lapsed on May 15, 2020.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY- NIL					
Penalty					
Punishment					
Compounding					
B. DIRECTORS- NIL					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT – NIL					
Penalty					
Punishment					
Compounding					

DIVIDEND DISTRIBUTION POLICY

The equity shares of Hindustan Construction Company Limited (the 'Company') are listed on Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd (NSE). As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI Listing Regulations'), as amended, the Company is required to formulate a Dividend Distribution Policy which shall be disclosed in its Annual Report and on its website.

The Board of Directors of the Company ("the Board") has approved the Dividend Distribution Policy of the Company ('the Policy") on February 2, 2017, which endeavors for fairness, consistency and sustainability while distributing profits to the Members.

The factors that will be considered while arriving at the quantum of dividend(s) payable shall be :

- Any Current year profits and outlook in line with the development of internal and external environment.
- Operating cash flows and treasury position keeping in view the total debt to equity ratio.
- Possibilities of alternate deployment of cash for future growth, e.g. capital expenditure etc., which has a potential to create greater value for Members in the long run.
- Providing for unforeseen events and contingencies with financial implications.

The Board may, as and when they consider it fit, recommend dividend, to the Members for their approval in the general meeting of the Company.

In case the Board proposes not to distribute the profit, the grounds thereof and information on utilisation of the undistributed profit, if any, shall be disclosed to the Members in the Annual Report of the Company.

The dividend distribution shall be in accordance with the applicable provisions of the Companies Act, 2013, (the Act) Rules framed thereunder, if any, the SEBI (Listing Regulations), 2015 and any other legislations governing dividends and the Articles of Association of the Company, as in force and as amended from time to time.

The Board is authorised to change/amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Act, the SEBI Listing Regulations etc.

In the event of any conflict between the provisions of these policies and the Act/the SEBI Listing Regulations or any other statutory enactments, rules, the provisions of the Act/the SEBI Listing Regulations or statutory enactments, rules, as the case may be applicable, shall prevail.

The policy is made available on the Company's website and shall also be disclosed in the Company's Annual Report.

This policy document does not solicit investments in the Company's securities. Nor is it an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.

ANNEXURE VII TO THE BOARD'S REPORT

BUSINESS RESPONSIBILITY REPORT (BRR)

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Disclosures	Information / Reference sections	
Corporate Identity Number (CIN) of the Company	L45200MH1926PLC001228	
Name of the Company	Hindustan Construction Company Ltd	
Registered Address	Hincon House, LBS Road, Vikhroli (W), Mumbai 400 083, India	
Website	www.hccindia.com	
E-mail id	secretarial@hccindia.com	
Financial Year Reported	2019-20	
Sector(s) that the Company is engaged in (industrial activity code-wise)	The Company is engaged in business of Engineering, Procurement and Construction EPC segment.	
	Description	Industrial Group
	Engineering and Construction Activities	42101, 42201, 42204
List three key products/services that the Company manufactures/provides (as in balance sheet)	Engineering and Construction Activities	
Total number of locations where business activity is undertaken by the Company	i. Number of International Locations (Provide details of major 5): Company's Projects at Bhutan and Bangladesh are at various stages of operations. ii. Number of National Locations: Presently the Company executes various Projects across 16 states.	
Markets served by the Company – Local/State/ National/International:	HCC executes Projects across various states in the Country and at Bhutan and Bangladesh (Outside India)	

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Disclosures		Information / Reference sections
1	Paid up Capital	₹ 1,51,30,28,244
2	Total Turnover (INR):	₹ 3643.64 Crores
3	Total loss after taxes (INR):	(₹ 168.72 Crores)
4	Total Spending on Corporate Social Responsibility (CSR)	
	a. In terms of Section 135 of Company's Act 2013:	As the average net profit of last three preceding years is negative under Section 198 of the Companies Act, 2013, the Company is not required to allocate any amount towards CSR expenditure.
	b. As percentage of profit after tax (%):	Not Applicable
5	List the activities as per Schedule VII of Company's Act, 2013 in which expenditure in 4 above has been incurred:	The Company has voluntarily spent on initiatives in disaster relief work at Assam flood and in Kolkata flood provided necessary support during COVID 19 lockdown.
		1. HCC provided necessary support like ambulance facility, food and drinking water to local communities and stranded pilgrims during the COVID19 lockdown in Vishugad Pipalkoti Hydroelectric project, Uttarakhand from 25th March 2020 onwards.
		2. At HCC's Numaligarh Jorhat Road Project, provided food and necessary medical help during the flood in August 2019.
		3. HCC provided necessary grocery and food to flood affected communities at manic chowk Dist. Malda at NH34 pkg-4 West Bengal in September 2019.

SECTION C: OTHER DETAILS

	Disclosures	Information / Reference sections
1	Does the Company have any Subsidiary Company/ Companies	Yes
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Yes, through there own BR initiatives
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Not Applicable

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

No.	Particulars	Details
a.	Details of the Director/Director responsible for implementation of the BR policy/policies	
1	DIN Number	01778379
2	Name	Arjun Dhawan
3	Designation	Group CEO & Whole-time Director
b.	Details of the BR head	
1	DIN Number (if applicable)	Not Applicable
2	Name	Mr. Aditya Jain
3	Designation	Group EVP – Human Resources
4	Telephone number	+91 22 2575 1000 / 1721
5	e-mail id	aditya.jain@hccindia.com

2. Principle-wise (as per NVGs) BR Policy/policies

a) Details of compliance (Reply in Y/N)

No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes, the policies confirm to statutory provisions as well as ILO and UN Mandate.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director? Yes: MD	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	On companies internal public folder								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, to all relevant stakeholders.								
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes, Internal Audits and IMS Audits.								

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options) : Not Applicable.

3. Governance related to BR

a	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months/ 3-6 months/ Annually/ More than 1 year	Annually.
b	Does the Company publish a BR or a Sustainability Report?	Yes. The sustainability Report as per GRI Standards.
	What is the hyperlink for viewing this report?	HCC's Website
	How frequently it is published?	Annually

SECTION E : PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability:

1	Does the policy relating to ethics, bribery and corruption cover only the company?	The policy covers the company, as well as group companies, JVs, and subsidiaries
	Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?	Yes, as above
2	How many stakeholder complaints have been received in the past financial year	Nil
	What percentage was satisfactorily resolved by the management?	Not Applicable

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle:

1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	i. Engineering Designs ii. Integrated Management System
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?	**Steps taken during Engineering Design:** **Raw Material Optimum use** A. **Plates from Essar for Sawarakuddu:** The supplier made to work on process tightening to manufacture the plates to achieve tolerances tighter that the one specified by the IS standards. B. **Coupler Use for Savings:** BARC, IGCAR, Reinforcement Couplers used to avoid overlapping of Bars. C. **Cut and Bend Rebars:** At Mumbai Metro 3 to avoid material wastage **Energy Conservation:** A. Usage of Load Sharing System in D.G. sets B. APFC (Automatic Power Factor Controller) panels C. FCMA (Flux Compensated Magnetic Amplifier) Starter for Main Crusher Motors D. Variable Frequency Drive (VFD) Starting System for Ventilation Fans & EOT/ Gantry Cranes E. Use of Energy Efficient Motors in Gantry Cranes **Steps taken under IMS:** **Energy Conservation:** Use of LED fixtures at all the new projects is compulsory as per IMS procedure.

		Water Conservation: At every project site, IMS procedure for 4R (Reduce Reuse Recycle, Recharge) is followed. Sedimentation tanks are provided at each batching plant where the supernatant water is reused for dust suppression. Desalination plant and waste water treatment plants are also provided wherever appropriate.
	ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Not Applicable. HCC is not in business of manufacturing goods or consumable products. Hence savings during the usage by the consumer/ end user is not applicable.
3	Does the company have procedures in place for sustainable sourcing (including transportation)?	Yes.
	i. If yes, what percentage of your inputs was sourced sustainably?	Approximately 75%
4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	Yes. Apart from 75% of major raw materials, remaining items like Aggregates, Sand, etc are procured locally. Also the general stores material required for workmen and officers camps is procured locally which impacts the local market in positive way.
	If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	At the project sites, steps are undertaken to award small / petty contracts to locals pertaining to job work, equipment (including vehicle) supply, supplies, manpower etc., thereby building the capacity / capability at the local level.
5	Does the company have a mechanism to recycle products and waste?	Yes Recycling the product is not applicable as HCC is not in business of manufacturing goods or consumable products and hence the associated packaging material is also not applicable. Hazardous Waste is recycled or disposed as per Statutory provisions. Used oil being disposed through authorized recycler & Batteries are being sent back to supplier under buy back option only. Scrap and general recyclable materials are disposed through authorized vendors for recycling. Reusing of the Product or packaging material is not applicable for HCC.
	If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).	**Material** — **Qty disposed in FY 2019-20** Scrap Steel — 6321 Metric Ton Waste Oil — 24075 Liter Cement Bags — 45000 Nos. MS Drums (used) — 380 Nos. PVC drums — 1623 Nos.

Principle 3: Businesses should promote the well-being of all employees:

1	Please indicate the Total number of employees	1284 Officers
2	Please indicate the Total number of employees hired on temporary/contractual/casual basis	24 Officers
3	Please indicate the Number of permanent women employees	42 Officers
4	Please indicate the Number of permanent employees with disabilities	2 Officers
5	Do you have an employee association that is recognized by management.	Yes, for workmen
6	What percentage of your permanent employees is members of this recognized employee association?	100% of the permanent workmen
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	Nil

Sr No	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/ involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	
	Permanent Employees	57% (Officers)
	Permanent Women Employees	38% (Officers)
	Casual/Temporary/Contractual Employees	42% (Officers)
	Employees with Disabilities	50% (Officers)

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized:

1	Has the company mapped its internal and external stakeholders?	Yes
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	Only for the internal stakeholders
3	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders.	As applicable

Principle 5: Businesses should respect and promote human rights :

1	Does the policy of the company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/Others?	Yes. Company as well as group companies, JVs, and Subsidiaries
2	How many stakeholder complaints have been received in the past financial year	Nil
3	and what percent was satisfactorily resolved by the management?	Not Applicable

Principle 6 : Business should respect, protect, and make efforts to restore the environment :

1	Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others	Yes, extends to company, as well as group companies, JVs, and Subsidiaries and contractors.
2	Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc. (Sustainability Report's link)	Yes. Initiatives undertaken are: 1. Member of UN Global Compact (UNGC), 2. Signatory to CEO Water Mandate 3. Signatory to WEF's CEO climate Leaders 4. Signatory to 'Caring for Climate'
3	Does the Company identify and assess potential environmental risks ?	Yes, under EMS, Aspect Impact Register is mantained at all the projects that covers the Risks.
4	Does the Company have any project related to Clean Development Mechanism? If Yes, whether any environmental compliance report is filed?	No
5	Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. If yes, please give hyperlink for web page etc.	Yes. With specific focus on reducing carbon foot print by reducing cement content, making Portland cement concrete as sustainable choice by replacing part of cement with Industrial by-product (Fly ash / GGBS). This helps as to produce more durable structures with less carbon foot print and conserves energy.
6	Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes, is complied with the stipulated norms
7	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Amresh Singh Vs. UOI & ORS (HCC as Resp.No.6), OA No. 295/2016, before 'National Green Tribunal', Delhi. Pursuant to NGT interim order HCC paid fine of ₹ 2cr. and also given the BG of ₹ 2cr to CPCB on 20.03.2020 the Tribunal has directed all Respondents to comply with all the recommendations and directions in the report given by Committee and also directed to committee to provide their further report.

Principle 7 : Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner :

1	Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with	Yes 1. Member of Governor's Steering Board of the Infrastructure and Urban Development (IU) Community at the World Economic Forum (WEF) 2. Member of Disaster Resource Partnership Board, IU, WEF 3. Member of Steering Board, Future of Urban Development Services, IU, WEF 4. Member of Steering Board,Future of Construction, WEF 5. Member of UK India Business Council (UKIBC) Advisory Council 6. Member, CII National Council 7. Member of the Private Sector Alliance for Disaster Resilient Societies (ARISE), United Nations International Strategy for Disaster Risk Reduction (UNISDR) 8. Member of Board of Trustees – New Cities Foundation
2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? if yes specify the broad areas:	Yes 1. 26-28 April 2019: World Economic Forum, Community of Chairmen, Annual Retreat 2019 2. July 8, 2019: World Economic Forum on India 2019 Brainstorming Workshop, New Delhi 3. 3-4 October 2019: World Economic Forum, India Economic Summit, New Delhi

Principle 8 : Businesses should support inclusive growth and equitable development :

1	Does the Company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes. HCC has a well crafted CSR policy in tune with Section 135/Schedule VII of Companies Act, 2013. On the basis of needs of the community around the Projects, either observed or on the basis of requests, the initiatives for the benefit of society are chosen and implemented.
2	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?	In house team and external Agencies.
3	Have you done any impact assessment of your initiative?	No
4	What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	CSR expenditure not applicable. However, HCC intervene in Disaster Relief work during FY 2019-20.
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	Yes

Principle 9 : Businesses should engage with and provide value to their customers and consumers in a responsible manner :

1	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	Nil.
2	Does the Company display product information on the product label, over and above what is mandated as per local laws?	N.A.
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.	No.
4	Did your Company carry out any consumer survey/ consumer satisfaction trends?	Yes. Customer Satisfaction surveys being carried out as the compliance of QMS (ISO 9001- IMS)

INDEPENDENT AUDITOR'S REPORT

To the Members of Hindustan Construction Company Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

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

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors as referred to in paragraph 19 below, except for the effects / possible effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. As stated in:

   (i) Note 27.1 to the standalone financial statements, the Company has accounted for managerial remuneration paid / payable to Whole Time Directors (including Chairman and Managing Director) of the Company aggregating ₹ 30.97 crore for the financial years ended 31 March 2015, 31 March 2016 and 31 March 2020 in excess of the limits prescribed under Section 197 of the Act, in respect of which approvals from the shareholders have been obtained as prescribed, however prior approval from the lenders of the Company in accordance with Section 197 has not been obtained by the Company.

   (ii) Note 17.4 to the standalone financial statements, the Company's non-current borrowings, other non-current financial liabilities and other current financial liabilities as at 31 March 2020 include balances amounting to ₹ 165.55 crore, ₹ 591.04 crore and ₹ 336.82 crore respectively, in respect of which direct confirmations from the respective banks / lenders have not been received. Further, in respect of certain loans while the principal balances have been confirmed, the interest accrued amounting to ₹ 42.76 crore has not been confirmed by the banks / lenders. These balances have been classified into current and non-current, basis the original maturity terms stated in the agreements which is not in accordance with the terms of the agreements relating to the implications in the event of default. Further, direct confirmations from banks have not been received for earmarked balances (included under bank balances other than cash and cash equivalents) and guarantees issued by banks on behalf of the Company as at 31 March 2020 amounting to ₹ 5.46 crore and ₹ 76.93 crore, respectively.

   In the absence of such direct confirmations from the banks / lenders or sufficient and appropriate alternate audit evidence, we are unable to comment on the adjustments and changes in classification of balances in accordance with the principles of Ind AS 1, Presentation of financial statements, if any, that may be required to the carrying value of the aforementioned balances in the accompanying standalone financial statements.

   (iii) Note 9.1 to the standalone financial statements, the Company has recognised deferred tax assets (net) amounting to ₹ 437.08 crore outstanding as at 31 March 2020, on account of carried forward unused tax losses, unused tax credits and other taxable temporary differences which are continued to be recognised by the Company on the basis of expected availability of future taxable profits for utilization of such deferred tax assets. However, in view of the continued losses incurred by the Company and the impact of COVID-19 on business operations, we are unable to obtain sufficient appropriate audit evidence with respect to the current projections prepared by the management and therefore, are unable to comment on any adjustments that may be required to the carrying value of aforesaid deferred tax assets as at 31 March 2020.

   (iv) Note 31.2 to the standalone financial statements, the Company has written back a loss provision aggregating ₹ 331.40 crore in the quarter ended 31 December 2019, which was earlier recognised by the Company during the year ended 31 March 2019 in cognizance of the assignment of beneficial interests / rights in a portfolio of identified arbitration awards and claims based on a non-binding term sheet with a consortium of investors along with a letter of commitment, due to cancellation of the said proposed transaction. However, such write-back is inconsistent with the continued intent of the Company to sell / assign the arbitration awards and claims of the Company to other potential investors on similar terms as evidenced in the proposed resolution plan with lenders. Accordingly, had the loss provision not been written back, exceptional items would have been lower by ₹ 331.40 crore, loss before tax would have been higher by ₹ 331.40 crore, tax expense would have been lower by ₹ 115.80 crore and net loss for the year ended 31 March 2020 would have been higher by ₹ 215.60 crore.

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

our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and that obtained by the other auditors in terms of their reports referred to in paragraph 19 of the Other Matter section below, is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

5. We draw attention to Note 2.1(v) of the standalone financial statements which indicates that the Company has incurred a net loss of ₹ 168.72 crore during the year ended 31 March 2020 and, as of that date, the Company's accumulated losses amounts to ₹ 1,767.57 crore which have resulted in substantial erosion of net worth of the Company and the current liabilities have exceeded its current assets by ₹ 2,107.98 crore as at 31 March 2020. As further disclosed in aforesaid note, the Company has defaulted in repayment of principal and interest in respect of its borrowings and has overdue operational creditors outstanding as at 31 March 2020. Certain operational creditors have also applied to the National Company Law Tribunal ('NCLT') for the debt resolution under the Insolvency and Bankruptcy Code, 2016, which have not been admitted by the NCLT for further proceeding as of the date of this report. The above factors, together with uncertainties relating to the impact of the ongoing COVID-19 pandemic on the operations of the Company as described in Note 2.1(iv)(a) to the standalone financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, based on ongoing discussion with the lenders for restructuring of loans, revised business plans and other mitigating factors as mentioned in the Note 2.1(v) to the standalone financial statements, management is of the view that going concern basis of accounting is appropriate for preparation of the accompanying standalone financial statements.

6. The above assessment of the Company's ability to continue as going concern is by its nature considered as a key audit matter in accordance with SA 701. In relation to the above key audit matter, our audit work included, but was not limited to, the following procedures:

   a) Obtained an understanding of the management's process for identifying all events or conditions that may cast significant doubt over the company's ability to continue as a going concern and a process to assess the corresponding mitigating factors existing against each such event or condition. Also, obtained an understanding around the methodology adopted by the Company to assess their future business performance including the preparation of a cash flow forecast for the business;

   b) Evaluated the design and tested the operating effectiveness of key controls around aforesaid identification of events or conditions and mitigating factors, and controls around cash flow projections prepared by the management;

   c) We obtained from the management, its projected cash flows for the next twelve months basis their future business plans. Reconciled the cash flow forecast to the future business plan of the Company as approved by the Board of Directors;

   d) Assessed the methodology used by the management to estimate the cash flow projections including the appropriateness of the key assumptions in the cash flow projections for next 12 months by considering our understanding of the business, past performance of the Company, external data and market conditions apart from discussing these assumptions with the management and the Audit Committee;

   e) Tested mathematical accuracy of the projections and applied independent sensitivity analysis to the key assumptions mentioned above to determine and ensure that there was sufficient headroom with respect to the estimation uncertainty impact of such assumptions on the calculations; and

   f) Assessed that the disclosures made by the management are in accordance with the applicable accounting standards.

   Our opinion is not modified in respect of this matter.

Emphasis of Matters

7. We draw attention to Note 2.1(iv)(a) to the standalone financial statements, which describes the effects of uncertainties relating to COVID-19 pandemic outbreak on the Company's operations and management's evaluation of its impact on the accompanying standalone financial statements as at the balance sheet date, the extent of which is significantly dependent on future developments.

   Our opinion is not modified in respect of this matter.

Key Audit Matters

8. Key audit matters are those matters that, in our professional judgment, and based on the consideration of the reports of the other auditors as referred to in paragraph 19 below, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

9. In addition to the matters described in the Basis for Qualified Opinion and Material Uncertainty Related to Going Concern sections, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
(a) Assessment of impairment of investment in subsidiary (Refer note 34 of the standalone financial statements)	
The Company, as at 31 March 2020, has non-current investment of ₹ 1,574.90 crores in HCC Infrastructure Company Limited ('HICL'), its wholly owned subsidiary. HICL has an investment of 85.45% in HCC Concessions Limited ('HCL') which has further interests in several Build, Operate and Transfer (BOT) Special Purpose Vehicle's ('SPV'). The consolidated net worth of HICL as at 31 March 2020 has been fully eroded. Given the losses incurred by HCL, the management was required to assess its investment for impairment. As at 31 March 2020, management has obtained valuation of HICL from an independent valuer and relied upon legal opinion for certain receivables which are disputed by its customers. This involves significant judgement with respect to estimating future cashflows of the BOT SPVs determining key assumptions, including the growth in traffic projections, operating costs, long-term growth rates and discount rates applied Judgement is also required to assess the ultimate outcome of on-going dispute resolution proceedings with customers. Due to the significance of the carrying amounts of the investment and the significant management judgement involved in carrying out the impairment assessment, this was considered to be a key audit matter of the standalone financial statements. Considering this matter is fundamental to the understanding of the user of standalone financial statement, we draw attention to Note 34 of the standalone financial statements, regarding the Company's non-current investment in a subsidiary company, HCC Infrastructure Company Limited.	Our audit procedures to address this key audit matter included, but were not limited to the following: • Obtained an understanding of the management's processes, evaluating the design and testing operating effectiveness of controls over identification of impairment indicators and process followed by the management for impairment testing; • Assessing the methodology used by the management to estimate the recoverability of investment and ensuring that it is consistent with applicable accounting standards; • Evaluating the appropriateness of the assumptions applied in determining key inputs such as traffic projections, operating costs, long-term growth rates and discount rates, which included assessments based on our knowledge of the Company and the industry; • Testing mathematical accuracy of the projections applying independent sensitivity analysis to the key assumptions mentioned above. • Evaluating the legal opinion obtained by management from independent legal counsel, with respect to receivables disputed by customers; • Involving auditor's expert to assist in evaluating assumptions and appropriateness of the valuation methodology used by the management; • Comparing the carrying value of non-current investment with the realizable value determined by the Independent valuer to ensure there is no impairment / provision required to be recognised; and • Assessed that the disclosures made by the management are in accordance with applicable accounting standards.
(b) Uncertainties relating to recoverability of unbilled work-in-progress (other current assets), non-current trade receivables and current trade receivables (Refer note 35 of the standalone financial statements)	
The Company, as at 31 March 2020, has unbilled work-in-progress (other current assets), non-current trade receivables and current trade receivables amounting to ₹ 805.60 crore, ₹ 293.08 crore and ₹ 395.91 crore, respectively, which represent various claims raised in the earlier years in respect of projects substantially closed or suspended and where the claims are currently under negotiations/ discussions/ arbitration/ litigation. Management, based on contractual tenability of the claims, progress of the discussions and relying on the legal opinion obtained from independent legal counsel, has determined that no provision is required to be recognised for these receivables. Considering the materiality of the amounts involved, uncertainty associated with the outcome of the negotiations/ discussions/ arbitration/ litigation and significant management judgement involved in its assessment of recoverability, this was considered to be a key audit matter in the audit of the standalone financial statements.	Our audit procedures to address this key audit matter included, but were not limited to the following: • Obtaining an understanding of the management processes, evaluating the design and testing the effectiveness of key internal financial controls over assessing the recoverability of unbilled work-in-progress (other current assets), non-current trade receivables and current trade receivables; • Discussing extensively with management regarding steps taken for recovering the amounts and evaluating the design and testing operating effectiveness of controls; • Assessing the reasonability of judgements exercised and estimates made by management in recognition of these receivables and validating them with corroborating evidence; • Verifying the contractual arrangements to support management's position on the tenability and recoverability of these receivables;

Key audit matter	How our audit addressed the key audit matter
Considering this matter is fundamental to the understanding of the user of financial statement, we draw attention to Note 35 of the standalone financial statements, regarding uncertainties relating to recoverability of above discussed receivables.	• Obtaining an understanding of the current period developments for respective claims pending at various stages of negotiations/ discussions/ arbitration/ litigation and corroborating the updates with relevant underlying documents; • Reviewing the legal opinion obtained by the management from independent legal counsel with respect to certain contentious matters; and • Assessing that disclosures made by the management are in accordance with applicable accounting standards.
(c) Physical verification of inventory (Refer note 11 and 11.1 of the standalone financial statements)	
As at 31 March 2020, the Company held inventories aggregating ₹ 191.83 crore as disclosed in Note 11 to the standalone financial statements. Inventories mainly consist of construction materials and spares. Due to nature of the business, inventories are kept at project sites on multiple locations in India and the management performs physical verification of inventory as per the inventory verification plan of the Company. Due to Covid-19 outbreak and the related lockdown restrictions imposed from time to time by respective governments, the management was unable to perform the year end physical verification of inventories on 31 March 2020 which was carried out by management subsequent to the year end and performed roll-back procedures from date of count to the reporting date to arrive at the physical stock as on reporting date. Considering the above, we have reassessed our audit approach with respect to assessing the existence and condition of physical inventory as at year end and adopted alternate audit procedures, as further described in our audit procedures. As a result of alternative audit procedures being performed and due to the complexities, size, number of locations and geographical spread of the inventories as at year end, we determined the existence of inventory to be a key audit matter for the current period audit.	Our audit procedures to address this key audit matter included, but were not limited to the following: • Obtaining an understanding of the management's process for inventory counts, including the changes required thereto as a result of COVID-19 related restrictions, and evaluated the design and tested the operating effectiveness of key controls with respect to physical verification of inventory; • Inspecting the instructions given by supervisory teams to the respective management teams carrying out physical verification of inventory; • Enquiring and reviewing documents to identify any changes in process of inventory counts from previously held counts observed by us; • Reviewing the management's process for ensuring that there was no movement of stock during the physical verification of inventory; • Observing live video feeds of physical inventory verification subsequent to year end and recounted the samples of inventory at select projects along with roll-back procedures to confirm existence of inventory at year end; • Obtaining management's inventory count records (count sheets) and reconciliation with the Company's perpetual inventory records; and • Ensuring that the differences noted, if any, in management's physical verification of inventory from book records were adequately adjusted in books of account.
(d) Recognition of Contract revenue, margin and contract costs vis à vis change in method of measuring progress (Refer notes 2.1(xx) and 43 of the standalone financial statements)	
The Company's revenue primarily arises from construction contracts which, by its nature, complex is given the significant judgements involved in the assessment of current and future contractual performance obligations.	Our audit procedures to address this key audit matter included, but were not limited to the following: • Evaluating the appropriateness of the Company's change in revenue recognition policy, including the change in method of measuring progress;

Key audit matter	How our audit addressed the key audit matter
During the current year, the Company has reassessed and rectified its method of measuring progress i.e. from output method to input method as specified in Ind AS 115- 'Revenue from Contract with Customers' consequent to change in the circumstances including change in the nature of contracts secured by the Company during recent years. Accordingly, the Company recognises revenue and the resultant profit/loss on the basis of stage of completion based on the proportion of contract costs incurred at balance sheet date, relative to the total estimated costs of the contract at completion. Pursuant to the impact of this change in method, the Company has restated the financial statements for the year ended 31 March 2019 and retained earnings as at 1 April 2018 have also been restated. The recognition of contract revenue and the resultant profit/loss therefore rely on the estimates in relation to forecast revenue and forecast contract cost. These contract estimates are reviewed by the management on a periodic basis. In doing so, the management is required to exercise judgement in its assessment of the valuation of contract variations and claims as well as the completeness and accuracy of forecast costs to complete and the ability to deliver contracts within contractually determined timelines. The final contract values can potentially be impacted on account of various factors and are expected to result in varied outcomes. Changes in these judgements, and the related estimates as contracts progress can result in material adjustments to revenue and margins. As a result of the above judgments, complexities involved and material impact on the related financial statement elements coupled with the change in method of measuring progress, this area has been considered a key audit matter in the audit of the standalone Considering this matter is fundamental to the understanding of the users of financial statements, we draw attention to Note 43 of the standalone financial statement, regarding rectification of the method of measuring the progress towards satisfaction of performance obligation for revenue recognition from output method to input method.	• Obtaining an understanding of the Company's processes and evaluating the design and tested effectiveness of key internal financial controls, including those related to review and approval of contract estimates; • Verifying the managements computation of impact of change in measure of progress and its consequential impact on the various financial statements line items including restatement of earlier periods; • For a sample of contracts, testing the appropriateness of amount recognized by evaluating key management judgements inherent in the forecasted contract revenue and costs to complete, including: - verifying the underlying documents such as original contract and its amendments, if any, for the significant contract terms and conditions; - obtaining an understanding of the assumptions applied in determining the forecasted revenue and cost to complete; - testing the existence and valuation of claims and variations with respect to the contractual terms and conditions and inspection of correspondence with customers; and - reviewing legal and contracting experts' reports received on contentious matters; • For cost incurred to date, testing samples to appropriate supporting documents and performing cut-off procedures; • Testing the forecasted cost by obtaining executed purchase orders/ agreements and evaluating the reasonableness of management judgements/ estimates using past trends and similar completed/on-going projects; • Performing analytical procedures for reasonableness of revenue recognized; and • Evaluating the appropriateness and adequacy of the disclosures related to contract revenue and costs in the financial statements in accordance with the applicable accounting standards.

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

10. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board Report and Management Discussion and Analysis 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 and will 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 identified above 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.

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

    - Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of the Company of which we are the independent auditors. For the seven (7) joint operations included in the standalone financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

16. 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.

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

18. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

19. We did not audit the financial statements / financial information of seven (7) joint operations included in the accompanying standalone financial statements, whose financial statements / financial information reflect total assets of ₹ 83.15 crore as at 31 March 2020 and total revenues, total net loss after tax and net cash inflows of ₹ 83.90 crore, ₹ 0.60 crore and ₹ 0.82 crore, respectively, for the year ended on that date, as considered in the accompanying standalone financial statements. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these joint operations is based solely on the audit reports of such other auditors, and the procedures performed by us as stated in paragraph 15 above.

    Further, of these joint operations, financial statements / financial information of three (3) joint operations have been prepared in accordance with accounting principles generally accepted in India, including accounting standards issued by the ICAI. The Company's management has converted the financial statements / financial information of such joint operations in accordance with Ind AS. We have audited these conversion adjustments made by the Company's management. Our opinion on the accompanying standalone financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint operations are solely based on report of the other auditors and the conversion adjustments prepared by the Company's management and audited by us.

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

20. We did not audit the financial statements / financial information of two (2) joint operations, whose annual financial statements / financial information reflect total assets of ₹ 14.14 crore as at 31 March 2020, total revenues of ₹ 0.83 crore, total net loss after tax of ₹ 0.99 crore and net cash inflows of ₹ 0.04 crore for the year ended on that date, as considered in the accompanying standalone financial statements. These financial statements / financial information are unaudited and have been furnished to us by the Company's management and our opinion on the standalone financial statements, in so far as it relates to the amounts and disclosures included in respect of aforesaid joint operations, is based solely on such unaudited financial statements / financial information. In our opinion, and according to the information and explanations given to us by the management, these financial statements / financial information are not material to the Company.

    Our opinion is not modified in respect of this matter with respect to our reliance on the financial statements / financial information certified by the Board of Directors.

Report on Other Legal and Regulatory Requirements

As required by section 197(16) of the Act, based on our audit we report in paragraph 3(i) of the Basis for Qualified Opinion section that the Company has not paid or provided remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

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

22. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, and on the consideration of the reports of the other auditors as referred to in paragraph 19 above, we report, to the extent applicable, that:

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

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

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

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

e) the matters described in paragraphs 3(ii), 3(iii), 3(iv), 5, 7 and 9(a) under the Basis for Qualified opinion section / Material uncertainty related to Going concern section/ Emphasis of Matter / Key Audit 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 at 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;

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

h) we have also audited the internal financial controls with reference to financial statements of the Company as at 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 9 July 2020 as per Annexure II expressed modified opinion; and

i) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors as referred to in paragraph 19 above:

(i) except for the effects/ possible effects of the matters described in the Basis for Qualified Opinion section, the standalone financial statements disclose the impact of pending litigations on the standalone financial position of the Company as at 31 March 2020, as detailed in Notes 7.1, 17.1, 33A(i), (ii), (iii) and (vi),33B(ii), 34 and 35 to the standalone financial statements;

(ii) except for the effects / possible effects of the matters described in the Basis for Qualified Opinion section, the Company, as detailed in Note 19.1 to the standalone financial statements, has made provision as at 31 March 2020, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

(iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; and

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

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

Rakesh R. Agarwal
Partner
Membership No.: 109632
UDIN No:20109632AAAAGW9931

Place: Mumbai
Date: July 9, 2020

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT

Annexure I to the Independent Auditor's Report of even date to the members of Hindustan Construction Company Limited, on the standalone financial statements as at and for the year ended 31 March 2020

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

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

b) The Company has a regular program of physical verification of its Property, plant and equipment under which fixed assets are verified in a phased manner over a period of three (3) years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.

c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) The Company has granted unsecured loans to six (6) companies covered in the register maintained under Section 189 of the Act; and with respect to the same:

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

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

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

(iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act, to the extent applicable, in respect of loans, investments, guarantees and security.

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

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products / services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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

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

Name of the statute	Nature of dues	Amount (₹ in Crore)	Period to which the amount relates	Due Date	Date of Payment
The Income Tax Act, 1961	Tax deducted at source	1.53	August 2019	7-Sept-2019	03-Apr-20
Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident fund	0.06	July 2019	15-Aug-19	14-May-20
		0.04	August 2019	15-Sep-19	14-May-20

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

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹ in Crore)	Amount Paid Under Protest (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	15.54	15.54	A.Y. 2008-2009 to A.Y. 2010-2011	Income Tax Appellate Tribunal
		2.45	2.45	AY 2015-16	Commissioner of Income Tax (Appeals)

Name of the statute	Nature of dues	Amount (₹ in Crore)	Amount Paid Under Protest (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
The Central Sales Tax Act, 1956	Sales Tax/ Value Added Tax/ Entry Tax	4.70	-	A.Y. 1997-98 to A.Y.2000-01 and A.Y 2012-13	High Court
		79.68	1.40	A.Y.1996-97 to A.Y. 2000-01, A.Y. 2003-04, A.Y. 2005-06, A.Y. 2006-07, A.Y. 2013-14 to AY 2015-16, A.Y. 2016-2017	Tribunal
		73.39	4.16	A.Y 2004-05 to A.Y 2014-15	Commissioner level up to Appellate Authority
Goods and Service Tax Act 2017	Goods and Service Tax	0.45	0.03	AY 2018-19	Appellate Authority
The Finance Act, 1994	Service tax including interest and penalty, as applicable	382.33	2.61	Multiple years from AY 2003-04 to AY 2016-17	The Customs Excise and Service Tax Appellate Tribunal
		0.49	-	April 2017 to June 2017	Commissioner level up to Appellate Authority

(viii) The Company has no loans or borrowings payable to the government. The Company has defaulted in repayment of following dues to the financial institutions, banks and debenture holders during the year, which were paid on or before the Balance Sheet date.

(₹ in crore)

Particulars	Days	Principal	Interest
Banks			
Axis Bank	0 to 30	1.80	3.14
	31 to 90	-	1.67
	91 to 180	7.41	2.46
	181 to 365	5.60	-
Bank of Maharashtra	0 to 30	0.81	0.32
	31 to 90	0.12	0.33
	91 to 180	-	0.32
	181 to 365	-	0.21
Canara Bank	31 to 90	-	2.95
	91 to 180	-	4.36
	181 to 365	-	7.96
Central Bank of India	31 to 90	-	0.36
	91 to 180	-	0.86
	181 to 365	-	0.68
EXIM US	31 to 90	-	0.28
	91 to 180	-	0.43
	181 to 365	-	0.92
Federal Bank	0 to 30	-	0.05
	31 to 90	0.66	0.13
	91 to 180	0.66	0.30
	181 to 365	-	0.06
IDBI Bank	0 to 30	9.29	3.41
	31 to 90	15.90	4.92
	91 to 180	-	0.40
Indian Overseas Bank	31 to 90	-	0.99
	91 to 180	-	1.02
	181 to 365	-	1.62
Punjab National Bank	0 to 30	-	0.27
	31 to 90	3.64	1.15
State Bank of India	0 to 30	-	0.03
	31 to 90	4.44	3.30
	91 to 180	4.82	2.32
	181 to 365	-	0.56
Syndicate Bank	31 to 90	-	1.62
	91 to 180	-	2.41
	181 to 365	-	4.55
Union Bank of India	0 to 30	-	0.15
	31 to 90	-	0.45
	91 to 180	1.30	0.90
	181 to 365	-	0.15
United Bank of India	31 to 90	-	2.43
	91 to 180	-	4.26
	181 to 365	-	6.17
Debenture holders			
Axis Bank-Debentures	0 to 30	3.20	1.17
	31 to 90	-	0.83
	91 to 180	3.20	1.18
	181 to 365	3.20	-
LIC – Debentures	31 to 90	-	0.61
	91 to 180	-	1.01
	181 to 365	-	2.26
Financial Institutions			
Asia Credit Opportunities (Mauritius) Limited	31 to 90	-	0.60
	91 to 180	-	0.91
	181 to 365	-	1.82
Export Import Bank of India	0 to 30	-	0.05
	31 to 90	-	0.10
	91 to 180	-	0.03
Industrial Finance Corporation of India	31 to 90	0.25	1.34
	91 to 180	-	1.87
	181 to 365	-	3.47
Life Insurance Corporation	31 to 90	-	0.12
	91 to 180	-	0.18
	181 to 365	-	0.36

(₹ in crore)

Particulars	Days	Principal	Interest
National Bank of Agriculture and Development	0 to 30	1.26	0.13
	31 to 90	-	0.25
	91 to 180	-	0.38
	181 to 365	-	0.25
SREI Equipment Finance Limited	31 to 90	-	1.06
	91 to 180	-	1.58
	181 to 365	-	2.98
Grand Total		**67.56**	**95.41**

The Company has defaulted in repayment of following dues to the financial institutions, banks and debenture holders during the year, which were not paid as at the Balance Sheet date.

(₹ in crore)

Particulars	Days	Principal	Interest
Banks			
Axis Bank	0 to 30	-	0.51
Bank of Maharashtra	0 to 30	-	0.11
	31 to 90	0.93	0.22
	91 to 180	0.93	0.32
	181 to 365	0.93	0.21
Canara Bank	0 to 30	-	1.48
	31 to 90	11.68	2.81
	91 to 180	11.68	4.19
	181 to 365	22.66	7.89
Central Bank of India	0 to 30	0.26	0.23
	31 to 90	1.33	0.43
	91 to 180	1.59	0.64
	181 to 365	3.18	0.75
EXIM US	0 to 30	-	0.15
	31 to 90	-	0.28
	91 to 180	-	0.43
	181 to 365	52.89	0.92
Federal Bank	0 to 30	-	0.05
	31 to 90	0.66	0.04
	91 to 180	0.66	-
IDBI Bank	0 to 30	-	0.64
Indian Overseas Bank	0 to 30	-	0.36
	31 to 90	2.54	0.69
	91 to 180	2.54	1.02
	181 to 365	5.09	1.62
Punjab National Bank	0 to 30	-	0.10
	31 to 90	1.21	0.20
State Bank of India	0 to 30	-	0.54
	31 to 90	4.82	1.07
	91 to 180	4.82	1.63
	181 to 365	0.19	0.56
Syndicate Bank	0 to 30	-	0.85
	31 to 90	5.94	1.62
	91 to 180	5.94	2.41
	181 to 365	11.55	4.55
Union Bank of India	0 to 30	-	0.15
	31 to 90	1.30	0.29
	91 to 180	1.30	0.43
	181 to 365	1.30	0.15
United Bank of India	0 to 30	-	1.28
	31 to 90	8.92	2.43
	91 to 180	8.92	3.61
	181 to 365	17.45	1.15
Debenture holders			
LIC – Debentures	0 to 30	-	0.31
	31 to 90	2.51	0.61
	91 to 180	2.51	1.01
	181 to 365	5.02	2.26
Financial Institutions			
Asia Credit Opportunities (Mauritius) Limited	0 to 30	18.13	0.31
	31 to 90	-	0.60
	91 to 180	18.13	0.91
	181 to 365	-	0.87
Industrial Finance Corporation of India	0 to 30	-	0.66
	31 to 90	4.65	1.26
	91 to 180	4.65	1.87
	181 to 365	8.70	3.47
Life Insurance Corporation	0 to 30	-	0.06
	31 to 90	0.38	0.12
	91 to 180	0.16	0.18
	181 to 365	0.32	0.36
National Bank of Agriculture and Development	0 to 30	0.16	0.13
	31 to 90	1.26	0.25
	91 to 180	1.42	0.38
	181 to 365	1.33	0.25
SREI Equipment Finance Limited	0 to 30	0.43	0.56
	31 to 90	3.05	1.06
	91 to 180	3.49	1.58
	181 to 365	6.97	2.98
	> 365	5.82	3.43
Grand Total		**282.30**	**74.49**

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.

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

(xi) The Company has provided/ paid managerial remuneration which is not in accordance with the requisite approval mandated by the provisions of Section 197 of the Act read with Schedule V to the Act. The details of the same are as follows:

Sr. No.	Payment made to	Amount provided in excess of limits prescribed	Amount due for Recovery as at 31 March 2020	Steps taken to secure the recovery of the amount
1.	Chairman & Managing Director:			
	- year ended 31 March 2015	8.71	-	Confirmation for amount held in trust by the CMD and WTD's has been obtained. Further, approvals from lenders is also awaited.
	- year ended 31 March 2016	8.69	8.69	
2.	Chairman & Managing Director and Whole-time Directors for the year ended 31 March 2020	13.57	3.75	

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

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements as required by the applicable Ind AS.

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

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

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

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

Rakesh R. Agarwal
Partner
Membership No.: 109632
UDIN No:20109632AAAAGW9931

Place: Mumbai
Date: July 9, 2020

ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT

Annexure II to the Independent Auditor's Report of even date to the members of Hindustan Construction Company Limited, on the standalone financial statements for the year ended 31 March 2020

Independent Auditor's Report on the internal financial controls with reference to 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 Hindustan Construction Company Limited ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

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

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

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

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Qualified opinion

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at 31 March 2020:

    (a) The Company did not have an appropriate internal control system with respect to compliance with the provisions of section 197 of the Companies Act, 2013 relating to obtaining prior approval from lenders for payment/accrual of remuneration exceeding the specified limits, as explained in Note 27.1 to the standalone financial statements, which has resulted in a material misstatement in the value of Company's employee benefit expenses, financial assets and resultant impact on the loss after tax and the reserves and surplus including levy of fine, if any, on account of such non-compliance.

(b) The Company's internal financial controls over financial reporting with respect to assessment of recoverability of deferred tax assets, as explained in Note 9.1 to the standalone financial statements, as per the applicable accounting standards, were not operating effectively, which may result in material misstatement in the carrying value of deferred tax assets and its resultant impact on loss, reserves and surplus and related disclosures in respect thereof as at and for the year ended 31 March 2020.

(c) The Company's internal financial control over financial reporting with respect to the assessment of recoverability of financial assets, as explained in Note 31.1 to the standalone financial statements, as per the applicable accounting standards, were not operating effectively, which has resulted in material misstatement in the carrying value of the financial assets and its resultant impact on loss, reserves and surplus and related disclosures in respect thereof as at and for the year ended 31 March 2020.

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

10. In our opinion except for the effects of the material weakness described in paragraph 8(a) above on the achievement of the objectives of the control criteria, the Company in all material respects, has adequate internal financial controls with reference to standalone financial statements and except for the effects/ possible effects of the material weaknesses described in paragraph 8(b) and 8(c) above on the achievement of the objectives of the control criteria, such controls were operating effectively as at 31 March 2020, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

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

Rakesh R. Agarwal
Partner
Membership No.: 109632
UDIN No:20109632AAAAGW9931

Place: Mumbai
Date: July 9, 2020

STANDALONE BALANCE SHEET AS AT MARCH 31, 2020

₹ crore

Particulars	Note No.	**As at 31 March 2020**	As at 31 March 2019 Restated ^	As at 1 April 2018 Restated ^
ASSETS				
Non-current assets				
Property, plant and equipment	3A	342.22	418.00	597.60
Right-of-use assets	3B	2.17	-	-
Capital work-in-progress	3A	178.41	169.06	160.38
Intangible assets	4	1.08	0.09	0.34
Investments in subsidiaries carried at cost	5	1,622.26	1,606.64	679.30
Financial assets				
Investments	5A	6.94	17.65	24.12
Trade receivables	6	2,719.72	642.49	1,375.13
Loans	7	187.51	170.44	1,965.62
Other financial assets	8	55.66	58.01	260.89
Income tax assets (net)	9	233.24	179.51	79.38
Deferred tax assets (net)	9	437.08	563.04	-
Other non-current assets	10	88.81	107.64	127.75
Total non-current assets		**5,875.10**	**3,932.57**	**5,270.51**
Current assets				
Inventories	11	191.83	197.16	179.33
Financial assets				
Investments	12	3.00	3.00	77.72
Trade receivables	6	1,821.97	3,482.76	2,397.79
Cash and cash equivalents	13	85.92	132.97	122.03
Bank balances other than cash and cash equivalents	14	82.76	91.43	75.41
Loans	7	19.57	23.89	18.67
Other financial assets	8	88.61	58.42	3,036.67
Other current assets	10	2,662.90	2,600.31	212.34
		4,956.56	**6,589.94**	**6,119.96**
Assets classified as held for sale	15	64.78	55.89	-
Total current assets		**5,021.34**	**6,645.83**	**6,119.96**
TOTAL ASSETS		**10,896.44**	**10,578.40**	**11,390.47**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	16	151.31	151.31	101.55
Other equity		1,027.43	1,202.32	2,697.85
Total equity		**1,178.74**	**1,353.63**	**2,799.40**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	17	1,357.37	1,841.94	2,283.41
Other financial liabilities	18	1,187.18	987.63	12.05
Provisions	19	43.83	39.46	41.32
Deferred tax liabilities (net)	9	-	-	50.62
Total non-current liabilities		**2,588.38**	**2,869.03**	**2,387.40**
Current liabilities				
Financial liabilities				
Borrowings	20	1,368.01	1,079.98	1,027.72
Trade payables	21			
- Total outstanding dues of Micro Enterprises and Small Enterprises		23.27	16.59	5.15
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		1,757.34	1,791.86	1,804.99
Other financial liabilities	18	1,418.44	975.71	1,108.21
Other current liabilities	22	2,546.34	2,484.58	2,245.72
Provisions	19	15.92	7.02	11.88
Total current liabilities		**7,129.32**	**6,355.74**	**6,203.67**
TOTAL EQUITY AND LIABILITIES		**10,896.44**	**10,578.40**	**11,390.47**

^ Refer note 43

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

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

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

Rakesh R. Agarwal
Partner
Membership No.: 109632

Shailesh Sawa
Chief Financial Officer

Vithal P. Kulkarni
Company Secretary
ACS No. 6707

Place: Mumbai
Date : July 9, 2020

For and on behalf of the Board of Directors

Ajit Gulabchand DIN: 00010827 *Chairman & Managing Director*
Arjun Dhawan DIN: 01778379 *Group Chief Executive Officer & Whole-Time Director*

Sharad M. Kulkarni DIN : 00003640
Anil C. Singhvi DIN : 00239589
N. R. Acharyulu DIN : 02010249
Santosh Jankiram Iyer DIN : 06801226
Mahendra Singh Mehta DIN : 00019566
Mukul Sarkar DIN : 00893700
Mita Dixit DIN : 08198165
Directors

Place: Mumbai / Raigad
Date : July 9, 2020

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

₹ crore

Particulars	Note No.	**Year ended 31 March 2020**	Year ended 31 March 2019 Restated ^
Income			
Revenue from operations	23	3,643.64	4,603.49
Other income	24	32.50	118.13
Total income		**3,676.14**	**4,721.62**
Expenses			
Cost of construction materials consumed	25	690.76	816.59
Subcontracting expenses	-	1,664.80	2,340.66
Construction expenses	26	306.78	342.88
Employee benefits expense	27	413.67	393.68
Finance costs	28	746.15	698.91
Depreciation and amortisation expense	29	109.37	144.53
Other expenses	30	105.53	120.69
Total expenses		**4,037.06**	**4,857.94**
Loss before exceptional items and tax		(360.92)	(136.32)
Exceptional items- Gain / (loss)	31	319.95	(2,400.30)
Loss before tax		**(40.97)**	**(2,536.62)**
Tax expense	9		
Current tax		0.09	1.00
Deferred tax		127.66	(612.04)
		127.75	**(611.04)**
Loss for the year (A)		**(168.72)**	**(1,925.58)**
Other comprehensive loss			
(a) Items not to be reclassified subsequently to profit or loss (net of tax)			
- Loss on fair value of defined benefit plans as per actuarial valuation		(3.16)	(3.01)
- Loss on fair value of equity instruments		(10.71)	(6.47)
(b) Items to be reclassified subsequently to profit or loss		-	-
Other comprehensive loss for the year, net of tax (B)		**(13.87)**	**(9.48)**
Total comprehensive loss for the year, net of tax (A+B)		**(182.59)**	**(1,935.06)**
Earnings per equity share of nominal value ₹ 1 each			
Basic and diluted (in ₹)	32	(1.12)	(16.81)

^ Refer note 43

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

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

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

Rakesh R. Agarwal
Partner
Membership No.: 109632

Place: Mumbai
Date : July 9, 2020

Shailesh Sawa
Chief Financial Officer

Vithal P. Kulkarni
Company Secretary
ACS No. 6707

For and on behalf of the Board of Directors

Ajit Gulabchand DIN: 00010827 *Chairman & Managing Director*
Arjun Dhawan DIN: 01778379 *Group Chief Executive Officer & Whole-Time Director*

Sharad M. Kulkarni DIN : 00003640
Anil C. Singhvi DIN : 00239589
N. R. Acharyulu DIN : 02010249
Santosh Jankiram Iyer DIN : 06801226
Mahendra Singh Mehta DIN : 00019566
Mukul Sarkar DIN : 00893700
Mita Dixit DIN : 08198165
Directors

Place: Mumbai / Raigad
Date : July 9, 2020

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

₹ crore

	Particulars	**Year ended 31 March 2020**	Year ended 31 March 2019 Restated ^
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net loss before tax	(40.97)	(2,536.62)
	Adjustments for		
	Depreciation and amortisation expense	109.37	144.53
	Finance costs	746.15	698.91
	Interest income	(20.77)	(87.72)
	Loss allowance on financial assets	-	8.48
	Investments in / and advances to subsidiaries written off	-	2,011.13
	Loss provision/ (reversal of loss provision) towards arbitration awards and claims	(331.40)	331.40
	Impairment loss of asset held for sale	-	71.85
	(Gain)/ reversal of gain on settlement of debt	11.45	(14.08)
	Dividend income	(0.03)	(0.03)
	Unrealised foreign exchange (gain)/ loss (net)	(2.08)	3.65
	Profit on sale of property, plant and equipment (net)	(1.53)	(5.13)
	Provision no longer required written back	(2.99)	(8.80)
		508.17	**3,154.19**
	Operating profit before working capital changes	467.20	617.57
	Adjustments for changes in working capital:		
	(Increase) / decrease in inventories	5.33	(17.83)
	Increase in trade receivables	(416.44)	(352.33)
	Decrease in current / non-current financial and other assets	263.97	277.02
	Increase in trade payables, other financial liabilities and other liabilites	34.54	154.63
	Increase / (decrease) in provisions	13.27	(6.72)
	Cash generated from operations	**367.87**	**672.34**
	Direct taxes paid (net of refunds received)	(53.82)	(101.13)
	Net cash generated from operating activities	**314.05**	**571.21**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment [Refer note (ii) below]	(74.00)	(127.37)
	Proceeds from sale of property, plant and equipment and assets held for sale (including advance received)	40.53	13.09
	Advance received against sale of current investments	-	2.00
	Inter corporate deposits given (including deemed investments)	(22.15)	(118.95)
	Recovery of Inter corporate deposits	6.53	0.39
	Net proceeds from / (investments in) bank deposits	11.02	(16.59)
	Interest received	1.96	3.06
	Dividend received	0.03	0.03
	Net cash used in investing activities	**(36.08)**	**(244.34)**

₹ crore

Particulars	**Year ended 31 March 2020**	Year ended 31 March 2019 Restated ^
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares (net of issue expenses)	-	490.54
Repayments of long-term borrowings	(228.97)	(463.86)
Proceeds from short-term borrowings (net)	288.54	53.06
Inter-corporate deposits repaid	(0.51)	(0.80)
Interest and other finance charges	(381.07)	(395.34)
Repayment of finance lease obligations	(3.54)	-
Dividend paid	-	(0.25)
Net cash used in financing activities	**(325.55)**	**(316.65)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**(47.58)**	**10.22**
Cash and cash equivalents at the beginning of the year	132.97	122.03
Restatement of cash and cash equivalents denominated in foreign currency	0.53	0.72
Cash and cash equivalents at the end of the year (Refer note 13)	**85.92**	**132.97**

Note:-

(i) 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.

(ii) Additions to property, plant and equipment include movements of capital work-in-progress, capital advances and capital creditors respectively.

^ Refer note 43

The accompanying notes form an integral part of the standalone financial statements
This is the Cash Flow Statement referred to in our audit report of even date

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

Rakesh R. Agarwal
Partner
Membership No.: 109632

Place: Mumbai
Date : July 9, 2020

For and on behalf of the Board of Directors

Ajit Gulabchand DIN: 00010827 *Chairman & Managing Director*
Arjun Dhawan DIN: 01778379 *Group Chief Executive Officer & Whole-Time Director*

Shailesh Sawa
Chief Financial Officer

Vithal P. Kulkarni
Company Secretary
ACS No. 6707

Sharad M. Kulkarni DIN : 00003640
Anil C. Singhvi DIN : 00239589
N. R. Acharyulu DIN : 02010249
Santosh Jankiram Iyer DIN : 06801226
Mahendra Singh Mehta DIN : 00019566
Mukul Sarkar DIN : 00893700
Mita Dixit DIN : 08198165
Directors

Place: Mumbai / Raigad
Date : July 9, 2020

STANDALONE STATEMENT OF CHANGES IN EQUITY AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

a) Equity share capital (Equity shares of ₹ 1 each)

Particulars	Issued, subscribed and paid		Forfeited equity shares		Total	
	Number	₹ crore	Number	₹ crore	Number	₹ crore
As at 1 April 2018	**1,015,462,926**	**101.54**	**13,225**	**0.01**	**1,015,476,151**	**101.55**
Issue of equity shares [Refer note 16(h)]	497,565,318	49.76	-	-	497,565,318	49.76
As at 31 March 2019	**1,513,028,244**	**151.30**	**13,225**	**0.01**	**1,513,041,469**	**151.31**
Issue of equity shares	-	-	-	-	-	-
As at 31 March 2020	**1,513,028,244**	**151.30**	**13,225**	**0.01**	**1,513,041,469**	**151.31**

b) Other equity

₹ in crore

Particulars	Reserves and surplus							Equity instruments at fair value through other comprehensive income	Total equity attributable to equity holders
	Capital reserve	Forfeited debentures account	Securities premium	Debenture redemption reserve	Foreign currency monetary translation reserve	General reserve	Retained earnings		
As at 1 April 2018	**15.19**	**0.02**	**2,127.98**	**54.99**	**0.64**	**174.38**	**308.44**	**(8.25)**	**2,673.39**
Impact of change in method of measuring progress (Refer note 43)	-	-	-	-	-	-	24.46	-	24.46
Restated balance as at 1 April 2018	**15.19**	**0.02**	**2,127.98**	**54.99**	**0.64**	**174.38**	**332.90**	**(8.25)**	**2,697.85**
Loss for the year	-	-	-	-	-	-	(1,925.58)	-	(1,925.58)
Other comprehensive loss for the year	-	-	-	-	-	-	(3.01)	(6.47)	(9.48)
Issue of share capital (net of share issue expenses) [Refer note 16(h)]	-	-	440.78	-	-	-	-	-	440.78
Restatement of foreign currency monetary translation items	-	-	-	-	6.24	-	-	-	6.24
Amortization of foreign currency monetary translation items	-	-	-	-	(7.49)	-	-	-	(7.49)
As at 31 March 2019	**15.19**	**0.02**	**2,568.76**	**54.99**	**(0.61)**	**174.38**	**(1,595.69)**	**(14.72)**	**1,202.32**
Loss for the year	-	-	-	-	-	-	(168.72)	-	(168.72)
Other comprehensive loss for the year	-	-	-	-	-	-	(3.16)	(10.71)	(13.87)
Restatement of foreign currency monetary translation items	-	-	-	-	10.72	-	-	-	10.72
Amortization of foreign currency monetary translation items	-	-	-	-	(3.02)	-	-	-	(3.02)
As at 31 March 2020	**15.19**	**0.02**	**2,568.76**	**54.99**	**7.09**	**174.38**	**(1,767.57)**	**(25.43)**	**1,027.43**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

NATURE AND PURPOSE OF RESERVES

i. Capital reserve

The Company recognizes profit or loss on purchase or cancellation (including forfeiture) of its own equity instruments to capital reserve.

ii. Forfeited debentures account

The Company recognizes profit or loss on purchase or cancellation (including forfeiture) of its own debentures to forfeited debentures account.

iii. Securities premium

Securities premium is used to record the premium received on issue of shares or debentures. This account is utilised in accordance with the provisions of the Companies Act, 2013.

iv. Debenture redemption reserve

The Companies Act, 2013 requires that where a Company issues debentures, it shall create a debenture redemption reserve out of profits of the Company available for payment of dividend. The Company is required to maintain a Debenture Redemption Reserve of 25% of the value of the debentures issued, either by a public issue or a private placement basis. The amounts credited to the debenture redemption reserve cannot be utilised by the Company except to redeem debentures.

v. Foreign currency monetary translation reserve

Exchange difference arising on translation of the long term monetary item is accumulated in separate reserve within equity. The cumulative amount is reclassified to the Statement of Profit and Loss over the life of the monetary asset / liability on a straight line basis.

vi. General Reserve

Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of net profit to general reserve has been withdrawn.

vii. Retained Earnings

Retained earnings represents the profits/losses that the Company has earned / incurred till date inlcuding gain / (loss) on fair value of defined benefits plans as adjusted for distirbutions to owners, transfer to other reserves, etc.

viii. Other comprehensive income

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within FVTOCI reserve within equity. The Company transfers amount from this reserve to retained earnings when the relevant equity securities are derecognised.

The accompanying notes form an integral part of the standalone financial statements
This is the statement of changes in equity referred to in our audit report of even date

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

Rakesh R. Agarwal
Partner
Membership No.: 109632

Shailesh Sawa
Chief Financial Officer

Vithal P. Kulkarni
Company Secretary
ACS No. 6707

Place: Mumbai
Date : July 9, 2020

For and on behalf of the Board of Directors

Ajit Gulabchand	DIN: 00010827	*Chairman & Managing Director*
Arjun Dhawan	DIN: 01778379	*Group Chief Executive Officer & Whole-Time Director*
Sharad M. Kulkarni	DIN : 00003640	
Anil C. Singhvi	DIN : 00239589	
N. R. Acharyulu	DIN : 02010249	
Santosh Jankiram Iyer	DIN : 06801226	*Directors*
Mahendra Singh Mehta	DIN : 00019566	
Mukul Sarkar	DIN : 00893700	
Mita Dixit	DIN : 08198165	

Place: Mumbai / Raigad
Date : July 9, 2020

NOTE 1 CORPORATE INFORMATION

Hindustan Construction Company Limited ("the Company" or "HCC") is a public limited company incorporated and domiciled in India. The Company having CIN L45200MH1926PLC001228, is principally engaged in the business of providing engineering and construction services. Its shares are listed on two recognised stock exchanges in India- the Bombay Stock Exchange and the National Stock Exchange. The registered office of the Company is located at Hincon House, LBS Marg, Vikhroli (West), Mumbai- 400 083, India.

The standalone financial statements ("the financial statements") of the Company for the year ended 31 March 2020 were authorised for issue in accordance with resolution of the Board of Directors on 9 July 2020.

NOTE 2.1 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 and share based payments which have been measured at fair value, on an accrual basis of accounting.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest crores (INR 0,000,000), except when otherwise indicated. Amount presented as "0.00*" are non zero numbers rounded off in crore.

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

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, are described below. The Company 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) Estimation uncertainty related to the global health pandemic on COVID-19

The Company has considered certain internal and external sources of information upto date of approval of these financial statements in determining the possible effects of pandemic relating to COVID-19 on the financial statements and in particular on the contract estimates of balance project revenue and balance cost to complete. The Company has used the principal of prudence in applying judgements, estimates and assumptions and based on the current estimates, the Company believes it has taken into account all the possible impact of known events arising out of COVID-19 in the preparation of these financial statements. The eventual outcome of impact of global health pandemic may be different from those presently estimated and the Company will continue to closely monitor any material changes to future economic conditions.

b) Contract estimates

The Company, being a part of construction industry, prepares budgets in respect of each project to compute project profitability. The two major components of contract estimate are 'claims arising during construction period' (described below) and 'budgeted costs to complete the contract'. While estimating these components various assumptions are considered by the management such as (i) Work will be executed in the manner expected so that the project is completed timely (ii) consumption norms will remain same (iii) Assets will operate at the same level of productivity as determined (iv) Wastage will not exceed the normal % as determined etc. (v) Estimates for contingencies (vi) There will be no change in design and the geological factors will be same as communicated and (vii) Price escalations etc. Due to such complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

c) Recoverability of 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 with the clients or under arbitration. 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 external experts, wherever necessary. Changes in facts of the case or the legal framework may impact realisability of these claims.

d) Valuation of investment in/ loans to subsidiaries/joint ventures

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

e) Deferred tax assets

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

f) Defined benefit plans

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

g) Leases

The Company evalutes if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease required significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company revises the lease term if there is a change in non-cancellable period of a lease.

h) Useful lives of property, plant and equipment and intangible assets

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of assets are determined by the management at the time of acquisition of asset and reviewed periodically, including at each financial year. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

i) 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.

v Going Concern

The Company has incurred net loss of ₹ 168.72 crore during the year ended 31 March 2020 and as of that date has accumulated losses aggregating ₹ 1,767.57 crore which has resulted in substantial erosion of its net worth. Further, as of that date, its current liabilities exceeded its current assets by ₹ 2,107.98 crore. During the current year, the Company has defaulted on payment to lenders along with overdue operational creditors. Certain operational creditors have applied before the National Company Law Tribunal ('NCLT') for the debt resolution under the Insolvency and Bankruptcy Code, 2016, none of which have been admitted so far. Further, the COVID-19 pandemic has also resulted in temporary suspension of site operations across India, supply chain disruptions, loss of migrant labour and evolving regulation while restarting works has led to material impact on the Company's operations. The above factors indicate that events or conditions exist, which may cast significant doubt on the Company's ability to continue as a going concern. The Company is in process of formulating a resolution plan with lenders. Based on the expectation of the implementation of the resolution plan with lenders, underlying strength of the Company's business plans and future growth outlook as assessed, the management is confident of improving the credit profile of the Company, including through time-bound monetisation of assets including arbitration awards, claims and other assets which would result in it being able to meet its obligations in due course of time. Accordingly, the Management considers it appropriate to prepare these financial statements on a going concern basis.

vi Fair value measurement

The Company measures financial instruments, at fair value at each balance sheet date. (Refer note 38)

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

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

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

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

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

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

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

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

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

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

vii 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.

viii Capital work-in-progress

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

ix Intangible Assets

Intangible assets are stated at cost, 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, less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets mainly comprise of license fees and implementation cost for software and other application software acquired / developed for in-house use.

x Asset classified as held for sale

Assets 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. Assets classified as held for sale are measured at the lower of carrying amount or fair value less costs to sell. 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.

xi Depreciation and amortisation

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 estimated useful lives are as mentioned below:

Asset category	Useful life (in years)	Basis of determination of useful lives^
Building and sheds	3 to 60	Based on technical evaluation by management's expert.
Plant and equipment	2 to 14	Based on technical evaluation by management's expert.
Furniture and fixtures	10	Assessed to be in line with Schedule II to the Act.
Heavy Vehicles	3 to 12	Based on technical evaluation by management's expert.
Light Vehicles	8 to 10	Assessed to be in line with Schedule II to the Act.
Office equipment	5	Assessed to be in line with Schedule II to the Act.
Helicopter / Aircraft	12 to18	Based on technical evaluation by management's expert.
Speed boat	13	Assessed to be in line with Schedule II to the Act.
Computers	3	Assessed to be in line with Schedule II to the Act.
Intangible (Computer software)	3 to 5	Assessed to be in line with Schedule II to the Act.

^ Useful lives of asset classes determined by management estimate, which are generally lower than those prescribed under Schedule II to the Act are supported by internal technical assessment of useful lives.

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 immediately 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.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are accounted in the Statement of Profit and Loss under Other income and Other expenses.

xii Investments in subsidiaries, joint ventures and associates

Investments in subsidiaries, joint ventures and associates are recognised at cost as per Ind AS 27 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.

xiii Financial Instruments

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

a) Financial Assets

i) Initial Recognition

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

ii) Subsequent Measurement

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

- **Financial Assets at Amortised Cost**

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

- **Financial Assets Measured at Fair Value**

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

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

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

iii) Impairment of Financial Assets

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

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

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

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

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

iv) De-recognition of Financial Assets

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

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

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

b) Equity Instruments and Financial Liabilities

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

i) 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.

ii) Financial Liabilities

- **Initial Recognition**

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

- **Subsequent Measurement**

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

- **Financial liabilities at FVPL**

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

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

- **Financial liabilities at amortised cost**

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

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.

- **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.

xiv 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. Company's provident fund contribution, in respect of certain employees, is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.

b) Defined Benefit Plan

In respect of certain employees, provident fund contributions are made to a trust administered by the Company. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. Accordingly, the contribution paid or payable and the interest shortfall, if any, is recognised as an expense in the period in which services are rendered by the employee.

The Company also provides for gratuity which is a defined benefit plan 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 and is not eligible to be 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 year of plan amendment or curtailment. The classification of the Company's obligation into current and non-current is as per the actuarial valuation report.

c) Leave entitlement and compensated absences

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

d) Short-term Benefits

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

xv Inventories

The stock of construction materials, stores, spares and embedded goods and fuel is valued at cost or net realisable value, whichever is lower. Cost is determined on weighted average basis and includes all applicable cost of bringing the goods to their present location and condition. Net realisable value is estimated selling price in ordinary course of business less the estimated cost necessary to make the sale.

xvi Cash and Cash Equivalents

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

xvii 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 "Engineering and Construction". 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.

xviii 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.

xix Foreign Exchange Translation of Foreign Projects and Accounting of Foreign Exchange Transaction

a) Initial Recognition

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

b) Conversion

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

c) Treatment of Exchange Difference

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

Exchange differences arising on long-term foreign currency monetary items related to acquisition of a Property, Plant and Equipment are capitalised and depreciated over the remaining useful life of the Property, Plant and Equipment and exchange differences arising on all other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Translation Reserve" and amortised over the remaining life of the concerned monetary item.

xx Revenue Recognition

The Company derives revenues primarily from providing engineering and construction services.

Effective 1 April 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of 1 April 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant. On account of adoption of Ind AS 115, unbilled work-in-progress (contract asset) as at 31 March 2020 has been considered as non-financial asset and accordingly classified under other current assets.

The Company has changed the method of measuring progress i.e. from output method to input method as specified in Ind-AS 115 – 'Revenue from Contract with Customers' consequent to change in the circumstances including change in the nature of contracts secured by the Company during recent years. Pursuant to the impact of this change in method, the Company has restated the comparative financial statements / information as at 1 April 2018 and for the year ended 31 March 2019, in accordance with the requirements of Ind-AS 8- 'Accounting Policies, Changes in Accounting Estimates and Errors'. Retained earnings (other equity) as at 1 April 2018 within the statement of changes in equity has also been restated to adjust the impact of such adjustments relating to prior years. The impact of restatement has been disclosed in note 43.

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

Revenue from engineering and construction services, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. The percentage-of-completion of a contract is determined by the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring good or service to a customer excluding amounts collected on behalf of a third party and is adjusted for variable considerations.

Contract revenue earned in excess of certification are classified as contract assets (which we refer as unbilled work-in-progress) while certification in excess of contract revenue are classified as contract liabilities (which we refer to as due to customer). Advance payments received from contractee for which no services are rendered are presented as 'Advance from contractee'.

Variations in contract work, claims and incentive payments are included in contract revenue only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and are capable of being reliably measured.

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.

Interest on arbitration awards

Interest awarded, being in the nature of additional compensation under the terms of the contract, is accounted as other operating revenue on receipt of favourable arbitration award.

xxi Other Income

a) Interest Income

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

b) Dividend Income

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

c) Other Income

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

xxii Interest in Joint Arrangements

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

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

xxiii Income Taxes

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 rrecognised 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 Taxes

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 Taxes

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

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

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

xxiv Leases

Effective 1 April 2019, the Company has adopted Ind AS 116, "Leases" using the modified retrospective approach, as a result of which the comparative information is not required to be restated. Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended 31 March 2019.

The Company's lease asset classes primarily consist of leases for vehicels, building and shed. The Company assesses whether a contract contains a 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 of the consideration.

At the date of the commencement of the lease, the Company recognises a right-of-use asset representing its right to use the underlying asset for the lease term and a corresponding lease liability for all the lease arrangements in which it is a lease, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the period of the lease.

The right-of-use assets are initially recognised 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. They are subsequenty 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 estimated useful life of the assets are determined on the same basis as those of property, plant and equipment.

Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Carrying amount of right-of-use asset is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The future lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. For a lease with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

Right-of-use assets have been separately presented in the Balance Sheet and the Lease liability is presented under Other financial liabilities. Further, lease payments have been classified as financing cash flows.

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

When the 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.

xxvi 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.

xxvii 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 their fair value and subsequently measured at amortised cost using the EIR method.

xxviii 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).

xxix 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.

xxx Share Issue Expenses

Share issue expenses are charged off against available balance in the Securities premium reserve.

xxxi Share Based Payments

Certain employees of the Company are entitled to remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants. The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest using fair value in accordance with Ind-AS 102, Share based payment.

xxxii Exceptional Items

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

Note 2.2 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable to the Company effective 1 April 2020.

NOTE 3A PROPERTY, PLANT AND EQUIPMENT

₹ crore

Particulars	Freehold land	Building and sheds	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Helicopter / Aircraft	Speed boat	Computers	Total
Gross carrying value (at deemed cost)										
As at 1 April 2018	8.68	22.12	745.95	16.35	52.95	3.91	128.97	1.04	4.49	984.46
Additions	-	-	29.58	0.32	7.74	0.15	-	-	1.14	38.93
Disposals	-	-	(10.32)	-	(1.98)	(0.06)	(4.76)	-	-	(17.12)
Adjustments [Refer sub note (iii)]	-	-	8.40	-	-	-	3.03	-	-	11.43
Transferred to assets classified as held for sale (Refer note 15)	-	-	-	-	-	-	(112.98)	-	-	(112.98)
As at 31 March 2019	**8.68**	**22.12**	**773.61**	**16.67**	**58.71**	**4.00**	**14.26**	**1.04**	**5.63**	**904.72**
Additions	-	-	43.27	0.30	5.52	0.05	-	-	1.38	50.52
Disposals	-	-	(23.42)	-	(0.93)	-	-	-	-	(24.35)
Adjustments [Refer sub note (iii)]	-	-	6.73	-	-	-	-	-	-	6.73
Transferred to assets classified as held for sale (Refer note 15)	(6.49)	-	-	-	-	-	(14.26)	-	-	(20.75)
As at 31 March 2020	**2.19**	**22.12**	**800.19**	**16.97**	**63.30**	**4.05**	**-**	**1.04**	**7.01**	**916.87**
Accumulated depreciation										
As at 1 April 2018	-	3.80	306.82	8.88	31.11	1.13	31.49	0.32	3.31	386.86
Depreciation charge	-	2.06	123.19	2.46	4.73	0.70	10.42	0.11	0.61	144.28
Accumulated depreciation on disposals	-	-	(5.72)	-	(1.53)	(0.05)	(1.86)	-	-	(9.16)
Transferred to assets classified as held for sale (Refer note 15)	-	-	-	-	-	-	(35.26)	-	-	(35.26)
As at 31 March 2019	**-**	**5.86**	**424.29**	**11.34**	**34.31**	**1.78**	**4.79**	**0.43**	**3.92**	**486.72**
Depreciation charge	-	1.98	94.67	2.48	3.27	0.72	1.20	0.11	0.90	105.33
Accumulated depreciation on disposals	-	-	(10.80)	-	(0.61)	-	-	-	-	(11.41)
Transferred to assets classified as held for sale (Refer note 15)	-	-	-	-	-	-	(5.99)	-	-	(5.99)
As at 31 March 2020	**-**	**7.84**	**508.16**	**13.82**	**36.97**	**2.50**	**-**	**0.54**	**4.82**	**574.65**
Net carrying value										
As at 1 April 2018	8.68	18.32	439.13	7.47	21.84	2.78	97.48	0.72	1.18	597.60
As at 31 March 2019	8.68	16.26	349.32	5.33	24.40	2.22	9.47	0.61	1.71	418.00
As at 31 March 2020	**2.19**	**14.28**	**292.03**	**3.15**	**26.33**	**1.55**	**-**	**0.50**	**2.19**	**342.22**

Net carrying value	**31 March 2020**	31 March 2019	1 April 2018
Property, plant and equipment	342.22	418.00	597.60
Capital work-in-progress	178.41	169.06	160.38

Notes:

(i) Refer notes 17.1 and 20.1 for information on Property, plant and equipment pledged as security against borrowings of the Company

(ii) Refer note 33(B)(i) for disclosure of contractual commitments for acquisition of Property, plant and equipment

(iii) Adjustments represent exchange loss arising on long-term foreign currency monetary items

NOTE 3B RIGHT-OF-USE ASSETS

Particulars	Building and sheds	Vehicles	Total
Gross carrying value			
Impact of adoption of Ind AS 116 as at 1 April 2019	4.93	0.94	5.87
Additions	-	-	-
Disposals	-	-	-
As at 31 March 2020	4.93	0.94	5.87
Accumulated depreciation			
As at 1 April 2019	-	-	-
Depreciation charge	3.13	0.57	3.70
Accumulated depreciation on disposals	-	-	-
As at 31 March 2020	3.13	0.57	3.70
Net carrying value			
As at 31 March 2019	-	-	-
As at 31 March 2020	1.80	0.37	2.17

Note:

Also refer note 42 for the impact of transition to Ind AS 116- Leases and the related disclosures.

NOTE 4 INTANGIBLE ASSETS - COMPUTER SOFTWARE

₹ crore

Particulars	Total
Net carrying value (at deemed cost)	
As at 1 April 2018	2.65
Additions	-
Disposals	-
As at 31 March 2019	**2.65**
Additions	1.33
Disposals	-
As at 31 March 2020	**3.98**
Accumulated amortisation	
As at 1 April 2018	2.31
Amortisation charge	0.25
As at 31 March 2019	**2.56**
Amortisation charge	0.34
As at 31 March 2020	**2.90**
Net carrying value	
As at 1 April 2018	0.34
As at 31 March 2019	0.09
As at 31 March 2020	**1.08**

NOTE 5 INVESTMENTS IN SUBSIDIARIES

₹ crore

		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
I.	**Investments in equity shares at deemed cost**			
	a) In subsidiary companies in India	12.13	12.13	486.30
	b) In subsidiary companies outside India	28.29	28.29	28.29
		40.42	**40.42**	**514.59**
II.	**Investments in preference shares at amortised cost**			
	In subsidiary company in India	-	-	0.00
III.	**Deemed investment in subsidiary companies**			
	(a) Deemed investment on inter-corporate deposits in India	1,576.45	1,560.83	138.04
	(b) Deemed investment on fair valuation of corporate guarantee			
	- in India	1.99	1.99	20.41
	- outside India	3.40	3.40	6.26
		1,581.84	**1,566.22**	**164.71**
Total Investments in Subsidiaries (I + II + III)		**1,622.26**	**1,606.64**	**679.30**

Note 5.1 Detailed list of Investments in Subsidiaries

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
I. Investments in equity shares at deemed cost			
a) In subsidiary companies in India, unquoted, traded			
- HREL Real Estate Limited (erstwhile HCC Real Estate Limited) 66,193,185 (31 March 2019: 66,193,185, 1 April 2018: 66,193,185) equity shares of ₹ 10 each, fully paid	474.36	474.36	474.36
Less: impairment (Refer note 31.1)	(474.36)	(474.36)	-
	-	**-**	**474.36**
- Lavasa Corporation Limited 2,387 (31 March 2019: 2,387, 1 April 2018: 2,387) equity shares of ₹ 10 each, fully paid ^	0.01	0.01	0.01
Less: impairment (Refer note 31.1)	(0.01)	(0.01)	-
	-	**-**	**0.01**
- Highbar Technologies Limited (Refer notes 5.1 and 5.2) 6,250,000 (31 March 2019: 6,250,000, 1 April 2018: 6,250,000) equity shares of ₹ 10 each, fully paid	6.25	6.25	6.25
- Western Securities Limited 1,957,500 (31 March 2019: 1,957,500, 1 April 2018: 1,957,500) equity shares of ₹ 10 each, fully paid	5.38	5.38	5.38
- HCC Infrastructure Company Limited (Refer note 34) 250,000 (31 March 2019: 250,000, 1 April 2018: 250,000) equity shares of ₹ 10 each, fully paid	0.25	0.25	0.25
- HCC Construction Limited 50,000 (31 March 2019: 50,000, 1 April 2018: 50,000) equity shares of ₹ 10 each, fully paid	0.05	0.05	0.05
- MAAN Township Developers Limited 100,000 (31 March 2019: 100,000, 1 April 2018: Nil) equity shares of ₹ 10 each, fully paid	0.10	0.10	-
- HRL Township Developers Limited 100,000 (31 March 2019: 100,000, 1 April 2018: Nil) equity shares of ₹ 10 each, fully paid	0.10	0.10	-
	12.13	**12.13**	**486.30**
b) In subsidiary companies outside India, unquoted, traded			
- HCC Mauritius Enterprises Limited (Refer note 5.1) 5,005,000 (31 March 2019: 5,005,000, 1 April 2018: 5,005,000) equity shares of USD 1 each, fully paid	22.23	22.23	22.23
- HCC Mauritius Investments Limited (Refer note 5.1) 1,000,000 (31 March 2019: 1,000,000, 1 April 2018: 1,000,000) equity shares of USD 1 each, fully paid	6.06	6.06	6.06
	28.29	**28.29**	**28.29**
II. Investments in preference shares at amortised cost, unquoted, traded			
In a subsidiary company in India			
- Lavasa Corporation Limited 28 (31 March 2019: 28, 1 April 2018: 28) 6% Cumulative Redeemable Preference Shares of ₹ 10 each, fully paid^	0.00*	0.00*	0.00*
Less: impairment (Refer note 31.1)	(0.00)*	(0.00)*	0.00*
	-	-	-

Note 5.1 Detailed list of Investments in Subsidiaries...contd.

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
III. Deemed investment in subsidiary companies			
(a) Deemed investment on Inter-corporate deposits			
- HREL Real Estate Limited (erstwhile HCC Real Estate Limited)	138.04	138.04	138.04
Less: impairment (Refer note 31.1)	(138.04)	(138.04)	-
	-	**-**	**138.04**
- HCC Infrastructure Company Limited (Refer note 34)^^	1,572.66	1,557.04	-
- MAAN Township Developers Limited	3.71	3.71	-
- HRL Township Developers Limited	0.08	0.08	-
Sub-total (a)	**1,576.45**	**1,560.83**	**138.04**
(b) Deemed investment on fair valuation of corporate guarantee			
In India			
- Lavasa Corporation Limited ^	764.36	764.36	18.42
Less: impairment (Refer note 31.1)	(764.36)	(764.36)	-
	-	-	18.42
- HCC Infrastructure Company Limited (Refer Note 34)	1.99	1.99	1.99
	1.99	**1.99**	**20.41**
Outside India			
- HCC Mauritius Enterprises Limited	0.86	0.86	1.15
- HCC Mauritius Investments Limited	2.54	2.54	5.11
	3.40	3.40	6.26
Sub-total (b)	**5.39**	**5.39**	**26.67**
	1,581.84	**1,566.22**	**164.71**

^ Pursuant to initiation of Corporate Insolvency Resolution Process in respect of Lavasa Corporation Limited ('LCL'), effective 30 August 2018 the Company has lost control over LCL and accordingly LCL ceases to be a subsidiary under Ind AS. However LCL continues to remain a subsidiary under the Act.

^^ During the previous year inter-corporate deposit ('ICD') to HCC Infrastructure Company Limited ('HICL') have been converted into interest free ICD. Accordingly, the outstanding ICD represent Company's net investment in HICL and accordingly been reclassified as deemed investment under Ind AS.

'* represents amount less than ₹ 1 lakh.

Note 5.1 The Company has pledged the following shares in favour of the lenders as a part of the financing agreements for facilities taken by subsidiary companies as indicated below:

Name of the Company	No. of equity shares pledged		
	31 March 2020	31 March 2019	1 April 2018
Highbar Technologies Limited	1,875,000	1,875,000	1,875,000
HCC Mauritius Enterprises Limited	5,005,000	5,005,000	5,005,000
HCC Mauritius Investments Limited	1,000,000	1,000,000	1,000,000

Note 5.2 The Company has given a "Non Disposal Undertaking" to the lenders of Highbar Technologies Limited to the extent of 3,074,940 (31 March 2019: 3,074,940, 1 April 2018: 3,074,940) equity shares.

Note 5A Investments

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Other Investments in equity shares at fair value through other comprehensive income (OCI) (Non-traded)			
- Housing Development Finance Corporation Limited 15,220 (31 March 2019: 15,220, 1 April 2018: 15,220) equity shares of ₹ 2 each, fully paid- quoted	2.48	2.99	2.78
- HDFC Bank Limited 5,000 (31 March 2019: 2,500, 1 April 2018: 2,500) equity shares of ₹ 1 (31 March 2019: ₹ 2, 1 April 2018: ₹ 2) each, fully paid- quoted	0.43	0.58	0.47
- Khandwala Securities Limited 3,332 (31 March 2019: 3,332, 1 April 2018: 3,332) equity shares of ₹ 10 each, fully paid- quoted	0.00 *	0.01	0.01
- Walchand Co-op. Housing Society Limited Nil (31 March 2019: Nil, 1 April 2018: 5) equity shares of ₹ 50 each, fully paid- unquoted	-	-	0.00*
- Shushrusha Citizens Co-Op. Hospitals Limited 100 (31 March 2019: 100, 1 April 2018: 100) equity shares of ₹ 100 each, fully paid- unquoted	0.00*	0.00*	0.00*
- Hincon Finance Limited 120,000 (31 March 2019: 120,000, 1 April 2018: 120,000) equity shares of ₹ 10 each, fully paid- unquoted	4.03	14.07	20.86
	6.94	**17.65**	**24.12**
Total non-current investments [5 + 5A]	**1,629.20**	**1,624.29**	**703.42**
Aggregate market value of quoted investments	2.91	3.58	3.26
Aggregate carrying value of unquoted investments			
- in subsidiaries	1,622.26	1,606.64	679.30
- in others	4.03	14.07	20.86
Aggregate amount of impairment in value of investments	1,376.77	1,376.77	-

Note: Costs of unquoted equity instruments valued at FVTOCI has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

NOTE 6 TRADE RECEIVABLES

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Non-current			
Trade receivables (Refer notes 6.1 and 35) ^	2,719.72	642.49	1,375.13
[Including retention Nil (31 March 2019: Nil, 1 April 2018: ₹ 0.79 crore)]			
Total non-current trade receivables	**2,719.72**	**642.49**	**1,375.13**
Current			
Trade receivables (Refer notes 6.1, 35 and 39) ^^ [Including retention ₹ 764.14 crore (31 March 2019: ₹ 649.72 crore, 1 April 2018: ₹ 434.01 crore)]	1,821.97	3,482.76	2,397.79
Total current trade receivables	**1,821.97**	**3,482.76**	**2,397.79**
Total trade receivables	**4,541.69**	**4,125.25**	**3,772.92**

^ Net off advance received against arbitration awards of ₹ 448.10 crore (31 March 2019: ₹ 173.84 crore, 1 April 2018: ₹ 200.02 crore)

^^ Net off advance received against work bill / arbitration awards / claim of ₹ 2,405.40 crore (31 March 2019: ₹ 2,374.26 crore, 1 April 2018: ₹ 1,949.15 crore)

NOTE 6 TRADE RECEIVABLES ...contd.

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Break-up of security details			
Trade receivables considered good- secured	-	-	-
Trade receivables considered good- unsecured	4,541.69	4,125.25	3,772.92
Trade receivables which have significant increase in credit risk	-	-	-
Trade receivables- credit impaired	-	-	-
Total	**4,541.69**	**4,125.25**	**3,772.92**
Loss allowance	-	-	-
Total trade receivables	**4,541.69**	**4,125.25**	**3,772.92**

Note 6.1 Non-current trade receivables and current trade receivables as at 31 March 2020 include ₹ 2,719.72 crore (net of advances ₹ 448.10 crore) and ₹ 652.59 crore (net of advances ₹ 2,139.17 crore), respectively [31 March 2019: ₹ 642.49 crore (net of advances ₹ 173.84 crore) and ₹ 2,070.11 crore (net of advance ₹ 2,103.68 crore) respectively, 1 April 2018: ₹ 1,375.13 crore (net of advances ₹ 200.02 crore) and ₹ 1,431.49 crore (net of advance ₹ 1,509.30 crore) respectively] representing claims awarded in arbitration in favour of the Company and which have been challenged by the customers in High Courts / Supreme Court.

Note 6.2 There are no trade 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, a director or a member.

Note 6.3 Trade receivables, except receivables on account of claims awarded in arbitration in favour of the Company, are non-interest bearing and are generally on terms of 30 to 90 days.

NOTE 7 LOANS

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Non-current			
a) Inter-corporate deposits to subsidiaries (Refer note 39)	185.56	793.14	1,962.01
Less: impairment / written off (Refer notes 31.1 and 39)	-	(625.11)	-
	185.56	**168.03**	**1,962.01**
b) Security and other deposits (Refer note 39)	1.95	2.41	3.61
Total non-current loans	**187.51**	**170.44**	**1,965.62**
Current			
Security and other deposits	19.57	23.89	18.67
Total current loans	**19.57**	**23.89**	**18.67**
Total loans	**207.08**	**194.33**	**1,984.29**
Break-up of security details			
Loans considered good- secured	-	-	-
Loans considered good- unsecured	207.08	819.44	1,984.29
Loans which have significant increase in credit risk	-	-	-
Loans- credit impaired	-	(625.11)	-
Total	**207.08**	**194.33**	**1,984.29**
Loss allowance	-	-	-
Total loans	**207.08**	**194.33**	**1,984.29**

Note 7.1 In compliance of Regulation 34 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 the required information is given as under:

Loans and advance in the nature of loans given to subsidiaries (as defined under the Act) for business purposes.

₹ crore

Name of the entity	Outstanding balance			Maximum balance outstanding during the year	
	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018	**Year ended 31 March 2020**	Year ended 1 April 2018
i) HCC Infrastructure Company Limited	- ^	- ^	1,281.40	-	1,512.08
ii) HREL Real Estate Limited (erstwhile HCC Real Estate Limited) ^^	-	-	428.19	-	514.30
iii) Lavasa Corporation Limited ^^^	-	-	152.56	-	185.04
iv) HCC Mauritius Enterprises Limited	124.00	112.36	97.47	124.00	112.36
v) Highbar Technologies Limited	2.39	2.39	2.39	2.39	2.39
vi) HCC Mauritius Investments Limited	39.63	35.91	-	39.63	36.66
vii) HRL Township Developers Limited	0.41	0.36	-	0.45	0.44
viii) Maan Township Developers Limited	19.13	17.01	-	20.72	21.17
Total	**185.56**	**168.03**	**1,962.01**	**187.19**	**2,384.44**

^ Excludes inter-corporate deposit of ₹ 1,572.66 crore (31 March 2019: ₹ 1,557.04 crore, 1 April 2018: Nil) given to HCC Infrastructure Company Limited which has been classified as deemed investment under Ind AS.

^^ Inter-corporate deposit given to HREL Real Estate Limited (erstwhile HCC Real Estate Limited) aggregating ₹ 440.07 crore has been written off during the previous year (Refer note 31.1)

^^^ Inter-corporate deposit given to Lavasa Corporation Limited aggregating ₹ 185.04 crore has been written off during the previous year (Refer note 31.1)

Note 7.2 Investment by the loanee in the Company's / subsidiary companies shares [Refer note (i) below]

HCC Infrastructure Company Limited has invested in following subsidiary companies:

₹ crore

Name of the entity	**As at 31 March 2020**	As at 31 March 2019	As at 1 April 2018
Equity shares			
HCC Concessions Limited ^	573.48	573.48	573.48
HCC Power Limited	0.50	0.50	0.50
Dhule Palesner Operations & Maintenance Limited	0.50	0.50	0.50
HCC Operations & Maintenance Limited	0.05	0.05	0.05
Preference Shares			
HCC Concessions Limited ^	285.99	285.99	285.99
Total	**860.52**	**860.52**	**860.52**

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

HREL Real Estate Limited (erstwhile HCC Real Estate Limited) has invested in following subsidiary companies:

₹ crore

Name of the entity	**As at 31 March 2020**	As at 31 March 2019	As at 1 April 2018
Equity shares			
Lavasa Corporation Limited	-	-	452.23
Charosa Wineries Limited	-	-	23.63
HRL (Thane) Real Estate Limited	19.50	19.50	19.50
Maan Township Developers Limited	-	-	11.70
HCC Realty Limited	-	-	0.03
Preference shares			
Lavasa Corporation Limited	-	-	75.60
HCC Infrastructure Company Limited	0.01	0.01	0.01
Total	**19.51**	**19.51**	**582.70**

Lavasa Corporation Limited has invested in following subsidiary companies:

₹ crore

Name of the entity	**As at 31 March 2020**	As at 31 March 2019	As at 1 April 2018
Equity shares			
Warasgaon Assets Maintenance Company Limited	-	-	702.97
My City Technology Limited	-	-	14.93
Spotless Laundry Services Limited ^	-	-	7.08
Dasve Hospitality Institutes Limited	-	-	5.55
Warasgaon Power Supply Limited	-	-	5.05
Green Hills Residences Limited	-	-	3.38
Verzon Hospitality Limited	-	-	0.41
Whistling Thrush Facilities Services Limited ^	-	-	0.23
Dasve Business Hotel Limited	-	-	0.05
Dasve Convention Centre Limited	-	-	0.05
Lakeshore Watersports Company Limited	-	-	0.05
Lakeview Clubs Limited	-	-	0.05
Lavasa Hotel Limited	-	-	0.05
Dasve Retail Limited	-	-	0.05
Full Spectrum Adventure Limited	-	-	0.05
Lavasa Bamboocrafts Limited	-	-	0.05
Reasonable Housing Limited	-	-	0.05
Rhapsody Commercial Spaces Limited	-	-	0.05
Future City Multiservices SEZ Limited	-	-	0.05
Valley View Entertainment Limited	-	-	0.05
Warasgaon Tourism Limited	-	-	0.05
Our Home Service Apartments Limited	-	-	0.05
Sahyadri City Management Limited	-	-	0.05
Kart Racers Limited	-	-	0.05
Warasgaon Infrastructure Providers Limited	-	-	0.05
Hill City Service Apartments Limited	-	-	0.05
Nature Lovers Retail Limited	-	-	0.05
Warasgaon Valley Hotels Limited	-	-	0.05
Rosebay Hotels Limited	-	-	0.05
Mugaon Luxury Hotels Limited	-	-	0.05
Hill View Parking Services Limited	-	-	0.05
Preference shares			
Dasve Retail Limited	-	-	78.91
Dasve Convention Center Limited	-	-	51.78
Sahyadri City Management Limited	-	-	38.71
Dasve Business Hotels Limited	-	-	23.40
Reasonable Housing Limited	-	-	19.66
Lakeview Clubs Limited	-	-	19.36
Dasve Hospitality Institutes Limited	-	-	17.06
Lakeshore Watersports Company Limited	-	-	10.98
Hill City Service Apartments Limited	-	-	10.33

Lavasa Corporation Limited has invested in following subsidiary companies:

₹ crore

Name of the entity	**As at 31 March 2020**	As at 31 March 2019	As at 1 April 2018
Warasgaon Tourism Limited	-	-	9.84
Lavasa Bamboocrafts Limited	-	-	7.90
Nature Lovers Retail Limited	-	-	1.73
Future City Multiservices SEZ Limited	-	-	1.69
Warasgaon Assets Maintenance Company Limited	-	-	0.71
Total	**-**	**-**	**1,032.81**

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

HCC Mauritius Enterprises Limited has invested in following subsidiary company:

₹ crore

Name of the entity	**As at 31 March 2020**	As at 31 March 2019	As at 1 April 2018
Equity shares			
Steiner AG [Refer note (ii) below]	244.64	224.43	211.12
Total	**244.64**	**224.43**	**211.12**

HCC Mauritius Investments Limited has invested in following subsidiary company:

₹ crore

Name of the entity	**As at 31 March 2020**	As at 31 March 2019	As at 1 April 2018
Equity shares			
Steiner AG [Refer note (ii) below]	33.76	30.97	29.14
Total	**33.76**	**30.97**	**29.14**

Note (i) Investments include adjustments carried out under Ind AS

Note (ii) Includes increase / decrease in investments on account of exchange rate fluctuations

NOTE 8 OTHER FINANCIAL ASSETS

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Non-current			
a) Receivables from related parties (Refer note 39)	56.83	66.08	258.43
Less: impairment / written off	(1.85)	(11.10)	-
	54.98	**54.98**	**258.43**
b) Margin money deposits	0.68	3.03	2.46
Total non-current financial assets	**55.66**	**58.01**	**260.89**
Current			
a) Unbilled work-in-progress^ (Refer note 43)	-	-	2,985.20
b) Receivables from related parties (Refer note 39)	66.18	57.75	46.91
Less: written off	-	(6.63)	-
	66.18	**51.12**	**46.91**
c) Interest accrued on deposits / advances	4.68	5.90	3.98
d) Others	17.75	1.40	0.58
Total current financial assets	**88.61**	**58.42**	**3,036.67**
^ Net off advance received against work bill Nil (31 March 2019: Nil, 1 April 2018: ₹ 199.23 crore)			
Total other financial assets	**144.27**	**116.43**	**3,297.56**

NOTE 9 INCOME TAX ASSETS (NET)

i. The following table provides the details of income tax assets and liabilities:

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
a) Income tax assets	429.22	375.40	277.67
b) Current income tax liabilities	195.98	195.89	198.29
Net balance	**233.24**	**179.51**	**79.38**

ii. The gross movement in the current tax asset is as follows:

₹ crore

	Year ended 31 March 2020	Year ended 31 March 2019
Net current income tax asset at the beginning	179.51	79.38
Income tax paid	53.82	101.13
Current income tax expense	(0.09)	(1.00)
Net current income tax asset at the end	**233.24**	**179.51**

iii. Income tax expense comprises:

₹ crore

	Year ended 31 March 2020	Year ended 31 March 2019
Current tax	0.09	1.00
Deferred tax expense / (credit)	127.66	(612.04)
Tax expenses (net) in Statement of Profit and Loss	**127.75**	**(611.04)**
Deferred income tax credit in Other Comprehensive Income	1.69	1.62
Tax expenses (net)	**126.06**	**(612.66)**

iv. A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit / (loss) before income taxes is as below:

₹ crore

	Year ended 31 March 2020	Year ended 31 March 2019
Loss before income tax	(40.97)	(2,536.62)
Applicable income tax rate	34.944%	34.944%
Computed expected tax credit	(14.32)	(886.40)
Effect of expenses not allowed for tax purpose	1.32	272.41
Effect of income not considered for tax purpose	(1.42)	(2.17)
Impact of DTA written off (Refer note 9.1)	151.30	-
Impact of change in tax rate	-	0.38
Others (including impact of tax of joint operations)	(9.13)	4.74
Tax expense charge / (credit) [net] to the Statement of Profit and Loss	**127.75**	**(611.04)**

NOTE 9 INCOME TAX ASSETS (NET)...contd.

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

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
(a) Deferred income tax assets (Refer note 9.1)			
- Business loss / unabsorbed depreciation / MAT credit entitlements	2,252.93	2,090.10	1,345.90
- Impairment allowance for receivables / other assets	0.65	118.77	-
- Timing difference on tangible and intangible assets depreciation and amortisation	60.89	53.15	30.17
- Expense allowable on payment basis	121.01	79.51	45.07
	2,435.48	**2,341.53**	**1,421.14**
(b) Deferred income tax liabilities			
- Claims / arbitration awards	(1,998.40)	(1,777.12)	(1,464.32)
- Others	-	(1.37)	(7.44)
	(1,998.40)	**(1,778.49)**	**(1,471.76)**
Total deferred tax assets / (liabilities) (net)	**437.08**	**563.04**	**(50.62)**

vi Movement in deferred tax assets/(liabilities)

₹ crore

	Business loss / unabsorbed depreciation / MAT credit entitlement	Impairment allowance for receivables / other assets	Timing difference on tangible and intangible assets depreciation and amortisation	Claims / arbitration awards	Expense allowable on payment basis	Total
At 1 April 2018	1,359.04	-	30.17	(1,464.32)	37.63	(37.48)
Impact of change in method of measuring progress (Refer note 43)	(13.14)	-	-	-	-	(13.14)
Restated balance as at 1 April 2018	1,345.90	-	30.17	(1,464.32)	37.63	(50.62)
(Charged) / credited						
- to profit or loss	744.20	118.77	22.98	(312.80)	38.89	612.04
- to other comprehensive income	-	-	-	-	1.62	1.62
At 31 March 2019	**2,090.10**	**118.77**	**53.15**	**(1,777.12)**	**78.14**	**563.04**
(Charged) / credited						
- to profit or loss	162.83	(118.12)	7.74	(221.28)	41.18	(127.65)
- to other comprehensive income	-	-	-	-	1.69	1.69
At 31 March 2020	**2,252.93**	**0.65**	**60.89**	**(1,998.40)**	**121.01**	**437.08**

Note 9.1 On 20 September 2019, vide the Taxation Laws (Amendment) Ordinance 2019, the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective 01 April 2019 subject to certain conditions. However, the Company having significant amount of brought forward tax losses and unabsorbed depreciation on which deferred tax asset has been recognised, is still evaluating and has not yet elected to exercise the option permitted under section 115BAA. In view of the above, there is no impact of the new tax rate on the financial statements for the current year.

During the current year, the Company has written off deferred tax assets aggregating ₹ 151.30 crore due to expiry of statutory period for setting off underlying losses. As at 31 March 2020, the Company has continued to recognize deferred tax assets amounting to ₹ 437.08 crore (net of deferred tax liablity of ₹ 1,998.40 crore) on account of carried forward unused tax losses, unused tax credits and other taxable temporary differences. Based on the expected profits from the unexecuted orders on hand, outcome of the ongoing discussion with lenders for restructuring of loans and expected settlement of arbitration awards, the Company's management is confident that sufficient future taxable income will be available against which such deferred tax assets will be realized.

NOTE 10 OTHER ASSETS

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Non-current			
a) Capital advances	1.18	8.42	4.74
b) Balances with government authorities	84.59	99.22	111.35
c) Prepaid expenses	3.04	0.00	0.25
d) Financial guarantees	-	-	11.41
Total other non-current assets	**88.81**	**107.64**	**127.75**
Current			
a) Advance to suppliers and sub-contractors	85.59	117.00	89.80
b) Unbilled work-in-progress^ (Refer notes 35 and 43)	2,445.38	2,357.37	-
c) Balances with government authorities	118.91	112.19	99.89
d) Prepaid expenses	9.29	10.72	13.81
e) Financial guarantees	-	-	4.55
f) Other current assets	3.73	3.03	4.29
Total other current assets	**2,662.90**	**2,600.31**	**212.34**
Total other assets	**2,751.71**	**2,707.95**	**340.09**

^ Net off advance received against work bill of ₹ 195.60 crore (31 March 2019: ₹ 146.51 crore, 1 April 2018: Nil)

NOTE 11 INVENTORIES

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
a) Construction materials, stores and spares	187.52	192.24	175.41
b) Fuel	4.31	4.92	3.92
Total inventories	**191.83**	**197.16**	**179.33**

Note 11.1 Due to Covid-19 outbreak and the related lockdown restrictions imposed from time to time by respective governments, the management was unable to perform the year end physical verification of inventories on 31 March 2020 which was carried out subsequent to the year end. Management has also performed roll-back procedures from date of count to the reporting date to arrive at the physical stock as on reporting date.

NOTE 12 CURRENT INVESTMENTS

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Investments in unquoted equity shares valued at deemed cost, fully paid up			
a) In a subsidiary company in India	-	-	50.02
b) In joint ventures in India	3.00	3.00	27.70
Total current investments	**3.00**	**3.00**	**77.72**

NOTE 12 CURRENT INVESTMENTS...contd.

Note 12.1 Detailed list of current investments

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Investments in unquoted equity shares valued at deemed cost, fully paid up			
a) In a subsidiary company in India			
- Panchkutir Developers Limited 1,400,000 (31 March 2019: 1,400,000, 1 April 2018: 1,400,000) equity shares of ₹ 10 each	50.02	50.02	50.02
Less: Assets classified as held for sale (Refer note 15)	(50.02)	(50.02)	-
	-	**-**	**50.02**
b) In joint ventures in India			
- Raiganj Dalkhola Highways Limited (Refer notes 12.2 and 12.3) 3,000,000 (31 March 2019: 3,000,000, 1 April 2018: 3,000,000) equity shares of ₹ 10 each	3.00	3.00	3.00
- Baharampore Farakka Highways Limited (Refer notes 12.2 and 12.3) 100 (31 March 2019: 100, 1 April 2018: 11,700,000) equity shares of ₹ 10 each	0.00*	0.00*	11.70
- Farakka Raiganj Highways Limited (Refer notes 12.2 and 12.3) Nil (31 March 2019: 100, 1 April 2018: 13,000,000) equity shares of ₹ 10 each	-	0.00*	13.00
- Dhule Palesner Tollways Limited Nil (31 March 2019: 100, 1 April 2018: 100) equity shares of ₹ 10 each fully paid	-	0.00*	0.00*
	3.00	**3.00**	**27.70**
Total current investments (a + b)	**3.00**	**3.00**	**77.72**

Note 12.2 The Company has pledged the following shares in favour of the lenders as a part of the financing agreements for facilities taken by joint ventures as indicated below:

Name of the Company	No. of equity shares pledged		
	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Raiganj Dalkhola Highways Limited ('RDHL')	510,000	510,000	510,000
Baharampore Farakka Highways Limited ('BFHL')	-	-	510,000
Farakka Raiganj Highways Limited ('FRHL')	-	-	510,000

Note 12.3 - Pursuant to Shareholders Agreement (SHA) executed on 9 August 2011, the Company is required to hold 100% equity stake in HCC Infrastructure Company Limited (HIL) until Private Equity Investor gets an exit from HCC Concessions Limited (HCL) through means as specified in the SHA and there are certain other customary restrictions on pledging / creation of any encumbrance over shares / assets of HIL / BOT SPVs. The Company has given inter alia an undertaking in respect of investment in BFHL, FRHL, RDHL and Dhule Palesner Tollways Limited (‘DPTL’) to National Highways Authority of India (NHAI) that it will not transfer its shareholding till the commercial operation date. The Company has entered into sale agreement with HCL to sell these shares at book value at future dates on fulfilment of that obligation as per undertaking given to NHAI.

During the previous year, the Company had transferred 11,699,900 shares held in BFHL and 12,999,900 shares held in FRHL to HCL in accordance with the sale agreement, the consideration for which was already received in earlier years. In respect of RDHL, the Company has received full consideration of ₹ 3.00 crore (31 March 2019: ₹ 3.00 crore, 1 April 2018: ₹ 3.00 crore) from HCL for transfer of the shares at book value, subject to necessary approvals and consents to the extent required.

NOTE 12 CURRENT INVESTMENTS...contd.

During the current year, the Company had transferred 100 shares held in FRHL and 100 shares shares held in DPTL to HCL and Sadbhav Infrastructure Project Limited respectively in accordance with the sale agreement, the consideration for which was already received in earlier years.

Name of the BOT SPV	**As at 31 March 2020**		As at 31 March 2019		As at 1 April 2018	
	No. of shares	**₹ crore**	**No. of shares**	No. of shares	**₹ crore**	No. of shares
Baharampore Farakka Highways Limited	100	0.00	100	0.00*	11,700,000	11.70
Farakka Raiganj Highways Limited	-	-	100	0.00*	13,000,000	13.00
Raiganj Dalkhola Highways Limited	3,000,000	3.00	3,000,000	3.00	3,000,000	3.00
Dhule Palesner Tollways Limited	-	-	100	0.00*	100	0.00*
Total	**3,000,100**	**3.00**	**3,000,300**	**3.00**	**27,700,100**	**27.70**

NOTE 13 CASH AND CASH EQUIVALENTS

₹ crore

		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
a)	Balances with banks			
	- Current accounts in Indian rupees	84.21	104.93	62.39
	- Current accounts in foreign currency	0.89	1.83	0.92
	- in deposit account (with original maturity upto 3 months)	-	25.00	-
b)	Cash on hand	0.82	0.57	0.62
c)	Cheques on hand	-	0.64	58.10
Total cash and cash equivalents		**85.92**	**132.97**	**122.03**

NOTE 14 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ crore

		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
a)	Deposits with maturity of more than 3 months and less than 12 months	25.90	23.13	14.19
b)	Earmarked balances with banks for: (Refer note 17.4)			
	- Margin money deposits with original maturity of more than 3 months and remaining maturities of less than 12 months	56.86	68.30	60.97
	- Balances with bank for unpaid dividend ^	0.00*	0.00*	0.25
Total other bank balances		**82.76**	**91.43**	**75.41**

^ Includes ₹ 7,600 (31 March 2019: ₹ 7,600, 1 April 2018: ₹ 7,600) which is held in abeyance due to legal cases pending

Note 14.1 - There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31 March 2020 as at end of each reporting period.

NOTE 15 ASSETS CLASSIFIED AS HELD FOR SALE

₹ crore

		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
(a)	**Investments in equity shares of Panchkutir Developers Limited, unquoted (Refer note 15.1)**			
	- 1,400,000 equity shares of ₹ 10 each, fully paid	50.02	50.02	-
(b)	**Freehold land (Refer note 15.2)**	6.49	-	-
(c)	**Helicopter (Refer note 15.3)**	8.27	-	-
(d)	**Aircraft [Refer notes 15.4 and 17.1 (E)(iii)]**	-	77.72	-
	Less: Impairment loss	-	(71.85)	-
		-	**5.87**	**-**
Total assets classified as held for sale		**64.78**	**55.89**	**-**

Note 15.1 The Company had signed a definitive agreement for sale of Panchkutir Developers Limited (PDL) for an aggregate consideration of ₹ 105 crore, which was subject to completion of certain condition precedents as specified in the agreement. As at 31 March 2020, the Company has received ₹ 12 crore as advance towards sale of investment in PDL and is actively working towards fulfilment of the condition precedents specified in the agreement. Pending completion of these conditions, the Company continues to classify the investment as 'Assets classified as held for sale'.

Note 15.2 During the current year, the Company has entered into an agreement with a subsidiary company to develop the land parcel admeasuring 21,208.65 sq. mtrs. or thereaabouts and having a built-up area of 98,491 sq. mtrs. situated at Vikhroli under the registration district of Mumbai suburban city. An advance of ₹ 20.20 crore has been received as per the terms of the agreement and presently the valuation study and due diligence is in process. The Company anticipates the completion of the sale by March 2021 and accordingly the same has been reclassified under 'Asset classified as held for sale'.

Note 15.3 During the current year, the Company has entered into an agreement for sale of a Helicopter including all its related parts and ancillary items for a consideration of ₹ 8.75 crore. As at 31 March 2020, the matter is pending on account of necessary approvals from Director General of Civil Aviation.

Note 15.4 During the previous year, the Company had initiated identification and evaluation of potential buyers for its Hawker 4000 aircraft and all related avionics, appurtenances and equipment and accordingly the same had been reclassified under 'Assets classified as held for sale'. On reclassification, the aircraft had been measured at the lower of carrying amount and fair value less cost to sell and consequently, an impairment loss of ₹ 71.85 crore had been recognized in the statement of profit and loss for the year ended 31 March 2019 under exceptional items (Also refer note 31). The asset has been disposed off in the current year.

NOTE 16 EQUITY SHARE CAPITAL

₹ crore

		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Authorised share capital				
2,000,000,000	Equity shares of ₹ 1 each (31 March 2019: 2,000,000,000 equity shares, 1 April 2018: 1,250,000,000 equity shares of ₹ 1 each)	200.00	200.00 ^	125.00
10,000,000	Redeemable cumulative preference shares of ₹ 10 each (31 March 2019: 10,000,000 preference shares, 1 April 2018: 10,000,000 preference shares of ₹ 10 each)	10.00	10.00	10.00
Total authorised equity share capital		**210.00**	**210.00**	**135.00**
Issued, subscribed and paid-up equity share capital:				
1,513,028,244	Equity shares of ₹ 1 each fully paid up (31 March 2019: 1,513,028,244, 1 April 2018: 1,015,462,926 equity shares of ₹ 1 each)	151.30	151.30	101.54
	Add : 13,225 Forfeited equity shares (31 March 2019: 13,225, 1 April 2018: 13,225 equity shares)	0.01	0.01	0.01
Total issued, subscribed and paid-up equity share capital		**151.31**	**151.31**	**101.55**

^ On 8 October 2018, the shareholders of the Company at its Extra-ordinary General Meeting approved the increase in Authorised share capital of the Company from ₹ 1,350,000,000 (divided into 1,250,000,000 Equity shares of ₹ 1 each and 10,000,000 Redeemable cumulative preference shares of ₹ 10 each) to ₹ 2,100,000,000 (divided into 2,000,000,000 Equity shares of ₹ 1 each and 10,000,000 Redeemable cumulative preference shares of ₹ 10 each).

NOTE 16 EQUITY SHARE CAPITAL...contd.

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

	Number	₹ crore
As at 1 April 2018	**1,015,462,926**	**101.54**
Issued during the year [Refer note 16(h)]	497,565,318	49.76
As at 31 March 2019	**1,513,028,244**	**151.30**
Issued during the year	-	-
As at 31 March 2020	**1,513,028,244**	**151.30**

b. Terms /rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 1 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.

c. Shares held by subsidiary company:

Western Securities Limited, a subsidiary company, holds 52,000 (31 March 2019: 52,000, 1 April 2018: 52,000) equity shares in the Company.

d. Shareholding of more than 5%:

Name of the Shareholder	**As at 31 March 2020**		As at 31 March 2019		As at 1 April 2018	
	% held	**No. of shares**	% held	No. of shares	% held	No. of shares
Promoter:						
Arya Capital Management Private Limited	16.13%	244,013,391	16.28%	246,255,617	0.01%	65,000
Hincon Holdings Limited	14.28%	216,023,600	14.28%	216,023,600	21.27%	216,023,600
Non-promoter:						
Asia Opportunities IV (Mauritius) Limited	7.63%	115,462,961	8.19%	123,875,000	-	-
HDFC Trustee Company Limited	5.88%	88,992,219	5.88%	88,992,219	6.87%	69,732,622

e. Shares reserved for issue under Employee Stock Options Scheme (ESOP):

During the year ended 31 March 2020, there are Nil (31 March 2019: Nil) stock options granted during the year and Nil (31 March 2019: 300,000, 1 April 2018: 300,000) stock options are outstanding and convertible into equal number of equity shares of ₹ 1 each convertible at an exercise price of ₹ 31.15 per share [Refer note e(i) below].

During the year ended 31 March 2020, none of the options were exercised / converted into equity shares and 300,000 (31 March 2019: Nil, 1 April 2018: 120,180) stock options got lapsed.

i. Options granted

The ESOP Compensation Committee of the Company at its Meeting held on 20 March 2018 had approved a grant of 300,000 options, in accordance with the terms and conditions contained in the existing HCC Employee Stock Option Scheme of the Company ('Scheme') (each option carrying entitlement for one equity share of the face value of ₹ 1 each) at an exercise price of ₹ 31.15 per equity share, in line with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI Regulations").

ii. Settlement Through Equity Shares

iii. Options vested Nil (31 March 2019: Nil, 1 April 2018: Nil) remain vested and outstanding as at 31 March 2020

NOTE 16 EQUITY SHARE CAPITAL...contd.

f. Bonus shares / buy back / shares for consideration other than cash issued during past five years:

(i) Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash- Nil [Also refer note 16(g)]

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

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

g. Pursuant to the approval of the shareholders at the Extra Ordinary General Meeting held on 5 January 2017, the allotment committee of the Board of Directors at its meetings held on 6 January 2017 and 19 January 2017 allotted collectively to the lenders 231,544,729 equity shares of face value of ₹ 1 each at a premium of ₹ 33.92 per share aggregating ₹ 808.55 crore and 14,414,874 optionally convertible debentures (OCDs) of face value of ₹ 1,000 each at par (carrying coupon rate of 0.01% p.a.) aggregating ₹ 1,441.49 crore. Further, pursuant to the approval of the shareholders at the Annual General Meeting held on 6 July 2017, the allotment committee of the Board of Directors at its meeting held on 17 July 2017 allotted to a lender 4,759,291 equity shares of face value of ₹ 1 each at a premium of ₹ 40.61 per share aggregating ₹ 19.80 crore and 256,716 OCDs of face value of ₹ 1,000 each at par (carrying coupon rate of 0.01% p.a.) aggregating ₹ 25.67 crore on preferential basis as part of the Scheme for Sustainable Structuring of Stressed Assets (S4A Scheme).

The implementation of the S4A Scheme and the consequent allotment of equity shares/ OCDs have been made in respect of all the lenders except for few lenders who will be allotted equity shares and OCDs once they exercise their option. Number of equity shares/OCDs to be allotted will be determined based on the share price prevailing at the time of such allotment.

h. On 27 December 2018, the Company had issued and allotted 497,565,318 equity shares of face value ₹ 1 each at the price of ₹ 10 per equity share (including a premium of ₹ 9 per share) aggregating ₹ 497.57 crores (including securities premium of ₹ 447.81 crore) to the eligible equity shareholders on rights basis in the ratio of 49 equity shares for every 100 equity shares held.

The funds raised by way of rights issue were utilised as follows:

₹ crore

	As at 31 March 2020	As at 31 March 2019
Amounts raised through rights issue	-	497.57
Utilisation		
Working capital requirements	-	367.50
General corporate purpose	25.01	98.03
Issue related expenses	-	7.03
Total	**25.01**	**472.56**
Unutilised amounts kept in fixed deposits with banks	-	25.01

NOTE 17 BORROWINGS

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Non-current portion:			
Secured			
(A) Non-Convertible Debentures (RTL-1)	15.95	46.80	67.37
(B) Rupee Term Loans (RTL-A)			
(i) From Banks	20.70	56.67	83.97
(ii) From Others	10.79	20.78	47.12
(C) Rupee Term Loans (RTL-1)			
(i) From Banks	24.85	75.44	135.22
(ii) From Others	7.20	19.50	138.01
(D) Rupee Term Loans (RTL-2)			
(i) From Banks	69.17	204.35	359.62
(ii) From Others	9.99	26.09	90.09

NOTE 17 BORROWINGS...contd

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
(E) Working Capital Term Loans (WCTL-2)			
(i) From Bank	0.86	4.20	6.49
(ii) From Others	2.24	7.28	12.32
(F) Foreign Currency Term Loans			
(i) From Bank	-	17.57	6.42
(ii) From Others	-	32.90	-
(G) 0.01% Optionally Convertible Debentures (OCDs) [Refer note 16 (g)]			
(i) From Banks	1,084.24	1,084.24	1,090.66
(ii) From Others	111.38	246.12	246.12
Total non-current borrowings (A+B+C+D+E+F+G)	**1,357.37**	**1,841.94**	**2,283.41**
Current maturities of long-term borrowings			
Secured			
(A) Non-Convertible Debentures (RTL-1)	66.64	57.02	42.87
(B) Rupee Term Loans (RTL-A)			
(i) From Bank	50.17	23.36	8.13
(ii) From Others	17.28	8.04	5.07
(C) Rupee Term Loans (RTL-1)			
(i) From Banks	58.34	49.81	38.06
(ii) From Others	28.79	16.03	40.42
(D) Rupee Term Loans (RTL-2)			
(i) From Banks	255.75	144.17	101.51
(ii) From Others	32.23	16.49	27.80
(E) Working Capital Term Loans (WCTL-2)			
(i) From Bank	4.05	1.97	1.26
(ii) From Others	8.82	5.04	4.20
(F) Foreign Currency Term Loans			
(i) From Bank	50.27	22.98	144.95
(ii) From Others	72.51	32.89	-
Total current maturities of long-term borrowings (A+B+C+D+E+F) (Refer note 18)	**644.85**	**377.80**	**414.27**
Total borrowings (Refer note 17.4)	**2,002.22**	**2,219.74**	**2,697.68**

Note: For security details and terms of repayment, refer note 17.1 below.

17.1 Details of security and terms of repayment

I. Secured

(A) Non-Convertible Debentures

i) Axis

These debentures are classified as RTL-1. These debentures carry an interest yield of 11.50% p.a. and are repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. These are secured by way of registered mortgage over 231.66 acres of Lavasa land situated in 5 villages namely Village Admal, Bhode, Gadle, Padalghar and Ugavali in taluka Mulshi, District Pune, Maharashtra.

ii) LIC

These debentures are classified as RTL-1. These debentures carry an interest yield of 11.50% p.a. and are repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. Refer note 17.1.1 for security details.

NOTE 17 BORROWINGS...contd

(B) Rupee Term Loans (RTL-A)

RTL-A carries interest rate of 11.75% p.a., payable monthly, to be reset annually with a two years moratorium and repayment terms of five years commencing 25 May 2017. The said facility is having same security as RTL-1 lenders under the Corporate Debt Restructuring Scheme. Refer note 17.1.1 for security details.

(C) Rupee Term Loans 1 (RTL-1) and Rupee Term Loans 2 (RTL-2)

RTL- 1 and RTL- 2 carry an interest yield of 11.50% p.a. and are repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. Refer note 17.1.1 for security details.

(D) Working Capital Term Loan (WCTL-2)

Working Capital Term Loan (WCTL-2) carries an interest rate ranging from 11.10% p.a. to 11.75% p.a. (floating) linked to Monitoring Institution's base rate. These are repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. Refer note 17.1.1 for security details.

(E) Foreign Currency Term Loan

(i) Asia Opportunities (IV) Mauritius Limited

During the financial year 2018-19, Standard Chartered Bank had transferred the rights and benefits of its ECB Facility to Asia Opportunities (IV) Mauritius Limited. The said loan is repayable in three quarterly instalments commencing from 31 December 2019. As at 31 March 2020, the ECB loan carries an interest rate of 4.94% p.a (3 month LIBOR plus 350 basis points). The facility is secured by first charge by way of hypothecation of plant and machinery acquired under the facility described in the first schedule to the memorandum of hypothecation executed on 10 November 2009.

(ii) Development Bank of Singapore

As at 31 March 2019, the ECB loan from Development Bank of Singapore carries an interest rate of 6.10% p.a (3 month libor+ 385 basis points). This loan was repayable in quarterly instalments commencing 5 October 2014 and ending on 5 October 2018. The facility is secured by first charge by way of hypothecation of plant and machinery and heavy vehicles acquired under the facility described in the schedule 1 (2) to the deed of hypothecation executed on 29 April 2010. During the previous year, the ECB with Development Bank of Singapore was repaid completely.

(iii) Export Import Bank of United States ('US EXIM')

During the financial year 2018-19, the Company had entered into settlement terms with US EXIM wherein the parties had agreed to renegotiate and settle the outstanding amounts for USD 6.20 Million. The amounts were payable in 26 monthly instalments commencing from 31 May 2019 and ending on 30 June 2021. Under terms of Settlement Agreement, there would be no interest accruing on the facility going forward. However, the Company has not been able to pay the instalments as per schedule of settlement agreement and hence as per provisions of the settlement agreement, the loan value of USD 7.60 Million, which was settled at USD 6.20 Million, is reinstated during the current year (net of payments made before default date) along with penal interest per annum at the rate equal to the sum of LIBOR plus the interest rate of 2.20% for the period from and including the date such amount was due to US EXIM. The facility is secured by first priority mortgage and security interest to and in favour of Wilmington Trust Company (the security trustee) on Hawker aircraft. During the current year, the said aircraft has been sold and proceeds thereof have been adjusted towards the dues of this loan to US EXIM. [Also refer note 31(d)].

(F) Optionally Convertible Debentures (OCDs)

OCDs have been issued to the lenders as part of the S4A Scheme with a tenor of 10 years and a coupon of 0.01% with an interest yield of 11.50% p.a. in yield equalization compounded on a quarterly basis. After the expiry of eighteen months from the issuance, the OCDs were to be converted into non-convertible debentures in case of non-occurrence of event of default as per the guidelines of the S4A Scheme. Pursuant to the exemption provided by the Securities and Exchange Board of India ('SEBI') from the application of Regulation 75 of SEBI ICDR regulations to the Company, the tenure of OCDs has been extended for a further 8.5 years beyond the statutorily prescribed period of 18 months. The lenders have an option to convert the OCDs into equity shares of the Company, in accordance with the terms thereof including in

NOTE 17 BORROWINGS...contd

case of any event of default or default in payment during the 10 years from the date of issuance of respective OCDs. The repayment of the OCD commences from the 6th anniversary of the allotment date. Details of maturity have been provided below. Also refer note 17.1.2 for security details.

Date of Repayment	₹ in crores
30 September 2022	269.74
30 September 2023	250.16
30 September 2024	231.25
30 September 2025	224.16
30 September 2026	220.31

Note 17.1.1: RTL-A, RTL-1, RTL-2 and WCTL-2 are secured in the form of:

1. The parcel of land (immovable non-residential property) admeasuring 22 acres and 24 gunthas at Tara Village, Panvel Taluka described as the First Mortgaged Properties.
2. All the present and future movable assets of the Borrower (excluding 'Current Assets' and 'Specified Assets') as the Second Mortgaged Properties.
3. All the present and future current assets of the Borrower (other than those forming part of 'Additional Assets') as the Third Mortgaged Properties.
4. All of the 'Additional Assets' collectively referred to as the Fourth Mortgaged Properties.
5. All of the 'Specified Assets' collectively referred to as the Fifth Mortgaged Properties.

The terms 'Current Assets', 'Specified Assets' and 'Additional Assets' have been defined in the Master Restructuring Agreement (MRA).

The above security having ranking in respect to RTL1 and RTL-A are as below:

1. A first ranking and pari passu security interest by way of legal mortgage over the First Mortgaged Properties and Second Mortgaged Properties.
2. A second ranking and pari passu security interest by way of legal mortgage over the Third Mortgaged Properties, Fourth Mortgaged Properties and the Fifth Mortgaged Properties.

The above security having ranking in respect to RTL2 and WCTL2 are as below:

A second ranking and pari passu security interest by way of legal mortgage over all the Mortgaged Properties.

Collateral security pari-passu with lenders defined in MRA:

1. HREL Real Estate Limited (erstwhile HCC Real Estate Limited) has provided Corporate guarantee for the above outstanding facilities of the Company.
2. First pari-passu charge on 154,151,669 shares of the Company and second charge on 85,767,617 equity shares of the Company held by Hincon Holdings Limited and Hincon Finance Limited.
3. Personal guarantee of the Chairman and Managing Director of the Company.

Note 17.1.2 Optionally Convertible Debentures (OCDs) are secured in the form of:

1. First ranking pari passu charge on all of the Company's Property, plant and equipment (immovable and movable) [excluding the Specified Assets and Excluded Assets]; and
2. Second ranking and pari passu security interest by way of a legal mortgage over the First, Second and the Fifth Mortgaged Properties as specified in the mortgage deed. The security perfection has been completed on the OCD facilities issued as part of the S4A scheme.

Collateral security pari-passu with all S4A lenders:

1. HREL Real Estate Limited (erstwhile HCC Real Estate Limited) has provided Corporate guarantee for the above outstanding facilities of the Company.

NOTE 17 BORROWINGS...contd

2. First par-passu charge on Pledge of 85,767,617 equity shares of the Company and second charge on 154,151,669 equity shares of the Company held by Hincon Holdings Limited and Hincon Finance Limited.
3. Personal guarantee of the Chairman and Managing Director of the Company.

Note 17.1.3 As at 31 March 2020, in relation to Term Loans and Non-Convertible Debentures, contractual loan principal amounting to ₹ 282.30 crore (31 March 2019: ₹ 15.96 crore, 1 April 2018: ₹ 90.15 crore) and contractual interest amounting to ₹ 74.49 crore (31 March 2019: ₹ 8.60 crore, 1 April 2018: ₹ 6.16 crore) are due and outstanding.

Note 17.2 Right to Recompense:

In accordance with the provisions of Master Restructuring Agreement (MRA) dated 29 June 2012 executed between the Company and its lenders, as amended from time to time and pursuant to deliberations between the parties, lenders have agreed for the recompense amount to be settled by the Company in the form of equity shares to be issued at a future date, which is inter-alia dependent upon various factors including improved financial performance of the Company and other conditions, and which would be restricted to a maximum of 2.87% of equity share capital of the Company on the date of issue of such equity shares.

Note 17.3 Net debt reconciliation

An analysis of net debts and the movement in net debts are as follows:

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
(A) Cash and cash equivalents	85.92	132.97	122.03
(B) Current borrowings (including interest accrued)	1,391.36	1,082.00	1,027.72
(C) Non-current borrowings (including interest accrued)	2,668.03	2,731.91	2,990.86
Net debts (D) = (A)-(B)-(C)	**(3,973.47)**	**(3,680.94)**	**(3,896.55)**

	Other assets	Liabilities from financing activities		Total
	Cash and cash equivalents (A)	Non-current borrowings (B)	Current borrowings (C)	(D) = (A)-(B)-(C)
Net debt as at 1 April 2018	**122.03**	**2,990.86**	**1,027.72**	**(3,896.55)**
Cash inflows / (outflows)	10.94	(463.86)	53.06	421.74
Interest expense	-	345.83	122.77	(468.60)
Interest paid	-	(140.92)	(121.55)	262.47
Net debt as at 31 March 2019	**132.97**	**2,731.91**	**1,082.00**	**(3,680.94)**
Net debt as at 1 April 2019	132.97	2,731.91	1,082.00	(3,680.93)
Cash inflows / (outflows)	(47.05)	(228.97)	288.54	(106.62)
Interest expense	-	307.17	131.13	(438.30)
Interest paid	-	(142.09)	(110.31)	252.40
Net debt as at 31 March 2020	**85.92**	**2,668.03**	**1,391.36**	**(3,973.47)**

Note 17.4 Non-current borrowings, other non-current financial liabilities and other current financial liabilities as at 31 March 2020 include balances amounting to ₹ 165.55 crore, ₹ 591.04 crore and ₹ 336.82 crore respectively, in respect of which confirmations / statements from the respective banks / lenders have not been received. Further, in respect of non-current borrowings and current borrowings aggregating ₹ 864.23 crore, while the lenders have confirmed the principal outstanding, the accrued interest aggregating ₹ 42.76 crore have not been confirmed. In the absence of confirmations/statements from the lenders, the Company has provided for interest and other penal charges on these borrowings based on the latest communication available from the respective lenders at the interest rate specified in the agreement. The Company's management believes that amount payable on settlement will not exceed the liability provided in books in respect of these borrowings. Accordingly, classification of these borrowings into current and non-current as at 31 March 2020 is also based on the original maturity terms stated in the agreements with the lenders. Further, earmarked balances (included under bank balances other than cash and cash equivalents) and guarantees issued by banks on behalf of the Company as at 31 March 2020 includes balances amounting to ₹ 5.46 crore and ₹ 76.93 crore respectively, in respect of which confirmation / statements from banks have not been received inspite of incessant efforts by Company's management.

NOTE 18 OTHER FINANCIAL LIABILITIES

₹ crore

		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Non-current				
a)	Financial liabilities of erstwhile subsidiary assumed (Refer notes 17.4, 18.1 and 31.1)	497.00	497.00	-
b)	Interest accrued but not due (Refer notes 17.4 and 18.2)	690.18	490.63	-
c)	Financial guarantees	-	-	12.05
Total non-current financial liabilities		**1,187.18**	**987.63**	**12.05**
Current				
a)	Current maturities of long-term borrowings (Refer notes 17 and 17.4)	644.85	377.80	414.27
b)	Interest accrued but not due (Refer notes 17.4 and 18.2)	230.85	171.98	287.01
c)	Interest accrued and due (Refer note 17.4)	74.49	8.60	6.17
d)	Unpaid dividends ^	0.00*	0.00*	0.25
e)	Advance towards sale of investments (Refer notes 12.3, 15.1 and 39)	15.00	15.00	37.70
f)	Lease liabilities (Refer note 42)	2.33	-	-
g)	Financial guarantees	-	-	3.18
h)	Financial liabilities of erstwhile subsidiary assumed (Refer notes 17.4, 18.1 and 31.1)	144.55	144.55	-
	i) Others			
	i) Due to employees	129.95	71.46	112.19
	ii) Interest payable on contractee advances	163.71	122.94	93.01
	iii) Due to related parties (Refer note 39)	0.04	1.79	1.54
	iv) Liability for capital goods	10.18	30.22	106.29
	v) Other liabilities	2.49	31.37	46.60
Total current financial liabilities		**1,418.44**	**975.71**	**1,108.21**
Total other financial liabilities		**2,605.62**	**1,963.34**	**1,120.26**
^ Includes ₹ 7,600 (31 March 2019: ₹ 7,600, 1 April 2018: ₹ 7,600) which is held in abeyance due to legal cases pending				
Other financial liabilities carried at amortised cost		2,605.62	1,963.34	1,120.26
Other financial liabilities carried at FVPL		-	-	-

Note 18.1 Details of security and terms of repayment

Liability towards invocation of put options and corporate guarantees by lenders of Lavasa Corporation Limited ('LCL')

(i) During the previous year, pursuant to sanction letters entered with lenders of LCL, liabilities aggregating ₹ 865.23 crore had been taken over by the Company at ₹ 497 crore. As per the sanction letters, liabilities taken carried an interest of 9.5% p.a. compounded quarterly and are to be repaid from realization of certain identified claims by 31 March 2023. However, as per the Resolution Plan under approval by the Company's Consortium lenders, in the eventuality such identified claims are not realized by 31 March 2023, 50% of the settlement amount will be paid in that year and the balance 50% by 31 March 2028. These identified claims are currently charged in favour of lenders of the Company, post the approval of the resolution plan and receipt of sanctions from the Company's lenders for release of charge in favour of lenders of LCL, the security on such identified claims will be created .

Pursuant to default in the terms of the sanction letter, one of the lender issued a letter to the Company for revocation of the settlement. Based on the negotiations and discussion by the management, the lender has agreed, (subject to internal committee approvals) to continuing with similar settlement terms in the resturcturing plan presently under approval with consortium lenders. Pending the final approvals, the differential between the liability pursuant to the put option agreement and the liabliity as per sanction letter has been reported as Contingent Liability in the financial statements [Refer note 33(B)(ii)].

(ii) In addition to the above, lenders of LCL had invoked corporate guarantees of the Company during the previous year. Accordingly, the liability of ₹ 144.55 crore has been recognised by the Company.

Note: 18.2 Includes ₹ 94.35 crore (31 March 2019: ₹ 41.35 crore, 1 April 2018: Nil) and ₹ 153.95 crore (31 March 2019: ₹ 107.93 crore, 1 April 2018: Nil) in respect of non-current interest accrued but not due and current interest accrued but not due respectively, towards financial liabilities of LCL assumed as mentioned in Note 18.1 above.

NOTE 19 PROVISIONS

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Non-current			
Provision for employee benefits (Refer note 37)			
- Gratuity	30.61	26.45	27.06
- Leave entitlement and compensated absences	13.22	13.01	14.26
Total non-current provisions	**43.83**	**39.46**	**41.32**
Current			
a) Provision for employee benefits (Refer note 37)			
- Gratuity	10.96	4.25	8.14
- Leave entitlement and compensated absences	4.14	1.88	2.75
b) Provision for foreseeable losses (Refer note 43)	0.82	0.89	0.99
Total current provisions	**15.92**	**7.02**	**11.88**
Total provisions	**59.75**	**46.48**	**53.20**

Note 19.1 The Company has adequately recognized expected losses on projects wherever it was probable that total contract costs will exceed total contract revenue.

NOTE 20 CURRENT BORROWINGS

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
I. Secured			
Rupee Loan from Banks (Refer note 20.1 below)			
(i) Cash credit facilities (Repayable on demand)	716.73	1,046.19	982.24
(ii) Working capital demand loan (Repayable on demand)	544.46	32.87	32.87
(iii) Buyer's credit	-	-	10.89
II. Unsecured (Repayable on demand)			
Loans from related parties (Refer note 39)	0.41	0.92	1.72
Other bank loan (Repayable on demand) (Rote note 20.2)	106.41	-	-
Total current borrowings (I+II)	**1,368.01**	**1,079.98**	**1,027.72**

Note 20.1 Security and terms for Cash Credit Facilities, Working Capital Demand Loan and Buyer's Credit:

Security details:

1. The parcel of land (immovable non-residential property) admeasuring 22 acres and 24 gunthas at Tara Village, Panvel Taluka described as the First Mortgaged Properties.
2. All the present and future movable assets of the Borrower (excluding 'Current Assets' and 'Specified Assets') as the Second Mortgaged Properties.
3. All the present and future current assets of the Borrower (other than those forming part of 'Additional Assets') as the Third Mortgaged Properties.
4. All of the 'Additional Assets' collectively referred to as the Fourth Mortgaged Properties.
5. All of the 'Specified Assets' collectively referred to as the Fifth Mortgaged Properties.

The above security having ranking as below:

1. A first ranking and pari passu security interest by way of legal mortgage over the Third and Fourth Mortgaged Properties.
2. In the form of a second ranking and pari passu security interest by way of a legal mortgage over the First, Second and the Fifth Mortgaged Properties.

Collateral security pari-passu with lenders defined in MRA are same as indicated in note 17.1.1.

The Company has provided first charge over specific property, plant and equipment of the Company for the loan extended by Export Import Bank of India (EXIM Bank) to HCC Mauritius Enterprises Limited through Loan Agreement dated 27 September 2010. The same security has also been extended for the loan of USD 25 million given by EXIM Bank to HCC Mauritius Investments Limited.

The securities towards working capital facilities also extend to guarantees given by the banks on behalf of the Company.

The terms 'Current Assets', 'Specified Assets' and 'Additional Assets' have been defined in the MRA.

NOTE 20 CURRENT BORROWINGS...contd

Other terms including repayment terms

- Cash credit facilities carry an average interest rate of 11.40% p.a. which are repayable on demand.
- Working Capital Demand Loans carry an interest rate of 11.50% p.a. which are repayable on demand.
- Loans from related parties carry an interest rate of 12.50% p.a. which are repayable on demand.

Note 20.2 As at 31 March 2020, the bank guarantees, aggregating to ₹ 106.41 crore, invoked by the contractees and supplier.

NOTE 21: TRADE PAYABLES

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Total outstanding dues of micro enterprises and small enterprises (Refer note 21.1 below)	23.27	16.59	5.15
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,757.34	1,791.86	1,804.99
Total Trade Payables	**1,780.61**	**1,808.45**	**1,810.14**

Note 21.1 : Dues to Micro and Small Enterprise

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:

₹ crore

		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
(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	23.27	16.59	5.15
	- Interest due	5.12	4.76	0.35
(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	-	-	1.36
(c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	0.59	0.36	0.35
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.59	1.67	0.35
(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	5.71	5.12	3.45

Note 21.2 Trade payables are non-interest bearing and are normally settled as per the payment terms stated in the contract.

NOTE 22 OTHER CURRENT LIABILITIES

₹ crore

		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
a)	Advance from contractees (Refer note 39)	1,815.09	1,898.57	1,651.88
b)	Statutory dues payable	78.66	29.08	59.84
c)	Due to customers (Refer notes 39 and 43)	608.44	541.29	514.66
d)	Advance towards sale of freehold land (Refer note 15.2)	20.20	-	-
e)	Other liabilities	23.95	15.64	19.34
Total other current liabilities		**2,546.34**	**2,484.58**	**2,245.72**

NOTE 23 REVENUE FROM OPERATIONS

₹ crore

		Year ended 31 March 2020	Year ended 31 March 2019
a)	Contract revenue (Refer note 43)	3,180.49	4,157.35
	Add: Company's share of turnover in integrated joint ventures	84.73	23.25
		3,265.22	**4,180.60**
b)	Other operating revenue	378.42	422.89
Total revenue from operations		**3,643.64**	**4,603.49**

Notes

The Company applied Ind AS 115 for the first time by using the cumulative catch-up transition method of adoption with the date of initial of 1 April 2018. Under this method, the comparatives have not been adjusted. The adoption of this new standard did not have any impact on retained earnings as at 31 March 2018 for the revenue contracts that are not completed as at that date, except in case of presentation / disclosure of the balances in relation to construction contracts, which have been explained below. Also refer note 2.1(xx) for accounting policy on revenue recognition.

a) Disaggregation of revenue

Company's entire business falls under one operational segment of 'Engineering and Construction'. Contract revenue represents revenue from Engineering and Construction contracts wherein the performance obligation is satisfied over a period of time. Further, the management believes that the nature, amount, timing and uncertainty of revenue and cash flows from all its contracts are similar. Accordingly, disclosure of revenue recognised from contracts disaggregated into categories has not been made.

b) Unsatisfied performance obligations

The aggregate amount of transaction price allocated to performance obligations that are unsatisfied as at the end of reporting period is ₹ 16,857 crore (31March 2019: ₹ 18,554 crore). Most of Company's contracts have a life cycle of four to five years. Management expects that around 15%-20% of the transaction price allocated to unsatisfied contracts as of 31 March 2020 will be recognised as revenue during next reporting period depending upon the progress on each contracts. The remaining amounts are expected to be recognised over the next three to four years. The amount disclosed above does not include variable consideration.

NOTE 23 REVENUE FROM OPERATIONS...contd

c) Contract balances

(i) Movement in contract balances during the year:

Contract balances ₹ crore

	Contract Assets (unbilled work-in-progress)	Contract Liabilities (due to customers)	Net Contract balances
Balance as at 1 April 2018	2,699.89	247.72	2,452.17
Add: Impact of change in method of measuring progress (Refer note 43)	285.31	266.94	18.37
Net Increase / (decrease)	(627.83)	26.63	(654.46)
Balance as at 31 March 2019	2,357.37	541.29	1,816.08
Net Increase	88.01	67.15	20.87
Balance as at 31 March 2020	2,445.38	608.44	1,836.94

Note: Increase in contract balances (i.e. contract assets and contract liabilities) is primarily due to higher revenue recognition as compared to progress bills raised during the year.

(ii) Revenue recognised during the year from opening balance of contract liability (i.e. due to customer) amounts to ₹ 147.87 crore (31 March 2019: ₹ 180.03 crore)

(iii) Revenue recognised during the year from the performance obligation satisfied upto previous year amounts to ₹ 225.10 crore (31 March 2019: ₹ 371.63 crore)

d) There are no reconciliation items between revenue from contracts with customers and revenue recognised with contract price.

e) Cost to obtain or fulfil the contract:

i. Amount of amortisation recognised in Statement of Profit and Loss during the year : Nil

ii. Amount recognised as contract assets as at 31 March 2020 : Nil

NOTE 24 OTHER INCOME

₹ crore

		Year ended 31 March 2020	Year ended 31 March 2019
a)	Interest received on:		
	- financial assets carried at amortised cost (Refer note 39)	14.76	80.63
	- bank deposits	4.05	4.03
	- income tax refund	1.96	2.64
	- sales tax refund	-	0.42
		20.77	**87.72**
b)	Dividend from long-term investments	0.03	0.03
c)	Other non-operating income		
	- Profit on sale of property, plant and equipment (net)	1.53	5.13
	- Excess provision no longer required written back	2.99	8.80
	- Exchange gain (net)	2.08	-
	- Miscellaneous (Refer note 27.1)	5.10	16.45
Total other income		**32.50**	**118.13**

NOTE 25 COST OF CONSTRUCTION MATERIALS CONSUMED

₹ crore

	Year ended 31 March 2020	Year ended 31 March 2019
Stock at beginning of the year	192.24	175.41
Add: Purchases	700.62	872.98
	892.86	**1,048.39**
Less: Sale of scrap and unserviceable material	(14.58)	(39.56)
	878.28	**1,008.83**
Less: Stock at the end of the year	(187.52)	(192.24)
Total cost of construction materials consumed	**690.76**	**816.59**

NOTE 26 CONSTRUCTION EXPENSES

₹ crore

		Year ended 31 March 2020	Year ended 31 March 2019
a)	Power, fuel and water	126.23	110.29
b)	Insurance	24.68	24.86
c)	Rates and taxes	26.98	39.59
d)	Rent (Refer note 42)	79.56	66.87
e)	Transportation	28.96	37.89
f)	Others	20.37	63.38
Total construction expenses		**306.78**	**342.88**

NOTE 27 EMPLOYEE BENEFITS EXPENSE

₹ crore

		Year ended 31 March 2020	Year ended 31 March 2019
a)	Salaries and wages	368.75	351.84
b)	Contribution to provident and other funds [Refer note 37(B)(a)]	21.87	20.22
c)	Staff welfare	23.05	21.62
Total employee benefits expense		**413.67**	**393.68**

Note 27.1 Pursuant to notification of the Companies (Amendment) Act, 2017 with effect from 12 September 2018, amending Section 197 of the Companies Act, 2013 ('the Act'), the Company's application to the Ministry of Corporate Affairs for approval in respect of managerial remuneration of Chairman and Managing Director (CMD) accrued / paid in excess of the prescribed limit for the financials years 2014-15 and 2015-16 stands abated. The Company, vide resolution dated 10 September 2019, had obtained approval from the shareholders for the payment of remuneration in respect of the aforesaid years, to be only given effect to post receipt of the approval of the lenders. Further, on 26 September 2019, the Company in its shareholders' meeting has also obtained approvals vide special resolutions for managerial remuneration of CMD and Whole Time Directors for the year ended 31 March 2020, to be given effect to, only post receipt of the approval of lenders.

Pending receipt of lenders approvals, the amounts continue to be accrued / paid held-in-trust . Necessary actions will be made based on the outcome of such approvals.

The Company has accrued / paid managerial remuneration as detailed below:

₹ crore

Financial Year	Designation	Remuneration accrued	Remuneration paid	Remuneration as per prescribed limit	Excess remuneration accrued / paid	Excess remuneration paid held in trust
		(a)	(b)	(c)	(d = a- c)	(e = b- c)
2014-15	CMD	10.66	-	1.95	8.71	-
2015-16	CMD	10.66	10.66	1.97	8.69	8.69
2019-20	CMD & Whole Time Directors	13.57	3.75	-	13.57	3.75
Total		**34.89**	**14.41**	**3.92**	**30.97**	**12.44**

Further, the Company had paid managerial remuneration to the CMD aggregating ₹ 10.66 crore during the financial year 2013-14, out of which ₹ 8.74 crore was in excess of the limits specified under Schedule XIII to the erstwhile Companies Act, 1956. In absence of response from the Ministry for the Company's application for reconsideration of the excess amount paid, the Company has proposed to recover the excess amount held in trust by the CMD and the same has been included under Other Income in financial year 2018-19. Such sum is refundable to the Company within two years or such lesser period as allowed by the Company in terms of Section 197 of the Act and until such sum is refunded, the same will be continued to be disclosed as recoverable from the CMD.

NOTE 28 FINANCE COSTS

₹ crore

		Year ended 31 March 2020	Year ended 31 March 2019
a)	**Interest expense on:**		
	- debentures	206.25	209.33
	- term loans and cash credit from banks and financial institutions	232.05	259.27
	- others	256.61	151.95
b)	**Other borrowing costs**		
	- guarantee commission	46.92	49.04
	- other finance charges	4.32	29.32
Total finance costs		**746.15**	**698.91**

NOTE 29 DEPRECIATION AND AMORTISATION EXPENSE (REFER NOTES 3A, 3B AND 4)

₹ crore

		Year ended 31 March 2020	Year ended 31 March 2019
a)	Depreciation of tangible assets	105.33	144.28
b)	Depreciation of right-of-use assets	3.70	-
c)	Amortisation of intangible assets	0.34	0.25
Total depreciation and amortisation expense		**109.37**	**144.53**

NOTE 30 OTHER EXPENSES

₹ crore

			Year ended 31 March 2020	Year ended 31 March 2019
a)	Stationery, postage, telephone and advertisement		4.55	6.12
b)	Travelling and conveyance		11.04	13.18
c)	Professional fees		41.96	42.67
d)	Repairs and maintenance- building		3.98	4.54
e)	Repairs and maintenance- others		7.79	5.13
f)	Computer maintenance and development		10.21	9.93
g)	Directors' sitting fees (Refer note 39)		0.68	1.01
h)	Auditors' remuneration (Refer note 30.1):			
	i) Audit fees	1.35		1.35
	ii) Tax audit fees	0.20		0.20
	iii) Limited review fees	1.00		0.70
	iv) Certification fees	0.30		0.49
	v) Reimbursement of out of pocket expenses	0.02		0.02
			2.87	**2.76**
i)	Exchange loss (net)		-	4.37
j)	Loss allowance on financial assets		-	8.48
k)	Miscellaneous expenses		22.45	22.50
Total other expenses			**105.53**	**120.69**

Note 30.1 - Excludes ₹ 0.35 crore paid during the year towards fees for certifications relating to Right Issue of equity shares, which has been charged off against Securities premium.

Note 30.2-The Company is not liable to incur any expenses on Corporate Social Responsibility as per section 135 of the Companies Act, 2013.

NOTE 31 EXCEPTIONAL ITEMS

₹ crore

		Year ended 31 March 2020	Year ended 31 March 2019
a)	Investments in / advances to subsidiaries (Refer note 31.1 below)	-	2,011.13
b)	(Reversal of loss provision) / Loss provision in respect of arbitration awards and claims (Refer note 31.2 below)	(331.40)	331.40
c)	Impairment loss in respect of asset classified as held for sale (Refer notes 3 and 15)	-	71.85
d)	(Gain) / reversal of gain on settlement of debt [Refer note 17.1 I(E)(iii)]	11.45	(14.08)
Total exceptional items - (Gains) / Loss		**(319.95)**	**2,400.30**

Note 31.1 Loss on impairment / write off of investments in / and advances from Lavasa Corporation Limited ('LCL') and HREL Real Estate Limited ('HREL') (erstwhile HCC Real Estate Limited)

The National Company Law Tribunal, Mumbai (NCLT) vide Order dated 30 August 2018, has admitted an application filed against LCL by an operational creditor and initiated the Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code 2016 ('IBC'). In accordance with the provisions of IBC, the powers of the Board of Directors of LCL shall stand suspended and the management of LCL presently vests with the Resolution Professional ('RP') appointed under the provisions of IBC. HREL, a wholly owned subsidiary of the Company, is presently holding 68.70% equity stake in LCL. The Company took over liabilities aggregating ₹ 745.94 crore pursuant to settlement agreements entered / negotiations by the Company with the lenders of LCL in connection with the put options / corporate guarantees issued for borrowings of LCL. In view of uncertainties associated with the outcome of CIRP and as a matter of prudence, the Company had impaired / written off its exposure in both these entities during the previous year as stated below.

(₹ crore)

Particulars	HREL	LCL	Total
Non-current investments	612.40	18.43	630.83
Non-current loans	440.07	185.04	625.11
Other financial assets	6.24	3.01	9.25
Liability for put option / corporate guarantee	-	745.94	745.94
Total	**1,058.71**	**952.42**	**2,011.13**

Note 31.2:

During the financial year ended 31 March 2019, the Company had recognized a provision of ₹ 331.40 crore pursuant to the signing of an non-binding term sheet with a consortium of investors along with a letter of commitment, for an assignment of the beneficial interest in portfolio of identified arbitration awards and claims ('specified assets') for an aggregate consideration of ₹ 1,750 crore. The validity of the said term sheet expired on 31 December 2019 and the Company has decided to cancel this proposed transaction. Pursuant to the cancellation of the aforesaid transaction, the provision of ₹ 331.40 crore, related to specified assets, recognized earlier has been written back during the year ended 31 March 2020.

NOTE 32 EARNINGS PER SHARE (EPS)

			Year ended 31 March 2020	Year ended 31 March 2019
Basic and diluted EPS				
A.	Loss computation for basic earnings per share of ₹ 1 each			
	Net loss as per the Statement of Profit and Loss available for equity shareholders	(₹ crore)	(168.72)	(1,925.58)
B.	Weighted average number of equity shares for EPS computation	(Nos.)	1,513,041,469	1,144,979,453
C.	EPS- Basic and Diluted EPS	(₹)	(1.12)	(16.81)

Notes:

(a) The options granted to employees under the Employee stock option (ESOP) plan and the optionally convertible debentures do not qualify as potential equity shares outstanding during the periods, based on the present conditions prevalent, and hence have not been considered in the determination of diluted earnings per share.

(b) Further equity shares to be issued to certain lenders pursuant to implementation of S4A Scheme [refer note 16(g)] and to lenders pursuant to Right to Recompense (Refer note 17.2) do not presently qualify as potential equity shares and hence have not been considered in the determination of diluted earnings per share.

NOTE 33 CONTINGENT LIABILITIES AND COMMITMENTS

A. Contingent liabilities

₹ crore

		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
(i)	Claims not acknowledged as debts by the Company	11.83	27.93	22.28
(ii)	Income tax liability that may arise in respect of which the Company is in appeals	17.99	17.99	17.99
(iii)	Sales tax liability / Works Contract Tax liability / Service Tax / Customs liability that may arise in respect of matters in appeal	202.91	210.41	184.72
(iv)	Corporate Guarantees:			
	The Company has provided an undertaking to pay in the event of default on loan given by lenders to the following related parties:			
	a) Lavasa Corporation Limited	-	-	376.58
	b) HCC Mauritius Enterprises Limited	43.72	39.05	44.64
	c) HCC Mauritius Investments Limited	181.53	162.17	185.31
(v)	Counter indemnities given to banks in respect of contracts executed by subsidiaries and joint ventures	15.39	15.39	30.06

(vi) Provident Fund:

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

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above contingent liabilities except in respect of matter stated in (iv) above. Future cash outflows in respect of the above are determinable only on receipt of judgments / decisions pending with various forums / authorities. The Company does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof.

B. Commitments

₹ crore

		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
(i)	Capital Commitment (net of advances)	40.86	34.94	25.58
(ii)	Put option given to lenders of Lavasa Corporation Limited to sell debentures to the Company in the event of default (including interest and penal charges thereon) [Also refer note 18.1]	532.54	-	709.82

Note 34 The Company, as at 31 March 2020, has non-current investments amounting to ₹ 1,574.90 crore (31 March 2019: ₹ 1,559.28 crore, 1 April 2018: ₹ 2.24 crore) in its subsidiary HCC Infrastructure Company Limited (HIL) which is holding 85.45% in HCC Concessions Limited (HCL) having various Build, Operate and Transfer (BOT) SPVs under its fold. While HIL has incurred losses and consolidated net-worth as at 31 March 2020 has been fully eroded, the underlying projects are expected to achieve adequate profitability on substantial completion. The net-worth of this subsidiary does not represent its true market value as the value of the underlying investments/assets, based on valuation report of an independent valuer, is higher. Further BOT SPV's have several claims, including favorable arbitration awards against its customers mainly in respect of cost- overrun arising due to client caused delays, termination of contracts and change in scope of work which are under various stages of negotiation/discussion with clients or under arbitration/ litigation wherein management has been legally advised that it has good case on merits. Therefore, based on certain estimates like future business plans, growth prospects as well as considering the contractual tenability, progress of negotiation/ discussion/ arbitration/ litigations and legal advice, the management believes that the realizable amount of the subsidiary is higher than the carrying value of the non-current investments due to which these are considered as good and recoverable.

Note 35 'Unbilled work-in-progress (Other current assets)', 'non-current trade receivables' and 'current Trade receivables' include ₹ 805.60 crore (31March 2019: ₹ 416.49 crore, 1 April 2018: ₹ 686.24 crore), ₹ 293.08 crore (31 March 2019: ₹ 54.14 crore and 1 April 2018: ₹ 123.39 crore) and ₹ 395.91 crore (31 March 2019: ₹ 320.94 crore, 1 April 2018: ₹ 214.38 crore), respectively, outstanding as at 31 March 2020 which represent various claims raised earlier, based on the terms and conditions implicit in the contracts and other receivables in respect of closed / suspended projects. These claims are mainly in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work; for which Company is at various stages of negotiation / discussion with the clients or under arbitration/ litigation. Considering the contractual tenability, progress of negotiations / discussions / arbitration / litigations and as legally advised, the management is confident of recovery of these receivables.

NOTE 36 INTERESTS IN OTHER ENTITIES

a) Joint operations (unincorporated entities)

The Company's share of interest in joint operations is set out below.

Name of the entity	% of ownership interest held by the Company as at			Name of the ventures' partner	Principal place of Business / Principal activities
	31 March 2020	31 March 2019	1 April 2018		
HCC- L&T Purulia Joint Venture	57.00	57.00	57.00	Larsen and Toubro Limited	India/ Construction
Nathpa Jhakri Joint venture	40.00	40.00	40.00	Impregilio-Spa, Italy	India/ Construction
Kumagai- Skanska- HCC-Itochu Joint Venture	19.60	19.60	19.60	Skanska, Kumagai	India/ Construction
Alpine- Samsung Joint Venture	33.00	33.00	33.00	Itochu, Alpine Meyreder Bau, Samsung Corporation	India/ Construction
Alpine- HCC Joint Venture	49.00	49.00	49.00	Alpine Meyreder Bau	India/ Construction
HCC- Samsung Joint Venture CC-34	50.00	50.00	50.00	Samsung C&T Corporation	India/ Construction
Max- HCC Joint Venture	40.00	40.00	-	MAX Group, Bangladesh	Bangladesh/ Construction
HCC- HDC Joint Venture	55.00	55.00	-	Hyundai Development Company	India/ Construction
HCC- VCCL Joint Venture	50.00	-	-	Vensar Constructions Company Limited	India/ Construction

i) Classification of joint arrangements

The joint venture agreements in relation to the above mentioned joint operations require unanimous consent from all the parties for all relevant activities. All co-venturers have direct rights to the assets of the joint venture and are also jointly and severally liable for the liabilities incurred by the joint venture. These joint ventures are therefore classified as a joint operation and the Company recognises its direct right to the jointly held assets, liabilities, revenue and expenses. In respect of these contracts (assessed as AOP under the Income tax laws), the services rendered to the joint ventures are accounted as income on accrual basis.

₹ crore

		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
ii)	**Summarised balance sheet**			
	Total assets	97.29	70.17	29.73
	Total liabilities	151.34	122.63	68.30
iii)	**Contingent liability/ capital commitment as at reporting date**			
	Contingent liability	13.28	5.52	7.05
	Capital and other commitment	0.25	0.28	-

NOTE 36 INTERESTS IN OTHER ENTITIES...contd.

₹ crore

	Year ended 31 March 2020	Year ended 31 March 2019
iv) Summarised statement of profit and loss		
Revenue from operations	84.73	23.25
Other income	1.13	0.92
Total expenses (including taxes)	87.45	38.07

b) Joint operations on work sharing basis

Contracts executed in joint venture under work sharing arrangement (consortium) is set out below. The principal place of business of all these joint operations is in India and they are engaged in construction business.

i)	HCC Van Oord ACZ Joint Venture	xiv)	HCC- Laing- Sadbhav
ii)	Samsung- HCC Joint Venture	xv)	HCC- MEIL- NCC- WPIL Joint Venture
iii)	L & T- HCC Joint Venture	xvi)	HCC- DSD- VNR Joint Venture
iv)	HCC- KBL Joint Venture	xvii)	MEIL- IVRCL- HCC- WPIL Joint Venture
v)	HCC- NCC Joint Venture	xviii)	Alstom Hydro France- HCC Joint Venture
vi)	HCC- CEC Joint Venture	xix)	GVPR Engineers- HCC Joint Venture
vii)	HCC- NOVA Joint Venture	xx)	HCC- CP PL Joint Venture (Manipur)
viii)	HCC- CPPL Joint Venture (Veligonda)	xxi)	HCC- VCCL Joint Venture
ix)	HCC- MEIL- CBE Joint Venture	xxii)	HCC- MMS (MMRCL) Joint Venture
x)	HCC- MEIL- BHEL Joint Venture	xxiii)	HCC- LCESPL (Bistan Lift) Joint venture
xi)	HCC- MEIL- SEW- AAG Joint Venture	xxiv)	HCC- HSEPL Joint Venture
xii)	HCC- MEIL- SEW Joint Venture	xxv)	HCC- URCC Joint Venture
xiii)	HCC- Halcrow Joint Venture	xxvi)	HCC- AL FARA'A Joint Venture

Classification of work executed on sharing basis

Contracts executed in joint venture under work sharing arrangement (consortium) is accounted to the extent work executed by the Company as that of an independent contract.

c) Jointly controlled entity (joint venture)

The Company's joint venture as at 31 March 2020 is set out below. It has share capital consisting solely of equity shares and the proportion of ownership interests held equals the voting rights held by the Company. The principal place of business of this joint venture is in India and is engaged in tolling operations.

Name of the entity	Name of the joint venture partner	% of ownership interest held by the Company		
		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Farakka Raiganj Highways Limited	Hindustan Construction Company Limited	85.45%	85.45%	89.23%
	HCC Concessions Limited			
Baharampore Farakka Highways Limited	Hindustan Construction Company Limited	85.45%	85.45%	89.23%
	HCC Concessions Limited			
Raiganj Dalkhola Highways Limited	Hindustan Construction Company Limited	86.91%	86.91%	86.91%
	HCC Concessions Limited			

NOTE 36 INTERESTS IN OTHER ENTITIES...contd.

₹ crore

		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
i)	**Summarised balance sheet**			
	Total assets	2,594.97	2,532.19	2,589.63
	Total liabilities	2,344.56	2,241.05	2,195.62
	Equity	250.41	291.14	394.01
ii)	**Contingent liability/ capital commitment as at reporting date**			
	Contingent liability	2,690.70	2,073.13	1,831.56
	Capital and other commitment	187.20	274.31	58.04

₹ crore

		Year ended 31 March 2020	Year ended 31 March 2019
iii)	**Summarised statement of profit and loss account**		
	Revenue from operations	386.58	280.28
	Other income	1.21	0.70
	Total expenses (including taxes)	428.51	371.49

NOTE 37 DISCLOSURE RELATING TO EMPLOYEE BENEFITS AS PER IND AS 19 'EMPLOYEE BENEFITS'

A Defined benefit obligations

I 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.

₹ crore

		Year ended 31 March 2020	Year ended 31 March 2019
a)	**Changes in defined benefit obligations**		
	Present value of obligation as at the beginning of the year	28.65	29.30
	Interest cost	2.16	2.29
	Current service cost	2.40	2.51
	Remeasurements- Net actuarial losses	4.85	4.63
	Benefits paid	(0.09)	(10.08)
		37.97	**28.65**
	Add: Provision for separated employees ^	3.60	2.05
	Present value of obligation as at the end of the year	**41.57**	**30.70**
	^ represents provisions not valued by an actuary		
b)	**Expenses recognised in the Statement of Profit and Loss**		
	Interest cost	2.16	2.29
	Current service cost	2.40	2.51
	Total	**4.56**	**4.80**
c)	**Remeasurement losses recognised in OCI**		
	Actuarial changes arising from changes in financial assumptions	(0.98)	0.49
	Experience adjustments	5.83	4.14
	Total	**4.85**	**4.63**

NOTE 37 DISCLOSURE RELATING TO EMPLOYEE BENEFITS AS PER IND AS 19 'EMPLOYEE BENEFITS'...contd.

		31 March 2020	31 March 2019
d)	**Actuarial assumptions**		
	Discount rate	6.82% p.a.	7.54% p.a.
	Salary escalation rate (over a long-term)	8.00% p.a.	8.00% p.a.
	Mortality rate	Indian assured lives mortality (2006-08)	Indian assured lives mortality (2006-08)
	Average future working lifetime	11 Years	11 Years
	Attrition rate :		
	- For services 4 years and below	8% p.a.	8% p.a.
	- For services 5 years and above	4% p.a.	4% p.a.

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

e) Quantities sensitivity analysis for significant assumption is as below:

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, salary escalation rate and attrition rate.

The methods and type of assumptions used in preparing the sensitivity analysis did not change compared to the previous year

₹ crore

	Year ended 31 March 2020	Year ended 31 March 2019
	1% increase	
i. Discount rate	(1.86)	(1.67)
ii. Salary escalation rate	2.06	1.84
iii. Attrition rate	(0.14)	(0.08)
	1% decrease	
i. Discount rate	2.08	1.87
ii. Salary escalation rate	(1.59)	(1.68)
iii. Attrition rate	0.15	0.08

The sensitivity analysis presented above may not be representative of the actual charge in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as the assumptions may be correlated.

f) Maturity analysis of defined benefit obligation

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Within the next 12 months	7.35	2.19	2.23
Between 2 and 5 years	16.56	14.03	9.31
Over 5 years	35.03	34.27	42.90
Total expected payments	**58.94**	**50.49**	**54.44**

II Provident fund

In respect of certain employees, provident fund contributions are made to a trust administered by the Company. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. Accordingly, the contribution paid or payable and the interest shortfall, if any, is recognised as an expense in the period in which services are rendered by the employee.

NOTE 37 DISCLOSURE RELATING TO EMPLOYEE BENEFITS AS PER IND AS 19 'EMPLOYEE BENEFITS'...contd.

In accordance with an actuarial valuation of provident fund liabilities for the financial year ended 31 March 2020, on the basis of guidance issued by Actuarial Society of India and based on the assumptions as mentioned below, there is no deficiency in the interest cost as the present value of the expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of Government administered provident fund.

The principal assumptions used in determining the present value obligation of interest guarantee under the deterministic approach are as follows:

₹ crore

	Year ended 31 March 2020	Year ended 31 March 2019
Discount rate	6.82% p.a.	7.54% p.a.
Reinvestment period on maturity	5 years	5 years
Guaranteed rate of return	**8.50% p.a.^**	**8.65% p.a.**

^ The interest rate to be applied on the provident fund contribution for the financial year ended 31 March 2020 is pending to be notified by the Ministry of Labour, Government of India.

B Defined contribution plans

a) The Company has recognised the following amounts in the Statement of Profit and Loss for the year:

₹ crore

		Year ended 31 March 2020	Year ended 31 March 2019
(i)	Contribution to provident fund	17.84	16.71
(ii)	Contribution to super annuation fund	4.03	3.51
		21.87	**20.22**

b) The expenses for leave entitlement and compensated absences is recognized in the same manner as gratuity and provision of ₹ 17.36 crore (31 March 2019: ₹ 14.89 crore, 1 April 2018: ₹ 17.01 crore) has been made as at 31 March 2020.

C Current/ non-current classification

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Gratuity			
Current ^	10.96	4.25	8.14
Non-current	30.61	26.45	27.06
	41.57	**30.70**	**35.20**
Leave entitlement (including sick leave)			
Current	4.14	1.88	2.75
Non-current	13.22	13.01	14.26
	17.36	**14.89**	**17.01**

^ includes ₹ 3.61 crores (31 March 2019: ₹ 2.05 crores, 1 April 2018: ₹ 5.90 crore) provided in respect of separated employees which has not been valued by an actuary

NOTE 38 FINANCIAL INSTRUMENTS

The fair value of the financial assets are included at amounts at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value:

(a) Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments

(b) Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

A Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2020 were as follows:

₹ crore

Particulars	Refer note	Amortised cost	Fair value through profit or loss	Fair value through Other Comprehensive Income	Total carrying value
Assets:					
Investments					
Investments in equity shares (unquoted)	5A	-	-	4.03	4.03
Investments in equity shares (quoted)	5A	-	-	2.91	2.91
Trade receivables	6	4,541.69	-	-	4,541.69
Loans	7	207.08	-	-	207.08
Others financial assets	8	144.27	-	-	144.27
Cash and cash equivalents	13	85.92	-	-	85.92
Bank balances other than cash and cash equivalents	14	82.76	-	-	82.76
Liabilities:					
Borrowings (including current maturities of long-term borrowings)	17, 20	3,370.23	-	-	3,370.23
Trade payables	21	1,780.61	-	-	1,780.61
Other financial liabilities	18	1,960.77	-	-	1,960.77

The carrying value and fair value of financial instruments by categories as at 31 March 2019 were as follows:

₹ crore

Particulars	Refer note	Amortised cost	Fair value through profit or loss	Fair value through Other Comprehensive Income	Total carrying value
Assets:					
Investments					
Investments in equity shares (unquoted)	5A	-	-	14.07	14.07
Investments in equity shares (quoted)	5A	-	-	3.58	3.58
Trade receivables	6	4,125.25	-	-	4,125.25
Loans	7	194.33	-	-	194.33
Others financial assets	8	116.43	-	-	116.43
Cash and cash equivalents	13	132.97	-	-	132.97
Bank balances other than cash and cash equivalents	14	91.43	-	-	91.43
Liabilities:					
Borrowings (including current maturities of long-term borrowings)	17, 20	3,299.72	-	-	3,299.72
Trade payables	21	1,808.45	-	-	1,808.45
Other financial liabilities	18	1,585.54	-	-	1,585.54

NOTE 38 FINANCIAL INSTRUMENTS...contd.

A Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 1 April 2018 were as follows:

₹ crore

Particulars	Refer note	Amortised cost	Fair value through profit or loss	Fair value through Other Comprehensive Income	Total carrying value
Assets:					
Investments					
Investments in equity shares (unquoted)	5A	-	-	20.86	20.86
Investments in equity shares (quoted)	5A	-	-	3.26	3.26
Trade receivables	6	3,772.92	-	-	3,772.92
Loans	7	1,984.29	-	-	1,984.29
Others financial assets	8	3,297.56	-	-	3,297.56
Cash and cash equivalents	13	122.03	-	-	122.03
Bank balances other than cash and cash equivalents	14	75.41	-	-	75.41
Liabilities:					
Borrowings (including current maturities of long-term borrowings)	17, 20	3,725.40	-	-	3,725.40
Trade payables	21	1,810.14	-	-	1,810.14
Other financial liabilities	18	705.99	-	-	705.99

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:

₹ crore

Particulars	**31 March 2020**			31 March 2019			1 April 2018		
	Level 1	**Level 2**	**Level 3**	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets									
Investments in equity shares (quoted)	**2.91**	**-**	**-**	3.58	-	-	3.26	-	-
Investments in equity shares (unquoted)	**-**	**4.03**	**-**	-	14.07	-	-	20.86	-

NOTE 39 DISCLOSURE IN ACCORDANCE WITH IND-AS 24 RELATED PARTY TRANSACTIONS

A. Names of related parties and nature of relationship

Name of the entity	Country of incorporation	Company's holding as at^			Subsidiaries of
		31 March 2020	31 March 2019	1 April 2018	
a) Subsidiaries					
Western Securities Limited	India	97.87	97.87	97.87	Hindustan Construction Company Limited
HREL Real Estate Limited ('HREL')	India	100.00	100.00	100.00	Hindustan Construction Company Limited
Panchkutir Developers Limited	India	100.00	100.00	100.00	Hindustan Construction Company Limited
HCC Mauritius Enterprises Limited	Mauritius	100.00	100.00	100.00	Hindustan Construction Company Limited
HCC Construction Limited	India	100.00	100.00	100.00	Hindustan Construction Company Limited
Highbar Technologies Limited	India	100.00	100.00	100.00	Hindustan Construction Company Limited
HCC Infrastructure Company Limited	India	100.00	100.00	100.00	Hindustan Construction Company Limited
HCC Mauritius Investments Limited	Mauritius	100.00	100.00	100.00	Hindustan Construction Company Limited
HRL Township Developers Limited	India	100.00	100.00	100.00	Hindustan Construction Company Limited **(effective 1 June 2018)** HREL Real Estate Limited **(upto 31 May 2018)**
Maan Township Developers Limited	India	100.00	100.00	100.00	Hindustan Construction Company Limited **(effective 1 June 2018)** HREL Real Estate Limited **(upto 31 May 2018)**
Lavasa Corporation Limited ^^	India	68.70	68.70	68.70	HREL Real Estate Limited^^
HRL (Thane) Real Estate Limited	India	100.00	100.00	100.00	HREL Real Estate Limited
Nashik Township Developers Limited	India	100.00	100.00	100.00	HREL Real Estate Limited
Charosa Wineries Limited	India	-	-	-	**HREL Real Estate Limited (upto 6 February 2019)**
Powai Real Estate Developer Limited	India	100.00	100.00	100.00	HREL Real Estate Limited
HCC Realty Limited	India	100.00	100.00	100.00	HREL Real Estate Limited
HCC Aviation Limited	India	100.00	100.00	100.00	HREL Real Estate Limited
HCC Operation and Maintenance Limited	India	100.00	100.00	100.00	HCC Infrastructure Company Limited
Dhule Palesner Operations & Maintenance Limited	India	100.00	100.00	100.00	HCC Infrastructure Company Limited
HCC Power Limited	India	100.00	100.00	100.00	HCC Infrastructure Company Limited
HCC Energy Limited	India	100.00	100.00	100.00	HCC Power Limited

NOTE 39 DISCLOSURE IN ACCORDANCE WITH IND-AS 24 RELATED PARTY TRANSACTIONS...contd.

Name of the entity	Country of incorporation	Company's holding as at^			Subsidiaries of
		31 March 2020	31 March 2019	1 April 2018	
Dasve Business Hotel Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited^^
Dasve Hospitality Institutes Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited^^
Dasve Convention Center Limited ^^	India	100.00	100.00	100.00	Lavasa Corporation Limited^^
Dasve Retail Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited^^
Full Spectrum Adventure Limited	India	90.91	90.91	90.91	Lavasa Corporation Limited^^
Future City Multiservices SEZ Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited^^
Hill City Service Apartments Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited^^
Hill View Parking Services Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited^^
Kart Racers Limited	India	90.00	90.00	90.00	Lavasa Corporation Limited^^
Lakeshore Watersports Company Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited^^
Lakeview Clubs Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited^^
Lavasa Bamboocrafts Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited^^
Lavasa Hotel Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited^^
Mugaon Luxury Hotels Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited^^
My City Technology Limited	India	63.00	63.00	63.00	Lavasa Corporation Limited^^
Nature Lovers Retail Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited^^
Our Home Service Apartments Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited^^
Reasonable Housing Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited^^
Rhapsody Commercial Space Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited^^
Rosebay Hotels Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited^^
Sahyadri City Management Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited^^
Valley View Entertainment Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited^^
Verzon Hospitality Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited^^
Warasgaon Assets Maintenance Limited ^^	India	100.00	100.00	100.00	Lavasa Corporation Limited^^

NOTE 39 DISCLOSURE IN ACCORDANCE WITH IND-AS 24 RELATED PARTY TRANSACTIONS...contd.

Name of the entity	Country of incorporation	Company's holding as at^			Subsidiaries of
		31 March 2020	31 March 2019	1 April 2018	
Warasgaon Infrastructure Providers Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited^^
Warasgaon Power Supply Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited^^
Warasgaon Tourism Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited^^
Warasgaon Valley Hotels Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited^^
Green Hills Residences Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited^^
Steiner AG	Switzerland	100.00	100.00	100.00	HCC Mauritius Enterprises Limited 66% HCC Mauritius Investments Limited 34%
Steiner Promotions et Participations SA	Switzerland	100.00	100.00	100.00	Steiner- AG
Steiner (Deutschland) GmbH	Germany	100.00	100.00	100.00	Steiner- AG
VM + ST AG	Switzerland	100.00	100.00	100.00	Steiner- AG
Steiner Leman SAS	France	100.00	100.00	100.00	Steiner- AG
Eurohotel SA	Switzerland	-	95.00	95.00	Steiner- AG (upto 29 January 2020)
Steiner India Limited	India	100.00	100.00	100.00	Steiner- AG
Manufakt8048 AG	Switzerland	100.00	100.00	-	Steiner Promotions et Participations SA (w.e.f 22 January 2019)

^ including through subsidiary companies

	Country of incorporation	Company's holding as at (%) ^		
		31 March 2020	31 March 2019	1 April 2018
b) Joint Venture				
HCC Concessions Limited	India	85.45	85.45	85.45
Narmada Bridge Tollways Limited	India	85.45	85.45	85.45
Badarpur Faridabad Tollways Limited	India	85.45	85.45	85.45
Baharampore-Farakka Highways Limited	India	85.45	85.45	89.23
Farakka-Raiganj Highways Limited	India	85.45	85.45	89.23
Raiganj-Dalkhola Highways Limited	India	86.91	86.91	86.91
Ecomotel Hotel Limited	India	40.00 ^^	40.00 ^^	40.00
Spotless Laundry Services Limited	India	76.02 ^^	76.02 ^^	76.02
Whistling Thrush Facilities Services Limited	India	51.00 ^^	51.00 ^^	51.00
Apollo Lavasa Health Corporation Limited	India	49.00 ^^	49.00 ^^	49.00
Andromeda Hotels Limited	India	40.03 ^^	40.03 ^^	40.03
Bona Sera Hotels Limited	India	26.00 ^^	26.00 ^^	26.00
Starlit Resort Limited	India	26.00 ^^	26.00 ^^	26.00
Nirmal BOT Limited	India	-	-	22.22
Werkarena Basel AG (w.e.f 30 September 2019)	Switzerland	50.00	-	-

NOTE 39 DISCLOSURE IN ACCORDANCE WITH IND-AS 24 RELATED PARTY TRANSACTIONS...contd.

		Country of incorporation	Company's holding as at (%) ^		
			31 March 2020	31 March 2019	1 April 2018
c)	**Associates**				
	Warasgaon Lake View Hotels Limited	India	24.56 ^^	24.56 ^^	24.56
	Knowledge Vistas Limited	India	49.00 ^^	49.00 ^^	49.00
	Evostate AG	Switzerland	30.00	30.00	30.00
	MCR Managing Corp. Real Estate	Switzerland	30.00	30.00	30.00
	Projektentwicklungsges. Parking Kunstmuseum AG	Switzerland	38.64	38.64	38.64
	Evostate Immobilien AG (Subsidiary of Evostate AG)	Switzerland	30.00	30.00	30.00
	Highbar Technocrat Limited	India	49.00	49.00	49.00

^^ The Hon'ble National Company Law Tribunal, Mumbai ('NCLT') vide its Orders dated 30 August 2018, 17 December 2018 and 5 February 2019 has admitted applications filed by financial and / or operational creditors against Lavasa Corporation Limited (LCL), Warasgaon Asset Maintenance Limited (WAML) and Dasve Convention Center Limited (DCCL), respectively and initiated the Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code 2016 (IBC).

Pursuant to the initiation of the CIRP and in accordance with the provisions of IBC, the powers of the Board of Directors of these entities stand suspended and the management of these subsidiaries presently vests with the Resolution Professional (RP) appointed under the provisions of IBC. Accordingly, effective date of the admission by NCLT, the Company no longer has any control or significant influence on these entities and they cease to be subsidiaries of the Company. Further, the Company no longer has control or significant influence on the subsidiaries / associates / joint venture of these entities.

d)	**Other Related Parties**	**Relationship**
	Gulabchand Foundation (formed under section 25 of the erstwhile Companies Act, 1956)	Other related party
	Hincon Holdings Limited	Other related party
	Hincon Finance Limited	Other related party
	Shalaka Investment Private Limited	Other related party
	Aarya Capital Management Private Limited	Other related party
	HCC Employee's Provident Fund (refer note below)	Post-employment contribution plan

Note: Refer note 37B(a) for information on transaction related to post-employment contribution plan

B. Key Management Personnel and Relative of Key Management Personnel

Mr. Ajit Gulabchand	Chairman and Managing Director
Mr. Arjun Dhawan	Group Chief Executive Officer and Whole Time Director
Mr. Praveen Sood	Group Chief Financial Officer (upto 31 December 2018)
Mr. Shailesh Sawa	Chief Financial Officer (w.e.f. 7 February 2019 upto 9 July 2020)
Mr. U.V. Phani Kumar	Chief Executive Officer- E&C (w.e.f 3 April 2020)
Mr. Amit Uplenchwar	Chief Executive Officer- E&C (w.e.f 31 January 2018 upto 27 March 2020)
Mr. Vithal P. Kulkarni	Company Secretary (w.e.f. 6 February 2020)
Mr. Venkatesan Arunachalam	Company Secretary (upto 6 November 2018)
Mr. Ajay Singh	Company Secretary (w.e.f. 7 February 2019 upto 6 February 2020)
Mr. Mukul Sarkar	Nominee Director (w.e.f. 6 February 2020)
Mr. Samuel Joseph	Nominee Director (w.e.f. 7 February 2019 upto 6 February 2020)
Ms. Harsha Bangari	Nominee Director (upto 6 February 2019)
Ms. Shalaka Gulabchand Dhawan	Whole Time Director (upto 31 July 2019)
Mr. N. R. Acharyulu	Non-Executive Director
Dr. Mita Dixit	Independent Director (w.e.f. 6 February 2020)
Mr. Ram P. Gandhi	Independent Director (upto 27 September 2019)
Mr. Rajas R. Doshi	Independent Director (upto 26 September 2019)
Mr. Omkar Goswami	Independent Director (upto 26 September 2019)
Mr. Mahendra Singh Mehta	Independent Director (w.e.f. 17 June 2019)
Mr. Santosh Janakiram Iyer	Independent Director (w.e.f. 17 June 2019)
Mr. Sharad M. Kulkarni	Independent Director
Mr. Anil C. Singhvi	Independent Director

NOTE 39 DISCLOSURE IN ACCORDANCE WITH IND-AS 24 RELATED PARTY TRANSACTIONS...contd.

C. Transactions with related parties:

₹ crore

	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from operations		
- Joint Venture		
- Baharampore Farakka Highways Limited	54.46	48.05
- Farakka Raiganj Highways Limited	41.31	14.02
- Raiganj Dalkhola Highways Limited	0.09	3.46
	95.86	**65.53**
Interest income on Inter corporate deposits		
- Subsidiaries		
- HCC Real-Estate Limited	-	13.93
- Lavasa Corporation Limited	-	5.56
- HCC Infrastructure Company Limited	-	44.96
- Highbar Technologies Limited	0.30	0.30
- HCC Mauritius Enterprises Limited	6.50	6.03
- HCC Mauritius Investments Limited	2.37	0.59
- Maan Township Developers Limited	2.13	1.60
- HRL Township Developers Limited	0.05	0.03
	11.35	**73.00**
Finance income on corporate guarantees		
- Subsidiaries		
- Lavasa Corporation Limited	-	5.03
- HCC Mauritius Investments Limited	0.90	0.19
- HCC Mauritius Enterprises Limited	0.22	0.80
	1.12	**6.02**
Remuneration written back		
- Key Management Personnel		
- Mr. Ajit Gulabchand	-	8.74
Reimbursement of expenses		
- Subsidiaries		
- Lavasa Corporation Limited	-	0.37
- HCC Real Estate Limited	-	1.78
- Charosa Wineries Limited	-	0.05
- Steiner India Limited	0.27	0.27
- Highbar Technologies Limited	0.22	0.22
- Western Securities Limited	0.32	-
	0.81	**2.69**
- Joint Venture		
- HCC Concessions Limited	0.54	0.54
- Associates		
- Highbar Technocrat Limited	0.68	-
- Other related parties		
- Hincon Finance Limited	0.52	0.52
	2.55	**3.75**
Interest expense on Inter corporate deposit taken		
- Subsidiaries		
- Western Securities Limited	0.11	0.13
- Joint Venture		
- HCC Concessions Limited	-	0.06
	0.11	**0.19**

NOTE 39 DISCLOSURE IN ACCORDANCE WITH IND-AS 24 RELATED PARTY TRANSACTIONS...contd.

₹ crore

	Year ended 31 March 2020	Year ended 31 March 2019
Services received		
- Subsidiaries		
- Highbar Technologies Limited	3.05	3.65
- Western Securities Limited	0.45	0.33
- HCC Operation & Maintainance Limited	17.87	-
	21.37	**3.98**
- Associates		
- Highbar Technocrat Limited	2.29	2.00
- Other Related Party		
- Hincon Holdings Limited	0.48	0.48
	24.14	**6.46**
Financial liabilities assumed (Refer note 31.1)		
- Subsidiaries		
- Lavasa Corporation Limited	-	745.93
Investments (including deemed investment) impaired / written off (Refer note 31.1)		
- Subsidiaries		
- HCC Real Estate Limited	-	612.40
- Lavasa Corporation Limited	-	764.36
	-	**1,376.76**
Inter corporate deposits and other receivables written-off (Refer note 31.1)		
- Subsidiaries		
- HCC Real Estate Limited	-	446.31
- Lavasa Corporation Limited	-	188.05
	-	**634.36**
Investment in equity instruments (including deemed investment)		
- Subsidiaries		
- Maan Township Developers Limited	-	3.81
- HRL Township Developers Limited	-	0.18
	-	**3.99**
Inter corporate deposits given during the year		
- Subsidiaries		
- HCC Infrastructure Company Limited	22.15 ^	231.07
- Lavasa Corporation Limited	-	32.49
- HCC Real Estate Limited	-	24.35
- HCC Mauritius Enterprises Limited	-	8.85
- HCC Mauritius Investments Limited	-	36.66
- Maan Township Developers Limited	-	19.12
- HRL Township Developers Limited	-	0.41
	22.15	**352.95**
Inter corporate deposits recovered / adjusted		
- Subsidiaries		
- HCC Infrastructure Company Limited	6.53 ^	0.39
- HCC Real Estate Limited	-	19.73
	6.53	**20.12**
^ Classified as deemed investment		

NOTE 39 DISCLOSURE IN ACCORDANCE WITH IND-AS 24 RELATED PARTY TRANSACTIONS...contd.

₹ crore

	Year ended 31 March 2020	Year ended 31 March 2019
Inter corporate deposits converted into deemed investment		
- Subsidiaries		
- HCC Infrastructure Company Limited	**15.62**	**1,557.04**
Inter corporate deposits repaid		
- Subsidiaries		
- Western Securities Limited	0.51	0.22
- Joint Venture		
- HCC Concessions Limited	-	0.58
	0.51	**0.80**
Security deposits taken against sale of old equipments		
- Subsidiaries		
- Steiner India Limited	-	0.90
Advance taken towards sale of Property, Plant and Equipment		
- Subsidiaries		
- Steiner India Limited	20.20	-
Impairment allowance/ (Reversal of impairment)		
- Subsidiaries		
- Panchkutir Developers Limited	-	1.85
- Charosa Wineries Limited	(0.61)	6.63
	(0.61)	**8.48**
Remuneration paid / accrued		
- Key Management Personnel		
- Mr. Ajit Gulabchand	7.00	3.78
- Mr. Arjun Dhawan	6.00	3.76
- Ms. Shalaka Gulabchand Dhawan	0.57	1.75
- Mr. Arun V. Karambelkar	-	0.89
- Mr. Praveen Sood	-	2.85
- Mr. Shailesh Sawa	3.41	1.47
- Mr Amit Uplenchwar	4.17	3.26
- Mr. Vithal P. Kulkarni	0.16	-
- Mr. Venkatesan Arunachalam	-	0.48
- Mr. Ajay Singh	0.52	0.26
	21.83	**18.50**
Directors' sitting fees paid / accrued		
- Key Management Personnel		
- Mr. Rajas R. Doshi	0.10	0.21
- Mr. Ram P. Gandhi	0.03	0.12
- Mr. Sharad M. Kulkarni	0.09	0.10
- Mr. Anil C. Singhvi	0.15	0.31
- Mr. Omkar Goswami	0.04	0.08
- Mr. N. R. Acharyulu	0.11	0.11
- Ms. Harsha Bangari	-	0.07
- Mr. Samuel Joseph	0.02	0.01
- Mr. Santosh Jankiram Iyer	0.06	-
- Mr. Mahendra Singh Mehta	0.07	-
- Mr. Mukul Sarkar	0.01	-
	0.68	**1.01**

NOTE 39 DISCLOSURE IN ACCORDANCE WITH IND-AS 24 RELATED PARTY TRANSACTIONS...contd.

D. Balances outstanding

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Outstanding receivables			
Trade receivable (net of advances)			
- Joint Venture			
- Baharampore-Farakka Highways Limited	222.37	220.07	216.43
- Farakka-Raiganj Highways Limited	18.06	17.06	4.02
- Raiganj-Dalkhola Highways Limited	1.91	1.91	1.91
- Badarpur Faridabad Tollways Limited	6.69	6.69	6.69
- Nirmal BOT Limited	-	-	55.72
	249.03	**245.73**	**284.77**
Unbilled work-in-progress (contract assets)			
- Joint Venture			
- Farakka-Raiganj Highways Limited	430.66	423.36	430.62
- Raiganj-Dalkhola Highways Limited	42.03	41.95	40.59
	472.69	**465.31**	**471.21**
Receivables from related parties			
- Subsidiaries			
- Panchkutir Developers Limited	54.98	54.98	56.83
- HCC Real-Estate Limited	-	-	24.35
- Lavasa Corporation Limited	-	-	25.70
- HCC Infrastructure Company Limited	-	0.00*	158.18
- HCC Mauritius Enterprises Limited	35.10	25.73	24.19
- Charosa Wineries Limited	-	-	6.60
- HCC Construction Limited	0.02	0.02	0.01
- Highbar Technologies Limited	16.31	17.13	5.08
- Lakeview Club Limited	0.05	0.05	0.05
- HCC Mauritius Investments Limited	5.62	2.13	0.69
- Steiner AG	1.85	1.82	1.76
- Steiner India Limited	1.97	1.67	1.37
	115.90	**103.53**	**304.81**
- Joint Venture			
- Badarpur Faridabad Tollways Limited	0.21	0.15	0.15
- HCC Concessions Limited	0.83	-	-
	1.04	**0.15**	**0.15**
- Associates			
- Highbar Technocrat Limited	-	0.27	0.43
- Other related parties			
- Hincon Finance Limited	0.99	2.62	2.28
	117.93	**106.57**	**307.67**
Inter-corporate deposits given			
- Subsidiaries			
- HCC Real-Estate Limited	-	-	428.19
- Lavasa Corporation Limited	-	-	152.56
- HCC Infrastructure Company Limited ^	-	-	1,281.40
- Highbar Technologies Limited	2.39	2.39	2.39
- HCC Mauritius Enterprises Limited	124.00	112.36	97.47
- HCC Mauritius Investments Limited	39.63	35.91	-
- Maan Township Developers Limited	19.13	17.01	-
- HRL Township Developers Limited	0.41	0.36	-
	185.56	**168.03**	**1,962.01**

NOTE 39 DISCLOSURE IN ACCORDANCE WITH IND-AS 24 RELATED PARTY TRANSACTIONS...contd.

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Security deposits given			
- Subsidiaries			
- Western Securities Limited	-	0.50	0.50
Financial guarantee given on behalf of Company			
- Subsidiaries			
- HCC Real Estate Limited	-	-	15.96
Outstanding payables			
Inter corporate deposits taken			
- Subsidiaries			
- Western Securities Limited	0.41	0.92	1.14
- Joint Venture			
- HCC Concessions Limited	-	-	0.58
	0.41	**0.92**	**1.72**
Security deposits taken against sale of old equipment			
- Subsidiaries			
- Steiner India Limited	0.90	0.90	-
Advance taken towards sale of Property, Plant and Equipment			
- Subsidiaries			
- Steiner India Limited	20.20	-	-
Advance taken towards sale of investment			
- Joint Venture			
- HCC Concessions Limited	15.00	15.00	37.70
Payable to related parties			
- Subsidiaries			
- Western Securities Limited	0.06	0.08	0.07
- Joint Venture			
- HCC Concessions Limited	-	2.76	28.85
- Associates			
- Highbar Technocrat Limited	0.59	-	-
- Other related parties			
- Hincon Holdings Limited	0.04	1.79	1.54
	0.69	**4.63**	**30.46**
Advance from contractees			
- Joint Venture			
- Baharampore-Farakka Highway Limited	53.26	40.57	18.23
- Farakka-Raiganj Highway Limited	36.36	0.87	13.22
- Raiganj-Dalkhola Highways Limited	65.52	65.52	89.49
	155.14	**106.95**	**120.94**
Financial Guarantee given by Company			
- Subsidiaries			
- Lavasa Corporation Limited	-	-	12.37
- HCC Mauritius Enterprises Limited	-	-	0.29
- HCC Mauritius Investments Limited	-	-	2.57
	-	**-**	**15.23**
Due to customers (contract liability)			
- Joint Venture			
- Baharampore-Farakka Highway Limited	292.88	35.33	23.65
- Farakka-Raiganj Highway Limited	142.74	181.72	190.00
	435.63	**217.05**	**213.65**

NOTE 39 DISCLOSURE IN ACCORDANCE WITH IND-AS 24 RELATED PARTY TRANSACTIONS...contd.

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Corporate guarantees given by Company			
- Subsidiaries			
- Lavasa Corporation Limited	-	-	376.58
- HCC Mauritius Enterprises Limited	43.72	39.05	44.64
- HCC Mauritius Investments Limited	181.53	162.17	185.31
	225.25	**201.22**	**606.53**
Corporate guarantees taken and outstanding at the end of the year			
- Subsidiaries			
- HCC Real Estate Limited	10,298.94	9,833.77	7,616.59
Counter indemnities given and outstanding at the end of the year			
- Joint Venture			
- Badarpur Faridabad Tollway Limited	14.70	14.70	14.70
- Farakka-Raiganj Highway Limited	0.69	0.69	14.36
	15.39	**15.39**	**29.06**
Remuneration payable (net)			
- Key Management Personnel			
- Mr. Ajit Gulabchand	10.63	5.58	11.95
- Mr. Arjun Dhawan	4.56	0.31	1.29
- Ms. Shalaka Gulabchand Dhawan	-	0.15	0.54
- Mr. Rajgopal Nogja	-	-	1.71
- Mr. Arun V. Karambelkar	-	-	0.64
- Mr. Praveen Sood	-	-	0.49
- Mr. Shailesh Sawa	1.39	0.21	-
- Mr. Amit Uplenchwar	2.41	0.25	0.12
- Mr. Venkatesan Arunachalam	-	-	0.10
- Mr. Sangameshwar Iyer	-	-	0.05
- Mr. Ajay Singh	0.18	0.05	-
- Mr. Vithal P. Kulkarni	0.16	-	-
	19.33	**6.55**	**16.89**

Notes

(i) The above figure does not include provisional gratuity liability valued by an actuary, as separate figures are not available.

(ii) Refer notes 17.1 and 20.1 for personal guarantee provided by CMD, shares pledged and other security created in respect of borrowing by the Company or the related parties.

(iii) Refer notes 5.2, 5.3 and 12.2 for pledge of shares for facilities taken by joint venture.

NOTE 40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

i Market risk

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

a) Interest rate risk

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

Interest rate sensitivity

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

₹ crore

	31 March 2020	31 March 2019
Increase in basis points	50 basis points	
Effect on loss before tax, increase by	7.33	7.04
Decrease in basis points	50 basis points	
Effect on loss before tax, decrease by	7.33	7.04

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

b) **Foreign currency risk**

The Company has several balances in foreign currency and consequently the Company is exposed to foreign exchange risk. The exchange rate between the rupee and foreign currencies has changed substantially in recent years, which has affected the results of the Company, and may fluctuate substantially in the future. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

The following table analyses foreign currency risk from financial instruments as at 31 March 2020:

(currency in crore)

Particulars	USD	EUR	SEK	CHF
Liabilities				
Loans from banks / financial institutions	1.60	-	-	-
Advance from contractee	0.09	0.62	-	-
Trade payables	0.20	0.18	0.03	0.00 *
Interest accrued	0.06	-	-	-
	1.95	**0.80**	**0.03**	**0.00 ***
Assets				
Inter corporate deposits and interest thereon	2.55	-	-	-
Advance to suppliers	0.05	0.12	0.13	-
Trade receivables	0.29	0.24	-	-
Bank balances (including deposit account)	0.01	0.00 *	-	-
Unbilled work-in-progress (other current assets)	-	0.15	-	-
	2.90	**0.51**	**0.13**	**-**
Net liabilities / (assets)	**(0.95)**	**0.29**	**(0.10)**	**0.00 ***

The following table analyses foreign currency risk from financial instruments as at 31 March 2019:

(currency in crore)

Particulars	USD	EUR	SEK
Liabilities			
Loans from banks / financial institutions	1.53	-	-
Advance from contractee	0.41	0.62	-
Trade payables	0.40	0.26	0.11
Interest accrued	0.02	-	-
	2.36	**0.88**	**0.11**
Assets			
Inter corporate deposits and interest thereon	2.43	-	-
Advance to suppliers	0.08	0.00 *	-
Trade receivables	-	0.24	-
Bank balances (including deposit account)	0.01	0.01	-
Unbilled work-in-progress (other current assets)	-	0.16	-
	2.52	**0.41**	**-**
Net liabilities / (assets)	**(0.16)**	**0.47**	**0.11**

NOTE 40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES...contd.

The following table analyses foreign currency risk from financial instruments as at 1 April 2018:

(currency in crore)

Particulars	USD	EUR	SEK
Liabilities			
Loans from banks / financial institutions	2.31	-	-
Buyers' credit	0.14	0.02	-
Advance from contractee	0.16	0.62	-
Trade payables	1.32	0.34	0.10
Interest accrued	0.12	-	-
	4.05	**0.98**	**0.10**
Assets			
Inter corporate deposits and interest thereon	1.79	-	-
Advance to suppliers	0.02	-	-
Trade receivables	-	0.23	-
Bank balances (including deposit account)	0.00 *	0.00 *	-
Unbilled work-in-progress (other current financial assets)	-	0.36	-
	1.81	**0.59**	**-**
Net liabilities	**2.24**	**0.39**	**0.10**

* represents amount less than ₹ 1 lakh.

Sensitivity analysis

The Company's exposure in foreign currency is not material and hence the impact of any significant fluctuation in the exchange rates is not expected to have a material impact on the operating profits / (losses) 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 review and approve all equity investment decisions.

Sensitivity analysis

As at 31 March 2020, the exposure to listed equity securities at fair value was ₹ 2.91 crore (31 March 2019: ₹ 3.58 crore, 1 April 2018: ₹ 3.26 crore). Changes in this exposure would not have a material effect on the profit or loss of the Company.

ii Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. The maximum exposure of the financial assets are contributed by trade receivables and other financial assets.

a) Trade Receivables

Trade receivables are typically unsecured and are derived from revenue earned from two main classes of trade receivables i.e. receivables from government promoted agencies and receivables from private third parties. A substantial portion of the Group's trade receivables are from government promoted agencies having strong credit worthiness. Further the Company does not have a history of credit losses from such government promoted agencies, accordingly, provision for expected credit loss is not made in respect of trade receivables.

	As at 31 March 2020		As at 31 March 2019		As at 1 April 2018	
	₹ crore	**%**	₹ crore	%	₹ crore	%
Trade Receivables						
- from government promoted corporation	4,532.59	99.80%	4,116.40	99.79%	3,764.76	99.78%
- from private third parties	9.10	0.20%	8.85	0.21%	8.16	0.22%
Total trade receivables	**4,541.69**	**100.00%**	**4,125.25**	**100.00%**	**3,772.92**	**100.00%**

b) Financial assets other than trade receivables

Financial assets other than trade receivables comprise of cash and cash equivalents, Bank balances other than cash and cash equivalents, loan to subsidiaries / employees and other financial assets. The Company monitors the credit exposure on these financial assets on a case-to-case basis. Based on the Company's historical experience, the credit risk on other financial assets is also low.

NOTE 40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES...contd.

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

₹ crore

	31 March 2020	31 March 2019
Revenue from top customer	519.37	572.27
Revenue from top five customers	1,811.58	2,279.22

For the year ended 31 March 2020, two (31 March 2019: three) customers, individually, 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:

₹ crore

Particulars	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
As at 31 March 2020					
Borrowings (including interest accrued and current maturities of long-term borrowings)	1,368.01	1,232.49	1,090.32	665.97	4,356.79
Trade payables	-	1,551.74	228.87	-	1,780.61
Other financial liabilities	-	468.25	497.00	-	965.25
Total	**1,368.01**	**3,252.48**	**1,816.19**	**665.97**	**7,102.65**
As at 31 March 2019					
Borrowings (including interest accrued and current maturities of long-term borrowings)	1,079.98	574.34	1,282.87	1,023.27	3,960.46
Trade payables	-	1,608.31	200.14	-	1,808.45
Other financial liabilities	-	417.33	497.00	-	914.33
Total	**1,079.98**	**2,599.98**	**1,980.01**	**1,023.27**	**6,683.24**
As at 1 April 2018					
Borrowings (including interest accrued and current maturities of long-term borrowings)	1,016.83	657.29	1,340.34	993.65	4,008.11
Trade payables	-	1,810.14	-	-	1,810.14
Other financial liabilities	-	363.06	47.66	2.09	412.81
Total	**1,016.83**	**2,830.49**	**1,388.00**	**995.74**	**6,231.06**

NOTE 41 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 is to maintain an optimal capital structure and minimise cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or adjust the dividend payment to shareholders (if permitted). Consistent with others in the industry, the Company monitors its capital using the gearing ratio which is total debt (excluding interest accrued and due and interest accrued but not due) divided by total capital (equity).

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Total debt (₹ crore)	3,370.23	3,299.72	3,725.40
Total equity (₹ crore)	1,178.74	1,353.63	2,799.40
Total debt to equity ratio (Gearing ratio)	**2.86**	**2.44**	**1.33**

NOTE 41 CAPITAL MANAGEMENT...contd.

In the long run, the Company's strategy is to maintain a gearing ratio of less than 1.25.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure requirements. Breaches in meeting the financial covenants would permit the lenders to immediately call loans and borrowings. Subsequent to restructuring of the borrowings, there have been no communications from the banks in this regard which might have a negative impact on the gearing ratio.

NOTE 42 LEASES - IND AS 116

1. Impact on transition to Ind AS 116

Effective 1 April 2019, the Company has adopted Ind AS 116, Leases, which, applied to all lease contracts outstanding as at 1 April 2019, using modified retrospective at the date of initial application, at an amount equal to lease lability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application and as a result of which the comparative information is not required to be restated.

The Company has made use of the following practical expedients available in its transition to Ind AS 116.

a) The Company will not reassess whether a contract is or contains a lease. Accordingly, the definition of lease in accordance with Ind AS 17 will continue to be applied to lease contracts entered by the Company or modified by the Company before 1 April 2019.

b) The Company has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment. Consequently, the Company has recorded its lease liability using the present value of remaining lease payments, discounted using the incremental borrowing rate at the date of initial application and the right-of- use asset at its carrying amount as if the standard had been applied since the commencement date of the lease but discounted using the incremental borrowing rate at the date of initial application.

c) The Company excluded the initial direct costs from measurement of the Right-of-use (RoU) asset at the date of initial application.

The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2019 is 12.50%.

Right-of-use Assets:

(i) On transition, the Company had recognized right-of-use assets aggregating ₹ 5.87 crore.

(ii) The net carrying value of right-of-use assets as at 31 March 2020 amounts to ₹ 2.17 crore (gross carrying and accumulated depreciation value of ₹ 5.87 crore and ₹ 3.70 crore, respectively) have been disclosed on the face of the balance sheet (Refer Note 3B).

Lease liabilities:

(i) On transition, the Company has recognised lease liabilities amounting to ₹ 5.87 crore.

(ii) As at 31 March 2020, the obligations under finance leases amounts to ₹ 2.33 crore (non-current and current obligation amounting Nil and ₹ 2.33 crore respectively) which have been classified to lease liabilities, under other financial liabilities. (Refer note 18).

(iii) The following is the movement in lease liabilities for the year ended 31 March 2020:

	₹ crore
Balance as at 1 April 2019	5.87
Additions during the year	-
Finance cost accrued during the year	0.54
Payment of lease liabilities	(3.54)
Balance as at 31 March 2020	2.87

(iv) The table below provides details regarding the contractual maturities of lease liabilties as at 31 March 2020:

₹ crore

Lease Liabilities	Contractual cash flows				
	Carrying amount	**Total**	**0-1 year**	**1-5 years**	**5 years and above**
	2.33	2.48	2.48	-	-

NOTE 42 LEASES - IND AS 116...contd.

2. **During the year ended 31 March 2020, the Company recognised the following in the statement of profit and loss:**

   (i) Depreciation expense from right-of-use assets of ₹ 3.70 crore (Refer note 29).

   (ii) Finance cost on lease liabilities of ₹ 0.54 crore (Refer note 28).

   (iii) Rent expense amounting to Nil pertaining to leases of low-value assets and ₹ 79.56 crore pertaining to leases with less than twelve months of lease term has been included under rent expenses (Refer note 26).

NOTE 43 IMPACT OF CHANGE IN METHOD OF MEASURING PROGRESS I.E FROM OUTPUT METHOD TO INPUT METHOD

During the current year, the Company has changed the method of measuring progress i.e. from output method to input method as specified in Ind-AS 115 – 'Revenue from Contract with Customers' consequent to change in the circumstances including change in the nature of contracts secured by the Company during recent years. Management believes that input method, a method widely also used by most other engineering and construction companies, would be more reliable and relevant in measuring the progress of the projects and therefore also be more accurate on a comparative basis in measuring the Company's performance in transferring control of goods and services promised to the customers until completion of the contracts. Pursuant to the impact of this change in method, the Company has restated the financial statements for the year ended 31 March 2019, in accordance with the requirements of Ind-AS 8- 'Accounting Policies, Changes in Accounting Estimates and Errors'. Further, the retained earnings (other equity) as at 1 April 2018 within the statement of changes in equity has also been restated to adjust the impact of such adjustments relating to prior years.

The impacts of the restatement are as follows:

Impact on Statement of Profit and Loss

₹ crore

	As at 31 March 2020	As at 31 March 2019
Revenue from operations	(25.76)	262.49
Subcontracting expenses	5.45	206.89
Profit / (Loss) before tax	(31.21)	55.60
Tax expense	(10.91)	19.43
Profit / (Loss) for the period	(20.30)	36.17
Total comprehensive profit / (loss) for the year	(20.30)	36.17
Basic and diluted earnings / (loss) per share (₹)	(0.13)	0.32

(figures in brackets represent decrease)

Impact on Balance Sheet

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Unbilled work-in-progress (Other current financial assets)	-	-	285.31
Unbilled work-in-progress (Other current assets)	413.12	383.24	-
Retained Earning (under other equity)	40.32	60.63	24.46
Due to customer (Other current liabilities)	360.32	303.13	266.94
Provision for forseeable loss (Provision)	(9.18)	(13.09)	(19.23)
Deferred tax asset	(21.66)	(32.57)	-
Deferred tax liability	-	-	13.14

(figures in brackets represent decrease)

NOTE 44 The Company is principally engaged in a single business segment viz. "Engineering and Construction". Also, refer note 40(ii) b for information on revenue from major customers.

NOTE 45 DISCLOSURE OF UNHEDGED FOREIGN CURRENCY EXPOSURE AS AT 31 MARCH 2020, 31 MARCH 2019 AND 1 APRIL 2018.

Particulars	Currency	**31 March 2020**		31 March 2019		1 April 2018	
		Foreign currency in crore	**₹ crore**	Foreign currency in crore	₹ crore	Foreign currency in crore	₹ crore
Assets							
Inter corporate deposits and interest thereon							
- Non-current	USD	2.16	163.63	2.16	148.27	1.51	97.47
- Current	USD	0.39	29.39	0.27	18.59	0.28	17.81
Advance to suppliers	USD	0.05	3.63	0.08	5.27	0.02	1.22
	EUR	0.12	9.85	0.00*	0.10	-	-
	SEK	0.13	0.98	-	-	-	-
Trade receivables	EUR	0.24	19.68	0.24	18.31	0.23	18.16
	USD	0.29	21.87	-	-	-	-
Bank balances	USD	0.01	0.52	0.01	0.68	0.00*	0.46
	EUR	0.00*	0.37	0.01	1.15	0.00*	0.46
Unbilled work-in-progress	EUR	0.15	11.93	0.16	12.46	0.36	28.32
Liabilities							
Loans from banks / financial institutions							
- Non-current	USD	-	-	0.73	50.47	0.10	6.42
- Current	USD	1.60	122.78	0.80	55.87	2.21	144.95
Buyers' credit	USD	-	-	-	-	0.14	9.07
	EUR	-	-	-	-	0.02	1.82
Advance from contractee	USD	0.09	7.18	0.41	28.57	0.16	10.70
	EUR	0.62	52.57	0.62	48.92	0.62	50.30
Trade payables	USD	0.20	15.18	0.40	28.03	1.32	86.44
	EUR	0.18	15.10	0.26	20.06	0.34	27.40
	SEK	0.03	0.26	0.11	0.86	0.10	0.81
	CHF	0.00 *	0.20	-	-	-	-
Interest accrued on loans	USD	0.06	5.37	0.02	1.08	0.12	7.92
Net liabilities			**43.21**		**(29.03)**		**(181.93)**

NOTE 46 * represents amount less than ₹ 1 lakh.

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

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

Rakesh R. Agarwal
Partner
Membership No.: 109632

Place: Mumbai
Date : July 9, 2020

Shailesh Sawa
Chief Financial Officer

Vithal P. Kulkarni
Company Secretary
ACS No. 6707

For and on behalf of the Board of Directors

Ajit Gulabchand	DIN: 00010827	*Chairman & Managing Director*
Arjun Dhawan	DIN: 01778379	*Group Chief Executive Officer & Whole-Time Director*
Sharad M. Kulkarni	DIN : 00003640	*Directors*
Anil C. Singhvi	DIN : 00239589	
N. R. Acharyulu	DIN : 02010249	
Santosh Jankiram Iyer	DIN : 06801226	
Mahendra Singh Mehta	DIN : 00019566	
Mukul Sarkar	DIN : 00893700	
Mita Dixit	DIN : 08198165	

Place: Mumbai / Raigad
Date : July 9, 2020

ANNEXURE I

Statement of Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results (Standalone)

Statement on Implication of Audit Qualifications for the Financial Year ended 31 March 2020

[See Regulation 33/52 of the SEBI (LODR) Amendment Regulations, 2016)]

(Amount in ₹ Crore)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover/Total Income	3,676.14	3,693.54
	2	Total Expenditure	4,037.06	4,023.49
	3	Exceptional items- gain / (loss)	319.95	(11.45)
	4	Net Profit/(Loss) for the year after tax	(168.72)	(364.17)
	5	Earnings per Share	(1.12)	(2.41)
	6	Total Assets	10,896.44	10,682.46
	7	Total Liabilities	9,717.70	9,699.17
	8	Net Worth	1,178.74	983.29
	9	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	**Audit Qualification**			
	a.	**Details of Audit Qualification:**	Auditor's Qualification	
			(i) Note 5 to the accompanying Statement, the Company has accounted for managerial remuneration paid / payable to Whole Time Directors (including Chairman and Managing Director) of the Company aggregating ₹ 30.97 crore for the financial years ended 31 March 2015, 31 March 2016 and 31 March 2020 in excess of the limits prescribed under Section 197 of the Act, in respect of which approvals from the shareholders have been obtained as prescribed, however prior approval from the lenders of the Company in accordance with Section 197 has not been obtained by the Company. Our review report dated 6 February 2020 on the standalone financial results for the quarter ended 31 December 2019 was also qualified in respect of this matter.	
			(ii) Note 7 to the accompanying Statement, the Company's non-current borrowings, other non-current financial liabilities and other current financial liabilities as at 31 March 2020 include balances amounting to ₹ 165.55 crore, ₹ 591.04 crore and ₹ 336.82 crore respectively, in respect of which direct confirmations from the respective banks / lenders have not been received. Further, in respect of certain loans while the principal balances have been confirmed, the interest accrued amounting to ₹ 42.76 crore has not been confirmed by the banks / lenders. These balances have been classified into current and non-current, basis the original maturity terms stated in the agreements which is not in accordance with the terms of the agreements relating to the implications in the event of default. Further, direct confirmations from banks have not been received for earmarked balances (included under bank balances other than cash and cash equivalents) and guarantees issued by banks on behalf of the Company as at 31 March 2020 amounting to ₹ 5.46 crore and ₹ 76.93 crore, respectively. In the absence of such direct confirmations from the banks / lenders or sufficient and appropriate alternate audit evidence, we are unable to comment on the adjustments and changes in classification of balances in accordance with the principles of Ind AS 1, Presentation of financial statements, if any, that may be required to the carrying value of the aforementioned balances in the accompanying Statement.	

		(iii) Note 10 to the accompanying Statement, the Company has recognised net deferred tax assets amounting to ₹ 437.08 crore outstanding as at 31 March 2020, on account of carried forward unused tax losses, unused tax credits and other taxable temporary differences which are continued to be recognised by the Company on the basis of expected availability of future taxable profits for utilization of such deferred tax assets. However, in view of the continued losses incurred by the Company and the impact of COVID-19 on business operations, we are unable to obtain sufficient appropriate audit evidence with respect to the current projections prepared by the management and therefore, are unable to comment on any adjustments that may be required to the carrying value of aforesaid deferred tax assets as at 31 March 2020.
		(iv) Note 11(b) to the accompanying Statement, the Company has written back a loss provision aggregating ₹ 331.40 crore in the quarter ended 31 December 2019, which was earlier recognised by the Company during the year ended 31 March 2019 in cognizance of the assignment of beneficial interests / rights in a portfolio of identified arbitration awards and claims based on a non-binding term sheet with a consortium of investors along with a letter of commitment, due to cancellation of the said proposed transaction. However, such write-back is inconsistent with the continued intent of the Company to sell / assign the arbitration awards and claims of the Company to other potential investors on similar terms as evidenced in the proposed resolution plan with lenders. Accordingly, had the loss provision not been written back, exceptional gain would have been lower by ₹ 331.40 crore, loss before tax would have been higher by ₹ 331.40 crore, tax expense would have been lower by ₹ 115.80 crore and net loss for the year ended 31 March 2020 would have been higher by ₹ 215.60 crore. Our review report dated 6 February 2020 on the standalone financial results for the quarter ended 31 December 2019 was also qualified in respect of this matter.
b.	**Type of Audit Qualification:**	Qualified Opinion
c.	**Frequency of Qualification:**	Qualification II a) (i) and II a) (iv)- Incuded first time in the review report for the quarter/ period ended 31 December 2019; Qualification II a) (ii) and II a) (iii)- Included first time during the quarter and year ended 31 March 2020.
d.	**For Audit Qualifications where the impact is quantified by the auditor, Management views:**	II a) (i) Pursuant to notification of the Companies (Amendment) Act, 2017 with effect from 12 September 2018, amending Section 197 of the Companies Act, 2013 ('the Act'), the Company's application to the Ministry of Corporate Affairs for approval in respect of managerial remuneration of Chairman and Managing Director (CMD) aggregating ₹ 17.40 crore accrued/paid in excess of the prescribed limit for the financials years 2014-15 and 2015-16 stands abated. The Company, vide resolution dated 10 September 2019, has obtained approval from the shareholders for the payment of remuneration in respect of the aforesaid years to be only given effect to post receipt of the approval of the lenders. Further, on 26 September 2019, the Company in its shareholders' meeting has also obtained approvals vide special resolutions for managerial remuneration of CMD and Whole Time Directors aggregating ₹ 13.57 crore for the year ended 31 March 2020, to be given effect to, only post receipt of the approval of lenders. Pending receipt of lenders approval, the amounts continue to be accrued / paid held-in-trust. Necessary actions will be made based on the outcome of such approvals.
		II a) (iv) During the quarter ended 31 March 2019, the Company had recognized a provision of ₹ 331.40 crore pursuant to the signing of a non-binding term sheet with a consortium of investors along with a letter of commitment, for an assignment of the beneficial interest in portfolio of identified arbitration awards and claims ('specified assets') for an aggregate consideration of ₹ 1,750 crore. The said provision continued thereafter in view of mutual extension of the said transaction till 31 December 2019. In the absence of any further extension, the Company had decided to cancel this proposed transaction, which had been reported to and confirmed by statutory auditors. Pursuant to the cancellation of the aforesaid transaction, the provision of ₹ 331.40 crore, related to specified assets, recognized earlier had been written back during the quarter and year ended 31 December 2019 and 31 March 2020, respectively.

e.	**For Audit Qualifications where the impact is not quantified by the auditor:**	
i) Management's estimation on the impact of audit qualification:	Not ascertainable	
ii) If management is unable to estimate the impact, reasons for the same:	II a) (ii)	Non-current borrowings, other non-current financial liabilities and other current financial liabilities as at 31 March 2020 include balances amounting to ₹ 165.55 crore, ₹ 591.04 crore and ₹ 336.82 crore respectively, in respect of which confirmations/statements from the respective banks/lenders have not been received. Further, in respect of non-current borrowings and current borrowings aggregating ₹ 864.23 crore, while the lenders have confirmed the principal outstanding, the accrued interest aggregating ₹ 42.76 crore have not been confirmed. In the absence of confirmations/statements from the lenders, the Company has provided for interest and other penal charges on these borrowings based on the latest communication available from the respective lenders at the interest rate specified in the agreement. The Company's management believes that amount payable on settlement will not exceed the liability provided in books in respect of these borrowings. Accordingly, classification of these borrowings into current and non-current as at 31 March 2020 is also based on the original maturity terms stated in the agreements with the lenders. Further, earmarked balances (included under bank balances other than cash and cash equivalents) and guarantees issued by banks on behalf of the Company as at 31 March 2020 includes balances amounting to ₹ 5.46 crore and ₹ 76.93 crore respectively, in respect of which confirmation / statements from banks have not been received inspite of incessant efforts by Company's management.
	II a) (iii)	On 20 September 2019, vide the Taxation Laws (Amendment) Ordinance 2019,the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective 01 April 2019 subject to certain conditions. However, the Company having significant amount of brought forward tax losses and unabsorbed depreciation on which deferred tax asset has been recognised, is still evaluating and has not yet elected to exercise the option permitted under section 115BAA. In view of the above, there is no impact of the new tax rate on the standalone financial results for the current period. During the quarter ended 30 September 2019, the Company had written off deferred tax assets aggregating ₹ 151.30 crore due to expiry of statutory period for setting off underlying losses. As at 31 March 2020, the Company has continued to recognize net deferred tax assets amounting to ₹ 437.08 crore on account of carried forward unused tax losses, unused tax credits and other taxable temporary differences. Based on the expected profits from the unexecuted orders on hand, outcome of the ongoing discussion with lenders for restructuring of loans and expected settlement of arbitration awards, the Company management is confident that sufficient future taxable income will be available against which such deferred tax assets will be realized.
iii) Auditors' comments on (i) or (ii) above	Included in details of auditor's qualifications stated above	

III. Signatories:

	For **Hindustan Construction Company Limited**
For **Walker Chandiok & Co LLP** Chartered Accountants Firm Registration No. 001076N / N500013	**Ajit Gulabchand** Chairman & Managing Director
Rakesh R. Agarwal Partner Membership No.: 109632	**Shailesh Sawa** Chief Financial Officer
	Sharad M. Kulkarni Audit Committee Chairman
Place: Mumbai Date : July 9, 2020	Place: Mumbai / Raigad Date: July 9, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Hindustan Construction Company Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

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

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associates, joint ventures and joint operations, except for the effects/ possible effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group, its associates, joint ventures and joint operations, as at 31 March 2020, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. As stated in:

   a) Note 29.1 to the consolidated financial statements, the Holding Company has accounted for managerial remuneration paid / payable to Whole Time Directors (including Chairman and Managing Director) of the Holding Company aggregating ₹ 30.97 crore for the financial years ended 31 March 2015, 31 March 2016 and 31 March 2020 in excess of the limits prescribed under Section 197 of the Act, in respect of which approvals from the shareholders have been obtained as prescribed, however prior approval from the lenders of the Holding Company in accordance with Section 197 has not been obtained by the Holding Company.

   b) Note 10.1 to the accompanying consolidated financial statements, the Holding Company has recognised net deferred tax assets amounting to ₹ 437.08 crore outstanding as at 31 March 2020, on account of carried forward unused tax losses, unused tax credits and other taxable temporary differences, which are continued to be recognised on the basis of expected availability of future taxable profits for utilization of such deferred tax assets. However, in view of the continued losses incurred by the Holding Company and the impact of COVID-19 on business operations, we are unable to obtain sufficient appropriate audit evidence with respect to the current projections prepared by the management and therefore, are unable to comment on any adjustments that may be required to the carrying value of aforesaid deferred tax assets as at 31 March 2020.

   c) Note 40 to the accompanying consolidated financial statements, the Group's non-current borrowings, other non-current financial liabilities and other current financial liabilities as at 31 March 2020 include balances amounting to ₹ 171.59 crore, ₹ 591.04 crore and ₹ 337.09 crore, respectively, in respect of which direct confirmations from the respective banks / lenders have not been received. Further, in respect of certain loans while the principal balances have been confirmed, the interest accrued amounting to ₹ 42.76 crore has not been confirmed by the banks / lenders. These balances have been classified into current and non-current, basis the original maturity terms stated in the agreements which is not in accordance with the terms of the agreements relating to the implications in the event of default. Further, direct confirmation from banks have not been received for earmarked balances (included under bank balances other than cash and cash equivalents) and guarantees issued by banks on behalf of the Holding Company as at 31 March 2020 amounting to ₹ 5.46 crore and ₹ 76.93 crore, respectively.

      In the absence of such direct confirmations from the banks / lenders or sufficient and appropriate alternate audit evidence, we are unable to comment on the adjustments and changes in classification of balances in accordance with the principles of Ind AS 1, Presentation of financial statements, if any, that may be required to the carrying value of the aforementioned balances in the accompanying consolidated financial statements.

   d) Note 33.1 to the accompanying consolidated financial statements, the Holding Company has written back a loss provision aggregating ₹ 331.40 crore during the current year, which was earlier recognised by the Holding Company during the previous year ended 31 March 2019 in cognizance of the assignment of beneficial interests / rights in a portfolio of identified arbitration awards and claims based on a non-binding term sheet with a consortium of investors along with a letter of commitment, due to cancellation of the said proposed transaction. However, such write-back is inconsistent with the continued intent of the Holding Company to sell / assign the arbitration awards and claims to other potential investors on similar terms as evidenced in the proposed resolution plan with the lenders. Accordingly, had the loss provision not been written back, exceptional gain, profit before tax, tax expense and net profit for the year ended 31 March 2020 would have been lower by ₹ 331.40 crore, ₹ 331.40 crore, ₹ 115.80 crore and ₹ 215.60 crore, respectively.

e) Note 45 to the accompanying consolidated financial statements, Lavasa Corporation Limited ('LCL'), a subsidiary of HREL Real Estate Limited ('HREL') (formerly known as HCC Real Estate Limited), which is a wholly-owned subsidiary of the Holding Company, was admitted under the Corporate Insolvency and Resolution Process ('CIRP') in accordance with the Insolvency and Bankruptcy Code, 2016 ('IBC') on 30 August 2018 and a Resolution Professional was appointed. The Board of Directors of LCL were suspended with effect from 30 August 2018, and the Holding Company and HREL therefore, did not exercise either control or significant influence over LCL from this date onwards. Owing to unavailability of financial statements and / or financial information of LCL and its subsidiaries, associates, jointly controlled entity ('LCL Group') for the period 1 April 2018 to 30 August 2018, the consolidated financial results of LCL Group for the period 1 April 2018 to 30 August 2018 ('cut off period') have not been included in the consolidated financial statements for the year ended 31 March 2019, and the assets and liabilities of LCL Group have been derecognized at their respective carrying values as at 31 March 2018 instead of 30 August 2018.

The said accounting treatment by the Group was not in compliance with Ind AS 110- Consolidated Financial Statements. Our opinion on the consolidated financial statements for the year ended 31 March 2020 is qualified because of the effects of this matter on the comparability of the current year figures and the corresponding figures for the year ended 31 March 2019. Our opinion dated 9 May 2019 on the consolidated financial statements for the year ended 31 March 2019 was also qualified with respect to this matter.

4. As given in Note 19.2 to the accompanying consolidated financial statements, the following qualification is given by us vide our report dated 27 June 2020 on the consolidated financial statements of HCC Infrastructure Company Limited, a subsidiary of the Holding Company, which is reproduced by us as under:

"Note XX to the accompanying consolidated financial statements, regarding non-accrual of interest aggregating ₹ 47.25 crore by HCC Operations and Maintenance Limited (HOML), a subsidiary company, in accordance with terms of the Debenture Sale Purchase (DSP) agreement entered with certain debenture holders for purchase of debentures issued by LCL. Had the subsidiary company provided for interest in accordance with the terms of the aforesaid agreement, net profit of the Group for the year ended 31 March 2020 would have been lower by ₹ 47.25 crore and other financial liabilities would have been higher by ₹ 47.25 crore and the reserves and surplus as at that date would have been lower by ₹ 47.25 crore."

5. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraphs 20 and 21 of the Other Matters section below, is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

6. We draw attention to Note 2.1(vi) to the accompanying consolidated financial statements which indicates that the Group has accumulated losses amounting to ₹ 3,634.30 crore as at 31 March 2020, which has resulted in full erosion of net worth of the Group and its current liabilities exceeded its current assets by ₹ 2,382.22 crore as on that date. As further disclosed in aforesaid note, the Holding Company has defaulted in repayment of principal and interest in respect of borrowings and has overdue operational creditors outstanding as at 31 March 2020. Certain operational creditors have also applied to the National Company Law Tribunal ('NCLT') for the debt resolution under the Insolvency and Bankruptcy Code, 2016 which have not been admitted by the NCLT for further proceedings as of the date of this report. The above factors, together with the uncertainties relating to impact of the ongoing COVID-19 pandemic on the operations of the Group as described in Note 2.1(v)(a) to the accompanying consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. However, based on ongoing discussion with the lenders for restructuring of loans, revised business plans and other mitigating factors as mentioned in the Note 2.1(vi), management is of the view that going concern basis of accounting is appropriate for preparation of the accompanying consolidated financial statements.

The component auditors of thirteen (13) subsidiaries, one (1) foreign subsidiary group {comprising of seven (7) step-down subsidiaries, four (4) associates and two (2) joint ventures} and three (3) joint ventures have also reported material uncertainty relating to going concern in their auditor's report on the respective standalone / consolidated financial statements of such companies / group as at and for the year ended 31 March 2020.

Our opinion is not modified in respect of this matter.

7. The above assessment of the Group's ability to continue as going concern is by its nature considered as a key audit matter in accordance with SA 701. In relation to the above key audit matter, our audit work included, but was not restricted to, the following procedures:

   a) Obtaining an understanding of the management's process for identifying all events or conditions that may cast significant doubt over the Group's ability to continue as a going concern and a process to assess the corresponding mitigating factors existing against each such event or condition. Also, obtaining an understanding around the methodology adopted by the Holding Company and thirteen (13) subsidiaries, one (1) foreign subsidiary group {comprising of seven (7) step-down subsidiaries, four (4) associates and two (2) joint ventures} and three (3) joint ventures; to assess their future business performance including the preparation of a cash flow forecast for the respective business;

   b) Evaluating the design and tested the operating effectiveness of key controls around aforesaid identification of events or conditions and mitigating factors, and controls around cash flow projections prepared by the respective managements;

   c) Obtaining from the management, its projected cash flows for the next twelve months, basis their future business plans

   d) Assessing the methodology used by the respective management to estimate the cash flow projections including the appropriateness of the key assumptions in the cash flow projections for next 12 months by considering our understanding of the business, past performance of the Company, external data and market conditions apart from discussing these assumptions with the management and the Audit Committee;

   e) Testing mathematical accuracy of the projections of the respective entities and applying independent sensitivity analysis to the key assumptions mentioned above to determine and ensure that there was sufficient headroom with respect to the estimation uncertainty impact of such assumptions on the calculations; and

   f) Assessing that the disclosures made by the management are in accordance with the applicable accounting standards.

Our opinion is not modified in respect of this matter.

Emphasis of Matters

8. We draw attention to:

a) Note 2.1(v)(a) to the accompanying consolidated financial statements, which describes the effects of uncertainties relating to COVID-19 pandemic outbreak on the Group's operations and management's evaluation of its impact on the accompanying consolidated financial statements as at the balance sheet date, the extent of which is significantly dependent on future developments.

b) Note 38 to the accompanying consolidated financial statements on following emphasis of matter included in the audit report on the financial statements of HREL, a subsidiary of the Holding Company, issued by us, vide our report dated 22 June 2020, on matter which is relevant to our opinion on the consolidated financial statements of the Group, and reproduced by us as under:

   "Note XX to the accompanying financial statements of the Company, regarding the exercise of put option right by the option holder with respect to compulsory convertible preference shares of its erstwhile subsidiary, Lavasa Corporation Limited (LCL) and invocation of Corporate guarantees by the lenders of LCL and its erstwhile step down subsidiary, Warasgaon Assets Maintenance Limited, subsequent to the initiation of Corporate Insolvency Resolution Process('CIRP') by Hon'ble National Company Law Tribunal, Mumbai ('NCLT'). In view of the uncertainty associated with the outcome of the proceedings of CIRP, the resultant obligation in respect of the corporate guarantee and / or put options cannot be measured with sufficient reliability and accordingly have been reported as a Contingent Liability as at 31 March 2020 in accordance with the provisions of Ind AS 37. Our report is not modified in respect of this matter. The same was reported in previous year as well."

c) Note 42 to the accompanying consolidated financial statements on following emphasis of matter included in the audit report on the financial statements of Baharampore Farakka Highways Limited, a subsidiary of the joint venture of the Holding Company, issued by an independent firm of Chartered Accountants, vide their report dated 19 June 2020, on a matter which is relevant to our opinion on the consolidated financial statements of the Group, and reproduced by us as under:

   "Note XX of notes to accounts, National Highway Authority of India had served 'Intention to Issue Termination Notice' vide letter dated 24 August 2017 and the Company refuted all the alleged defaults. The Independent Engineer has recommended the Authority to withdraw intention to issue termination notice on 26 June 2019."

d) Note 41 to the accompanying consolidated financial statements on following emphasis of matter included in the audit report on the financial statements of Badarpur Faridabad Tollways Limited, a subsidiary of the joint venture of the Holding Company, issued by an independent firm of Chartered Accountants, vide their report dated 19 June 2020, on a matter which are relevant to our opinion on the consolidated financial statements of the Group, and reproduced by us as under:

"Attention is drawn to Note XX, XX & XX to the financials; the Company has signed a Settlement agreement on 19 March 2020 with the lenders wherein loan and interest payable as on 31.03.2020 has been settled for an amount of ₹ 347.64 crore. Payment to the lenders will be made from the claim amount receivable from NHAI to the extent of ₹ 300.44 crore and Promoters Contribution to the extent of ₹ 47.20 crore. As on 31.3.2020, the Company has paid ₹ 218.93 crore to the lenders. As per the Settlement agreement, the transaction should be executed till 30.6.2020 or till further date as may be agreed by the lenders."

e) Notes 43 and 44 to the accompanying consolidated financial statements on following emphasis of matters included in the audit report on the financial statements of Raiganj Dalkhola Highways Limited, a subsidiary of the joint venture of the Holding Company, issued by an independent firm of Chartered Accountants, vide their report dated 19 June 2020, on matters which are relevant to our opinion on the consolidated financial statements of the Group, and reproduced by us as under:

"Note XX of notes to accounts, National Highways Authority of India (NHAI) has served notice of termination of contract to the Company vide letter dated 31 March 2017 due to delay in re-start of work at project. For the reasons mentioned in the note, as the Company is confident of full recovery of its claims of ₹ 367 crore made before the arbitration for wrong full termination of the project. In view of this the cost incurred by the Company till 31 March 2017 appearing under receivable from NHAI amounting to ₹ 177.42 crore is considered fully recoverable by the management."

"Note XX and XX to the financial statements, the Company had taken term loans from consortium of banks and financial institution. The Company borrowings have been classified as non-performing assets by the lenders due to defaults in payment of related dues. Balances of outstanding borrowings from the lenders (except Yes Bank) including interest thereon as recorded in books of accounts of Company are unconfirmed."

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

Key Audit Matters

9. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associates, joint ventures and joint operations, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

10. In addition to the matters described in the Basis for Qualified Opinion and Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
(a) Assessment of impairment of investment in joint venture (Refer Note 37 of the consolidated financial statements)	
The Group, as at 31 March 2020, has non-current investment of ₹ 321.12 crore in HCC Concessions Limited ('HCL'), a joint venture of HCC Infrastructure Company Limited ('HICL'), a wholly owned subsidiary, which has further interests in several Build, Operate and Transfer (BOT) Special Purpose Vehicle's ('SPV'). The consolidated net worth of HCL as at 31 March 2020 has been partially eroded. Given the losses incurred by HCL, the management was required to assess its investment for impairment. As at 31 March 2020, management has obtained valuation of HCL from an independent valuer and relied upon legal opinion for certain receivables which are disputed by its customers. This involves significant judgement and estimates with respect to estimating future cashflows of the BOT SPVs determining key assumptions, including the growth in traffic projections, operating costs, long-term growth rates and discount rates Judgement is also required to assess the ultimate outcome of on-going dispute resolution proceedings with customers. Due to the significance of the carrying amounts of the investment and the significant management judgement involved in carrying out the impairment assessment, this was considered to be a key audit matter of the consolidated financial statements.	Our audit procedures to address this key audit matter included, but were not limited to the following: • Obtained an understanding of the managements processes, evaluating the design and testing operating effectiveness of controls over identification of impairment indicators and process followed by the management for impairment testing; • Assessing the methodology used by the management to estimate the recoverability of investment and ensuring that it is consistent with applicable accounting standards; • Evaluating the appropriateness of the assumptions applied in determining key inputs such as traffic projections, operating costs, long-term growth rates and discount rates, which included assessments based on our knowledge of the Company and the industry; • Testing mathematical accuracy of the projections applying independent sensitivity analysis to the key assumptions mentioned above.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>Considering this matter is fundamental to the understanding of the user of consolidated financial statement, we draw attention to Note 37 of the consolidated financial statements, regarding the Group's non-current investment in HCL.</td><td>

- Evaluating the legal opinion obtained by management from independent legal counsel, with respect to receivables disputed by customers;
- Involving auditor's expert to assist in evaluating assumptions and appropriateness of the valuation methodology used by the management
- Comparing the carrying value of non-current investment with the realizable value determined by the Independent valuer to ensure there is no impairment / provision required to be recognised; and
- Assessed that the disclosures made by the management are in accordance with applicable accounting standards.

</td></tr>
<tr><td colspan="2">(b) Uncertainties relating to recoverability of unbilled work-in-progress (other current assets), non-current trade receivables and current trade receivables (Refer Note 39 of the consolidated financial statements)</td></tr>
<tr><td>

The Holding Company, as at 31 March 2020, has unbilled work-in-progress (other current assets), non-current trade receivables and current trade receivables amounting to ₹ 805.60 crore, ₹ 293.08 crore and ₹ 395.91 crore, respectively, which represent various claims raised in the earlier years in respect of projects substantially closed or suspended and where the claims are currently under negotiations/ discussions/ arbitration/ litigation.

Management, based on contractual tenability of the claims, progress of the discussions and relying on the legal opinion obtained from independent legal counsel, has determined that no provision is required to be recognised for these receivables.

Considering the materiality of the amounts involved, uncertainty associated with the outcome of the negotiations/ discussions/ arbitration/ litigation and significant management judgement involved in its assessment of recoverability, this was considered to be a key audit matter in the audit of the consolidated financial statements.

Considering this matter is fundamental to the understanding of the user of financial statement, we draw attention to Note 39 of the consolidated financial statements, regarding uncertainties relating to recoverability of above discussed receivables.

</td><td>

Our audit procedures to address this key audit matter included, but were not limited to the following:

- Obtained an understanding of the management processes, evaluating the design and testing the effectiveness of key internal financial controls over assessing the recoverability of unbilled work-in-progress (other current assets), non-current trade receivables and current trade receivables;
- Discussing extensively with management regarding steps taken for recovering the amounts and evaluating the design and testing operating effectiveness of controls;
- Assessing the reasonability of judgements exercised and estimates made by management in recognition of these receivables and validating them with corroborating evidence;
- Verifying the contractual arrangements to support management's position on the tenability and recoverability of these receivables;
- Obtaining an understanding of the current period developments for respective claims pending at various stages of negotiations/ discussions/ arbitration/ litigation and corroborating the updates with relevant underlying documents;
- Reviewing the legal opinion obtained by the management from independent legal counsel with respect to certain contentious matters; and
- Assessing that disclosures made by the management are in accordance with applicable accounting standards.

</td></tr>
<tr><td colspan="2">(c) Physical verification of inventory (Refer Notes 12 and 12.1 of the consolidated financial statements)</td></tr>
<tr><td>As at 31 March 2020, the Holding Company held inventories aggregating ₹ 191.83 crore as included in Note 12 to the consolidated financial statements. Inventories mainly consist of construction materials and spares. Due to nature of the business, inventories are kept at project sites on multiple locations in India and the Holding Company's management performs physical verification of inventory as per the inventory verification plan of the Holding Company.</td><td>

Our audit procedures to address this key audit matter included, but were not limited to the following:

- Obtaining an understanding of the management's process for inventory counts, including the changes required thereto as a result of COVID-19 related restrictions, and evaluated the design and tested the operating effectiveness of key controls with respect to physical verification of inventory;

</td></tr>
</table>

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>Due to Covid-19 outbreak and the related lockdown restrictions imposed from time to time by respective governments, the Holding Company management was unable to perform the year end physical verification of inventories on 31 March 2020 which was carried out subsequent to the year end and performed roll-back procedures from date of count to the reporting date to arrive at the physical stock as on reporting date.

Considering the above, we have reassessed our audit approach with respect to assessing the existence and condition of physical inventory as at year end and adopted alternate audit procedures, as further described in our audit procedures as at year end and adopted alternate audit procedures.

As a result of alternative audit procedures being performed and due to the complexities, size, number of locations and geographical spread of the inventories as at year end, we determined the existence of inventory to be a key audit matter for the current period audit.</td><td>• Inspecting the instructions given by supervisory teams to the respective management teams carrying out physical verification of inventory;

• Enquiring and reviewing documents to identify any changes in process of inventory counts from previously held counts observed by us;

• Reviewing the management's process for ensuring that there was no movement of stock during the physical verification of inventory;

• Observing live video feeds of physical inventory verification subsequent to year end and recounted the samples of inventory at select projects along with roll-back procedures to confirm existence of inventory at year end;

• Obtaining management's inventory count records (count sheets) and reconciliation with the Company's perpetual inventory records; and

• Ensuring that the differences noted, if any, in management's physical verification of inventory from book records were adequately adjusted in books of account.</td></tr>
<tr><td colspan="2">(d) Recognition of Contract revenue, margin and contract costs vis à vis change in method of measuring progress (Refer Notes 2.1(xxii) and 35 of the consolidated financial statements)</td></tr>
<tr><td>The Group's revenue primarily arises from construction contracts which, by its nature, complex is given the significant judgements involved in the assessment of current and future contractual performance obligations.

During the current year, the Group has reassessed and rectified its method of measuring progress i.e. from output method to input method as specified in Ind AS 115- 'Revenue from Contract with Customers' consequent to change in the circumstances including change in the nature of contracts secured by the Group during recent years. Accordingly, the Group recognises revenue and the resultant profit/loss on the basis of stage of completion based on the proportion of contract costs incurred at balance sheet date, relative to the total estimated costs of the contract at completion. Pursuant to the impact of this change in method, the Group has restated the consolidated financial statements for the year ended 31 March 2019 and retained earnings as at 1 April 2018 have also been restated.

The recognition of contract revenue and the resultant profit/loss therefore rely on the estimates in relation to forecast revenue and forecast contract cost. These contract estimates are reviewed by the management on a periodic basis. In doing so, the management is required to exercise judgement in its assessment of the valuation of contract variations and claims as well as the completeness and accuracy of forecast costs to complete and the ability to deliver contracts within contractually determined timelines. The final contract values can potentially be impacted on account of various factors and are expected to result in varied outcomes.</td><td>Our audit procedures to address this key audit matter included, but were not limited to the following:

• Evaluating the appropriateness of the Group's change in revenue recognition policy, including the change in method of measuring progress;

• Obtaining an understanding of the Group's processes and evaluating the design and tested effectiveness of key internal financial controls, including those related to review and approval of contract estimates;

• Verifying the managements computation of impact of change in measure of progress and its consequential impact on the various financial statements line items including restatement of earlier periods;

• For a sample of contracts, testing the appropriateness of amount recognized by evaluating key management judgements inherent in the forecasted contract revenue and costs to complete, including:

- verifying the underlying documents such as original contract and its amendments, if any, for the significant contract terms and conditions;

- obtaining an understanding of the assumptions applied in determining the forecasted revenue and cost to complete;</td></tr>
</table>

Key audit matter	How our audit addressed the key audit matter
Changes in these judgements, and the related estimates as contracts progress can result in material adjustments to revenue and margins. As a result of the above judgments, complexities involved and material impact on the related financial statement elements coupled with the change in method of measuring progress, this area has been considered a key audit matter in the audit of the consolidated financial statements. Considering this matter is fundamental to the understanding of the user of financial statement, we draw attention to Note 35 of the consolidated financial statements, regarding rectification of the method of measuring progress towards satisfaction of performance obligation for revenue recognition from output method to input method.	- testing the existence and valuation of claims and variations with respect to the contractual terms and conditions and inspection of correspondence with customers; and - reviewing legal and contracting experts' reports received on contentious matters; • For cost incurred to date, testing samples to appropriate supporting documents and performing cut-off procedures; • Testing the forecasted cost by obtaining executed purchase orders/ agreements and evaluating the reasonableness of management judgements/ estimates using past trends and similar completed/on-going projects; • Performing analytical procedures for reasonableness of revenue recognized; and • Evaluating the appropriateness and adequacy of the disclosures related to contract revenue and costs in the financial statements in accordance with the applicable accounting standards.

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

11. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in Directors Report, Management Discussion and Analysis Report and Report on Corporate Governance but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

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

12. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit and loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its associates, joint ventures and joint operations in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors / management of the companies included in the Group, and its associate companies and joint venture companies covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets 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. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

13. In preparing the consolidated financial statements, the respective Board of Directors/ management of the entities included in the Group and of its associates, joint ventures and joint operations are responsible for assessing the ability of the Group and of its associates, joint ventures and joint operations 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/management either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

14. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies/entities included in the Group and of its associates, joint ventures and joint operations.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

19. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

20. We did not audit the financial statements / financial information of fifteen (15) subsidiaries, whose financial statements / financial information (before eliminating intra-group balances and transactions) reflects total assets of ₹ 3,499.30 crore and net assets of ₹ 280.45 crore as at 31 March 2020, total revenues of ₹ 5,810.42 crore and net cash inflows amounting to ₹ 42.72 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit after tax (including other comprehensive income) of ₹ 185.66 crore for the year ended 31 March 2020, as considered in the consolidated financial statements, in respect of five (5)

associates and seven (7) joint ventures, whose financial statements / financial information have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, associates and joint ventures, are based solely on the reports of the other auditors.

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

21. We did not audit the financial statements / financial information of seven (7) joint operations included in the accompanying consolidated financial statements whose financial statements / financial information reflects total assets of ₹ 83.15 crore as at 31 March 2020 and total revenues, total net loss after tax and net cash inflows of ₹ 83.90 crore, ₹ 0.60 crore and ₹ 0.82 crore, respectively, for the year ended on that date, as considered in the accompanying consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint operations, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint operations, is based solely on the audit reports of such other auditors.

    Further, of these joint operations, financial statements / financial information of three (3) joint operations have been prepared in accordance with accounting principles generally accepted in India, including accounting standards issued by the ICAI. The Holding Company's management has converted the financial statements / financial information of such joint operations in accordance with Ind AS. We have audited these conversion adjustments made by the Holding Company's management. Our opinion on the accompanying Statement, in so far as it relates to the amounts and disclosures included in respect of these joint operations are solely based on report of the other auditors and the conversion adjustments prepared by the Holding Company's management and audited by us.

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

22. We did not audit the financial statements / financial information of two (2) joint operations, whose annual financial statements / financial information reflects total assets of ₹ 14.14 crore as at 31 March 2020, total revenues of ₹ 0.83 crore, total net loss after tax of ₹ 0.99 crore and net cash inflows of ₹ 0.04 crore for the year ended on that date, as considered in the accompanying consolidated financial statements. These financial statements / financial information are unaudited and have been furnished to us by the Holding Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of aforesaid joint operations, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint operations is based solely on such unaudited financial statements / financial information. In our opinion, and according to the information and explanations given to us by the management, these financial statements / financial information are not material to the Group.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below is not modified in respect of this matter with respect to our reliance on the financial statements / financial information certified by the Board of Directors.

Report on Other Legal and Regulatory Requirements

23. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraphs 20 and 21, on separate financial statements of the subsidiaries, associate, joint ventures and joint operations, we report that the Holding Company covered under the Act has not paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that eighteen (18) subsidiary companies, one (1) associate company and six (6) joint venture companies covered under the Act have not paid or provided for any managerial remuneration during the year. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to nine (9) subsidiary companies, four (4) associate companies, two (2) joint venture companies and nine (9) joint operations, since none of such entities is a public company as defined under section 2(71) of the Act.

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

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

    b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except for the possible effects of the matter described in paragraph 3 and 4 of the Basis for Qualified Opinion section with respect to the financial statements of the Holding

Company, HREL and HICL, subsidiaries of the Holding Company.

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

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

e) the matters described in paragraphs 3(b) to 3(d) and paragraph 4 of the Basis for Qualified Opinion section may have an adverse effect on the functioning of the Holding Company and HCC Operations and Maintenance Limited, a step-down subsidiary of the Holding Company, respectively; paragraph 6 of the Material uncertainty related to Going concern section may have an adverse effect on the functioning of Holding Company, thirteen (13) subsidiaries, one (1) foreign subsidiary group {comprising of seven (7) step-down subsidiaries, four (4) associates and two (2) joint ventures} and three (3) joint ventures; paragraphs 8(a) to 8(e) of the Emphasis of Matters section may have an adverse effect on the functioning of Holding Company, HREL, a subsidiary of the Holding Company, Baharampore Farakka Highways Limited, Badarpur Faridabad Tollways Limited and Raiganj Dalkhola Highways Limited, subsidiaries of the joint venture of the Holding Company, respectively and paragraph 10(a) of Key Audit Matters section may have an adverse effect on the functioning of the Holding Company.

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

g) the qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in paragraphs 3(a) to 3(d) of the Basis for Qualified Opinion section with respect to the financial statements of the Holding Company, paragraph 3(e) of the Basis for Qualified Opinion section with respect to financials statements of HREL, a subsidiary of the Holding Company and paragraph 4 with respect to the consolidated financial statements of HICL, a subsidiary of the Holding Company.

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

i) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates, joint ventures and joint operations as referred to in paragraphs 20 and 21 above:

   i. except for the effects/ possible effects of the matters described in the Basis for Qualified Opinion section, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates, joint ventures and joint operations as at 31 March 2020, as detailed in Notes 7.1, 19.1, 36, 37, 38, 39, 41, 42, 43, 45, 46 and 47 to the consolidated financial statements;

   ii. except for the effects/ possible effects of the matters described in the Basis for Qualified Opinion section, provision has been made in these consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts, as detailed in Note 20.2 to the consolidated financial statements;

   iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and joint venture companies covered under the Act, during the year ended 31 March 2020; and

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

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

Rakesh R. Agarwal
Partner
Membership No.: 109632
UDIN: 20109632AAAAGX1042

Place: Mumbai
Date : July 9, 2020

Annexure I

List of entities^ included in the consolidated financial statements

Subsidiary Companies	
HCC Construction Limited	HCC Aviation Limited
Western Securities Limited	Steiner AG
HREL Real Estate Limited (formerly known as HCC Real Estate Limited)	Dhule Palesner Operations & Maintenance Limited
Panchkutir Developers Limited	HCC Power Limited
HCC Mauritius Enterprises Limited	HCC Realty Limited
Highbar Technologies Limited	HCC Operation and Maintenance Limited
HCC Infrastructure Company Limited	HCC Energy Limited
HCC Mauritius Investments Limited	Steiner Promotions et Participations SA
HRL Township Developers Limited	Steiner (Deutschland) GmbH
HRL (Thane) Real Estate Limited	VM + ST AG
Nashik Township Developers Limited	Steiner Leman SAS
Maan Township Developers Limited	Eurohotel SA (upto 29 January 2020)
Manufakt8048 AG	Steiner India Limited
Powai Real Estate Developer Limited	Charosa Wineries Limited (upto 6 February 2019)

Associates	
Highbar Technocrat Limited	Projektentwicklungsges. Parking Kunstmuseum AG
Evostate AG	Evostate Immobillen AG
MCR Managing Corp. Real Estate	

Joint Venture / Joint Operations	
HCC Concessions Limited	Kumagai-Skanska-HCC-Itochu Group
Narmada Bridge Tollways Limited	HCC-L & T Purulia Joint Venture
Badarpur Faridabad Tollways Limited	Alpine - Samsung- HCC Joint Venture
Farakka-Raiganj Highways Limited	Alpine - HCC Joint Venture
Baharampore-Farakka Highways Limited	HCC Samsung Joint Venture CC 34
Raiganj-Dalkhola Highways Limited	ARGE Prime Tower, Zürich
Nathpa Jhakri Joint Venture	Werkarena Basel AG (w.e.f. 19 September 2019)
HCC- MAX Joint Venture	HCC- VCCL Joint Venture (w.e.f. 29 January 2020)
HCC- HDC Joint Venture	

^ above excludes financial information of Lavasa Corporation Limited and its group entities [also refer paragraph 3(e) above]

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

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

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its associate companies and its joint venture companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its associate company and joint venture companies as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Basis for Qualified Opinion

8. According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31 March 2020:

   a) The Holding Company did not have an appropriate internal control system with respect to compliance with the provisions of section 197 of the Companies Act, 2013 relating to obtaining prior approval from lenders for payment/accrual of remuneration exceeding the specified limits, as explained in Note 29.1 to the consolidated financial statements, which has resulted in a material misstatement in the value of Holding Company's employee benefit expenses, financial assets and resultant impact on the profit after tax and the reserves and surplus including levy of fine, if any, on account of such non-compliance.

b) The Holding Company's internal financial controls over financial reporting with respect to assessment of recoverability of deferred tax assets, as explained in Note 10.1 to the consolidated financial statements, as per the applicable accounting standards, were not operating effectively, which may result in material misstatement in the carrying value of deferred tax assets and its resultant impact on profit, reserves and surplus and related disclosures in respect thereof as at and for the year ended 31 March 2020.

c) The Holding Company's internal financial control over financial reporting with respect to the assessment of recoverability of financial assets, as explained in Note 33.1 to the consolidated financial statements, as per the applicable accounting standards, were not operating effectively, which has resulted in material misstatement in the carrying value of the financial assets and its resultant impact on profit, reserves and surplus and related disclosures in respect thereof as at and for the year ended 31 March 2020.

d) The internal financial control over financial reporting with reference to financial statements of HICL, a subsidiary of Holding Company, with respect to the estimation of accrued interest liability in accordance with terms of the Debenture Sale Purchase (DSP) agreement entered with certain debenture holders were not operating effectively, which has resulted in an inappropriate assessment of the accuracy and completeness of contract obligation and corresponding material misstatements in the carrying value of other financial liabilities, including its consequential impact on earnings, reserves and related disclosures in the consolidated financial statements, as explained in Note 19.2 to the accompanying consolidated financial statements.

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

Qualified Opinion

10. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, an associate company and joint venture companies, which are companies covered under the Act; except for the effects of the material weakness described in paragraph 8(a) above on the achievement of the objectives of the control criteria described, the Holding Company, its subsidiary companies, its associate company and joint venture companies have in all material respects, have adequate internal financial controls over financial reporting as at 31 March 2020, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI and except for the effects/ possible effects of the material weaknesses described in paragraph 8(b) to 8(d) above on the achievement of the objectives of the control criteria, such controls were operating effectively as at 31 March 2020.

11. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Group and its associate company and its joint venture companies, which are companies covered under the Act, as at and for the year ended 31 March 2020, and these material weaknesses have affected our opinion on the consolidated financial statements of the Group and its associate companies and its joint venture companies and we have issued a qualified opinion on the consolidated financial statements.

Other Matter

12. We did not audit the internal financial controls with reference to financial statements in so far as it relates to five (5) subsidiary companies, which are companies covered under the Act, whose financial statements / financial information reflects total assets of ₹ 294.61 crore and net liabilities of ₹ 109.35 crore as at 31 March 2020, total revenues of ₹ 76.66 crore and net cash outflows amounting to ₹ 0.23 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹ 183.26 crore for the year ended 31 March 2020, in respect of one (1) associate company and five (5) joint venture companies, which are companies covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies, associate company and joint venture companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary companies, its associate company and its joint venture companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies, associate company and joint venture companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

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

Rakesh R. Agarwal
Partner
Membership No.: 109632
UDIN: 20109632AAAAGX1042

Place: Mumbai
Date : July 9, 2020

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

₹ crore

Particulars	Note No.	**As at 31 March 2020**	As at 31 March 2019 Restated ^	As at 1 April 2018 Restated ^
ASSETS				
Non-current assets				
Property, plant and equipment	3A	426.47	508.95	1,556.10
Right-of-use assets	3B	275.18	-	-
Capital work-in-progress	3A	178.41	169.06	1,713.92
Investment property	4	2.70	2.73	2.73
Goodwill	5	3.38	3.38	134.40
Other intangible assets	5	63.52	59.52	36.05
Biological assets	3A	-	-	1.49
Investments in associates and joint ventures	6	345.11	157.51	363.16
Financial assets				
Investments	6A	9.41	19.82	28.74
Trade receivables	7	2,719.72	642.49	1,375.13
Loans	8	59.79	37.65	79.60
Other financial assets	9	22.13	3.02	8.18
Income tax assets (net)	10	276.85	216.51	120.64
Deferred tax assets (net)	10	485.77	639.63	76.41
Other non-current assets	11	88.81	107.64	117.10
Total non-current assets		**4,957.25**	**2,567.91**	**5,613.65**
Current assets				
Inventories	12	467.17	631.67	2,504.06
Financial assets				
Investments	13	1.50	3.56	25.19
Trade receivables	7	1,897.56	3,545.71	2,465.28
Cash and cash equivalents	14	276.11	270.70	404.18
Bank balances other than cash and cash equivalents	15	566.91	585.72	547.91
Loans	8	19.58	26.77	19.98
Other financial assets	9	48.91	44.86	3,654.76
Other current assets	11	3,917.80	3,227.19	455.37
		7,195.54	**8,336.18**	**10,076.73**
Assets classified as held for sale	16	14.76	5.87	-
Total current assets		**7,210.30**	**8,342.05**	**10,076.73**
TOTAL ASSETS		**12,167.55**	**10,909.96**	**15,690.38**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	17	151.31	151.31	101.55
Other equity		(910.49)	(1,151.32)	(1,514.90)
Equity attributable to owners of the parent		**(759.18)**	**(1,000.01)**	**(1,413.35)**
Non-controlling interest		0.00*	0.00*	(482.99)
Total equity		**(759.18)**	**(1,000.01)**	**(1,896.34)**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	18	1,586.84	2,461.98	3,661.66
Other financial liabilities	19	1,514.66	1,127.55	0.28
Provisions	20	232.71	199.40	170.14
Deferred tax liabilities (net)	10	-	-	53.37
Other non-current liabilities	21	-	0.06	0.06
Total non-current liabilities		**3,334.21**	**3,788.99**	**3,885.51**
Current liabilities				
Financial liabilities				
Borrowings	22	1,406.00	1,174.40	1,123.24
Trade payables	23			
- Total outstanding dues of micro enterprises and small enterprises		23.99	16.59	5.87
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,941.63	2,729.23	2,823.73
Other financial liabilities	19	1,935.85	1,151.46	6,361.05
Other current liabilities	21	3,168.14	2,971.93	3,252.50
Provisions	20	116.91	77.37	134.82
Total current liabilities		**9,592.52**	**8,120.98**	**13,701.21**
TOTAL EQUITY AND LIABILITIES		**12,167.55**	**10,909.96**	**15,690.38**

^ Refer note 35 * Represents amount less than ₹ 1 lakh

The accompanying notes are an integral part of the consolidated financial statements

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

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

Rakesh R. Agarwal
Partner
Membership No.: 109632

Place : Mumbai
Dated : July 9, 2020

Shailesh Sawa
Chief Financial Officer

Vithal P. Kulkarni
Company Secretary
ACS No. 6707

For and on behalf of the Board of Directors

Ajit Gulabchand DIN: 00010827 *Chairman & Managing Director*
Arjun Dhawan DIN: 01778379 *Group Chief Executive Officer & Whole-Time Director*

Sharad M. Kulkarni DIN : 00003640
Anil C. Singhvi DIN : 00239589
N. R. Acharyulu DIN : 02010249
Santosh Jankiram Iyer DIN : 06801226
Mahendra Singh Mehta DIN : 00019566
Mukul Sarkar DIN : 00893700
Mita Dixit DIN : 08198165
Directors

Place : Mumbai / Raigad
Dated : July 9, 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

₹ crore

Particulars	Note No.	**Year ended 31 March 2020**	Year ended 31 March 2019 Restated ^
Income			
Revenue from operations	24	9,437.06	10,543.52
Other income	25	84.81	75.01
Total income		**9,521.87**	**10,618.53**
Expenses			
Cost of construction materials consumed	26	690.72	818.21
Subcontracting expenses		6,153.71	7,108.22
Changes in inventories	27	159.20	(2.82)
Construction expenses	28	323.15	389.46
Employee benefits expense	29	982.95	1,007.74
Finance costs	30	816.98	808.36
Depreciation and amortisation expense	31	151.84	177.36
Other expenses	32	290.33	290.73
Total expenses		**9,568.88**	**10,597.26**
Profit / (loss) before exceptional items, share of profit / (loss) of associates and joint ventures and tax		(47.01)	21.27
Exceptional items- Gain / (Loss)	33	221.23	(527.37)
Profit / (loss) before share of profit / (loss) of associates and joint ventures and tax		**174.22**	**(506.10)**
Share of profit / (loss) of associates and joint ventures (net)		187.73	(151.31)
Profit / (Loss) before tax		**361.95**	**(657.41)**
Tax expense / (credit)	10		
Current tax		13.16	7.41
Deferred tax		151.76	(614.97)
		164.92	**(607.56)**
Profit / (loss) for the year (A)		**197.03**	**(49.85)**
Other comprehensive income (OCI)			
(a) Items not to be reclassified subsequently to profit or loss (net of tax)			
- Loss on fair value of defined benefit plans as per actuarial valuation		(1.72)	(30.05)
- Loss on fair value of equity instruments		(11.31)	(6.51)
(b) Items to be reclassified subsequently to profit or loss			
- Translation loss relating to foreign operations (Refer note 35)		(32.97)	(130.28)
Total other comprehensive loss for the year, net of tax (B)		**(46.00)**	**(166.84)**
Total comprehensive income / (loss) for the year, net of tax (A+B)		**151.03**	**(216.69)**
Net profit / (loss) for the year attributable to:			
Owners of the parent		197.03	(49.85)
Non controlling interest		(0.00)*	0.00*
Other comprehensive loss for the year attributable to:			
Owners of the parent		(46.00)	(166.84)
Non controlling interest		(0.00)*	0.00*
Total comprehensive income / (loss) for the year attributable to:			
Owners of the parent		151.03	(216.69)
Non-controlling interest		(0.00)*	0.00*
Earnings per equity share of nominal value ₹ 1 each			
Basic and diluted (in ₹)	34	1.30	(0.44)

^ Refer note 35 * Represents amount less than ₹ 1 lakh

The accompanying notes are an integral part of the consolidated financial statements

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

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

Rakesh R. Agarwal
Partner
Membership No.: 109632

Shailesh Sawa
Chief Financial Officer

Vithal P. Kulkarni
Company Secretary
ACS No. 6707

Place : Mumbai
Dated : July 9, 2020

For and on behalf of the Board of Directors

Ajit Gulabchand	DIN: 00010827	*Chairman & Managing Director*
Arjun Dhawan	DIN: 01778379	*Group Chief Executive Officer & Whole-Time Director*
Sharad M. Kulkarni	DIN : 00003640	*Directors*
Anil C. Singhvi	DIN : 00239589	
N. R. Acharyulu	DIN : 02010249	
Santosh Jankiram Iyer	DIN : 06801226	
Mahendra Singh Mehta	DIN : 00019566	
Mukul Sarkar	DIN : 00893700	
Mita Dixit	DIN : 08198165	

Place : Mumbai / Raigad
Dated : July 9, 2020

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

₹ crore

	Particulars	**Year ended 31 March 2020**	Year ended 31 March 2019 Restated ^
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net profit / (loss) before tax	361.95	(657.41)
	Adjustments for:		
	Depreciation and amortisation expense	151.84	177.36
	Finance costs	816.98	808.36
	Interest income	(12.68)	(36.90)
	Gain on loss of control in subsidiary	-	(141.97)
	Loss on divestment of stake in subsidiary	-	67.82
	Loss provision / (reversal of loss provision) towards arbitration awards and claims	(331.40)	331.40
	Impairment of financial and non-financial assets	98.72	212.35
	Impairment loss in respect of asset held for sale	-	71.85
	(Gain) / reversal of gain on settlement of debts	11.45	(14.08)
	Share of profit / (loss) of associates and joint ventures	(187.73)	151.31
	Provision for warranty	39.47	40.23
	Loss allowance on financial assets	16.71	7.74
	Dividend income	(0.50)	(0.53)
	Unrealised foreign exchange (gain) / loss (net)	(2.90)	7.02
	Profit on sale of property, plant and equipment (net)	(1.53)	(5.08)
	Provision no longer required written back	(7.24)	(9.22)
		591.18	**1,667.66**
	Operating profit before working capital changes	953.13	1,010.25
	Adjustments for changes in working capital:		
	Increase in trade receivables	(429.08)	(361.40)
	Increase in current / non-current financial and other assets	(498.71)	(214.82)
	(Increase) / decrease in inventories	164.50	(16.52)
	Increase / (decrease) in trade payables, other financial liabilities and other liabilities	421.34	(131.23)
	Cash generated from operations	**611.18**	**286.28**
	Direct taxes paid (net of refunds received)	(73.49)	(103.28)
	Net cash generated from operating activities	**537.69**	**183.00**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment (including capital work-in-progress and capital advances)	(87.27)	(42.50)
	Proceeds from sale of property, plant and equipment	20.75	17.79
	Proceeds from sale of investments	1.27	3.94
	Net proceeds from / (investments in) bank deposits	21.15	(32.65)
	Interest received	7.89	48.31
	Dividend received	0.50	0.53
	Net cash used in investing activities	**(35.71)**	**(4.58)**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

₹ crore

	Particulars	**Year ended 31 March 2020**	Year ended 31 March 2019 Restated ^
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from issue of equity share capital (including securities premium)	-	490.54
	Repayment of non-current borrowings (net)	(294.25)	(522.61)
	Proceeds from current borrowings (net)	231.60	51.16
	Financial lease paid	(26.33)	-
	Interest and other finance charges	(425.12)	(330.81)
	Dividend paid	-	(0.25)
	Net cash used in financing activities	**(514.10)**	**(311.97)**
	Net decrease in cash and cash equivalents (A+B+C)	**(12.12)**	**(133.55)**
	Cash and cash equivalents at the beginning of the year	270.70	404.18
	Restatement of cash and cash equivalents denominated in foreign currency	17.53	0.07
	Cash and cash equivalents at the end of the year (Refer note 14)	**276.11**	**270.70**

Note:-

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

^ Refer note 35

The accompanying notes are an integral part of the consolidated financial statements

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

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

Rakesh R. Agarwal
Partner
Membership No.: 109632

Place : Mumbai
Dated : July 9, 2020

Shailesh Sawa
Chief Financial Officer

Vithal P. Kulkarni
Company Secretary
ACS No. 6707

For and on behalf of the Board of Directors

Ajit Gulabchand DIN: 00010827 *Chairman & Managing Director*
Arjun Dhawan DIN: 01778379 *Group Chief Executive Officer & Whole-Time Director*

Sharad M. Kulkarni DIN : 00003640
Anil C. Singhvi DIN : 00239589
N. R. Acharyulu DIN : 02010249
Santosh Jankiram Iyer DIN : 06801226
Mahendra Singh Mehta DIN : 00019566
Mukul Sarkar DIN : 00893700
Mita Dixit DIN : 08198165
Directors

Place : Mumbai / Raigad
Dated : July 9, 2020

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

a) Equity share capital (equity shares of ₹ 1 each)

Particulars	Issued, subscribed and paid		Forfeited equity shares		Total	
	Number	₹ crore	Number	₹ crore	Number	₹ crore
As at 1 April 2018	1,015,410,926	101.54	13,225	0.01	1,015,424,151	101.55
Issued during the year [Refer note 17(g)]	497,565,318	49.76	-	-	497,565,318	49.76
As at 31 March 2019	**1,512,976,244**	**151.30**	**13,225**	**0.01**	**1,512,989,469**	**151.31**
Issued during the year	-	-	-	-	-	-
As at 31 March 2020	**1,512,976,244**	**151.30**	**13,225**	**0.01**	**1,512,989,469**	**151.31**

b) Other equity

₹ in crore

Particulars	Reserves and surplus							Other comprehensive income		Non-controlling interest	Total equity attributable to equity holders
	Capital reserve	Forfeited debentures account	Securities premium	Debenture redemption reserve	Foreign currency monetary translation reserve	General reserve	Retained earnings	Equity instruments at fair value through other comprehensive income	Translation loss relating to foreign operation (net)		
As at 1 April 2018	**53.05**	**0.02**	**2,127.98**	**85.46**	**0.64**	**180.24**	**(4,080.21)**	**(7.23)**	**(12.58)**	**(482.99)**	**(1,169.64)**
Impact of change in method of measuring progress (Refer note 35)	-	-	-	-	-	-	(345.26)	-	-	-	(345.26)
Restated balance as at 1 April 2018	**53.05**	**0.02**	**2,127.98**	**85.46**	**0.64**	**180.24**	**(4,425.47)**	**(7.23)**	**(12.58)**	**(482.99)**	**(1,514.90)**
Profit / (loss) for the year	-	-	-	-	-	-	(49.85)	-	-	0.00*	(49.85)
Other comprehensive loss for the year	-	-	-	-	-	-	(30.05)	(6.51)	(130.28)	0.00*	(166.84)
Impact of deconsolidation of subsidiary (Refer note 45)	(21.56)	-	-	(30.47)	-	-	535.02	-	-	482.99	-
Impact of transition to Ind AS 115^	-	-	-	-	-	-	140.74	-	-	-	140.74
Addition / (deletion) during the year:											
- Issue of share capital (net of share issue expenses) [Refer note 17(g)]	-	-	440.78	-	-	-	-	-	-	-	440.78
- Restatement of foreign currency monetary translation items	-	-	-	-	6.24	-	-	-	-	-	6.24
- Amortisation of foreign currency monetary translation items	-	-	-	-	(7.49)	-	-	-	-	-	(7.49)
As at 31 March 2019	**31.49**	**0.02**	**2,568.76**	**54.99**	**(0.61)**	**180.24**	**(3,829.61)**	**(13.74)**	**(142.86)**	**0.00***	**(1,151.32)**

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

₹ in crore

Particulars	Reserves and surplus							Other comprehensive income			
	Capital reserve	Forfeited debentures account	Securities premium	Debenture redemption reserve	Foreign currency monetary translation reserve	General reserve	Retained earnings	Equity instruments at fair value through other comprehensive income	Loss on exchange fluctuations	Non-controlling interes	Total equity attributable to equity holders
Profit / (loss) for the year	-	-	-	-	-	-	197.03	-	-	(0.00)*	197.03
Other comprehensive loss for the year	-	-	-	-	-	-	(1.72)	(11.31)	(32.97)	(0.00)*	(46.00)
Addition / (deletion) during the year:											
- Conversion of debt into equity [Refer note 18.2.5(i)]	-	-	82.11	-	-	-	-	-	-	-	82.11
- Restatement of foreign currency monetary translation items	-	-	-	-	10.72	-	-	-	-	-	10.72
- Amortisation of foreign currency monetary translation items	-	-	-	-	(3.03)	-	-	-	-	-	(3.03)
As at 31 March 2020	**31.49**	**0.02**	**2,650.87**	**54.99**	**7.08**	**180.24**	**(3,634.30)**	**(25.05)**	**(175.83)**	**0.00***	**(910.49)**

^ Effective 1 April 2018, the Group adopted Ind AS 115 'Revenue from Contracts with Customers" using the cumulative catch-up transition method. In accordance with the above method, the comparatives were not retrospectively adjusted. The adoption of Ind AS 115 resulted in increase in opening retained earnings of the Group by ₹ 140.74 crore.

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31 2020

NATURE AND PURPOSE OF RESERVES

i. Capital reserve

The Group recognizes profit or loss on purchase or cancellation (including forfeiture) of its own equity instruments to capital reserve.

ii. Forfeited debentures account

The Group recognizes profit or loss on purchase or cancellation (including forfeiture) of its own debentures to forfeited debentures account.

iii. Securities premium

Securities premium is used to record the premium on issue of shares or debentures. This account is utilised in accordance with the provisions of the Companies Act, 2013.

iv. Debenture redemption reserve

The Act requires that where a Company issues debentures, it shall create a debenture redemption reserve out of profits of the Company available for payment of dividend. The Company is required to maintain a Debenture Redemption Reserve of 25% of the value of the debentures issued, either by a public issue or a private placement basis. The amounts credited to the debenture redemption reserve cannot be utilised by the Company except to redeem debentures.

v. Foreign currency monetary translation reserve

Exchange difference arising on translation of the long term monetary items is accumulated in separate reserve within equity. The cumulative amount is reclassified to the Statement of Profit and Loss over the life of the monetary asset / liability on a straight line basis.

vi. General Reserve

Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of net profit to general reserve has been withdrawn.

vii. Retained Earnings

Retained earnings represents the profits/ losses that the Group has earned / incurred till date including gain / (loss) on fair value of defined benefits plans as adjusted for distributions to owners, transfer to other reserves etc.

viii. Other comprehensive income

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated in Fair Value through Other Comprehensive Income reserve within equity. The Group transfers amount from this reserve to retained earnings when the relevant equity securities are derecognised.

ix. Translation loss relating to foreign operation (net)

The Group recognised exchange differences arising on translation of the foreign operations in other comprehensive income and accumulated in 'Translation loss relating to foreign operation (net)' in other equity.

* Represents amount less than ₹ 1 lakh

The accompanying notes are an integral part of the consolidated financial statements
This is the statement of changes in equity referred to in our audit report of even date

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

Rakesh R. Agarwal
Partner
Membership No.: 109632

Shailesh Sawa
Chief Financial Officer

Vithal P. Kulkarni
Company Secretary
ACS No. 6707

Place : Mumbai
Dated : July 9, 2020

For and on behalf of the Board of Directors

Ajit Gulabchand	DIN: 00010827	*Chairman & Managing Director*
Arjun Dhawan	DIN: 01778379	*Group Chief Executive Officer & Whole-Time Director*
Sharad M. Kulkarni	DIN : 00003640	*Directors*
Anil C. Singhvi	DIN : 00239589	
N. R. Acharyulu	DIN : 02010249	
Santosh Jankiram Iyer	DIN : 06801226	
Mahendra Singh Mehta	DIN : 00019566	
Mukul Sarkar	DIN : 00893700	
Mita Dixit	DIN : 08198165	

Place : Mumbai / Raigad
Dated : July 9, 2020

NOTE 1 CORPORATE INFORMATION

Hindustan Construction Company Limited (the "Holding Company", "Parent" or "HCC") is a public limited company incorporated and domiciled in India. The Company having CIN L45200MH1926PLC001228, is principally engaged in the business of providing engineering and construction services. Its shares are listed on two recognised stock exchanges in India- the Bombay Stock Exchange and the National Stock Exchange. The registered office of the Company is located at Hincon House, LBS Marg, Vikhroli (West), Mumbai- 400 083, India.

The consolidated financial statements comprises the financial statements of the Company and its subsidiaries (the Company and its subsidiaries referred to as the "Group") and its associates and joint arrangements. The Group is principally engaged in the business of providing engineering and construction services, real estate, infrastructure and urban development and management. These consolidated financial statements ("the financial statements") of the Group for the year ended 31 March 2020 were authorised for issue in accordance with resolution of the Board of Directors on 9 July 2020.

NOTE 2.1 SIGNIFICANT ACCOUNTING POLICIES

i. Basis of Preparation

The financial statements of the Group have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") 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 and share based payments which have been measured at fair value, on an accrual basis of accounting.

The Group's financial statements are reported in Indian Rupees, which is also the Group's functional currency, and all values are rounded to the nearest crores (INR 0,000,000), except when otherwise indicated. Amount presented as "0.00*" are non zero numbers rounded off in crore.

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to Act. The statement of cash flow has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7)- Statement of Cash Flows. The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with other notes required to be disclosed under the notified Ind AS and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

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

iii. Principles of consolidation

The financial statements have been prepared on the following basis:

a. Subsidiaries

- The consolidated financial statements incorporate the financial statements of the Holding Company and its subsidiaries. For this purpose, an entity which is, directly or indirectly, controlled by the Parent Company is treated as subsidiary. The Parent Company together with its subsidiaries constitute the Group. Control exists when the Parent Company, directly or indirectly, has power over the investee, is exposed to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

- Consolidation of a subsidiary begins when the Parent Company, directly or indirectly, obtains control over the subsidiary and ceases when the Parent Company, directly or indirectly, loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Statement of Profit and Loss from the date the Parent Company, directly or indirectly, gains control until the date when the Parent Company, directly or indirectly, ceases to control the subsidiary.

- The consolidated financial statements of the Group combines financial statements of the Parent Company and its subsidiaries line-by-line by adding together the like items of assets, liabilities, income and expenses. All intra-group assets, liabilities, income, expenses and unrealised profits/losses on intra-group transactions are eliminated on consolidation. The accounting policies of subsidiaries have been harmonised to ensure the consistency with the policies adopted by the Parent Company. The consolidated financial statements have been presented to the extent possible, in the same manner as Parent Company's standalone financial statements.

  Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests and have been shown separately in the financial statements.

- Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Company.

- The gains/losses in respect of part divestment/dilution of stake in subsidiary companies not resulting in ceding of control, are recognised directly in other equity attributable to the owners of the Parent Company.

- The gains/losses in respect of divestment of stake resulting in ceding of control in subsidiary companies are recognised in the Statement of Profit and Loss. The investment representing the interest retained in a former subsidiary, if any, is initially recognised at its fair value with the corresponding effect recognised in the Statement of Profit and Loss as on the date the control is ceded. Such retained interest is subsequently accounted as an associate or a joint venture or a financial asset.

b. Investments in joint venture and associates

When the Group has with other parties joint control of the arrangement and rights to the net assets of the joint arrangement, it recognises its interest as joint venture. Joint control exists when the decisions about the relevant activities require unanimous consent of the parties sharing the control. When the Group has significant influence over the other entity, it recognises such interests as associates. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control over the entity.

The results, assets and liabilities of joint venture and associates are incorporated in the consolidated financial statements using equity method of accounting after making necessary adjustments to achieve uniformity in application of accounting policies, wherever applicable. An investment in associate or joint venture is initially recognised at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the joint venture or associate. Gain or loss in respect of changes in other equity of joint ventures or associates resulting in dilution of stake in the joint ventures and associates is recognised in the Statement of Profit and Loss. On acquisition of investment in a joint venture or associate, any excess of cost of investment over the fair value of the assets and liabilities of the joint venture, is recognised as goodwill and is included in the carrying value of the investment in the joint venture and associate. The excess of fair value of assets and liabilities over the investment is recognised directly in equity as capital reserve. The unrealised profits/losses on transactions with joint ventures are eliminated by reducing the carrying amount of investment.

The carrying amount of the equity accounted investments are tested for impairment in accordance with the policy.

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

c. Interests in joint operations

In accordance with Ind AS 111- Joint Arrangements, when the Group has joint control of the arrangement based on contractually determined right to the assets and obligations for liabilities, it recognises such interests as joint operations. Joint control exists when the decisions about the relevant activities require unanimous consent of the parties sharing the control. In respect of its interests in joint operations, the Group recognises its share in assets, liabilities, income and expenses line-by-line in the standalone financial statements of the entity which is party to such joint arrangement which then becomes part of the consolidated financial statements of the Group when the financial statements of the Parent Company and its subsidiaries are combined for consolidation.

d. Business combination / Goodwill on consolidation

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

Goodwill on consolidation is allocated to cash generating units or group of cash generating units that are expected to benefit from the synergies of the acquisition.

Goodwill arising on consolidation is not amortised, however, it is tested for impairment annually. In the event of cessation of operations of a subsidiary, the unimpaired goodwill is written off fully. Business combinations arising from transfers of interests in entities that are under common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

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

iv. 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.

v. Key accounting estimates and assumptions

The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group 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 Group. 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. Estimation uncertainty related to the global health pandemic on COVID-19

The Group has considered certain internal and external sources of information upto date of approval of these financial statements in determining the possible effects of pandemic relating to COVID-19 on the financial statements and in particular on the contract estimates of balance project revenue and balance cost to complete. The Group has used the principal of prudence in applying judgements, estimates and assumptions and based on the current estimates, the Group believes it has taken into account all the possible impact of known events arising out of COVID-19 in the preparation of these financial statements. The eventual outcome of impact of global health pandemic may be different from those presently estimated and the Group will continue to closely monitor any material changes to future economic conditions.

b. Contract estimates

The Group, being a part of construction industry, prepares budgets in respect of each project to compute project profitability. The two major components of contract estimate are 'claims arising during construction period' (described below) and 'budgeted costs to complete the contract'. While estimating these components, there are significant assumptions considered by the management. Due to such complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

c. Recoverability of claims

The Group has incurred costs in respect of over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work etc. which have been recognised as variable consideration. These claims are at various stages of negotiation/discussion with the clients or under arbitration. 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 external experts, wherever necessary. Changes in facts of the case or the legal framework may impact realisability of these claims.

d. Valuation of investment in and loans to joint ventures

The Holding Company has performed valuation for its investments in equity of certain joint ventures for assessing whether there is any impairment in the fair value. When the fair value of investments in joint ventures 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.

e. Deferred tax assets

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

f. Defined benefit plans

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

g. Leases

The Group evalutes if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease required significant judgement. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group revises the lease term if there is a change in non-cancellable period of a lease.

h. Useful lives of property, plant and equipment, investment property and intangible assets

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of assets are determined by the management at the time of acquisition of asset and reviewed periodically, including at each financial year. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

i. Provisions and contingent liabilities

A provision is recognised when the Group 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 neither recognised nor disclosed in the financial statements.

vi. Going concern

The Group has accumulated losses aggregating ₹ 3,634.30 crore as at 31 March 2020, which has resulted in full erosion of its net worth. Further, as of that date, its current liabilities exceeded its current assets by ₹ 2,382.22 crore. During the current year, the Holding Company has defaulted on payment to lenders along with overdue operational creditors. Certain operational creditors have applied before the National Company Law Tribunal ('NCLT') under the Insolvency and Bankruptcy Code, 2016, none of which has been admitted so far. Further, the COVID-19 pandemic has also resulted in temporary suspension of site operations, supply chain disruptions, loss of migrant labours and evolving regulation while resuming operations has led to material impact on the operations of the Holding Company.

Further, in respect of Steiner AG, a material foreign subsidiary group, there are uncertainties consequent to impact of COVID-19 including its impact on budget and liquidity planning as well as uncertainties related to the pending renewal of syndicate revolving guarantee facility agreement which are expiring on 31 August 2020. There are also events or conditions existing in 13 subsidiaries and 3 joint ventures, casting significant doubt on the ability of the these entities to continue to as going concern.

The above factors indicate that events or conditions exist, which may cast significant doubt on the Group's ability to continue as a going concern. The Holding Company and certain group entities are in process of formulating a resolution plan with its lenders. Based on the expectation of the implementation of the resolution plan with lenders, underlying strength of the Group's business plans and future growth outlook as assessed, the management is confident of improving the credit profile of the Group, including through time-bound monetisation of assets including arbitration awards, claims and other assets which would result in it being able to meet its obligations in due course of time. Accordingly, the Management considers it appropriate to prepare these consolidated financial statements on a going concern basis.

vii. Fair value measurement

The Group measures financial instruments, at fair value at each balance sheet date.

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

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

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

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

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

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

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

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

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

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

viii. 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 Group 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.

ix. Capital work-in-progress

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

x. Investment Property

Investment properties are held to earn rentals or for capital appreciation, or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined on an annual evaluation based on the reckoner value with the main inputs being comparable transactions and industry data.

Depreciation on investment properties (building) is provided on the straight-line method, computed on the basis of useful lives as prescribed in Schedule II to the Act i.e. 60 years. The residual values, useful lives and method of depreciation are reviewed at the end of each financial year and the effect of any change in the estimates of useful lives/residual value is accounted on prospective basis.

xi. Intangible Assets

Intangible assets are stated at cost, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably, less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets mainly comprise of computer software. Computer software represents license fees and implementation cost for software and other application software acquired / developed for in-house use.

xii. Asset classified as held for sale

Assets 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. Assets classified as held for sale are measured at the lower of carrying amount or fair value less costs to sell. 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.

xiii. Depreciation and amortisation

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 estimated useful lives are as mentioned below:

Asset category	Useful life (in years)	Basis of determination of useful lives^
Building and sheds	3 to 60	Based on technical evaluation by management's expert.
Leasehold improvements		As per the period of lease or estimated useful life determined by management's expert, whichever is lower.
Plant and equipment	2 to 14	Based on technical evaluation by management's expert.
Furniture fixtures and office equipment	5 to 10	Assessed to be in line with Schedule II to the Act.
Heavy Vehicles	3 to 12	Based on technical evaluation by management's expert.
Light Vehicles	8 to 10	Assessed to be in line with Schedule II to the Act.
Helicopter / Aircraft	12 to18	Based on technical evaluation by management's expert.
Speed boat	13	Assessed to be in line with Schedule II to the Act.
Computers	3	Assessed to be in line with Schedule II to the Act.
Intangible assets	3 to 5	Assessed to be in line with Schedule II to the Act.

^ Useful lives of asset classes determined by management estimate, which are generally lower than those prescribed under Schedule II to the Act are supported by internal technical assessment of useful lives.

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 immediately 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.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are accounted in the Statement of Profit and Loss under Other income or Other expenses.

xiv. Financial Instruments

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

a) Financial Assets

i) Initial Recognition

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

ii) Subsequent measurement

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

- **Financial Assets at Amortised Cost**

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

- **Financial Assets Measured at Fair Value**

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

  In respect of equity investments (other than for investment in subsidiaries and associates) which are not held for trading, the Group 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 Group on an instrument by instrument basis at the time of transition for existing equity instruments/ initial recognition for new equity instruments.

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

iii) Impairment of financial assets

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

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

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

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

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

iv) De-recognition of financial assets

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

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

b) Equity instruments and financial liabilities

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

i) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group 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.

ii) Financial liabilities

- **Initial recognition**

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

- **Subsequent measurement**

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

- **Financial liabilities at FVPL**

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

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

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

- **De-recognition of financial liabilities**

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

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.

xv. 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. Group's provident fund contribution, in respect of certain employees of the Company and its Indian subsidiaries is made to a government administered fund, and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Group has no further obligations beyond the monthly contributions.

b) Defined benefit plan

In respect of certain employees, provident fund contributions are made to a trust administered by the Group. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Group. Accordingly, the contribution paid or payable and the interest shortfall, if any, is recognised as an expense in the period in which services are rendered by the employee.

The Group also provides for gratuity which is a defined benefit plan the liabilities of which are 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 year of plan amendment or curtailment. The classification of the Group's obligation into current and non-current is as per the actuarial valuation report.

In case of foreign subsidiaries, the post-employment benefit plan, in the form of a pension, qualify as defined benefit plans. For the purposes of determining the defined benefit obligation at the reporting date, the total defined benefit obligations, made by an independent actuary using the projected unit credit method, are compared to the fair value of the plan assets and resultant surplus or shortfall is recognised as an asset or liability, respectively. Re-measurement, comprising of actuarial gains and losses, in respect of this pension plan are recognised in the OCI, in the period in which they occur.

c) Leave entitlement and compensated absences

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

d) Short-term benefits

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

xvi. Inventories

a) Construction materials, stores, spares and fuel

The stock of construction materials, stores, spares and fuel is valued at cost or net realisable value ('NRV'), whichever is lower. Cost is determined on weighted average basis and includes all applicable cost of bringing the goods to their present location and condition. Net realisable value is estimated selling price in ordinary course of business less the estimated cost necessary to make the sale.

b) Land and development rights

Undeveloped land (including development costs) and finished units which are held for sale are valued at the lower of construction costs and net selling price.

c) Project work in progress

Land and construction / development expenses are accumulated under "Project work-in-progress" and the same are valued at lower of cost or net realizable value.

Cost of land purchased / acquired by the Group includes purchase / acquisition price plus stamp duty and registration charges.

Construction / development expenditure includes cost of development rights, all direct and indirect expenditure incurred on development of land/ construction, attributable interest and financial charges and overheads relating to site management and administration less incidental revenues arising from site operations.

xvii. Cash and cash equivalents

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

xviii. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM is the Chief Executive Officer of the Group, who assesses the financial performance and position of the Group and makes strategic decisions. The CODM reviews revenue and gross profit as the performance indicators and does not review the total assets and liabilities for each reportable segment. The measurement of each segment's revenues, expenses and assets is consistent with the accounting policies that are used in preparation of the Group's consolidated financial statements. The Group's operations predominantly relate to 'Engineering and Construction', 'Infrastructure', 'Real Estate' and 'Comprehensive Urban Development and Management'. Other business segments contribute less than 10% of the total revenue and have been grouped as 'Others'. Segments have been identified taking into account the nature of activities of the parent company, its subsidiaries and joint ventures, the differing risks and returns, the organization structure and internal reporting system.

xix. Borrowing costs

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Also, the EIR amortisation is included in finance costs. Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are expensed in the Statement of Profit and Loss in the period in which they occur.

xx. Foreign exchange translation of foreign projects and accounting of foreign exchange transaction

a) Initial recognition

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

b) Conversion

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

c) Treatment of exchange difference

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

Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset and exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Translation Account" and amortised over the remaining life of the concerned monetary item.

xxi. Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight line basis over the expected lives of the related assets and presented with other income.

xxii. Revenue recognition

Effective 1 April 2018, the Group adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of 1 April 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant. Further, on account of adoption of Ind AS 115, unbilled work-in-progress (contract asset) as at 31 March 2020 has been considered as non-financial asset and accordingly classified under other current assets.

a) Revenue from construction contracts

During the current year, the Group has changed the method of measuring progress i.e. from output method to input method as specified in Ind-AS 115 – 'Revenue from Contract with Customers' consequent to change in the circumstances including change in the nature of contracts secured by the Group during recent years. Pursuant to the impact of this change in method, the Group has restated the comparative financial statements / information for the year ended 31 March 2019, in accordance with the requirements of Ind-AS 8- 'Accounting Policies, Changes in Accounting Estimates and Errors'. Further, the retained earnings (other equity) as at 1 April 2018 within the statement of changes in equity has also been restated to adjust the impact of such adjustments relating to prior years. (Refer note 35)

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

Revenue from engineering and construction services, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. The percentage-of-completion of a contract is determined by the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

"Transaction price, including variable consideration, is the amount of consideration to which the Group expects to be entitled in exchange for transferring good or service to a customer excluding amounts collected on behalf of a third party. Variations in contract work, claims and incentive payments are included as 'variable consideration' in contract revenue only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and are capable of being reliably measured.

At each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period."

Contract revenue earned in excess of certification are classified as contract assets (which we refer as unbilled work-in-progress) while certification in excess of contract revenue are classified as contract liabilities (which we refer to as due to customer). Advance payments received from contractee for which no services are rendered are presented as 'Advance from contractee'.

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 Group 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.

b) Software development and servicing revenue

Revenue from software development on fixed price, fixed time frame contracts, including system development and integration contracts, where there is no uncertainty as to measurement or collectability is recognized as per percentage of completion method. Revenue from last billing date to the Balance Sheet date is recognized as unbilled revenue. Stage of completion is measured by reference to the proportion that service cost incurred for work performed to date bears to the estimated total service cost. Service cost incurred to date excludes costs that relate to future activity on the contract. Such costs are recognized as an asset and are classified as unbilled revenue as due from customers.

Servicing revenue is recognized over the term of servicing contract. For sales of services, revenue is recognized in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of actual services provided as a proportion of the total services to be provided.

Time and material contracts is recognized as and when the related services are provided.

Annual maintenance service contracts are recognized proportionately over the period in which services are rendered.

Revenue from sale of user licenses for software applications is recognized on transfer of the title/product, in accordance with the sales contract. Revenue from product sales are shown as net of all applicable taxes and discounts.

c) Interest on arbitration awards

Interest awarded, being in the nature of additional compensation under the terms of the contract, is accounted as other operating revenue on receipt of favourable arbitration award.

xxiii. Other income

a) Interest income

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

b) Dividend income

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

c) Other income

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

d) Rental income

Rent is recognised on time proportionate basis.

e) Finance and other income

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

xxiv. 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 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. 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.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

The Group recognises deferred tax liability for all taxable temporary differences associated with investments in subsidiaries and associates, except to the extent that both of the following conditions are satisfied:

- When the Group is able to control the timing of the reversal of the temporary difference; and
- It is probable that the temporary difference will not reverse in the foreseeable future

xxv. Leases

Effective 1 April 2019, the Group has adopted Ind AS 116, "Leases" using the modified retrospective approach, as a result of which the comparative information is not required to be restated. Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended 31 March 2019.

The Group's lease asset classes primarily consist of leases for vehicles, building and shed. The Group assesses whether a contract contains a 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 of the consideration.

At the date of the commencement of the lease, the Group recognises a right-of-use asset representing its right to use the underlying asset for the lease term and a corresponding lease liability for all the lease arrangements in which it is a lease, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognises 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 recognised 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. They are subsequenty 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 estimated useful life of the assets are determined on the same basis as those of property, plant and equipment.

Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Carrying amount of right-of-use asset is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The future lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. For a lease with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

Right-of-use assets have been separately presented in the Balance Sheet and the Lease liability is presented under Other financial liabilities. Further, lease payments have been classified as financing cash flows.

xxvi. Impairment of non-financial assets

As at each Balance Sheet date, the Group 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 Group 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, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

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

xxvii. 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 parent 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 parent 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).

xxviii. Provisions, contingent liabilities and contingent assets

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

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

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

xxix. Commitments

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.

xxx. Provision for warranty

In case of real estate projects of a subsidiary, the estimated liability for warranty is recorded on the building and its components during the construction period. These estimates are established using historical information on the nature, frequency and average cost of obligations and management estimates regarding possible future incidence based on corrective actions during the construction period under warranty phase.

xxxi. Treasury shares

Treasury shares represents own equity instruments reacquired by the Holding Company or other members of the Consolidated Group, which are deducted from the equity of the acquiring entity. Treasury shares held is disclosed separately in the financial statements.

xxxii. Share issue expenses

Share issue expenses are charged off against available balance in the Securities premium.

xxxiii. Share based payments

Certain employees of the Group are entitled to remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants. The stock compensation expense is determined based on the Group's estimate of equity instruments that will eventually vest using fair value in accordance with Ind-AS 102, Share based payment.

xxxiv. Exceptional items

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

Note 2.2 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable to the Group effective 1 April 2020.

NOTE 3A PROPERTY, PLANT AND EQUIPMENT

₹ crore

Particulars	Freehold land	Leasehold land	Leasehold improvements	Building and sheds	Plant and equipment	Furniture fixtures and equipment	Vehicles	Helicopter / Aircraft	Speed boat	Computers	Total	Biological Assets
Gross carrying value (at deemed cost)												
As at 1 April 2018	52.23	14.91	12.54	906.35	863.69	100.01	42.91	128.97	1.04	3.84	2,126.49	1.87
Adjustments [Refer sub note (iii)]	-	-	-	-	8.40	8.10	0.07	3.03	-	0.88	20.48	-
Additions	-	-	-	-	29.58	5.39	7.74	-	-	1.14	43.85	-
Disposals	-	-	(1.23)	-	(10.32)	(0.06)	(1.98)	(4.76)	-	-	(18.35)	(1.87)
Derecognition of assets of subsidiaries (Refer note 33.2)	(13.94)	(14.91)	(8.46)	(798.16)	(117.75)	(27.00)	(0.92)	-	-	(0.93)	(982.07)	-
Transferred to assets held for sale (Refer note 16)	-	-	-	-	-	-	-	(112.98)	-	-	(112.98)	-
As at 31 March 2019	**38.29**	**-**	**2.85**	**108.19**	**773.60**	**86.44**	**47.82**	**14.26**	**1.04**	**4.93**	**1,077.42**	**-**
Adjustments [Refer sub note (iii)]	-	-	-	-	6.73	-	-	-	-	-	6.73	-
Additions	-	-	-	-	43.27	5.73	5.52	-	-	1.38	55.90	-
Disposals	-	-	-	-	(23.43)	(0.40)	(0.93)	-	-	-	(24.76)	-
Transferred to assets held for sale (Refer note 16)	(6.49)	-	-	-	-	-	-	(14.26)	-	-	(20.75)	-
As at 31 March 2020	**31.80**	**-**	**2.85**	**108.19**	**800.18**	**91.76**	**52.41**	**-**	**1.04**	**6.31**	**1,094.54**	**-**
Accumulated depreciation												
As at 1 April 2018	-	1.32	4.73	152.58	318.82	40.16	20.81	31.49	0.33	0.14	570.38	0.38
Depreciation charge	-	-	0.39	13.05	130.54	12.17	4.73	10.42	0.10	0.98	172.38	0.12
Accumulated depreciation on disposals	-	-	(0.98)	-	(2.60)	(0.05)	(1.53)	(1.85)	-	-	(7.01)	(0.50)
Adjustments [Refer sub note (iii)]	-	-	-	-	-	5.64	0.10	-	-	1.22	6.96	-
Derecognition of assets of subsidiaries (Refer note 33.2)	-	(1.32)	(3.33)	(82.05)	(22.48)	(28.46)	(0.69)	-	-	(0.65)	(138.98)	-
Transferred to assets held for sale (Refer note 16)	-	-	-	-	-	-	-	(35.26)	-	-	(35.26)	-
As at 31 March 2019	**-**	**-**	**0.81**	**83.58**	**424.28**	**29.46**	**23.42**	**4.80**	**0.43**	**1.69**	**568.47**	**-**
Depreciation charge	-	-	0.30	2.13	94.67	14.06	3.27	1.20	0.11	1.27	117.01	-
Accumulated depreciation on disposals	-	-	-	-	(10.80)	-	(0.61)	-	-	-	(11.41)	-
Transferred to assets held for sale (Refer note 16)	-	-	-	-	-	-	-	(6.00)	-	-	(6.00)	-
As at 31 March 2020	**-**	**-**	**1.11**	**85.71**	**508.15**	**43.52**	**26.08**	**-**	**0.54**	**2.96**	**668.07**	**-**
Net carrying value												
As at 1 April 2018	18.08	47.74	7.81	753.77	544.87	59.83	22.10	97.49	0.71	3.70	1,556.10	1.49
As at 31 March 2019	38.29	-	2.04	24.61	349.32	56.98	24.40	9.47	0.61	3.24	508.95	-
As at 31 March 2020	**31.80**	**-**	**1.74**	**22.48**	**292.03**	**48.24**	**26.33**	**-**	**0.50**	**3.35**	**426.47**	**-**

Net carrying value	**As at 31 March 2020**	As at 31 March 2019	As at 1 April 2018
Property, plant and equipment	426.47	508.95	1,556.10
Biological assets (bearer plants)	-	-	1.49
Capital work-in-progress	178.41	169.06	1,713.92

Notes:

(i) Refer notes 18 and 22 for information of property, plant and equipment pledged as security against borrowings of the Group

(ii) Refer note 36(B)(i) for disclosure of contractual commitments for acquisition of Property, plant and equipment

(iii) Adjustments represents exchange loss arising on long-term foreign currency monetary items.

NOTE 3B RIGHT-OF-USE ASSETS

₹ crore

Particulars	Buildings	Vehicles	Total
Gross carrying value			
Impact of adoption of Ind AS 116 as at 1 April 2019	304.18	0.94	305.12
Additions	-	-	-
Disposals	(0.40)	-	(0.40)
As at 31 March 2020	**303.78**	**0.94**	**304.72**
Accumulated depreciation			
As at 1 April 2019	-	-	-
Depreciation Charge	28.97	0.57	29.54
Accumulated depreciation on disposals	(0.00)*	-	(0.00)*
As at 31 March 2020	**28.97**	**0.57**	**29.54**
Net carrying value			
As at 31 March 2019	-	-	-
As at 31 March 2020	**274.81**	**0.37**	**275.18**

Note:
Also refer note 48 for the impact of transition to Ind AS 116- Leases and the related disclosures.

NOTE 4 INVESTMENT PROPERTY

₹ crore

Particulars	Land	Building	Total
Gross carrying value (at deemed cost)			
As at 1 April 2018	2.05	2.36	4.41
Adjustments [Refer sub note (iii)]	0.04	-	0.04
As at 31 March 2019	**2.09**	**2.36**	**4.45**
Additions	-	-	-
Disposals	-	-	-
As at 31 March 2020	**2.09**	**2.36**	**4.45**
Accumulated depreciation			
As at 1 April 2018	-	1.68	1.68
Depreciation charge	-	0.04	0.04
As at 31 March 2019	**-**	**1.72**	**1.72**
Depreciation charge	-	0.03	0.03
As at 31 March 2020	**-**	**1.75**	**1.75**
Net carrying value			
As at 1 April 2018	2.05	0.68	2.73
As at 31 March 2019	2.09	0.64	2.73
As at 31 March 2020	**2.09**	**0.61**	**2.70**

Information regarding income and expenditure of Investment Property

₹ crore

	Year ended 31 March 2020	Year ended 31 March 2019
Rental income derived from investment property	0.14	0.06
Direct operating expenses (including repairs and maintenance) generating rental income	(0.40)	(0.22)
Loss arising from investment properties before depreciation and indirect expenses	(0.26)	(0.16)
Less : Depreciation	(0.03)	(0.04)
Loss arising from investment properties before indirect expenses	(0.29)	(0.20)

Note:

(i) The fair value of the Land situated in Switzerland as at the Balance Sheet date is ₹ 2.28 crore (CHF 300,000) [31 March 2019: ₹ 2.09 crore (CHF 300,000), 1 April 2018: ₹ 2.06 crore (CHF 300,000)]

(ii) The fair value of the Building situated in Mumbai, Maharashtra, India as at the Balance Sheet date is ₹ 13.36 crore (31 March 2019: ₹ 13.36 crore, 1 April 2018: ₹ 13.36 crore)

(iii) Adjustments represent exchange loss arising on long-term foreign currency monetary items.

NOTE 5 INTANGIBLE ASSETS

₹ crore

Particulars	Computer software (A)	Trade marks (B)	Other intangible assets (C = A+B)	Goodwill (D)	Total intangible assets (E = C+D)
Gross carrying value (at deemed cost)					
As at 1 April 2018	52.32	0.87	53.19	154.95	208.14
Additions	25.50	-	25.50	-	25.50
Adjustments	5.21	-	5.21	-	5.21
Derecognition of assets of subsidiaries (Refer note 33.2)	(2.97)	(0.87)	(3.84)	(131.02)	(134.86)
As at 31 March 2019	**80.06**	**-**	**80.06**	**23.93**	**103.99**
Additions	9.25	-	9.25	-	9.25
As at 31 March 2020	**89.31**	**-**	**89.31**	**23.93**	**113.24**
Accumulated amortisation					
As at 1 April 2018	16.41	0.73	17.14	20.55	37.69
Amortisation charge	4.82	-	4.82	-	4.82
Derecognition of assets of subsidiaries (Refer note 33.2)	(2.72)	(0.73)	(3.45)	-	(3.45)
Adjustments	2.03	-	2.03	-	2.03
As at 31 March 2019	**20.54**	**-**	**20.54**	**20.55**	**41.09**
Amortisation charge	5.26	-	5.26	-	5.26
Adjustments	(0.01)	-	(0.01)	-	(0.01)
As at 31 March 2020	**25.79**	**-**	**25.79**	**20.55**	**46.34**
Net carrying value					
As at 1 April 2018	35.91	0.14	36.05	134.40	170.45
As at 31 March 2019	59.52	-	59.52	3.38	62.90
As at 31 March 2020	**63.52**	**-**	**63.52**	**3.38**	**66.90**

Note 5.1 Impairment testing for goodwill

Goodwill is tested for impairment annually in accordance with the Group's procedure for determining the recoverable amount of such assets. The recoverable amount is determined based on the fair value of the underlying net assets of the entity. The fair value measurement has been categorised as level 3 fair value based on the inputs to the valuation technique used. Based on the above, no impairment provision is considered necessary as the recoverable value exceeded the carrying value.

NOTE 6 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

₹ crore

		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
I.	**Investments at deemed cost**			
	i) in associates in India	10.18	7.12	17.65
	ii) in associates outside India	13.81	13.16	13.18
	iii) in joint venture in India	321.12	137.23	330.68
II.	**Deemed investment in associates and joint ventures**	-	-	1.65
Total investments in associates and joint ventures		**345.11**	**157.51**	**363.16**

Detailed list of investments in associates and joint ventures

₹ crore

		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
I.	**Investments at deemed cost, unquoted and fully paid up**			
i)	**In associates in India**			
	Highbar Technocrat Limited 99,940 (31 March 2019: 99,440, 1 April 2018: 99,940) equity shares of ₹ 10 each	10.18 #	7.12	5.52
	Knowledge Vistas Limited Nil (31 March 2019: Nil, 1 April 2018: 310,481) equity shares of ₹ 10 each	- ^	- ^	13.19
	Warasgaon Lakeview Hotels Limited Nil (31 March 2019: Nil, 1 April 2018: 140,897) equity shares of ₹ 10 each	- ^	- ^	12.13
		10.18	7.12	30.84
	Less: Impairment allowance	-	-	(13.19)
		10.18	**7.12**	**17.65**
# net off ₹ 1 crore (31 March 2019: Nil, 1 April 2018) received as dividend during the current year.				
ii)	**In associates outside India**			
	Evostate AG 300 (31 March 2019: 300, 1 April 2018: 30) equity shares of CHF 1,000 each	3.52	3.39	0.18
	Projektentwicklungsges, Parking AG Basel 850 (31 March 2019: 850, 1 April 2018: 850) equity shares of CHF 1,000 each	9.00	6.49	3.51
	MCR Managing Corp 30 (31 March 2019: 30, 1 April 2018: 30) equity shares of CHF 1,000 each	1.29	3.28	9.49
		13.81	**13.16**	**13.18**
iii)	**In joint ventures in India**			
	HCC Concessions Limited (Refer note 37)			
	50,000 (31 March 2019: 50,000, 1 April 2018: 50,000) equity shares of ₹ 10 each; and	573.48	573.48	573.48
	2,867,151 (31 March 2019: 2,867,151, 1 April 2018: 2,867,151) Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each	285.98	285.98	285.98
	Less: Share of loss from joint venture accounted under equity method	(538.34)	(722.23)	(566.65)
		859.46	**859.46**	**859.46**

Detailed list of investments in associates and joint ventures...contd.

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Ecomotel Hotel Limited Nil (31 March 2019: Nil, 1 April 2018: 10,096,289) equity shares of ₹ 10 each	- ^	- ^	6.00
Whistling Thrush Facilities Services Limited Nil (31 March 2019: Nil, 1 April 2018: 27,540) equity shares of ₹ 10 each	- ^	- ^	0.00*
Spotless Laundry Services Limited Nil (31 March 2019: Nil, 1 April 2018: 96,437) equity shares of ₹ 10 each	- ^	- ^	0.00*
Bona Sera Hotels Limited Nil (31 March 2019: Nil, 1 April 2018: 122,563) equity shares of ₹ 10 each	- ^	- ^	0.00*
Starlit Resort Limited Nil (31 March 2019: Nil, 1 April 2018: 49,400) equity shares of ₹ 10 each	- ^	- ^	3.89
Andromeda Hotels Limited Nil (31 March 2019: Nil, 1 April 2018: 61,470) equity shares of ₹ 10 each	- ^	- ^	2.90
Apollo Lavasa Health Corporation Limited Nil (31 March 2019: Nil, 1 April 2018: 626,808) equity shares of ₹ 10 each	- ^	- ^	25.08
Werkarena Basel AG 500 (31 March 2019: Nil, 1 April 2018: Nil) equity shares of CHF 1,000 each	0.00*	-	-
	321.12	**137.23**	**330.68**

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
II. Deemed investment in associates and joint ventures			
Fair valuation of corporate guarantee			
(a) In joint venture	-	-	0.40
(b) In associates	-	-	1.25
	-	-	1.65
	345.11	**157.51**	**363.16**

^ Refer note 53.1(i)

* Represents amount less than ₹ 1 lakh

Note 6.1 The Group's share of profit / (loss) of associates and joint ventures is as follows:

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
From joint ventures			
HCC Concessions Limited (Refer note 41)	(538.34)	(722.23)	(566.65)
Ecomotel Hotel Limited	-^	-^	-
Whistling Thrush Facilities Services Limited	-^	-^	(0.23)
Spotless Laundry Services Limited	-^	-^	(7.08)
Bona Sera Hotels Limited	-^	-^	-
Starlit Resort Limited	-^	-^	(0.37)
Andromeda Hotels Limited	-^	-^	1.07
Apollo Lavasa Health Corporation Limited	-^	-^	(22.14)
Werkarena Basel AG	0.00*	-	-
From associates			
Highbar Technocrat Limited	11.18	7.12	5.52
Knowledge Vistas Limited	-^	-^	(1.14)
Warasgaon Lakeview Hotels Limited	-^	-^	(0.78)
Evostate AG	(17.98)	(19.23)	(26.46)

Note 6.1 The Group's share of profit / (loss) of associates and joint ventures is as follows:

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
MCR Managing Corp	3.13	3.27	9.49
Projektentwicklungsges, Parking AG Basel	2.70	2.61	(0.37)
	(539.31)	**(728.46)**	**(609.14)**

^ Refer Note 53.1(i)

Note 6A Non-current investments

₹ crore

		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
I.	**Investments in equity shares at deemed cost**	-	-	-
II.	**Investments in preference shares at amortised cost**	-	-	-
III.	**Deemed investments**	-	-	-
IV.	**Other investments in equity shares at fair value through Other Comprehensive Income**			
	In India	6.94	17.65	24.17
	Outside India	2.47	2.17	4.57
		9.41	19.82	28.74
Total Non-Current Investments		**9.41**	**19.82**	**28.74**

Note: Detailed list of non-current investments

₹ crore

		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
I.	**Investments in equity shares at deemed cost, unquoted and fully paid up**			
	Lavasa Corporation Limited	452.24	452.24	-
	546,844,900 (31 March 2019: 546,844,900, 1 April 2018: 546,844,900) equity shares of ₹ 10 each			
	Less: Impairment allowance	(452.24)	(452.24)	-
		-	**-**	**-**
II.	**Investments in preference shares at amortised cost**			
	Lavasa Corporation Limited	75.60	75.60	-
	22,400,125 (31 March 2019: 22,400,125, 1 April 2018: 22,400,125) preference shares of ₹ 10 each, fully paid			
	Less: Impairment allowance	(75.60)	(75.60)	-
		-	**-**	**-**
III.	**Deemed investments**			
	Fair valuation of corporate guarantee			
	Lavasa Corporation Limited	799.49	799.49	-
	Less: Impairment allowance	(799.49)	(799.49)	-
		-	**-**	**-**
IV.	**Other investments in equity shares at fair value through Other Comprehensive Income, fully paid up**			
	In India			
	Punjab National Bank Limited Nil (31 March 2019: Nil, 1 April 2018: 4,715) equity shares of ₹ 2 each, quoted	-^	-^	0.05

Note: Detailed list of non-current investments...contd.

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Hubtown Limited Nil (31 March 2019: Nil, 1 April 2018: 10) equity shares of ₹ 10 each, quoted	-^	-^	0.00*
Ansal Housing and Construction Limited Nil (31 March 2019: Nil, 1 April 2018: 30) equity shares of ₹ 10 each, quoted	-^	-^	0.00*
Ashiana Housing Limited Nil (31 March 2019: Nil, 1 April 2018: 175) equity shares of ₹ 2 each, quoted	-^	-^	0.00*
DLF Limited Nil (31 March 2019 : Nil, 1 April 2018: 10) equity shares of ₹ 2 each, quoted	-^	-^	0.00*
Indiabulls Real Estate Limited Nil (31 March 2019 : Nil, 1 April 2018: 10) equity shares of ₹ 10 each, quoted	-^	-^	0.00*
Mahindra Lifestyle Limited Nil (31 March 2019 : Nil, 1 April 2018: 10) equity shares of ₹ 10 each, quoted	-^	-^	0.00*
Peninsula Land Limited Nil (31 March 2019: Nil, 1 April 2018: 50) equity shares of ₹ 2 each, quoted	-^	-^	0.00*
Shoba Developers Limited Nil (31 March 2019: Nil, 1 April 2018: 10) equity shares of ₹ 10 each, quoted	-^	-^	0.00*
Hindustan Kohinoor Co Op Society Nil (31 March 2019: Nil, 1 April 2018: 45) equity shares of ₹ 50 each, unquoted	-	-	0.00*
Khandwala Securities Limited 3,332 (31 March 2019: 3,332, 1 April 2018: 3,332) equity shares of ₹ 10 each, quoted	0.00*	0.01	0.01
Housing Development Finance Corporation Limited 15,220 (31 March 2019: 15,220, 1 April 2018: 15,220) equity shares of ₹ 2 each, quoted	2.48	2.99	2.78
HDFC Bank Limited 2,500 (31 March 2019: 2,500, 1 April 2018: 2,500) equity shares of ₹ 10 each, quoted	0.43	0.58	0.47
Walchand Co-op. Housing Society Limited Nil (31 March 2019: Nil, 1 April 2018: 5) equity shares of ₹ 50 each, unquoted	-	-	0.00*
Shushrusha Citizens Co-Op. Hospitals Limited 100 (31 March 2019 : 100, 1 April 2018: 100) equity shares of ₹ 100 each, unquoted	0.00*	0.00*	0.00*
Hincon Finance Limited 120,000 (31 March 2019 : 120,000, 1 April 2018: 120,000) equity shares of ₹ 10 each, unquoted	4.03	14.07	20.86
	6.94	**17.65**	**24.17**

^ Refer Note 53.1(i)

Note: Detailed list of non-current investments...contd.

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Outside India			
Radio- und Fernsehgenossenschaft Zürich-Schaffhausen 1 (31 March 2019 : 1, 1 April 2018: 1) equity shares of CHF 50 each, unquoted	0.00*	0.00*	0.01
Opernhaus Zürich AG 10 (31 March 2019 : 10, 1 April 2018: 10) equity shares of CHF 900 each, unquoted	0.03	0.04	0.05
Genossenschaft Theater für den Kt. Zürich 1 (31 March 2019 : 1, 1 April 2018: 1) equity shares of CHF 300 each, unquoted	0.00*	0.00*	0.00*
Betriebsges. Kongresshaus Zürich AG 30 (31 March 2019 : 30, 1 April 2018: 30) equity shares of CHF 1,000 each, unquoted	0.29	0.29	0.28
AG Hallenstadion Zürich 10 (31 March 2019 : 10, 1 April 2018: 10) equity shares of CHF 100 each, unquoted	0.00*	0.00*	0.03
MTZ Medizinishces Therapiezentrum 50 (31 March 2019 : 50, 1 April 2018: 50) equity shares of CHF 1,000 each, unquoted	0.38	0.35	0.33
Mobimo Holding AG 720 (31 March 2019 : 720, 1 April 2018: 720) equity shares of CHF 29 each, quoted	1.54	1.20	1.27
Goldbach Media AG Nil (31 March 2019 : Nil, 1 April 2018: 6,000) equity shares of CHF 1.25 each, quoted	-	-	1.45
MCH Group AG 2,100 (31 March 2019 : 2,100, 1 April 2018: 2,100) equity shares of CHF 10 each, quoted	0.23	0.29	1.15
	2.47	**2.17**	**4.57**
Total non-current investments (6 + 6A)	**354.52**	**177.33**	**391.90**

₹ crore

		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Details:				
Aggregate value of non-current investments is as follows:				
(i)	Aggregate value of unquoted investments	1,677.17	1,499.59	397.91
(ii)	Aggregate value of quoted investments and market value thereof	4.68	5.07	7.18
(iii)	Aggregate value of impairment of investments	1,327.33	1,327.33	13.19
(i)	Investments carried at cost	345.11	157.51	363.16
(ii)	Investments carried at amortised cost	-	-	-
(iii)	Investments carried at fair value through Other Comprehensive Income	9.41	19.82	28.74

* Represents amount less than ₹ 1 lakh

NOTE 7 TRADE RECEIVABLES

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Non-current			
Trade receivables ^ (Refer notes 7.1 and 39)	2,719.72	642.49	1,375.13
[Including retention Nil (31 March 2019: Nil, 1 April 2018: ₹ 0.79 crore)]			
Total non-current trade receivables	**2,719.72**	**642.49**	**1,375.13**
Current			
Trade receivables (Refer notes 7.1, 39 and 49) ^^	1,897.57	3,545.71	2,465.28
[Including retention ₹ 764.14 crore (31 March 2019: ₹ 649.72 crore, 1 April 2018: ₹ 434.01 crore)]			
Total current trade receivables	**1,897.56**	**3,545.71**	**2,465.28**
Total trade receivables	**4,617.28**	**4,188.20**	**3,840.41**

^ Net off advance received against arbitration awards of ₹ 448.10 crore (31 March 2019: ₹ 173.84 crore, 1 April 2018: ₹ 200.02 crore)
^^ Net off advance received against work bill / arbitration awards / claim of ₹ 2,405.40 crore (31 March 2019: ₹ 2,374.26 crore, 1 April 2018: ₹ 1,949.15 crore)

Break-up of security details

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Trade receivables considered good- secured	-	-	-
Trade receivables considered good- unsecured	4,617.28	4,188.20	3,840.41
Trade receivables which have significant increase in credit risk	-	-	-
Trade receivables- credit impaired	4.58	4.58	33.24
Total	**4,621.86**	**4,192.78**	**3,873.65**
Loss allowance	(4.58)	(4.58)	(33.24)
Total trade receivables	**4,617.28**	**4,188.20**	**3,840.41**

Note 7.1 Non-current trade receivables and current trade receivables as at 31 March 2020 include ₹ 2,719.72 crore (net of advances ₹ 448.10 crore) and ₹ 652.59 crore (net of advances ₹ 2,139.17 crore), respectively [31 March 2019: ₹ 642.49 crore (net of advances ₹ 173.84 crore) and ₹ 2,070.11 crore (net of advance ₹ 2,103.68 crore) respectively, 1 April 2018: ₹ 1,375.13 crore (net of advances ₹ 200.02 crore) and ₹ 1,431.49 crore (net of advance ₹ 1,509.30 crore) respectively] representing claims awarded in arbitration in favour of the Holding Company and which have been challenged by the customers in High Courts / Supreme Court.

Note 7.2 There are no trade receivables 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, a director or a member.

Note 7.3 Trade receivables, except receivables on account of claims awarded in arbitration in favour of the Group, are non-interest bearing and are generally on terms of 30 to 90 days.

NOTE 8 LOANS

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Non-current			
Loans to related parties (Refer note 49)	54.82	6.60	56.89
Security and other deposits	20.61	45.19	44.06
	75.43	51.79	100.95
Less: loss allowance	(15.64)	(14.14)	(21.35)
Total non-current loans	**59.79**	**37.65**	**79.60**
Current			
Security and other deposits	19.59	26.77	19.98
Less: loss allowance	(0.01)	-	-
Total current loans	**19.58**	**26.77**	**19.98**
Total loans	**79.37**	**64.42**	**99.58**

Break-up of security details

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Loans considered good- secured	-	-	-
Loans considered good- unsecured	79.37	64.42	99.58
Loans- credit impaired	15.65	14.14	21.35
Total	**95.02**	**78.56**	**120.93**
Loss allowance	(15.65)	(14.14)	(21.35)
Total loans	**79.37**	**64.42**	**99.58**

NOTE 9 OTHER FINANCIAL ASSETS

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Non-current			
Margin money deposits	0.68	3.02	8.18
Compensation in lieu of termination	21.45	-	-
Application money paid towards share purchase	-	5.62	5.62
	22.13	8.64	13.80
Less: Loss allowance	-	(5.62)	(5.62)
Total non-current financial assets	**22.13**	**3.02**	**8.18**
Current			
Unbilled work-in-progress^ (Refer note 35 and 39)	-	-	3,635.84
Compensation in lieu of termination	15.02	35.19	-
Interest accrued on deposits / advances	10.28	5.49	16.89
Others	24.95	11.09	2.03
	50.25	**51.77**	**3,654.76**
Less: Loss allowance	(1.34)	(6.91)	-
Total current financial assets	**48.91**	**44.86**	**3,654.76**
^ Net off advance received against work bill Nil (31 March 2019: Nil, 1 April 2018: ₹ 199.23 crore)			
Total other financial assets	**71.04**	**47.88**	**3,662.94**

NOTE 10 INCOME TAX ASSETS (NET)

i. The following table provides the details of income tax assets and liabilities:

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
a) Income tax assets	473.80	413.37	330.82
b) Current income tax liabilities	196.95	196.86	210.18
Income tax assets (net) [a-b]	**276.85**	**216.51**	**120.64**

ii The gross movement in the income tax assets is as follows:

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Net income tax asset at the beginning	216.51	120.64	69.63
Income tax paid	73.49	103.28	80.23
Current income tax expense	(13.16)	(7.41)	(29.22)
Net income tax assets at the end	**276.85**	**216.51**	**120.64**

iii. Income tax expense comprises:

₹ crore

	Year ended 31 March 2020	Year ended 31 March 2019
Current tax expense	13.16	7.41
Deferred tax charge / (credit)	151.76	(614.97)
Tax charge / (credit) [net] in the Statement of Profit and Loss	**164.92**	**(607.56)**
Deferred tax charge / (credit) in Other Comprehensive Income	2.10	(1.62)
Tax charge / (credit) [net]	**167.02**	**(609.18)**

iv. A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit / (loss) before income taxes is as below:

₹ crore

	Year ended 31 March 2020	Year ended 31 March 2019
Profit / (loss) before income tax	361.95	(657.41)
Applicable tax rate in India	34.944%	34.944%
Computed expected tax charge / (credit)	**126.48**	**(229.73)**
Effect of difference in tax rates of overseas subsidiaries	(39.44)	(87.11)
Effect of tax on profit / loss of joint operations, associates and joint ventures	(65.60)	57.61
Effect of expenses not allowed for tax purpose	1.32	77.89
Effect of income not considered for tax purpose and deferred tax asset on loss not recognised	(19.30)	(406.42)
Impact of DTA written off (Refer note 10.1)	151.30	-
Impact of change in tax rate	0.00*	0.38
Others	10.16	(20.18)
Income tax charge / (credit) [net] in the Statement of Profit and Loss	**164.92**	**(607.56)**

Note 10 Income tax assets (net)...contd.

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

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
(A) Deferred tax assets (Refer note 10.1)			
(a) Business loss / unabsorbed depreciation / MAT credit entitlements	2,289.55	2,237.41	2,128.10
(b) Impairment allowance for receivables / other assets	0.65	118.77	-
(c) Timing difference on tangible and intangible assets' depreciation and amortisation	60.96	53.15	(90.54)
(d) Expense allowable on payment basis	139.78	98.81	165.12
	2,490.94	**2,508.14**	**2,202.68**
(B) Deferred tax liabilities			
(a) Claims / arbitration awards	(1,998.40)	(1,867.14)	(1,554.34)
(b) Deemed equity investment and impact of financial instruments	-	-	(615.12)
(c) Others	(6.77)	(1.37)	(10.18)
	(2,005.17)	**(1,868.51)**	**(2,179.64)**
Deferred tax assets (net) (A) - (B)	**485.77**	**639.63**	**23.04**
Deferred tax liabilities in case of certain entities	-	-	53.37
Deferred tax assets in case of certain entities	485.77	639.63	76.41
Net deferred tax assets	485.77	639.63	23.04

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

	Business loss / unabsorbed depreciation / MAT credit entitlements	Impairment allowance for receivables / other assets	Timing difference on tangible and intangible assets' depreciation and amortisation	Claims / arbitration awards	Deemed equity investment and impact of financial instruments	Expense allowable on payment basis and others	Total
At 1 April 2018	2,065.55	-	(90.54)	(1,554.34)	(615.12)	154.94	(39.51)
- to retained earnings (Refer note 35)	62.55	-	-	-	-	-	62.55
Restated balance as at 1 April 2018	**2,128.10**	**-**	**(90.54)**	**(1,554.34)**	**(615.12)**	**154.94**	**23.04**
(Charged) / credited							
- deconsolidation of deferred taxes of subsidiary (refer note 45)	(616.49)	-	120.71	-	615.12	(119.34)	-
- to profit or loss	725.80	118.77	22.98	(312.80)	-	60.22	614.97
- to other comprehensive income	-	-	-	-	-	1.62	1.62
At 31 March 2019	**2,237.41**	**118.77**	**53.15**	**(1,867.14)**	**-**	**97.44**	**639.63**
(Charged) / credited							
- to profit or loss	52.14	(118.12)	7.81	(131.26)	-	37.67	(151.76)
- to other comprehensive income	-	-	-	-	-	(2.10)	(2.10)
As at 31 March 2020	**2,289.55**	**0.65**	**60.96**	**(1,998.40)**	**-**	**133.01**	**485.77**

Note 10 Income tax assets (net)...contd.

Note 10.1: On 20 September 2019, vide the Taxation Laws (Amendment) Ordinance 2019, the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective 01 April 2019 subject to certain conditions. During the current year, certain Group companies have elected to exercise the option permitted under section 115BAA. However, the Holding Company, having significant amount of brought forward tax losses and unabsorbed depreciation on which deferred tax asset has been recognised, is still evaluating and has not yet elected to exercise the option permitted under section 115BAA. In view of the above, there is no impact of the new tax rate on the financial statements for the current period.

During the quarter ended 30 September 2019, the Holding Company had written off deferred tax assets aggregating ₹ 151.30 crore due to expiry of statutory period for setting off underlying losses. As at 31 March 2020, the Holding Company has continued to recognize deferred tax assets amounting to ₹ 437.08 crore (net of deferred tax liability of ₹ 1,998.40 crore) on account of carried forward unused tax losses, unused tax credits and other taxable temporary differences. Based on the expected profits from the unexecuted orders on hand, outcome of the ongoing discussion with lenders for restructuring of loans and expected settlement of arbitration awards, the Holding Company's management is confident that sufficient future taxable income will be available against which such deferred tax assets will be realized.

Note 10.2: Deferred tax liabilities on undistributed earnings of the Group subsidiaries have not been provided as such earnings are deemed to be reinvested in the business and the Group is able to control the timing of the reversals of temporary differences associated with these investments.

Note 10.3: There are unused tax losses in the Group companies for which no deferred tax asset has been recognised as the Group believes that availability of taxable profit against which such temporary difference can be utilised, is not probable.

NOTE 11 OTHER ASSETS

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Non-current			
Capital advances	1.80	9.04	5.38
Balances with government authorities	84.59	99.22	111.36
Prepaid expenses	3.04	0.00*	0.98
	89.43	**108.26**	**117.72**
Less: Loss allowance	(0.62)	(0.62)	(0.62)
Total other non-current assets	**88.81**	**107.64**	**117.10**
Current			
Unbilled work-in-progress^ (Refer notes 35 and 39)	3,610.28	2,921.72	-
Advance to suppliers and subcontractors	156.66	145.99	289.62
Balances with government authorities	126.99	142.27	143.02
Prepaid expenses	10.20	11.77	24.44
Other assets	43.40	31.19	40.70
Total other current assets	**3,947.53**	**3,252.94**	**497.78**
Less: Loss allowance	(29.73)	(25.75)	(42.41)
	3,917.80	**3,227.19**	**455.37**
Total other assets	**4,006.61**	**3,334.83**	**572.47**

^ Net off advance received against work bill of ₹ 195.60 crore (31 March 2019: ₹ 146.51 crore, 1 April 2018: Nil)

NOTE 12 INVENTORIES

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Land and development rights	275.04	434.24	2,167.63
Construction material, stores and spares	187.52	192.24	175.76
Project work-in-progress	-	-	154.31
Food and beverages	-	-	0.16
Fuel and others	4.61	5.19	6.20
Total inventories	**467.17**	**631.67**	**2,504.06**

Note 12.1 Due to Covid-19 outbreak and the related lockdown restrictions imposed from time to time by respective governments, the management of the Holding Company was unable to perform the year end physical verification of inventories on 31 March 2020 which was carried out subsequent to the year end. Management of the Holding Company also performed roll-back procedures from date of count to the reporting date to arrive at the physical stock as on reporting date.

NOTE 13 CURRENT INVESTMENTS

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Investments accounted for using the equity method, unquoted and fully paid up			
I. Investment in joint venture			
Raiganj Dalkhola Highways Limited ('RDHL') 3,000,000 (31 March 2019: 3,000,000, 1 April 2018: 3,000,000) equity shares of ₹ 10 each fully paid	1.36	2.78	4.11
Baharampore Farakka Highways Limited ('BFHL') 100 (31 March 2019: 100, 1 April 2018: 11,700,000) equity shares of ₹ 10 each fully paid	0.00 *	0.00*	0.45
Farakka Raiganj Highways Limited ('FRHL') Nil (31 March 2019: 100, 1 April 2018: 13,000,000) equity shares of of ₹ 10 each fully paid	-	0.00*	8.92
Dhule Palesner Tollways Limited ('DPTL') NIl (31 March 2019: 100, 1 April 2018: 100) equity shares of ₹ 10 each fully paid	-	0.00*	0.00*
	1.36	**2.78**	**13.48**
II. Investments in others carried at fair value through profit and loss			
Investment in mutual funds	0.14	0.78	11.71
Total current investments	**1.50**	**3.56**	**25.19**

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Details:			
Aggregate value of current investments is as follows:			
(i) Aggregate value of unquoted investments	1.50	3.56	25.19
(ii) Aggregate value of quoted investments and market value thereof	-	-	-
(iii) Aggregate value of impairment in the value of investments	-	-	-
(i) Investments carried at cost	1.36	2.78	13.48
(ii) Investments carried at amortised cost	-	-	-
(iii) Investments carried at fair value through profit and loss	0.14	0.78	11.71

Note 13 Current investments...contd.

Note 13.1 Detailed list of current investments

₹ crore

		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
I.	**The Group's share of loss from equity accounted investments is as follows:**			
	In joint venture in India			
	- Raiganj Dalkhola Highways Limited (Refer notes 13.2 and 13.3) 3,000,000 (31 March 2019: 3,000,000, 1 April 2018: 3,000,000) equity shares of ₹ 10 each fully paid	(3.94)	(2.52)	(1.19)
	- Baharampore Farakka Highways Limited (Refer notes 13.2 and 13.3) 100 (31 March 2019: 100, 1 April 2018: 11,700,000) equity shares of ₹ 10 each fully paid	(16.28)	(16.28)	(16.28)
	- Farakka Raiganj Highways Limited (Refer notes 13.2 and 13.3) Nil (31 March 2019: 100, 1 April 2018: 13,000,000) equity shares of of ₹ 10 each fully paid	(16.59)	(16.59)	(16.59)
Total share of loss from equity accounted investments		**(36.81)**	**(35.39)**	**(34.06)**

Note 13.2 The Group has pledged the following shares in favour of the lenders as a part of the financing agreements for facilities taken by subsidiary companies and joint ventures as indicated below:

₹ crore

Name of the entity	No. of equity shares pledged		
	As at 31 March 2020	As at 31 March, 2019	As at 1 April 2018
Raiganj Dalkhola Highways Limited	510,000	510,000	510,000
Baharampore Farakka Highways Limited	-	-	510,000
Farakka Raiganj Highways Limited	-	-	510,000

Note 13.3 Pursuant to Shareholders Agreement (SHA) executed on 9 August 2011, the Holding Company is required to hold 100% equity stake in HCC Infrastructure Company Limited (HICL) until Private Equity Investor gets an exit from HCC Concessions Limited (HCL) through means as specified in the SHA and there are certain other customary restrictions on pledging / creation of any encumbrance over shares / assets of HICL/ BOT SPVs. The Holding Company has given inter alia an undertaking in respect of investment in BFHL, FRHL, DPTL and RDHL to National Highways Authority of India (NHAI) that it will not transfer its shareholding till the commercial operation date. The Holding Company has entered into sale agreement with HCL to sell these shares at book value at future dates on fulfilment of that obligation as per undertaking given to NHAI.

During the previous year, the Holding Company had transferred 11,699,900 shares held in BFHL and 12,999,900 shares held in FRHL to HCL in accordance with the sale agreement, the consideration for which was already received in earlier years. In respect of RDHL, the Holding Company has received full consideration of ₹ 3.00 crore (31 March 2019: ₹ 3.00 crore, 1 April 2018: ₹ 3.00 crore) from HCL for transfer of the shares at book value, subject to necessary approvals and consents to the extent required.

During the current year, the Holding Company has transferred 100 shares held in FRHL and 100 shares held in DPTL to HCL and Sadbhav Infrastructure Project Limited respectively in accordance with the sale agreement, the consideration for which was already received in earlier years.

	As at 31 March 2020		As at 31 March 2019		As at 1 April 2018	
Name of the BOT SPV	**No. of shares**	**₹ crore**	**No. of shares**	**₹ crore**	**No. of shares**	**₹ crore**
Baharampore Farakka Highways Limited	100	0.00 *	100	0.00*	11,700,000	11.70
Farakka Raiganj Highways Limited	-	-	100	0.00*	13,000,000	13.00
Raiganj Dalkhola Highways Limited	3,000,000	3.00	3,000,000	3.00	3,000,000	3.00
Dhule Palesner Tollways Limited	-	-	100	0.00*	100	0.00*
Total	**3,000,100**	**3.00**	**3,000,300**	**3.00**	**27,700,100**	**27.70**

NOTE 14 CASH AND CASH EQUIVALENTS

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Balances with banks			
- Current accounts in Indian rupees	86.91	107.52	74.98
- Current accounts in foreign currency	176.86	134.72	269.06
- in deposit account with original maturity upto 3 months	1.46	27.07	1.18
Cash on hand	0.86	0.75	0.85
Cheques on hand	10.00	0.64	58.11
Total cash and cash equivalents	**276.11**	**270.70**	**404.18**

NOTE 15 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Bank deposits with maturity of more than 3 months and less than 12 months	34.43	23.13	14.19
Earmarked balances with bank for: (Refer note 18.4)			
- Margin money deposits with original maturity of more than 3 months and remaining maturities of less than 12 months	532.48	562.59	533.47
- Balances with bank for unpaid dividend ^	0.00*	0.00*	0.25
Total bank balances other than cash and cash equivalents	**566.91**	**585.72**	**547.91**

^ includes ₹ 7,600 (31 March 2019: ₹ 7,600, 1 April 2018: ₹ 7,600) which is held in abeyance due to legal cases pending.

Note 15.1 There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at end of each reporting period.

NOTE 16 ASSETS CLASSIFIED AS HELD FOR SALE

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Freehold Land (Refer note 16.1)	6.49	-	-
Helicopter (Refer note 16.2)	8.27	-	-
Aircraft [Refer notes 16.3 and 18.1.3 (iii)]	-	77.72	-
Less: Impairment loss	-	(71.85)	-
Total assets classified as held for sale	**14.76**	**5.87**	**-**

Note 16.1 During the current year, the Holding Company has entered into an agreement with a subsidiary company to develop the land parcel admeasuring 21,208.65 sq. mtrs. or thereabouts and having a built-up area of 98,491 sq. mtrs. situated at Vikhroli under the registration district of Mumbai suburban city. An advance of ₹ 20.20 crore has been received as per the terms of the agreement and presently the valuation study and due diligence is in process. The Holding Company anticipates the completion of the sale by March 2021 and accordingly the same has been reclassified under 'Asset classified as held for sale'.

Note 16.2 During the current year, the Holding Company has entered into an agreement for sale of a Helicopter including all its related parts and ancillary items for a consideration of ₹ 8.75 crore. As at 31 March 2020, the matter is pending on account of necessary approvals from Director General of Civil Aviation.

Note 16.3 During the previous year, the Holding Company had initiated identification and evaluation of potential buyers for its Hawker 4000 aircraft and all related avionics, appurtenances and equipment and accordingly the same was reclassified under 'Assets classified as held for sale'. On reclassification, the aircraft was measured at the lower of carrying amount and fair value less cost to sell and consequently, an impairment loss of ₹ 71.85 crore was recognized in the Statement of Profit and Loss for the year ended 31 March 2019 under exceptional items [Also refer note 33(f)]. This asset has been disposed off in the current year.

NOTE 17 EQUITY SHARE CAPITAL

₹ crore

		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Authorised share capital				
2,000,000,000	Equity shares of ₹ 1 each (31 March 2019: 2,000,000,000 equity shares of ₹ 1 each, 1 April 2018: 1,250,000,000 equity shares of ₹ 1 each)	200.00	200.00^	125.00
10,000,000	Redeemable cumulative preference shares of ₹ 10 each (31 March 2019: 10,000,000 preference shares of ₹ 10 each, 1 April 2018: 10,000,000 preference shares of ₹ 10 each)	10.00	10.00	10.00
Total authorised equity share capital		**210.00**	**210.00**	**135.00**
Issued, subscribed and paid-up equity share capital:				
1,512,976,244	Equity shares of ₹ 1 each fully paid up (31 March 2019: 1,512,976,244 equity shares of ₹ 1 each, 1 April 2018: 1,015,410,926 equity shares of ₹ 1 each)	151.30	151.30	101.54
	Add : 13,225 Forfeited equity shares (31 March 2019: 13,225 equity shares, 1 April 2018: 13,225 equity shares)	0.01	0.01	0.01
Total issued, subscribed and paid-up equity share capital		**151.31**	**151.31**	**101.55**

^On 8 October 2018, the shareholders of the Company at its Extra-ordinary General Meeting approved the increase in Authorised share capital of the Company from ₹ 1,350,000,000 (divided into 1,250,000,000 Equity shares of ₹ 1 each and 10,000,000 Redeemable cumulative preference shares of ₹ 10 each) to ₹ 2,100,000,000 (divided into 2,000,000,000 Equity shares of ₹ 1 each and 10,000,000 Redeemable cumulative preference shares of ₹ 10 each)

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

	Number	₹ crore
As at 1 April 2018	**1,015,410,926**	**101.54**
Issued during the year [Refer note 17(g)]	497,565,318	49.76
As at 31 March 2019	**1,512,976,244**	**151.30**
Issued during the year	-	-
As at 31 March 2020	**1,512,976,244**	**151.30**

b. Terms/rights attached to equity shares:

The Holding Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity share is entitled to one vote per share. The Holding 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 Holding 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.

Note 17 Equity Share Capital...contd.

c. Shareholding of more than 5%:

Name of the Shareholder	**As at 31 March 2020**		As at 31 March 2019		As at 1 April 2018	
	% held	**No. of shares**	% held	No. of shares	% held	No. of shares
Promoter						
Arya Capital Management Private Limited	16.13%	244,013,391	16.28%	246,255,617	0.01%	65,000
Hincon Holdings Limited	14.28%	216,023,600	14.28%	216,023,600	21.27%	216,023,600
Non-promoter						
Asia Opportunities IV (Mauritius) Limited	7.63%	115,462,961	8.19%	123,875,000	-	-
HDFC Trustee Company Limited	5.88%	88,992,219	5.88%	88,992,219	6.87%	69,732,622

d. Shares reserved for issue under Employee Stock Options Scheme (ESOP):

As at 31 March 2020, there are Nil (31 March 2019: 300,000, 1 April 2018: 300,000) stock options granted during the year and 300,000 (31 March 2019: 300,000, 1 April 2018: 300,000) stock options are outstanding and convertible into equal number of equity shares of ₹ 1 each convertible at an exercise price of ₹ 31.15 per share [Refer note (i) below].

During the year ended 31 March 2020, none of the options were exercised / converted into equity shares and Nil (31 March 2019: Nil, 1 April 2018: 120,180) stock options got lapsed.

i. Options granted

The ESOP Compensation Committee of the Company at its Meeting held on 20 March 2018 had approved a grant of 300,000 options, in accordance with the terms and conditions contained in the existing HCC Employee Stock Option Scheme of the Company (₹Scheme') (each option carrying entitlement for one equity share of the face value of ₹ 1 each) at an exercise price of ₹ 31.15 per equity share, in line with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI Regulations").

ii. Settlement Through Equity Shares

iii. Options vested Nil options (31 March 2019: Nil, 1 April 2018: Nil) remain vested and outstanding as at 31 March 2020

e. Bonus shares/ buy back/shares for consideration other than cash issued during past five years:

(i) Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash- Nil [Refer note 17(f)]

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

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

f. Pursuant to the approval of the shareholders at the Extra Ordinary General Meeting held on 5 January 2017, the allotment committee of the Board of Directors at its meetings held on 6 January 2017 and 19 January 2017 allotted collectively to the lenders 231,544,729 equity shares of face value of ₹ 1 each at a premium of ₹ 33.92 per share aggregating ₹ 808.55 crore and 14,414,874 optionally convertible debentures (OCDs) of face value of ₹ 1,000 each at par (carrying coupon rate of 0.01% p.a.) aggregating ₹ 1,441.49 crore. Further, pursuant to the approval of the shareholders at the Annual General Meeting held on 6 July 2017, the allotment committee of the Board of Directors at its meeting held on 17 July 2017 allotted to a lender 4,759,291 equity shares of face value of ₹ 1 each at a premium of ₹ 40.61 per share aggregating ₹ 19.80 crore and 256,716 OCDs of face value of ₹ 1,000 each at par (carrying coupon rate of 0.01% p.a.) aggregating ₹ 25.67 crore on preferential basis as part of the Scheme for Sustainable Structuring of Stressed Assets (S4A Scheme).

The implementation of the S4A Scheme and the consequent allotment of equity shares/ OCDs have been made in respect of all the lenders except for few lenders who will be allotted equity shares and OCDs once they exercise their option. Number of equity shares/OCDs to be allotted will be determined based on the share price prevailing at the time of such allotment.

g. On 27 December 2018, the Holding Company issued and allotted 497,565,318 equity shares of face value ₹ 1 each at the price of ₹ 10 per equity share (including a premium of ₹ 9 per share) aggregating ₹ 497.57 crores (including securities premium of ₹ 447.81 crore) to the eligible equity shareholders on rights basis in the ratio of 49 equity shares for every 100 equity shares held.

Note 17 Equity Share Capital...contd.

The funds raised by way of rights issue were utilised as follows:

₹ crore

	As at 31 March 2020	As at 31 March 2019
Amount raised through rights issue	-	497.57
Utilisation		
Working capital requirements	-	367.50
General corporate purpose	25.01	98.03
Share issue expenses	-	7.03
	25.01	**472.56**
Unutilised amount kept in fixed deposits with banks	-	25.01

NOTE 18 LONG TERM BORROWINGS

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Non-current portion:			
I. Secured			
A. Non-Convertible Debentures (Refer note 18.1.1)	15.95	46.80	67.37
B. 0.01% Optionally Convertible Debentures (OCDs) [Refer notes 18.1.2 and 17(f)]			
(i) From banks	1,084.24	1,084.24	1,090.66
(ii) From others	111.38	246.12	246.12
C. Foreign Currency Term Loans (Refer note 18.1.3)			
(i) From Banks	214.98	214.81	233.18
(ii) From Others	-	32.90	-
D. Rupee Term Loans (RTL-A) (Refer Note 18.1.4)			
(i) From Banks	20.70	56.67	83.97
(ii) From Others	10.79	20.78	47.12
E. Rupee Term Loans (RTL-1) (Refer Note 18.1.5)			
(i) From Banks	24.85	75.44	135.22
(ii) From Others	7.20	19.50	138.01
F. Rupee Term Loans (RTL-2) (Refer note 18.1.5)			
(i) From Banks	69.17	204.35	359.62
(ii) From Others	9.99	26.09	90.09
G. Working Capital Term Loan from Banks (WCTL-2) (Refer note 18.1.6)			
(i) From Banks	0.86	4.20	6.49
(ii) From Others	2.24	7.28	12.32
H. Consortium loan from banks (Refer note 18.1.8)	-^	-^	18.55
I. Other Term Loans			
(i) From banks (Refer note 18.1.9)	4.47	282.88	415.57
(ii) From others (Refer note 18.1.10)	6.07	-	13.43
Subtotal (I)	**1,582.90**	**2,322.06**	**2,957.72**

Note 18 Long Term Borrowings...contd.

₹ crore

			As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
II.	**Unsecured**				
A.	Fully convertible debentures (Refer note 18.2.1)		-	-^	-
B.	Share warrants (Refer note 18.2.2)		-^	-^	4.57
C.	Compulsory convertible preference shares (Refer note 18.2.3)		-^	-^	462.48
D.	Cumulative redeemable preference shares (Refer note 18.2.4)		-	0.01	99.52
E.	Loans from others (Refer note 18.2.5)		3.95	139.91	137.37
Subtotal (II)			**3.95**	**139.92**	**703.94**
Total non-current borrowings (I+II)			**1,586.84**	**2,461.98**	**3,661.66**
Current maturities of long-term debts:					
I.	**Secured**				
A.	**Non-Convertible Debentures (Refer note 18.1.1)**		66.64	57.02	973.13
B.	**Foreign Currency Term Loans (Refer note 18.1.3)**				
	(i)	From Banks	50.27	22.98	144.95
	(ii)	From Others	72.51	32.89	-
C.	**Rupee Term Loans (RTL-A) (Refer note 18.1.4)**				
	(i)	From Banks	50.17	23.36	8.13
	(ii)	From Others	17.28	8.04	5.07
D.	**Rupee Term Loans (RTL-1) (Refer note 18.1.5)**				
	(i)	From Banks	58.34	49.81	38.06
	(ii)	From Others	28.79	16.03	40.42
E.	**Rupee Term Loans (RTL-2) (Refer note 18.1.5)**				
	(i)	From Banks	255.75	144.17	101.51
	(ii)	From Others	32.23	16.49	27.80
F.	**Working Capital Term Loan from Banks (WCTL-2) (Refer note 18.1.6)**				
	(i)	From Banks	4.05	1.97	1.26
	(ii)	From Others	8.82	5.04	4.20
G.	**Consortium loan from banks (Refer note 18.1.8)**		-	-	1,743.01
H.	**Other term loans**				
	(i)	From Banks (Refer Note 18.1.9)	336.53	93.36	768.39
	(ii)	From Others (Refer Note 18.1.10)	-	-	775.56
Subtotal (I)			**981.38**	**471.16**	**4,631.49**
II.	**Unsecured**				
A.	Fully convertible debentures (Refer note 18.2.1)		-^	-^	22.18
B.	Share warrants (Refer note 18.2.2)		-^	-^	0.09
C.	Cumulative redeemable preference shares (Refer note 18.2.4)		-	-	16.91
Subtotal (II)			**-**	**-**	**39.18**
Total Current Maturities of long term debts (I+II)			**981.38**	**471.16**	**4,670.67**
Total Borrowings			**2,568.22**	**2,933.14**	**8,332.33**

^ Refer 53.1 (i)

Note 18 Long Term Borrowings...contd.

18.1 Details of security and terms of repayment

18.1.1 Non-Convertible Debentures (NCDs)

₹ crore

		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
i)	**Axis**			
	These debentures are classified as RTL-1. These debentures carry an interest yield of 11.50% p.a. and are repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. These are secured by way of registered mortgage over 231.66 acres of land of Lavasa Corporation Limited ('LCL'), situated in 5 villages namely Village Admal, Bhode, Gadle, Padalghar and Ugavali in taluka Mulshi, District Pune, Maharashtra.	19.25	30.97	40.38
ii)	**LIC**			
	These debentures are classified as RTL-1. These debentures carry an interest yield of 11.50% p.a. and are repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. Refer note 18.1.7 for security details.	63.34	72.85	69.86
iii)	**Asset Reconstruction Company (India) Limited**			
	NCDs held by ICICI Bank, subsequently assigned to Asset Reconstruction Company (India) Limited ('ARCIL'), carry a coupon of 9% p.a. with a yield to maturity of 16% p.a. These NCDs redeemable on 6 January 2015, carried a put and call option exercisable on 6 January 2013, 6 January 2014 and 6 January 2015. NCDs were secured by charge created by English mortgage deed on 747 acres of land. Upon the exercise of put options by the investor, the Holding Company during the previous year has entered into a settlement with the inevstors pursuant to which the resultant liabiliites have been assumed by the Holding Company [Also refer note 19.1]	-^	-^	563.73
iv)	**Jammu & Kashmir Bank**			
	NCDs held by Jammu & Kashmir Bank Limited, carried a coupon rate of 12.50% p.a., payable quarterly. The investor and the Holding Company had a put and call option, respectively to sell and purchase the NCDs at the end of 39th, 48th and 60th month from the closing date (13 May 2010). NCDs were secured by exclusive charge created by English mortgage deed on land situated at village Dhamanhol Taluka Mulshi admeasuring 1 acre. Also, secured by second charge on land of LCL admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon. Upon the exercise of put options by the investor, the Holding Company during the previous year has entered into a settlement with the inevstors pusruant to which the resultant liabiliites have been assumed by the Holding Company [Also refer note 19.1]	-^	-^	146.09

Note 18 Long Term Borrowings...contd.

18.1.1 Non-Convertible Debentures (NCDs)

₹ crore

		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
v)	**India Opportunities II Pte Limited**			
	NCDs held by India Opportunities II Pte Limited had a tenor of 5 years and 9 months and carried a coupon rate of 14% p.a, payable quarterly. These were secured by charge created by English mortgage deed on land of LCL admeasuring 30 acres and were guaranteed to the extent 100% of outstanding balance given by the Holding Company. Pursuant to invocation of Corporate guarantees by the investor, a Debenture purchase and sale agreement has been entered into by the Group for purchase of these NCDs. Accordingly, the Group has accounted for the resultant liability during the previous year [Also refer notes 19.1 and 36(B)(iii)]	-^	-^	51.01
vi)	**SSG Investment Holding India Limited**			
	NCDs held by SSG Investment Holding India Limited were subscribed for the tenor of 5 years and 9 months. These NCDs carried a coupon rate of 14% p.a. payable quarterly. NCDs were secured by first pari passu charge created by English mortgage deed on land of LCL admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon including all present and future moveable assets of the LCL. NCDs were also guaranteed jointly by the Holding Company and other shareholders to the extent of their equity share in LCL. Pursuant to invocation of Corporate guarantees by the investor, a Debenture purchase and sale agreement has been entered into by the Group for purchase of these NCDs. Accordingly, the Group has accounted for the resultant liability during the previous year [Also refer notes 19.1 and 36(B)(iii)]	-^	-^	169.43
	Less: Classified under other financial liabilities (Refer note 19)	(66.64)	(57.02)	(973.13)
		15.95	**46.80**	**67.37**

18.1.2 0.01% Optionally Convertible Debentures (OCDs)

OCDs have been issued to the lenders of the Holding Company as part of the S4A Scheme with a tenor of 10 years and a coupon of 0.01% with an interest yield of 11.50% p.a. in yield equalization compounded on a quarterly basis. After the expiry of eighteen months from the issuance, the OCDs were to be converted into non-convertible debentures in case of non-occurrence of event of default as per the guidelines of the S4A Scheme. Pursuant to the exemption provided by the Securities and Exchange Board of India ('SEBI') from the application of Regulation 75 of SEBI ICDR regulations to the Company, the tenure of OCD has been extended for a further 8.5 years beyond the statutorily prescribed period of 18 months. The lenders have an option to convert the OCDs into equity shares of the Company, in accordance with the terms thereof including in case of any event of default or default in payment during the 10 years from the date of issuance of respective OCDs. The repayment of the OCD commences from the 6th anniversary of the allotment date. Details of maturity have been provided below.

Date of Repayment	₹ in crores
30 September 2022	269.74
30 September 2023	250.16
30 September 2024	231.25
30 September 2025	224.16
30 September 2026	220.31

Note 18 Long Term Borrowings...contd.

Security details and terms of repayment:

1. First ranking pari passu charge on all of the Holding Company's Property, plant and equipment (immovable and movable) [excluding the Specified Assets and Excluded Assets]; and
2. Second ranking and pari passu security interest by way of a legal mortgage over the First, Second and the Fifth Mortgaged Properties as specified in the mortgage deed. The security perfection has been completed on the OCD facilities issued as part of the S4A scheme.

Collateral security pari-passu with lenders defined in MRA:

1. HREL Real Estate Limited (HREL) has provided Corporate guarantee for the outstanding facilities of the Holding Company.
2. First pari-passu charge on 154,151,669 shares of the Holding Company and second charge on 85,767,617 equity shares of the Company held by Hincon Holdings Limited and Hincon Finance Limited.
3. Personal guarantee of the Chairman and Managing Director of the Holding Company.

^ Refer 53.1 (i)

18.1.3 Foreign Currency Term Loans ₹ crore

		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
(i)	**Asia Opportunities (IV) Mauritius Limited - External Commercial Borrowings (ECB)**			
	During the financial year 2018-19, Standard Chartered Bank transferred the rights and benefits of its ECB to Asia Opportunities (IV) Mauritius Limited. The said loan is repayable in three quarterly instalments commencing from 31 December 2019. As at 31 March 2020, the ECB loan carries an interest rate of 4.94% p.a (3 month LIBOR plus 350 basis points). The facility is secured by first charge by way of hypothecation of plant and machinery acquired under the facility described in the first schedule to the memorandum of hypothecation executed on 10 November 2009.	72.51	65.79	61.88
(ii)	**Development Bank of Singapore - ECB**			
	The ECB loan from Development Bank of Singapore carried an interest rate of 6.10% p.a (3 month libor+ 385 basis points). This loan was repayable in quarterly instalments commencing 5 October 2014 and ending on 5 October 2018. The facility was secured by first charge by way of hypothecation of plant and machinery and heavy vehicles acquired under the facility described in the schedule 1 (2) to the deed of hypothecation executed on 29 April 2010. During the previous year, the ECB with Development Bank of Singapore was repaid completely.	-	-	41.49
(iii)	**Export Import Bank of United States ('US EXIM') - ECB**			
	During the financial year 2018-19, the Holding Company had entered into settlement terms with US EXIM wherein the parties had agreed to renegotiate and settle the outstanding amounts for USD 6.20 Million. The amounts will be payable in 26 monthly instalments commencing from 31 May 2019 and ending on 30 June 2021. Under terms of Settlement Agreement, there would be no interest accruing on the facility going forward. However, the Holding Company has not been able to pay the instalments as per schedule of settlement agreement and hence as per provisions of the settlement agreement, the loan value of USD 7.60 Million, which was settled at USD 6.20 Million, is reinstated during the current year (net of payments made before default date) along with penal interest per annum at the rate equal to the sum of LIBOR plus the interest rate of 2.20% for the period from and including the date such amount was due to US EXIM. The facility is secured by first priority mortgage and security interest to and in favour of Wilmington Trust Company (the security trustee) on Hawker aircraft. During the current year, the said aircraft has been sold and proceeds thereof have been adjusted towards the dues of this loan.	50.27	40.55	48.00

Note 18 Long Term Borrowings...contd.

18.1.3 Foreign Currency Term Loans

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
(iv) Export-Import Bank of India			
The loan availed by HCC Mauritius Enterprise Limited, a subsidiary company, has been restructured with a cut-off date of 30 June 2017, bearing an interest rate of LIBOR 3M + 500 bps per annum payable quarterly. The spread over LIBOR would be subject to change in case of (a) drawal beyond availability period and / or (b) changes in market conditions. This loan shall be repaid in 31 quarterly instalments commencing from 30 September 2017 from the date of first drawal ending on 31 March 2025. This loan is secured by exclusive charge on (i) corporate guarantee by Holding Company (ii) pledge of equity shareholding of the borrower held by Holding Company (iii) a first charge over specific fixed assets of Holding Company having written down value of ₹ 50 crore (at the time of original sanction in May 2010) (iv) pledge of 33% equity share holding of Steiner AG, held by HMEL, a subsidiary company (v) non disposal undertaking for non-disposal of shareholding in Steiner AG or any other SPV created for the purpose of acquition.	41.72	38.28	44.63
(v) Export-Import Bank of India			
The loan availed by Holding Company Mauritius Investment Limited, a subsidiary company, has been restructured with a cut-off date of 30 June 2017, bearing an interest rate of LIBOR 3M + 500 bps per annum payable quarterly. The spread over LIBOR would be subject to change in case of (a) drawal beyond availability period and / or (b) changes in market conditions. This loan shall be repaid in 31 quarterly instalments commencing from 30 September 2017 from the date of first drawal ending on 31 March 2025. This loan is secured by exclusive charge on (i) corporate guarantee by Holding Company (ii) pari-passsu first charge over specific fixed assets of Holding Company (also encumbered for term loan availed by HMEL from Exim bank for acquisition of 66% of the equity shares of Steiner AG) (iii) corporate guarantee by HMEL (iv) pledge of 66% equity share holding of Steiner AG, held by HMEL, a subsidiary company (including pari-passu pledge on 33% shares encumbered for term loan availed by HMEL from Exim bank) (v) pledge of 100% equity shares of HMIL held by Holding Company (vi) pledge of 34% equity shares of Steiner AG, held by HMIL, a subsidiary company.	173.26	158.96	182.13
Less: Classified under other financial liabilities (Refer note 19)	(122.78)	(55.87)	(144.95)
	214.98	**247.71**	**233.18**

18.1.4 Rupee Term Loans (RTL-A)

RTL-A carries interest rate of 11.75% p.a., payable monthly, to be reset annually with a two years moratorium and repayment terms of five years commencing 25 May 2017. The said facility is having same security as RTL-1 lenders under the Corporate Debt Restructuring Scheme. Refer note 18.1.7 for security details.

18.1.5 Rupee Term Loans 1 (RTL-1) and Rupee Term Loans 2 (RTL-2)

RTL- 1 and RTL- 2 carry an interest yield of 11.50% p.a. and are repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. Refer note 18.1.7 for security details.

Note 18 Long Term Borrowings...contd.

18.1.6 Working Capital Term Loan from Banks (WCTL-2)

Working Capital Term Loan (WCTL-2) carries an interest rate ranging from 11.10% p.a. to 11.75% p.a. (floating) linked to Monitoring Institution's base rate. These are repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. Refer note 18.1.7 for security details.

18.1.7 Nature of Security

RTL-A, RTL-1, RTL-2, and WCTL-2 are secured in the form of:

1. Parcel of land (immovable non-residential property) admeasuring 22 acres and 24 gunthas at Tara Village, Panvel Taluka described as the First Mortgaged Properties.
2. All the present and future movable assets of the Borrower (excluding 'Current Assets' and 'Specified Assets') as the Second Mortgaged Properties.
3. All current assets of the Borrower (other than those forming part of 'Additional Assets') as the Third Mortgaged Properties.
4. All of the 'Additional Assets' collectively referred to as the Fourth Mortgaged Properties.
5. All of the 'Specified Assets' collectively referred to as the Fifth Mortgaged Properties.

The terms 'Current Assets', 'Specified Assets' and 'Additional Assets' have been defined in the Master Restructuring Agreement (MRA).

The above security having ranking in respect to RTL1 and RTL-A are as below:

1. A first ranking and pari passu security interest by way of legal mortgage over the First Mortgaged Properties and Second Mortgaged Properties.
2. A second ranking and pari passu security interest by way of legal mortgage over the Third Mortgaged Properties, Fourth Mortgaged Properties and the Fifth Mortgaged Properties.

The above security having ranking in respect to RTL2 and WCTL2 are as below:

A second ranking and pari passu security interest by way of legal mortgage over all the Mortgaged Properties.

Collateral security pari-passu with lenders defined in MRA:

1. HREL Real Estate Limited (HREL) has provided Corporate guarantee for the outstanding facilities of the Holding Company.
2. First pari-passu charge on 154,151,669 shares of the Holding Company and second charge on 85,767,617 equity shares of the Company held by Hincon Holdings Limited and Hincon Finance Limited.
3. Personal guarantee of the Chairman and Managing Director of the Holding Company.

18.1.8 Consortium loan from banks

₹ crore

		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
(i)	**Term loan from Banks - LCL**	-^	-^	807.77
	Loans carried interest rates ranging from 12.60% p.a. to 16.75% p.a and repayable in 6 to 25 structured instalments between March 2012 to March 2019.			
	These loans were secured by first pari passu charge created by English mortgage deed on land of LCL admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon including all present and future moveable assets of the LCL. These were also guaranteed, to the extent of the 50% of the outstanding balance, by the Holding Company and other shareholders to the extent of their equity share in LCL.			

Note 18 Long Term Borrowings...contd.

18.1.8 Consortium loan from banks...contd.

₹ crore

		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
(ii)	**Other term loans from banks - LCL** These loans carried interest rates ranging from 12.60% p.a. to 13.35% p.a. The loans had a tenor of 20 years (including 2 years of moratorium period and repayment over 18 years) and were repayable in 72 quarterly structured installments begnining 31 December 2017 and ending on 30 September 2035. Term Loans were secured as follows: a. Primary Security- First charge/ hypothecation on the current assets including receivables and on all bank accounts of LCL, including but not limited to the Escrow account to be established by LCL. b. Negative lien on rights acquired in respect of infrastructure assets under the concession agreement executed between the promoter and LCL. Collateral Security: a. Land of 3,366.18 hectares including building across all villages of Mugaon, Bhoini, Admal, Dhamanohol, Mose, Plase, Padalghar, Wadavali, Dasve, Bembatmal, Gadle, Koloshi, Patharset, Saiv, Sakhari, Ugavali & Bhode. b. Immovable and movable fixed assets, Current assets, receivables, investments and all bank accounts c. Share Pledge (on First Pari Passu Basis with existing Lenders of LCL excluding Asset Reconstruction Company (India) Limited) d. Pledge of entire shareholding in the Company by existing shareholders to the lenders of Warasgaon Assets Maintenance Limited ('WAML') and LCL holding on WAML e. Pledge of promoter (LCL) holding in Sahayadri City Management Limited ("SCML")	-^	-^	514.23
	These loans carry interest rates ranging from 12.60% p.a. to 13.35% p.a. The loans have a tenor of 20 years (including 2 years of moratorium period and repayment over 18 years) and are repayable in 72 quarterly structured installments begnining 31 December 2017 and ending on 30 September 2035. Term Loans are secured as follows: a. Primary Security:- First charge/hypothecation on the current assets including receivables of WAML b. First charge on all bank accounts of WAML including but not limited to Escrow account to be established by WAML. c. Negative lien on concession right acquired in respect of transportation infrastructure under the concession agreement.	-^	-^	439.56

Note 18 Long Term Borrowings...contd.

18.1.8 Consortium loan from banks...contd.

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Collateral Security: a. First pari passu charge on land including building across all villages of Mugaon, Bhoini, Admal, Dhamanohol, Mose, Plase, Padalghar, Wadavali, Dasve, Bembatmal, Gadle, Koloshi, Patharset, Saiv, Sakhari, Ugavali & Bhode. b. Immovable and movable fixed assets, current assets, receivables, investments and all bank accounts c. Pledge of entire shareholding of LCL in WAML d. Pledge of entire shareholding of LCL in SCML e. Pledge of promoters holding in WAML. f. Pledge of promoter holding in SCML			
Less: Classified under other financial liabilities (Refer note 19)	-	-	(1,743.01)
	-	**-**	**18.55**

18.1.9 Other term loans from banks

₹ crore

		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
i)	Loans carried interest rates ranging from 13.10% p.a. to 15.85% p.a. and were repayable in 12 structured quarterly installments commencing from June 2018 and ending in March 2021. These loans were secured by exclusive registered mortgage of land of Lavasa Project admeasuring 614 acres. Also second charge by way of mortgage deed on land of LCL admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon. Corporate guarantees to the extent of 50-100% of outstanding balances had been issued by promoter and shareholders to the extent of their equity shares in LCL.	-^	-^	477.01
ii)	Loans carried interest rates ranging from 10.56% p.a. to 14.40% p.a. and were repayable in 6 to 14 structured quarterly installments commencing from March 2017 and ending in March 2021. These loans were second charge by way of mortgage deed on land of LCL admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon. Corporate guarantee to the extent 100% of outstanding balance given by promoter.	-^	-^	247.42

Note 18 Long Term Borrowings...contd.

18.1.9 Other loans from banks...contd.

₹ crore

		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
iii)	The loan carried an interest rate of 13.35% p.a. and were repayable in 28 structured quarterly installments commencing from June 2018 and ending in March 2025. The above loan had been secured as follows: a) Exclusive charge by way of registered mortgage on retail built up area to provide two time cover for the overdraft facility. The charged would be released as when Dasve Retail Limited ("DRL") sells the built up space. b) The total assets coverage ratio to be maintained at two times during the entire tenor of the facility based on the market value of land and any constructed property thereon. c) Exclusive charge on movable assets, current assets, including entire present and future lease receivables and Escrow/TRA held with the bank. d) Negative lien on entire net block of DRL. e) Unconditional and irrevocable corporate guarantee of Lavasa Corporation Limited for the entire loan.	-^	-^	18.64
iv)	Loan carried an interest rate of 11.85% p.a. and was repayable in 28 structured quarterly installments commencing 27 months after the date of initial disbursement i.e. 27 March 2012. The loan had been secured by an exclusive first charge on the current assets and movable fixed assets of Lavasa Hotels Limited ('LHL') and a Negative lien on the immovable fixed asset of LHL.	-^	-^	3.42
v)	Loan carried an interest rate of 13.57% p.a. and was repayable in 28 structured quarterly installments, commencing 36 months after the date of initial disbursement i.e. 28 December 2012. The above loan had been secured as follows: a) Mortgage over all the fixed and current assets including future assets of Charosa Wineries Limited. b) Pledge over 21,00,000 shares held by HREL Real Estate Limited. c) 100% Corporate Guarantee given by Holding Company, HREL Real Estate Limited.	-^	-^	69.71

Note 18 Long Term Borrowings...contd.

18.1.9 Other loans from banks...contd.

₹ crore

		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
vi)	Term Loan from ICICI bank carrying interest rate of ICICI Base Rate (9.25% p.a.) plus 2.25% p.a. This loan is repayable within 10 years in 28 structured quarterly instalments commencing from 15 April 2016 and ending on 15 January 2023. Highbar Technologies Limited, a subsidiary of the Holding Company has agreed to prepay outstanding balance of cash credit and term loan in 3 installments and repay the entire loan on or before 31 December 2020. This term loan is secured by: a) first exclusive charge on the current assets and fixed assets of the borrower b) mortgage over land situated at Kavsar, Thane, Maharashtra (32 acres) of HRL (Thane) Real Estate Limited on first pari-passu basis c) Pledge over 30% shareholding of HREL in HRL (Thane) Real Estate Limited d) Escrow over differential rent receivables from Dasve Hospitality Institutes Limited e) Pledge over 30% shareholding of HCC in Highbar Technologies Limited. f) Corporate Guarantee of HRL (Thane) Real Estate Limited. g) Non disposal undertaking for 70% shares of HRL (Thane) Real Estate Limited held by promoters h) Non disposal undertaking for 70% shares of Highbar Technologies Limited held by promoters.	7.36	7.00	9.00
vii.	Rupee Loan from Bank availed by HCC Infrastructure Company Limited ('HICL') carry an interest of 12.5% p.a. The loans are repayable in 5 years with moratorium of 24 months followed by structured equal quarterly repayment with 20%, 30% and 50% repayment in 3rd, 4th, and 5th year respectively, commencing from 1 January 2014. The loans are secured by way of : a) Second pari-passu charge on entire assets of the HCC Infrastructure Company Limited (including moveable and immovable, fixed and current assets), excluding investments, both present and future. b) Demand Promissory Note. c) HICL has given undertaking to pay 25% of proceeds from monies raised due to liquidity events. d) HICL has given Undated cheque	11.86	11.86	11.86

Note 18 Long Term Borrowings...contd.

18.1.9 Other loans from banks...contd.

₹ crore

		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
viii)	Term loans are repayable in 16 consecutive quarterly instalments commencing from the third year of the loan, Carrying floating interest rate ranging from 10.75% to 12.25% p.a. The loans are secured by way of : a) Extension of the Charge on the pledge of shares of HICL in HCC Concessions Ltd ('HCL') already charged to the bank at HICL. b) First Pari Passu Charge on all assets of HICL c) Extension of second pari passu charge over entire assets of HICL [Including movable and immovable property, plant and equipment (if any) and current assets], excluding investments, both present and future provided for the bank facility at HICL for Loan amount of ₹ 88.00 crore. d) Corporate guarantee of HICL in a form and manner acceptable to the bank	37.18	59.65	51.72
ix)	Loan carries an interest rate ranging between 10.65% to 11.25% p.a. The loan has been secured as follows: a) First Pari passu charge on all assets of the HICL b) Extension of Pledge of Shares HICL in HCL already pledged with the bank for the HICL c) Unconditional and irrevocable Guarantee from HICL d) Unconditional and irrevocable Guarantee from the Holding Company e) Extension of the second pari passu charge over entire assets of HICL f) Pledge over 30% equity shares of HCC Power Ltd held by HICL in favour of IDBI g) Trusteeship Services Ltd as Security Trustee for TL1, TL2, TL3 & TL4 sanctioned by lender to HCC Power Limited, to be reduced to 15% on repayment of 50% of the sanctioned facilities. h) Terms of repayment : Term loans are repayable in 20 consecutive quarterly instalments commencing from the third year of the loan as set forth in sanction letter dated 10 December 2015.	246.87	260.00	271.00

Note 18 Long Term Borrowings...contd.

18.1.9 Other loans from banks...contd.

₹ crore

		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
x)	Carrying floating interest rate ranging from 10.75% to 11.25% p.a, repayable in 20 structured quarterly installments commencing from February 2019 and ending on December 2022 Secured by Unconditional and Irrevocable Corporate Guarantee of HREL Real Estate Limited & Undertaking from HCC Infrastructure Company Limited The HICL has entered into a novation agreement with Charosa Wineries Limited and Yes Bank Limited pursuant to the Resolution Plan of Charosa Wineries Limited whereby the loan from Yes Bank Ltd. amounting to ₹ 37.73 crore borrowed by Charosa Wineries Limited alongwith its rights and Liabilities under the Loan Agreement will be transferred to Dhule Palesner Operations & Maintenance Limited.	37.73	37.73	24.18
		341.00	**376.24**	**1,183.96**
Less: Classified under other financial liabilities (Refer note 19)		(336.53)	(93.36)	(768.39)
		4.47	**282.88**	**415.57**

^ Refer 53.1 (i)

18.1.10 Other term loans from others

₹ crore

		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Nature of security				
i)	Loan carries an interest rate of 15.75 % p.a. and was repayable post 3 years 9 months from the effective date of disbursement of loan in 12 structured quarterly installments commencing from June 2018 and ending in March 2021. Loan has been secured by exclusive registered mortgage of land of Lavasa project admeasuring 169 acres. Also, second charge by way of mortgage deed on land of Lavasa project admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon and corporate guarantee to the extent 100% of outstanding balance given by the shareholders.	-^	-^	75.71
ii)	Loans carry interest rates ranging from 14.% p.a. to 18.50 % p.a. and were repayable in 12- 16 structured in post 2-4 years from the effective date of disbursement of loan. These loans have a first pari passu charge by way of registered mortgage of land of LCL admeasuring 26 acres and corporate guarantee to the extent 100% of outstanding balance given by the shareholders.	-^	-^	110.20

Note 18 Long Term Borrowings...contd.

18.1.10 Other term loans from others

₹ crore

		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
iii)	Loan carries an interest rate of 10.56 % p.a. and was repayable in 14 structured quarterly installments commencing from June 2016 and ending in September 2019. Secured by exclusive registered mortgage on piece and parcel of the Land admeasuring 6 acres or thereabout being Lot No. 202 situated on Thicket Street, Survey No. 113, Hissa No. 1, Survey No. 103, Hissa No. 1, of Village Dasve, Taluka Mulshi, District Pune, Maharashtra, and the said twenty two (22) Buildings admeasuring not more than 160,000 sq ft. built up area equivalent to 14,869.88 sq mtrs or thereabout to be constructed on the said Land.	-^	-^	75.07
iv)	Loan carries an interest rate of WPSL PLR minus 2.75% p.a. payable monthly. The interest rate was floating and indexed to WPSL PLR and was repayable in 40 structured quarterly installments beginning after 2 years from the effective date. The loan has been secured as follows: a) First charge by way of hypothecation on the entire current assets including receivables of Warasgaon Power Supply Limited ("WPSL"), present and future. b) First charge on all bank accounts of WPSL including but not limited to the Escrow Account including any Reserve Account to be established by WPSL.	-^	-^	259.19
	c) Second pari-passu charge by way of mortgage on the specific marketable immovable assets of the Lavasa Corporation Limited (Holding Company) so has to maintain a minimum Fixed Asset Coverage Ratio (FACR) of 1.25 times during the currency of the facility based on the market value of security at all point of time. WPSL is in the process of creating the said charge. d) Charge cum assignment of all the project documents including insurance documents. e) Negative lien on concession rights in whatsoever manner acquired in respect of Power Assets at Lavasa under the Concession Agreement executed between the Company and WPSL. f) The Lender and borrower have a put/call option respectively at the end of 5th year from the date of first disbursement and every year thereafter. g) Unconditional and irrevocable corporate guarantee of Lavasa Corporation Limited			

Note 18 Long Term Borrowings...contd.

18.1.10 Other term loans from others...contd.

₹ crore

		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
v)	Loan has a tenor of 20 years (including 2 years of moratorium period and repayment over 18 years) and was to be repaid in 72 quarterly structured installments starting from 31 December 2017 and ending on 30 September 2035 The Loan has been secured as follows: a) First charge/hypothecation on the current assets including receivables of WAML. b) First charge on all bank accounts of WAML including but no limit to escrow account to be established by WAML c) Negative lien on concession right acquired in respect of transportation infrastructure under the concession agreement. d) First pari passu charge on land of entire land including building across all villages of Mugaon, Bhoini, Admal, Dhamanohol, Mose, Plase, Padalghar, Wadavali, Dasve, Bembatmal, Gadle, Koloshi, Patharset, Saiv, Sakhari, Ugavali and Bhode. e) Immovable and movable fixed assets, current assets, receivables, investments and all bank accounts. f) Corporate guarantee has been given by Lavasa Corporation Limited and HCC Real Estate Limited	-^	-^	46.10
vi)	Loan has a tenor of 20 years (including 2 years of moratorium period and repayment over 18 years) and was to be repaid in 72 quarterly structured installments starting from 31 December 2017 and ending on 30 September 2035 The Loan has been secured as follows: a) A first pari passu charge by way of hypothecation charge on all movable fixed assets of WAML both present and future. b) A first pari passu charge by way of hypothecation charge on current assets, book debts, operating cash flows, receivables, commission, revenue whatsoever nature and wherever arising. c) A first pari passu on all of borrower's bank accounts including but not limited to the Trust and Retention Account opened in a designated bank d) Negative lien on concession right acquired in respect of transportation infrastructure under the concession agreement as specified by WAML.	-^	-^	222.72

Note 18 Long Term Borrowings...contd.

18.1.10 Other term loans from others...contd.

₹ crore

		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
vii)	Carrying 12.75% interest rate p.a, repayable in 34 structured monthly installments commencing from June 2019 The loans are secured by way of : a) Subservient charge (yet to create) on proceed from arbitration award in favour of Pune-Paud Toll Road Company Limited to the extent of ₹ 7 crore b) An subservient charge on the Claim Receivables to the extent of loan outstanding under the Deed of Hypothecation.	6.07	-	-
	Less: Classified under other financial liabilities (Refer note 19)	-	-^	(775.56)
		6.07	**-**	**13.43**

^ Refer 53.1 (i)

II. Unsecured

18.2.1 Fully Convertible Debentures (FCD)

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Nil LCL (31 March 2019: Nil, 31 March 2018: 1) 0% Fully Convertible Debenture having face value of ₹ 12 crore Bennett, Coleman & Company Limited subscribed to this FCD on 28 September 2012 for a tenor of 2 years, which was compulsorily convertible into such number of equity shares aggregating 0.150528% of the subscribed and outstanding equity share capital at the end of 2 years from the date of allotment. The Company had an option to redeem the said FCD at redemption value of ₹ 1,505.28 lakhs at the end of 2 years from the date of allotment. The said option to convert was extended further for a period of 4 years from 27 September 2014.	-^	-^	22.18
Less: Classified under other financial liabilities (Refer note 19)	-^	-^	(22.18)
	-	-	-

18.2.2 Share warrants - unsecured

₹ crore

		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
(a)	Share warrants issued to Bennett Coleman & Company Limited ("BCCL") BCCL subscribed to this share warrant on preferential basis with a warrant subscription price of ₹ 81.25 crore to subscribe to 2.03125% of the fully diluted equity share capital of the Company as on the date of exercise of the warrant which can be exercised at any time within a further extended period of 2 years over the earlier period of 7 years (warrant exercise period) from the closing date i.e. 30 March 2009. BCCL can exercise the warrant in part or whole for a maximum 5 times during the above warrant exercise period or at the time of Initial Public Offer. Any non conversion during the above period or part conversion would lead to forfeiture of the warrant subscription price to the extent of unconverted portion.	-^	-^	4.57

Note 18 Long Term Borrowings...contd.

18.2.2 Share warrants - unsecured

₹ crore

		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
(b)	Share warrants issued to Redkite Capital Private Limited ("RCPL") RCPL subscribed to this share warrant amounting to ₹ 585,000,000 on preferential basis with a warrant subscription price of ₹ 1,000,000 per warrant. This warrant entitles RCPL to subscribe to 1.4625% of the fully diluted equity share capital of the Company as on the date of exercise of the share warrant which can be exercised at any time till 30 September 2018. RCPL can exercise the share warrant in part or whole for a maximum 5 times during the warrant exercise period or at the time of IPO. Any non conversion during the period or part conversion would lead to forfeiture of the warrant subscription price to the extent of unconverted portion.	-^	-^	0.09
	Less: Classified under other financial liabilities (Refer note 19)	-^	-^	(0.09)
		-	**-**	**4.57**

Note 18.2.3 Compulsory convertible preference shares (refer note below)

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Nil (31 March 2019: Nil, 1 April 2018: 525,000,000) 0.001% compulsorily convertible preference shares of ₹ 10 each fully paid up	-^	-^	462.48
Less: Classified under other financial liabilities (Refer note 19)	-^	-^	-
	-	**-**	**462.48**

Note: Compulsorily convertible preference shares

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

i) Compulsorily convertible preference shares

	As at 31 March 2020		As at 31 March 2019		As at 1 April 2018	
	No of shares	**₹ crores**	No of shares	₹ crores	No of shares	₹ crores
At the beginning of the year	Refer Note 53.1(i)		Refer Note 53.1(i)		525,000,000	52.50
Shares issued during the year					-	-
At the end of the year					**525,000,000**	**52.50**

ii) Compulsorily convertible preference shares

	As at 31 March 2020		As at 31 March 2019		As at 1 April 2018	
	No of shares	**₹ crores**	No of shares	₹ crores	No of shares	% holding
Axis Bank	Refer Note 53.1(i)		Refer Note 53.1(i)		525,000,000	1.00

iii) Conversion terms, rights and restrictions attached to compulsorily convertible preference shares (CCPS) :

In case of equity raising other than through IPO – the investor will have an option to convert in to equity shares at 20% discount to the last available price of such issuance happens.

In case of equity raising by way of IPO – the investor will mandatory convert into equity shares at 20% discount to the proposed IPO price band.

The CCPS with accrued YTM of 12% p.a. will be mandatorily be converted into equity shares at the end of 20 years. The conversion will happen at higher of price at which last equity raised or at book value as per latest audited balance sheet prior to the date of conversion.

The CCPS instrument holder has a put option on the holding company w.e.f. 30 September 2017 while the holding company has a call option on the CCPS instrument holder.

Note 18 Long Term Borrowings...contd.

Note 18.2.4 Cumulative redeemable preference shares (refer note below)

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Nil (31 March 2019: Nil, 1 April 2018: 37,249,997) 6% cumulative redeemable preference shares of ₹ 10 each fully paid up	-	-	116.43
Less: Classified under other financial liabilities (Refer note 19)	-	-	(16.91)
	-	**-**	**99.52**

Note

i) Cumulative redeemable preference shares

	As at 31 March 2020		As at 31 March 2019		As at 1 April 2018	
	No of shares	**₹ crores**	No of shares	₹ crores	No of shares	₹ crores
At the beginning of the year	Refer Note 53.1(i)		Refer Note 53.1(i)		37,249,997	3.72
Shares issued during the year					-	-
At the end of the year					**37,249,997**	**3.72**

ii) Details of shareholders holding more than 5% of preference shares of the Company and shares held by the holding Company.

Redeemable cumulative preference shares	**As at 31 March 2020**		As at 31 March 2019		As at 1 April 2018	
	No of shares	**₹ crores**	No of shares	₹ crores	No of shares	₹ crores
HREL Real Estate Company Limited	Refer Note 53.1(i)		Refer Note 53.1(i)		22,400,097	60.13%
Avantha Realty Limited					5,600,422	15.03%
Venkateshwara Hatcheries Private Limited					5,152,697	13.83%
Vinay V Maniar					4,094,646	10.99%

iii) Redemption terms :

27,000,000 cumulative redeemable preference shares will be redeemed in 3 instalments on 30 January 2020, 30 January 2021 and 30 January 2022 in proportion of 20%, 40% and 40% of the paid up amount together with premium of ₹ 10 each respectively.

250,000 cumulative redeemable preference shares will be redeemed in 3 instalments on 5 June 2021, 5 June 2022 and 5 June 2023 in proportion of 20%, 40% and 40% of the paid up amount together with premium of ₹ 10 each respectively.

9,999,997 redeemable cumulative preference shares, will be redeemed in 3 instalments at the end of 7th, 8th and 9th year (i.e. 1 May 2018, 1 May 2019 and 1 May 2020 respectively) from the date of allotment (2 May 2011) in proportion of 20%, 40% and 40% of the paid up amount together with premium of ₹ 90 each in the same proportion respectively.

iv) Rights and restrictions :

Dividend on redeemable cumulative preference shares proposed by Board of Directors is subject to approval of the shareholders in the Annual General Meeting. Each holder of preference share is entitled to one vote per share only on resolutions placed before the Company which directly affects the rights attached to preference shares. Cumulative preference shareholders are entitled to vote on every resolution if preference dividend remains unpaid for 2 years. As per the Common Loan Agreement with consortium lenders, the Company has to satisfy the conditions set therein before declaring preference dividend.

^ Refer 53.1 (i)

Note 18 Long Term Borrowings...contd.

18.2.5 Loan from financial institutions / others

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
i. The subordinated loan of CHF 20.00 million, carried an interest rate of 5.75%, was granted by Mr. Peter Steiner to Steiner AG, a subsidiary of Holding Company. During the current year, the loan has been settled by issuance of equity shares of Steiner AG amounting to CHF 9.00 million and the differential CHF 10.40 million (net of issue related expenses of CHF 0.60 million) was transferred to Securities Premium. Further, during the current year, the aforementioned shares issued to Peter Steiner have been reacquired and accordingly been accounted as Treasury shares by Steiner AG.	-	139.91	137.37
ii. Loan availed by Steiner AG from Credit Suisse, Switzerland	3.95	-	-
Less: Classified under other financial liabilities (Refer note 19)	-	-	-
	3.95	139.91	137.37

Note 18.3 As at 31 March 2020, in relation to Term Loans and Non-Convertible Debentures, contractual loan principal amounting to ₹ 585.91 crore (31 March 2019: ₹ 39.43 crore, 1 April 2018: ₹ 90.15 crore) and contractual interest amounting to ₹ 104.02 crore (31 March 2019: ₹ 18.47 crore, 1 April 2018: ₹ 6.16 crore) are due and outstanding pertaining to the period 1 April 2018 to 31 March 2020.

Note 18.4 Steiner AG, a wholly owned foreign subsidiary, maintains a bank facility with a syndicate mainly with the objective to provide guarantees for its construction projects expiring 31 August 2020. The facility agreement sets forth covenants related to minimum equity, minimum EBIT margin and minimum liquidity. As of 31 March 2020, the covenants related to minimum equity as well as EBIT margin are in breach but the banks waived all financial covenants except minimum liquidity under the existing facility agreement (minimum equity, EBIT margin and minimum liquidity) for 31 March 2020 and for the remaining term of the agreement (i.e. until 31 August 2020). Management is in discussion with the banks in order to agree on a prolongation of the syndicated revolving guarantee facility agreement. However, as of the date of this report, a final and legally enacted agreement is not in place.

Note 18.5 Right to Recompense:

In accordance with the provisions of Master Restructuring Agreement (MRA) dated 29 June 2012 executed between the Holding Company and its lenders, as amended from time to time and pursuant to deliberations between the parties, lenders have agreed for the recompense amount to be settled by the Holding Company in the form of equity shares to be issued at a future date, which is inter-alia dependent upon various factors including improved financial performance of the Holding Company and other conditions, and which would be restricted to a maximum of 2.87% of equity share capital of the Holding Company on the date of issue of such equity shares.

Note 18.6 Net debt reconcilliation

An analysis of net debt and the movement in net debt for the year ended 31 March 2020, 31 March 2019 and 1 April 2018 is as follows:

₹ crore

Particulars	**31 March 2020**	31 March 2019	1 April 2018
Cash and cash equivalents	276.11	270.70	404.18
Current borrowings (including interest accrued)	1,429.35	1,176.42	1,124.04
Non-current borrowings (including interest accrued)	3,274.59	3,459.09	9,540.54
Net debt	**4,427.83**	**4,364.81**	**10,260.40**

Note 18 Long Term Borrowings...contd.

₹ crore

Particulars	Cash and cash equivalents	Non-current borrowings	Current borrowings	Total
	(A)	(B)	(C)	(D) = B + C- A
Net debt as at 1 April 2018	**404.18**	**9,540.54**	**1,124.04**	**10,260.40**
Cash flows (net)	(133.48)	(522.61)	51.16	(337.97)
Interest expense	-	424.35	126.79	551.14
Impact of deconsolidation of subsidiary (Refer note 33.2)	-	(5,786.51)	-	(5,786.51)
Gain on settlement of debt	-	(14.08)	-	(14.08)
Interest paid	-	(182.60)	(125.57)	(308.17)
Net debt as at 31 March 2019	**270.70**	**3,459.09**	**1,176.42**	**4,364.81**
Cash flows (net)	5.41	(294.25)	231.60	(68.06)
Conversion of debt into equity	-	(82.11)	-	(82.11)
Reversal of gain on settlement of debt	-	11.45	-	11.45
Interest expense	-	373.74	134.45	508.19
Interest paid	-	(193.33)	(113.12)	(306.45)
Net debt as at 31 March 2020	**276.11**	**3,274.59**	**1,429.35**	**4,427.83**

NOTE 19 OTHER FINANCIAL LIABILITIES

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Non-current			
Security deposits	1.67	0.51	0.28
Interest accrued but not due (Refer note 19.3)	690.18	490.63	-
Financial liabilities of erstwhile subsidiary assumed (Refer notes 19.1, 19.2 and 40)	497.00	575.00	-
Financial guarantees	49.75	61.41	-
Lease liabilities (Refer note 48)	276.06	-	-
Total non-current financial liabilities	**1,514.66**	**1,127.55**	**0.28**
Current			
Current maturities of long-term debts (Refer note 18)	981.38	471.16	4,670.67
Interest accrued but not due [Refer notes 19.3 and 36(B)(iii)]	241.17	175.34	292.02
Interest accrued and due	104.72	19.03	916.98
Unpaid dividends	0.00*^	0.00*^	0.25^
Advance towards sale of investments (Refer notes 13.3 and 19.4)	15.00	15.00	37.70
Security deposits	-	0.24	3.20
Financial guarantees	-	0.08	0.94
Financial liabilities of erstwhile subsidiary assumed (Refer notes 19.1, 19.2, 36(B)(iii) and 40)	261.55	186.55	-
Lease liabilities(Refer note 48)	2.33	-	-
Others			
- Due to employees	130.51	72.15	119.33
- Interest payable on contractee advances	163.71	122.94	93.01
- Liability for capital goods	10.18	30.22	106.29
- Other liabilities	25.30	58.75	120.66
Total current financial liabilities	**1,935.85**	**1,151.46**	**6,361.05**
Total other financial liabilities	**3,450.51**	**2,279.01**	**6,361.33**
^ Includes ₹ 7,600 (31 March 2019: ₹ 7,600, 1 April 2018: ₹ 7,600) which is held in abeyance due to legal cases pending			
Other financial liabilities carried at amortised cost	3,450.51	2,279.01	6,361.33
Other financial liabilities carried at FVPL	-	-	-

* Represents amount less than ₹ 1 lakh

Note 19 Other financial liabilities...contd.

Note 19.1 Liability towards invocation of put options and corporate guarantees by lenders of Lavasa Corporation Limited ('LCL')

Details of security and terms of repayment

During the previous year, pursuant to sanction letters entered with lenders of LCL, liabilities aggregating ₹ 865.23 crore were taken over by the Holding Company at ₹ 497 crore. As per the sanction letters, liabilities taken carried an interest of 9.5% p.a. compounded quarterly and are to be repaid from realization of certain identified claims by 31 March 2023. However, as per the Resolution Plan under approval by the Holding Company's Consortium lenders, in the eventuality such identified claims are not realized by 31 March 2023, 50% of the settlement amount will be paid in that year and the balance 50% by 31 March 2028. These identified claims are currently charged in favour of lenders of the Holding Company. Post the approval of the resolution plan and receipt of sanctions from the Holding Company's lenders for release of charge in favour of lenders of LCL, the security on such identified claims will be created.

Pursuant to default in the terms of the sanction letter, one of the lender issued a letter to the Holding Company for revocation of the settlement. Based on the negotiations and discussion by the management, the lender has agreed, (subject to internal committee approvals) to continuing with similar settlement terms in the restructuring plan presently under approval with consortium lenders. Pending the final approvals, the differential between the liability pursuant to the put option agreement and the liabliity as per sanction letter has been reported as Contingent Liability in the financial statements [Refer note 36(B)(ii)]

In addition to the above, lenders of LCL had invoked corporate guarantees of the Holding Company during the previous year. Accordingly, the liability of ₹ 144.55 crore was recognised by the Holding Company.

Note 19.2: HCC Operations and Maintenance Limited (HOML), a wholly owned subsidiary of HCC Infrastructure Company Limited ('HICL'), entered into a Debenture Sale Purchase (DSP) agreement with certain debenture holders for purchase of debentures issued by Lavasa Corporation Limited ('LCL'), in the event of any default for an aggregate consideration of ₹ 138 crore plus interest @ 10.27 % per annum. Pursuant to the above, HOML has till date paid ₹ 21 crore, including ₹ 3 crore paid during the current year, to the aforesaid debenture holders towards these debentures. During the current year, HOML has received recall notice from the debenture holders for ₹ 185.25 crore due to payment default as per DSP agreement. As at 31 March 2020, there exist a liability in the books (after adjusting advances paid of ₹ 21 crore) amounting to ₹ 117 crore attributable to the principal obligation and HOML is in discussion with the debenture holders for the waiver of interest obligation. Considering the present status of the discussion, management believes that that amount payable on settlement will not exceed the liability provided in books in respect of this matter and accordingly interest of ₹ 47.25 crore has been disclosed as contingent liability and not been provided for in the books of accounts as at 31 March 2020 [Also refer note 36(B)(iii)].

Note 19.3: Includes ₹ 94.35 crore (31 March 2019: ₹ 41.35 crore, 1 April 2018: Nil) and ₹ 153.95 crore (31 March 2019: ₹ 107.93 crore, 1 April 2018: Nil) in respect of non-current interest accrued but not due and current interest accrued but not due respectively, towards financial liabilities of LCL assumed by the Holding Company as mentioned in note 19.1 above.

Note 19.4: The Holding Company has signed definitive agreement for sale of Panchkutir Developers Limited, a subsidiary of the Holding Company for an aggregate consideration of ₹ 105 crore, which is subject to completion of certain conditions precedents as specified in the agreement. As at 31 March 2020, the Holding Company has received ₹ 12 crore as advance towards sale of investment.

NOTE 20 PROVISIONS

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Non-current			
Provision for employee benefits			
- Gratuity	148.70	125.96	28.72
- Pension fund	5.95	5.48	57.79
- Leave entitlement and compensated absences	13.59	13.32	14.76
Provision for warranty (Refer note 20.1)	64.47	54.64	68.87
Total non-current provisions	**232.71**	**199.40**	**170.14**
Current			
Provision for employee benefits			
- Gratuity	11.74	4.98	9.15
- Pension fund	8.23	7.29	8.43
- Leave entitlement and compensated absences	4.62	2.34	3.83
Provision for warranty (Refer note 20.1)	91.51	61.87	77.38
Provision for foreseeable losses (Refer note 35)	0.81	0.89	36.03
Total current provisions	**116.91**	**77.37**	**134.82**
Total provisions	**349.62**	**276.77**	**304.96**

Note 20.1 Detail of provision in respect of warranty is as stated below:

₹ crore

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Opening provision as at the beginning of the year	116.51	146.25	106.63
Addition during the year	119.40	40.23	58.45
Utilized during the year	(79.93)	(69.97)	(18.83)
Closing provision as at the end of the year	**155.98**	**116.51**	**146.25**
Non current	64.47	54.64	68.87
Current	91.51	61.87	77.38
Total	**155.98**	**116.51**	**146.25**

This provision represent estimates made towards estimated liability arising out of contractual obligations in respect of warranties. After the handover of the building there is a warranty liability, which lasts between 2 and 10 years, depending on the building and its components. During construction the warranty provision is recorded based on past experience and, in general, remains unchanged during construction. Actual warranty costs are recorded against the warranty provision of projects in warranty phase. On reporting date, future warranty costs are estimated and if needed the warranty provisions are increased or released. The timing of outflows will vary as and when the obligations arise.

Note 20.2 The Group has adequately recognized expected losses on projects wherever it was probable that total contract costs will exceed total contract revenue.

NOTE 21 OTHER LIABILITIES

₹ crore

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Non-Current			
Deferred lease liability	-	0.06	0.06
Total other non-current liability	**-**	**0.06**	**0.06**
Current			
Advance from contractee	1,838.56	1,922.04	1,853.11
Statutory dues payable	114.88	40.17	89.12
Due to customers (Refer note 35)	1,159.41	973.69	1,278.77
Other liabilities	55.29	36.03	31.50
Total other current liabilities	**3,168.14**	**2,971.93**	**3,252.50**
Total other liabilities	**3,168.14**	**2,971.99**	**3,252.56**

NOTE 22 SHORT TERM BORROWINGS

₹ crore

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
I. Secured			
Rupee Loan from Banks			
(i) Cash credit facilities (Repayable on demand) [Refer 22.1(i)]	718.28	1,048.16	992.04
(ii) Working capital demand loan (Repayable on demand) [Refer note 22.1(ii) and 22.2(i)]	581.31	120.67	120.30
(iii) Other bank loan (Repayable on demand) [Refer note 22.3]	106.41	-	-
(iv) Buyer's credit	-	-	10.90
	1,406.00	1,168.83	1,123.24
II. Unsecured			
(i) Loans from others [Refer note 22.2 (ii)]	-	5.57	-
Total short-term borrowings (I+II)	**1,406.00**	**1,174.40**	**1,123.24**

Note 22.1 Details of security and terms of repayment:

Terms of repayment:

i) The cash credit facilities carry an average interest rate of 11.60% p.a., which are repayable on demand.

ii) Working Capital Demand Loans of ₹ 544.46 crore (31 March 2019: ₹ 32.87 crore, 1 April 2018: ₹ 32.87 crore) pertaining to Holding Company, carry an interest rate of 11.50% p.a. which are repayable on demand.

Security details:

1. The parcel of land (immovable non-residential property) of the Holding Company admeasuring 22 acres and 24 gunthas at Tara Village, Panvel Taluka described as the First Mortgaged Properties.
2. All the present and future movable assets of the Holding Company (excluding ‘Current Assets’ and ‘Specified Assets’) as the Second Mortgaged Properties.
3. All the present and future current assets of the Holding Company (other than those forming part of ‘Additional Assets’) as the Third Mortgaged Properties.
4. All of the ‘Additional Assets’ collectively referred to as the Fourth Mortgaged Properties.
5. All of the ‘Specified Assets’ collectively referred to as the Fifth Mortgaged Properties.

The terms ‘Current Assets’, ‘Specified Assets’ and ‘Additional Assets’ have been defined in the MRA.

The above security having ranking as below:

1. A first ranking and pari passu security interest by way of legal mortgage over the Third and Fourth Mortgaged Properties.

Note 22.1 Details of security and terms of repayment::...contd.

2. In the form of a second ranking and pari passu security interest by way of a legal mortgage over the First, Second and the Fifth Mortgaged Properties.

Collateral security pari-passu with all CDR lenders are same as indicated in note 18.1.1.

The Holding Company has provided first charge over specific property, plant and equipment of the Holding Company for the loan extended by Export Import Bank of India (EXIM Bank) to HCC Mauritius Enterprise Limited through Loan Agreement dated 27 September 2010. The same security has also been extended for the loan of USD 25 million given by EXIM Bank to HCC Mauritius Investment Limited.

The securities towards working capital facilities also extend to guarantees given by the banks on behalf of the Holding Company.

Note 22.2 Details of security and terms of repayment in respect of loans availed by Steiner AG:

(i) Working Capital Demand Loan from bank include loan facilities availed by Steiner AG, a subsidiary company, aggregating ₹ 36.85 crore (31 March 2019: ₹ 87.80 crore, 1 April 2018: ₹ 87.43 crore) secured by first charge by way of a (i) mortgage on land in favour of a foreign bank (Project: Vista Nobile) (ii) mortgage on a land in favour of a foreign bank (Project: BASF Wandenswil).

(ii) Loan from Maurice Picard Holding Ltd carried an interest rate of LIBOR 3M + 450 bps per annum. The spread over LIBOR would be subject to change in case of (a) drawl beyond availability period and / or (b) changes in market conditions. This loan has been repaid during the current year.

Note 22.3 : Represents bank guarantees aggregating ₹ 106.41 crore invoked by the contractees and suppliers of Holding Company as at 31 March 2020.

NOTE 23 TRADE PAYABLES

₹ crore

Particulars	**As at 31 March 2020**	As at 31 March 2019	As at 1 April 2018
- Total outstanding dues of micro enterprises and small enterprises (Refer note 23.1)	23.99	16.59	5.87
- Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer note 35)	2,941.63	2,729.23	2,823.73
Total trade payables	**2,965.62**	**2,745.82**	**2,829.60**

Note 23.1 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 Group is given below:

The disclosure pursuant to the said Act is as under:

₹ crore

Particulars	**As at 31 March 2020**	As at 31 March 2019	As at 1 April 2018
(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	23.99	16.59	5.87
- Interest due	5.12	4.76	1.19
(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 period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	0.59	0.36	1.49
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.59	1.67	1.20
(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	5.71	5.12	4.29

Note 23.2 Trade payables are non-interest bearing and are normally settled as per the payment terms stated in the contract.

NOTE 24 REVENUE FROM OPERATIONS

₹ crore

	Year ended 31 March 2020	Year ended 31 March 2019
Sale of products and services:		
a) Construction revenue (Refer note 35)	8,988.11	10,013.36
b) Operation and maintenance fees	60.32	56.43
c) Sale of software products and licenses	9.51	21.56
d) Sale of other products	-	1.38
	9,057.94	**10,092.73**
Other operating revenue:		
a) Interest on arbitration awards	378.42	422.89
b) Compensation in lieu of termination	-	27.70
c) Others	0.70	0.20
	379.12	**450.79**
Total revenue from operations	**9,437.06**	**10,543.52**

Disclosure in accordance with Ind AS 115 Revenue from Contracts with Customers

The Group applied Ind AS 115 for the first time by using the cumulative catch-up transition method of adoption with the date of initial of 1 April 2018. Under this method, the comparatives have not been adjusted. The adoption of this new standard did not have any impact on retained earnings as at 31 March 2018 for the revenue contracts that are not completed as at that date, except in case of presentation / disclosure of the balances in relation to construction contracts, which have been explained below. Also refer note 2.1(xxii) for accounting policy on revenue recognition.

(a) Disaggregated revenue information

Revenue disaggregation as per industry vertical has been included in segment information (Refer note 55)

(b) Unsatisfied performance obligations

The aggregate amount of transaction price allocated to performance obligations that are unsatisfied as at the end of reporting period is ₹ 26,441 crore (31 March 2019: ₹ 28,208 crore). Most of the Group's contracts have a life cycle of four to five years. Management expects that around 30%-35% of the transaction price allocated to unsatisfied contracts as of 31 March 2020 will be recognised as revenue during next reporting period depending upon the progress on each contracts. The remaining amounts are expected to be recognised over the next three to four years.

The amount disclosed above does not include variable consideration.

(c) Contract balances

(i) Movement in contract balances during the year:

₹ crore

Particulars	Contract assets (unbilled work-in-progress)	Contract liabilities (due to customers)	Net contract balance
Balance as at 1 April 2018	**4,565.27**	**1,781.15**	**2,784.12**
Impact of change in method of measuring progress (Refer note 35)	(929.43)	(502.38)	(427.05)
Net increase / (decrease)	(714.12)	(305.08)	(409.04)
Balance as at 31 March 2019	**2,921.72**	**973.69**	**1,948.03**
Net increase	688.56	185.72	502.85
Balance as at 31 March 2020	**3,610.28**	**1,159.41**	**2,450.87**

Note: Movement in contract balances is primarily due to difference in revenue recognition as compared to progress bills raised during the year.

(ii) Revenue recognised during the year from opening balance of contract liability amounts to ₹ 519.63 crore (31 March 2019: ₹ 559.79 crore)

(iii) Revenue recognised during the year from the performance obligation satisfied upto previous year amounts to ₹ 225.10 crore (31 March 2019: ₹ 371.63 crore)

Note 24 Revenue from Operations...contd.

(d) Out of the total revenue recognised during the year, ₹ 9,376.04 crore (31 March 2019: ₹ 10,485.51 crore) is recognised over a period of time and ₹ 61.02 crore (31 March 2019: ₹ 58.01 crore) is recognised at a point in time.

(e) There are no reconciliation items between revenue from contracts with customers and revenue recognised with contract price.

(f) Cost to obtain or fulfill the contract:

i. Amount of amortisation recognised in Statement of Profit and Loss during the year : Nil

ii. Amount recognised as contract assets as at 31 March 2020 : Nil

NOTE 25 OTHER INCOME

₹ crore

		Year ended 31 March 2020	Year ended 31 March 2019
a)	Interest income:		
	- on financial assets carried at amortised cost	5.19	22.21
	- on bank deposit	3.88	4.06
	- on income tax refund	2.05	2.72
	- on sales tax refund	-	0.42
	- on claim income	1.56	7.49
		12.68	**36.90**
b)	Dividend from non-current investments	0.50	0.53
c)	Other non-operating income		
	- Rental income	2.30	3.25
	- Profit on sale of property, plant and equipment (net)	1.53	5.08
	- Exchange gain (net)	2.90	-
	- Fees for sale of projects	32.43	-
	- Provision no longer required written back	7.24	9.22
	- Miscellaneous (Also refer note 29.1)	25.23	20.03
		71.63	**37.58**
Total other income		**84.81**	**75.01**

NOTE 26 COST OF CONSTRUCTION MATERIALS CONSUMED

₹ crore

	Year ended 31 March 2020	Year ended 31 March 2019
Inventory at beginning of the year	192.24	175.92
Add: Purchases	700.58	874.09
	892.82	**1,050.01**
Less: Sale of scrap and unserviceable material	(14.58)	(39.56)
	878.24	**1,010.45**
Less: Inventory at the end of the year	(187.52)	(192.24)
Total cost of construction materials consumed	**690.72**	**818.21**

NOTE 27 CHANGE IN INVENTORIES

₹ crore

	Year ended 31 March 2020	Year ended 31 March 2019
Opening inventory	434.24	2,321.95
Less: Deconsolidation of assets of subsidiary (Refer note 33.2)	-	(1,890.53)
Less: Closing inventory	(275.04)	(434.24)
Total changes in inventories	**159.20**	**(2.82)**

NOTE 28 CONSTRUCTION EXPENSES

₹ crore

		Year ended 31 March 2020	Year ended 31 March 2019
a)	Power, fuel and water	126.23	110.49
b)	Rates and taxes	27.39	40.25
c)	Insurance	29.55	30.25
d)	Rent (Refer note 48)	90.65	78.15
e)	Transportation	28.96	66.94
f)	Others	20.37	63.38
Total construction expenses		**323.15**	**389.46**

NOTE 29 EMPLOYEE BENEFITS EXPENSE

₹ crore

		Year ended 31 March 2020	Year ended 31 March 2019
a)	Salaries and wages	872.46	870.12
b)	Contribution to provident and other funds	41.75	68.79
c)	Staff welfare	68.74	68.83
Total employee benefits expense		**982.95**	**1,007.74**

Note 29.1 Pursuant to notification of the Companies (Amendment) Act, 2017 with effect from 12 September 2018, amending Section 197 of the Companies Act, 2013 ('the Act'), the Holding Company's application to the Ministry of Corporate Affairs for approval in respect of managerial remuneration of Chairman and Managing Director (CMD) accrued / paid in excess of the prescribed limit for the financials years 2014-15 and 2015-16 stands abated. The Holding Company, vide resolution dated 10 September 2019, has obtained approval from the shareholders for the payment of remuneration in respect of the aforesaid years to be only given effect to post receipt of the approval of the lenders. Further, on 26 September 2019, the Holding Company in its shareholders' meeting has also obtained approvals vide special resolutions for managerial remuneration of CMD and Whole Time Directors for the year ended 31 March 2020, to be given effect to, only post receipt of the approval of lenders.

Pending receipt of lenders approval, the amounts continue to be accrued / paid held-in-trust. Necessary actions will be made based on the outcome of such approvals.

The Holding Company has accrued / paid managerial remuneration as detailed below:

₹ crore

Financial Year	Designation	Remuneration accrued	Remuneration Paid	Remuneration as per prescribed limit	Excess remuneration accrued/ paid	Excess remuneration paid held in trust
		(a)	(b)	(c)	(d = a- c)	(e = b- c)
2014-15	CMD	10.66	-	1.95	8.71	-
2015-16	CMD	10.66	10.66	1.97	8.69	8.69
2019-20	CMD & Whole Time Directors	13.57	3.75	-	13.57	3.75
Total		34.89	14.41	3.92	30.97	12.44

Further, the Holding Company had paid managerial remuneration to the CMD aggregating ₹ 10.66 crore during the financial year 2013-14, out of which ₹ 8.74 crore was in excess of the limits specified under Schedule XIII to the erstwhile Companies Act, 1956. In absence of response from the Ministry for the Holding Company's application for reconsideration of the excess amount paid, the Holding Company has proposed to recover the excess amount held in trust by the CMD and the same has been included under Other Income in financial year 2018-19. Such sum is refundable to the Holding Company within two years or such lesser period as allowed by the Holding Company in terms of Section 197 of the Act and until such sum is refunded, the same will be continued to be disclosed as recoverable from the CMD.

NOTE 30 FINANCE COSTS

₹ crore

	Year ended 31 March 2020	Year ended 31 March 2019
Interest expense on:		
- debentures	206.25	209.33
- lease liabilities (Refer note 48)	3.92	-
- others	554.53	515.61
Other borrowing costs		
- guarantee commission	47.76	50.13
- other finance charges	4.52	33.29
Total finance costs	**816.98**	**808.36**

NOTE 31 DEPRECIATION AND AMORTISATION EXPENSE (REFER NOTES 3A, 3B, 4 AND 5)

₹ crore

	Year ended 31 March 2020	Year ended 31 March 2019
a) Depreciation of tangible assets and biological assets	117.01	172.50
b) Depreciation on right-of-use assets	29.54	-
c) Depreciation of investment properties	0.03	0.04
d) Amortisation of intangible assets	5.26	4.82
Total depreciation and amortisation expense	**151.84**	**177.36**

NOTE 32 OTHER EXPENSES

₹ crore

		Year ended 31 March 2020	Year ended 31 March 2019
a) Stationery, postage, telephone and advertisement		6.38	8.10
b) Travelling and conveyance		13.15	15.46
c) Professional fees		49.82	52.90
d) Repairs and maintenance- building		4.22	4.75
e) Repairs and maintenance- others		22.70	20.63
f) Directors' sitting fees (Refer note 49)		0.68	1.01
g) Auditors' remuneration:			
i) Audit fees	4.98		5.48
ii) Tax audit fees	0.20		0.21
iii) Limited review fees	1.37		0.70
iv) Certification fees	0.98		0.49^
v) Reimbursement of out of pocket expenses	0.09		0.04
		7.62	6.92
h) Office expenses		32.99	41.05
i) Operation and maintenance		88.54	85.05
j) Selling and distribution expenses		3.88	5.73
k) Exchange loss (net)		-	7.10
l) Computer maintenance and development		6.96	5.83
m) Loss allowance on financial assets		16.71	7.74
n) Miscellaneous expenses		36.68	28.46
Total other expenses		**290.33**	**290.73**

^ excludes ₹ 0.35 crore towards fees for certifications relating to rights issue of equity shares, which was charged off against Securities premium.

Note 32.1 The Group is not liable to incur any expenses on Corporate Social Responsibility as per section 135 of the Companies Act, 2013.

NOTE 33 EXCEPTIONAL ITEMS

₹ crore

		Year ended 31 March 2020	Year ended 31 March 2019
a)	Reversal of provision / (Provision) in respect of arbitration awards and claims (Refer note 33.1 below)	331.40	(331.40)
b)	Impairment of financial and non-financial assets	(98.72)	(212.35)
c)	Gain / (reversal of gain) on settlement of debts [Refer note 18.1.3(iii)]	(11.45)	14.08
d)	Gain on loss of control in subsidiary (Refer note 33.2 below)	-	141.97
e)	Loss on divestment of stake in subsidiary (Refer note 33.3 below)	-	(67.82)
f)	Impairment loss in respect of asset held for sale (Refer note 16.3)	-	(71.85)
Total exceptional items - Gain / (loss)		**221.23**	**(527.37)**

Note 33.1: During the quarter ended 31 March 2019, the Holding Company had recognized a provision of ₹ 331.40 crore pursuant to the signing of a non-binding term sheet with a consortium of investors along with a letter of commitment, for an assignment of the beneficial interest in portfolio of identified arbitration awards and claims ('specified assets') for an aggregate consideration of ₹ 1,750 crore. The said provision continued thereafter in view of mutual extension of the said transaction till 31 December 2019. In the absence of any further extension, the Holding Company had decided to cancel this proposed transaction, which had been reported to and confirmed by statutory auditors. Pursuant to the cancellation of the aforesaid transaction, the provision of ₹ 331.40 crore, related to specified assets, recognized earlier had been written back during the year ended 31 March 2020.

Note 33.2: Gain on loss of control in subsidiary

The National Company Law Tribunal, Mumbai (NCLT) vide order dated 30 August 2018, has admitted an application filed against Lavasa Corporation Limited (LCL) by an operational creditor and initiated the Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code 2016 ('IBC'). In accordance with the provisions of IBC, the powers of the Board of Directors of LCL shall stand suspended and the management of LCL presently vests with the Resolution Professional ('RP') appointed under the provisions of IBC. Accordingly, effective the date of admission to NCLT, the Group has lost control / significant influence over LCL and its subsidiaries, associates and joint ventures (the 'LCL Group'). Pursuant to the above, Group has derecognised the assets and liabilities of LCL as at 1 April 2018, which has resulted in a net gain of ₹ 141.97 crore during the year ended 31 March 2019.

Note 33.3: During the previous year, the Group had entered into a share subscription and purchase agreement dated 21 December 2018, pursuant to which the Group transferred its shareholding in Charosa Wineries Limited with effect from 7 February 2019 for an aggregate consideration of ₹ 1.78 crore. The said transaction resulted in a net loss of ₹ 67.82 crore and was disclosed as an 'exceptional item' in the consolidated financial statements for the year ended 31 March 2019.

NOTE 34 EARNINGS PER SHARE (EPS)

			Year ended 31 March 2020	Year ended 31 March 2019
Basic and diluted EPS				
A.	Profit / (loss) computation for basic earnings per share of ₹ 1 each			
	Net profit / (loss) as per the Consolidated Statement of Profit and Loss available for equity shareholders	(₹ crore)	197.03	(49.85)
B.	Weighted average number of equity shares for EPS computation	(Nos.)	1,512,976,244	1,144,914,228
C.	EPS- Basic and Diluted	(₹)	1.30	(0.44)

(a) The options granted to employees under the Employee stock option (ESOP) plan and the optionally convertible debentures do not qualify as potential equity shares outstanding during the periods, based on the present conditions prevalent, and hence have not been considered in the determination of diluted earnings per share.

(b) Further equity shares to be issued to certain lenders pursuant to implementation of S4A Scheme [refer note 17(f)] and to lenders pursuant to Right to Recompense (Refer note 18.5) do not presently qualify as potential equity shares and and hence have not been considered in the determination of diluted earnings per share.

NOTE 35 IMPACT OF CHANGE IN METHOD OF MEASURING PROGRESS I.E FROM OUTPUT METHOD TO INPUT METHOD

During the current year, the Group has changed the method of measuring progress i.e. from output method to input method as specified in Ind-AS 115 – 'Revenue from Contract with Customers' consequent to change in the circumstances including change in the nature of contracts secured by the Group during recent years. Management believes that input method, a method widely used by most other engineering and construction companies, would be more reliable and relevant in measuring the progress of the projects and therefore also be more accurate on a comparative basis in measuring the Group's performance in transferring control of goods and services promised to the customers until completion of the contracts. Pursuant to the impact of this change in method, the Group has restated the comparative financial statements / information for the year ended 31 March 2019, in accordance with the requirements of Ind-AS 8- 'Accounting Policies, Changes in Accounting Estimates and Errors'. Further, the retained earnings (other equity) as at 1 April 2018 within the statement of changes in equity has also been restated to adjust the impact of such adjustments relating to prior years.

IMPACT ON CONSOLIDATED STATEMENT OF PROFIT AND LOSS

₹ crore

	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from operations	299.59	221.96
Sub-contracting expenses	81.04	53.74
Profit before tax	218.55	168.22
Tax expense	31.54	38.59
Profit for the year	187.01	129.63
Other comprehensive loss for the year	(20.19)	(9.86)
Total comprehensive income for the year	166.82	119.77
Basic and diluted earnings per share	1.24	1.13

IMPACT ON CONSOLIDATED BALANCE SHEET

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Unbilled work-in-progress (other current financial assets)	-	-	(929.43)
Unbilled work-in-progress (other current assets)	(712.22)	(860.39)	-
Retained earning (under other equity)	(28.61)	(215.63)	(345.26)
Translation loss relating to foreign operations (under other equity)	(30.05)	(9.86)	-
Due to customer (Other current liabilities)	(651.95)	(597.84)	(502.38)
Provision for foreseeable loss (Provision)	(9.18)	(13.09)	(19.23)
Deferred tax assets	(7.58)	23.96	75.69
Deferred tax liabilities	-	-	13.14

NOTE 36 CONTINGENT LIABILITIES AND COMMITMENTS

₹ crore

		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
A.	**CONTINGENT LIABILITIES**			
(i)	Claims not acknowledged as debts by the Group	241.23	188.53	321.63
(ii)	Income tax liability that may arise in respect of which the Group is in appeals	71.82	46.85	55.25
(iii)	Sales tax liability / works contract tax liability / service tax / customs liability that may arise in respect of matters in appeal	203.79	211.29	200.75
(iv)	Corporate guarantees (Refer note 38)	4,547.71	3,868.69	3.06
(v)	Counter indemnities given to banks in respect of contracts executed	1,452.79	2,345.84	1,895.59

Note 36 Contingent liabilities and commitments...contd.

(vi) Provident Fund:

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

It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. Future cash outflows in respect of the above are determinable only on receipt of judgments/ decisions pending with various forums/ authorities. The Group does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof.

₹ crore

		As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
B.	**Commitments**			
(i)	Capital Commitment (net of advances)	40.86	34.94	25.58
(ii)	Put option given to lenders of Lavasa Corporation Limited to sell debentures to the Holding Company in the event of default (including interest and penal charges thereon) (Refer note 19.1)	532.55	-	-
(iii)	Commitment given by a subsidiary to lender of fellow subsidiary to purchase debenture in the event of default (Refer note 19.2)	47.25	-	-

Note 37 : The Group, as at 31 March 2020, has a non-current investment amounting to ₹ 321.12 crore (31 March 2019: ₹ 137.23 crore, 1 April 2018: ₹ 292.81 crore) in HCC Concessions Limited ('HCL'), a joint venture company of HICL, a wholly owned subsidiary, having various Build, Operate and Transfer (BOT) SPVs under its fold. While consolidated net-worth of HCL as at 31 March 2020 has been partially eroded, the underlying projects are expected to achieve adequate profitability on substantial completion. The net-worth of HCL does not represent its true market value as the value of the underlying investments / assets, based on valuation report of an independent valuer, is higher. Further BOT SPV's also have several claims, including favourable arbitration award against its customers mainly in respect of cost-overrun arising due to client caused delays, termination of contracts and change in scope of work which are under various stages of negotiation / discussion with clients or under arbitration / litigation wherein management has been legally advised that it has good case on merits. Therefore, based on certain estimates like future business plans, growth prospects as well as considering the contractual tenability, progress of negotiation / discussion / arbitration / litigations and legal advice, the management believes that the realizable amount of HCL is higher than the carrying value of the non-current investments due to which these are considered as good and recoverable.

Note 38 : As at 31 March 2020, HREL Real Estate Limited ('HREL') (formerly known as HCC Real Estate Limited), a subsidiary company, has provided corporate guarantees and put options aggregating ₹ 4,547.71 crore (31 March 2019: ₹ 3,868.69 crore, 1 April 2018: Nil) to the lenders of its erstwhile subsidiaries, Lavasa Corporation Limited ('LCL') and Warasgaon Assets Maintenance Limited ('WAML') in respect of amounts borrowed by these subsidiaries. LCL and WAML were admitted under the Corporate Insolvency and Resolution Process ('CIRP') in accordance with the Insolvency and Bankruptcy Code, 2016 (IBC) dated 30 August 2018 and 17 December 2018, respectively and Resolution Professionals ('RP') have been appointed by the Committee of Creditors (CoC) of the lenders of respective companies. The lenders, to whom these corporate guarantees and put options were furnished, have filed their claims with RP which is presently under the IBC process and have also invoked the corporate guarantee/ put options issued by the HREL. RP is in the process of formulating a resolution plan including identifying potential resolution applicant. The liability of HREL shall be determined once the debts due to these lenders are settled by RP upon completion of the IBC process. Pending the outcome of the resolution process, no provision has been considered necessary in the consolidated financial statements by HREL, as impact, if any, is currently unascertainable.

Note 39 : 'Unbilled work-in-progress (Other current assets)', 'Non-current trade receivables' and 'current trade receivables' include ₹ 805.60 crore (31 March 2019: ₹ 416.49 crore, 1 April 2018: ₹ 686.24 crore), ₹ 293.08 crore (31 March 2019: ₹ 54.14 crore, 1 April 2018: ₹ 123.39 crore) and ₹ 395.91 crore (31 March 2019: ₹ 320.94 crore, 1 April 2018: ₹ 214.38 crore), respectively, outstanding as at 31 March 2020 which represent various claims raised earlier, based on the terms and conditions implicit in the contracts and other receivables in respect of closed / suspended projects. These claims are mainly in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work; for which Holding Company is at various stages of negotiation / discussion with the clients or under arbitration / litigation. Considering the contractual tenability, progress of negotiations / discussions / arbitration / litigations and as legally advised, the management is confident of recovery of these receivables.

Note 40 : Non-current borrowings, other non-current financial liabilities and other current financial liabilities as at 31 March 2020 include balances amounting to ₹ 171.59 crore, ₹ 591.04 crore and ₹ 337.09 crore respectively, in respect of which confirmations / statements from the respective banks / lenders have not been received. Further, in respect of non-current borrowings and current borrowings aggregating ₹ 864.23 crore, the lenders have confirmed the principal balance outstanding. However, the accrued interest until 31 March 2020 aggregating ₹ 42.76 crore in respect of these outstanding balances have not been confirmed. In the absence of confirmations / updated statements from the lenders, the Group has provided for interest and other penal charges on these borrowings based on the latest communication available from the respective lenders at the interest rate specified in the agreement. The Group's management believes that amount payable on settlement will not exceed the liability provided in books in respect of these borrowings. Accordingly, classification of these borrowings into current and non-current as at 31 March 2020 is based on the original maturity terms stated in the agreements with the lenders.

Further, earmarked balances (included under bank balances other than cash and cash equivalents) and guarantees issued by banks on behalf of the Holding Company as at 31 March 2020 includes balances amounting to ₹ 5.46 crore and ₹ 76.93 crore respectively, in respect of which confirmation / statements from banks have not been received inspite of incessant efforts by Group's management.

Note 41 : Badarpur Faridabad Tollways Limited ('BFTL'), a subsidiary of HCL, has entered into a settlement agreement, dated 26 March 2020, with NHAI for payment of ₹ 302.41 crore including interest in respect of its claims for termination payment. Pursuant to the aforementioned settlement with NHAI, as at 31 March 2020, BFTL has received 75% of the settlement payment of ₹ 218.93 crore from NHAI and the balance 25% payment amounting to ₹ 73.83 crore has also been realised subsequent to 31 March 2020 post withdrawal of all the claims by BFTL against NHAI.

During the current quarter, BFTL has also entered into a settlement agreement with its lenders wherein its borrowings and interest have been settled for an aggregate amount of ₹ 347.64 crore to be paid out of the proceeds of the claims settled with NHAI and balance through funding by HCL to the extent of ₹ 47.20 crore, to be executed till 30 June 2020 or till further date as may be agreed by the lenders. As at 31 March 2020, ₹ 218.93 crore realised from NHAI have been paid to BFTL lenders and the balance ₹ 73.83 crore received subsequent to 31 March 2020 have also been paid to the BFTL lenders on 30 June 2020. BFTL and HCL management are in discussion with BFTL lenders for extension of the settlement period until 30 September 2020 and are confident in respect of this extension.

Pursuant to the aformentioned settlements, BFTL has written off / written back surplus amounts carried in the books as at 31 March 2020 in respect of these receivables and payables basis the agrements with respective parties resulting in a net gain of ₹ 329.19 crore recognised in the financials of BFTL. HCL has also accounted for the balance liability of ₹ 47.20 crore as at 31 March 2020.

Note 42 : In response to the National Highway Authority of India ('NHAI')'s notice dated 24 August 2017 for 'Intention to Issue Termination Notice' to Baharampore Farakka Highways Limited (BFHL), a subsidiary of HCL, the Independent Engineer has recommended NHAI to withdraw intention to issue termination notice on 26 June 2019. Further, NHAI has deposited ₹ 358.98 crore with the Delhi High Court in respect of an arbitration award in favour of BFHL against which BFHL has partially withdrawn ₹ 75 crore against bank guarantee as at 31 March 2020. BFHL has also initiated a Conciliation process with the NHAI for its arbitration award and entire claims, which is currently underway.

Note 43 : Delay in acquisition of land of more than six years in Raiganj Dalkhola Highways Limited ('RDHL'), a subsidiary of HCL, resulted in a substantial increase of project cost. The inability of the lenders consortium to fund the cost overrun in the absence of extended benefits in the event of termination from NHAI has led to the issuance of termination notice by NHAI. RDHL has filed claim for ₹ 367 crore (31 March 2019: ₹ 367 crore, 1 April 2018: ₹ 367 crore) as a termination payment and for ₹ 836 crore (31 March 2019: ₹ 836 crore, 1 April 2018: ₹ 836 crore) as losses on account of contractors dues before arbitration tribunal as the requisite land to carry out the desired work was not made available by NHAI. Based on the legal advice obtained in this respect, the Group's management is confident of recovering the amount from NHAI and HCL's exposure in RDHL is considered to be fully recoverable.

Note 44 : Non-current borrowings and other current financial liabilities (including current maturities of long-term borrowings) of RDHL, a subsidiary of HCL, as at 31 March 2020 includes ₹ 65.45 crore and ₹ 27.52 crore, respectively in respect of which, in the absence of confirmation from the lenders / bankers, RDHL has provided for interest and other penal charges based on the latest communication available from the lenders / bankers at the interest rate specified in the agreements. RHDL's management believes that amount payable on settlement will not exceed the liability provided in books in respect of these borrowings. Further, the classification of these borrowings into current and non-current as at 31 March 2020 is based on the original maturity terms as stated in the agreements with the lenders / bankers.

Note 45 : The National Company Law Tribunal, Mumbai ('NCLT') vide Order dated 30 August 2018, has admitted an application filed against Lavasa Corporation Limited ('LCL') by an operational creditor and initiated the Corporate insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code 2016 ('IBC'). In accordance with the provisions of IBC, the powers of the Board of Directors of LCL shall stand suspended and the management of LCL presently vests with the Resolution Professional ('RP') appointed under the provisions of IBC. HREL Real Estate Limited (HREL) (formerly known as HCC Real Estate Limited), a wholly owned subsidiary of the Holding Company, is presently holding 68.70% equity stake in LCL.

The Holding Company made all the required efforts to obtain requisite standalone and consolidated financial results/ financial information of LCL and its subsidiaries, associates and joint ventures ('LCL group') for the period 1 April 2018 to 30 August 2018 (date up to which the company had control) through appointed RP, for which no response was received from RP. In the absence of the required financial results/ financial information of LCL group, it was practically beyond the control of Holding Company's management to consolidate financial results/ financial information of LCL group for the year to date period 1 April 2018 up to the date of loss of control i.e. 30 August 2018, in consolidated financial statements for the year ended 31 March 2019.

In view of this, financial results/ financial information of LCL group for the aforesaid periods have not been considered in the consolidated financial statements for the year ended 31 March 2019. Further, de-recognition of assets and liabilities of LCL group, consequent to aforesaid loss of control, was carried out based on the latest available financial statements of LCL group, i.e. year ended 31 March 2018, in these consolidated financial statements for the year ended 31 March 2019. (Also refer note 33.2).

Note 46 : The Notification under Section 3C(1) under the Maharashtra Slum Area (Improvement & Redevelopment) Act, 1971 declaring the land parcel at Vikhroli (East) held by the Panchkutir Developers Limited, a subsidiary of Holding Company, as "Slum Rehabilitation Area" has been challenged by some persons and appeals preferred are pending in the Bombay High Court. Similarly, a suit filed in the High Court by some persons for declaration that they are Lessees of the said property is also pending. Suit filed by the Company for vacant and peaceful possession of part of the said land is pending in the Small Causes Court, Mumbai. No Liability is expected in aforesaid matter.

NOTE 47 INTEREST IN OTHER ENTITIES

a) Joint operations

The Group's share of interest in joint operations as at 31 March 2020 is set out below:

Name of the entity	% of ownership interest held by the Group			Name of the ventures' partner	Principal place of business	Principal activities
	31 March 2020	31 March 2019	1 April 2018			
HCC- L&T Purulia Joint Venture	57.00	57.00	57.00	Larsen and Toubro Limited	India	Construction
Nathpa Jhakri Joint venture	40.00	40.00	40.00	Impregilio-Spa, Italy	India	Construction
Kumagai- Skanska- HCC - Itochu Joint Venture	19.60	19.60	19.60	Skanska, Kumagai	India	Construction
Alpine- Samsung-HCC Joint Venture	33.00	33.00	33.00	Itochu, Alpine Meyreder Bau, Samsung Corporation	India	Construction
Alpine- HCC Joint Venture	49.00	49.00	49.00	Alpine Meyreder Bau	India	Construction
HCC- Samsung Joint Venture CC-34	50.00	50.00	50.00	Samsung C&T Corporation	India	Construction
HCC- Max Joint Venture	40.00	40.00	-	MAX Group, Bangladesh	Bangladesh	Construction
HCC- HDC Joint Venture	55.00	55.00	-	Hyundai Development Company	India	Construction
HCC- VCCL Joint Venture	50.00	-	-	Vensar Constructions Co Ltd	India	Construction
ARGE Prime tower	45.00	45.00	45.00	Losinger Construction AG	Switzerland	Construction

Note 47 Interest in other entities...contd.

i) Classification of joint arrangements

The joint venture agreements in relation to the above mentioned joint operations require unanimous consent from all the parties for all relevant activities. All co-venturers have direct rights to the assets of the joint venture and are also jointly and severally liable for the liabilities incurred by the joint venture. These joint ventures are therefore classified as a joint operation and the Group recognises its direct right to the jointly held assets, liabilities, revenue and expenses. In respect of these contracts (assessed as AOP under the Income tax laws), the services rendered to the joint ventures are accounted as income on accrual basis.

₹ crore

		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
ii)	**Summarised balance sheet**			
	Total assets	111.92	83.14	43.09
	Total liabilities	155.95	126.71	74.01
iii)	**Contingent liability as at reporting date**			
	Contingent liability	13.28	5.52	7.05
	Capital and other commitment	0.25	0.28	-

		Year ended 31 March 2020	Year ended 31 March 2019
iv)	**Summarised statement of profit and loss account**		
	Revenue from operations	84.73	23.25
	Other income	1.13	0.92
	Total expenses (including taxes)	**87.44**	**39.17**

b) Joint operations on work sharing basis

Contracts executed in joint venture under work sharing arrangement (consortium) is set out below. The principal place of business of all these arrangements is in India and they are engaged in construction business.

i)	HCC Van Oord ACZ Joint Venture
ii)	Samsung- HCC Joint Venture
iii)	L & T- HCC Joint Venture
iv)	HCC- KBL Joint Venture
v)	HCC- NCC Joint Venture
vi)	HCC- CEC Joint Venture
vii)	HCC- NOVA Joint Venture
viii)	HCC- CPPL Joint Venture (Veligonda)
ix)	HCC- MEIL- CBE Joint Venture
x)	HCC- MEIL- BHEL Joint Venture
xi)	HCC- MEIL- SEW- AAG Joint Venture
xii)	HCC- MEIL- SEW Joint Venture
xiii)	HCC- Halcrow Joint Venture
xiv)	HCC- Laing- Sadbhav
xv)	HCC- MEIL- NCC- WPIL Joint Venture
xvi)	HCC- DSD- VNR Joint Venture
xvii)	MEIL- IVRCL- HCC- WPIL Joint Venture
xviii)	Alstom Hydro France- HCC Joint Venture
xix)	GVPR Engineers- HCC Joint Venture
xx)	HCC- CP PL Joint Venture (Manipur)
xxi)	HCC- VCCL Joint Venture
xxii)	HCC- MMS (MMRCL) Joint Venture
xxiii)	HCC- LCESPL (Bistan Lift) Joint venture
xxiv)	HCC- HSEPL Joint Venture
xxv)	HCC- URCC Joint Venture
xxvi)	HCC- AL FARA'A Joint Venture

Classification of work executed on sharing basis

Contracts executed in joint venture under work sharing arrangement (consortium) is accounted to the extent work executed by the Group as that of an independent contract.

NOTE 48 LEASES - IND AS 116

1. Impact on transition to Ind AS 116

Effective 1 April 2019, the Group has adopted Ind AS 116, Leases, which, applied to all lease contracts outstanding as at 1 April 2019, using modified retrospective at the date of initial application, at an amount equal to lease lability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application and as a result of which the comparative information is not required to be restated.

The Group has made use of the following practical expedients available in its transition to Ind AS 116.

a) The Group will not reassess whether a contract is or contains a lease. Accordingly, the definition of lease in accordance with Ind AS 17 will continue to be applied to lease contracts entered by the Group or modified by the Group before 1 April 2019.

b) The Group has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment. Consequently, the Group has recorded its lease liability using the present value of remaining lease payments, discounted using the incremental borrowing rate at the date of initial application and the right-of- use asset at its carrying amount as if the standard had been applied since the commencement date of the lease but discounted using the incremental borrowing rate at the date of initial application.

c) The Group excluded the initial direct costs from measurement of the Right-of-use (RoU) asset at the date of initial application.

The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2019 is in the range of 1.3% to 12.50%.

Right-of-use assets:

(i) On transition, the Group had recognized right-of-use assets aggregating ₹ 305.12 crore.

(ii) The net carrying value of right-of-use assets as at 31 March 2020 amounts to ₹ 275.18 crore (gross carrying and accumulated depreciation value of ₹ 304.72 crore and ₹ 29.54 crore, respectively) have been disclosed on the face of the balance sheet (Refer Note 3B).

Lease liabilities:

(i) On transition, the Group has recognised lease liabilities amounting to ₹ 305.12 crore.

(ii) The difference between the lease obligation recorded as of 31 March 2019 under Ind AS 17 disclosed under Note 28.1 of the 2019 Annual Report and the value of the lease liability as of 1 April 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

(iii) As at 31 March 2020, the obligations under finance leases amounts to ₹ 278.39 crore (non-current and current obligation amounting ₹ 276.06 and ₹ 2.33 crore respectively) which have been classified to lease liabilities under other financial liabilities. (Refer note 19).

(iv) The following is the movement in lease liabilities for the year ended 31 March 2020:

	₹ crore
Balance as at 1 April 2019	305.12
Additions during the year	-
Finance cost accrued during the year	3.92
Payment of lease liabilities	(26.33)
Translation difference	(4.32)
Balance as at 31 March 2020	278.39

Note 48 Leases - Ind AS 116...contd.

(v) The table below provides details regarding the contractual maturities of lease liabilties as at 31 March 2020:

₹ crore

Lease Liabilities		Contractual cash flows			
	Carrying amount	Total	0-1 year	1-5 years	5 years and above
	278.39	329.44	35.27	120.20	173.98

2. During the year ended 31 March 2020, the Group recognised the following in the Statement of Profit and Loss:

(i) Depreciation expense from right-of-use assets of ₹ 29.54 crore (Refer note 31)

(ii) Finance cost on lease liabilities of ₹ 3.92 crore (Refer note 30)

(iii) Rent expense amounting to Nil and ₹ 90.65 crore pertaining to leases of low-value assets and leases with less than twelve months of lease term, respectoively, have been included under rent expense (Refer note 28).

NOTE 49 DISCLOSURE IN ACCORDANCE WITH IND AS 24 RELATED PARTY DISCLOSURES

A. Names of related parties and nature of relationship

		Country of incorporation	Group's holding as at (%)		
			31 March 2020	31 March 2019	1 April 2018
a)	**Joint venture**				
	HCC Concession Limited	India	85.45	85.45	85.45
	Narmada Bridge Tollways Limited	India	85.45	85.45	85.45
	Badarpur Faridabad Tollways Limited	India	85.45	85.45	85.45
	Baharampore-Farakka Highways Limited	India	85.45	85.45	89.23
	Farakka-Raiganj Highways Limited	India	85.45	85.45	89.23
	Raiganj-Dalkhola Highways Limited	India	86.91	86.91	86.91
	Ecomotel Hotel Limited	India	40.00^^	40.00^^	40.00
	Spotless Laundry Services Limited	India	76.02^^	76.02^^	76.02
	Whistling Thrush Facilities Services Limited	India	51.00^^	51.00^^	51.00
	Apollo Lavasa Health Corporation Limited	India	49.00^^	49.00^^	49.00
	Andromeda Hotels Limited	India	40.03^^	40.03^^	40.03
	Bona Sera Hotels Limited	India	26.00^^	26.00^^	26.00
	Starlit Resort Limited	India	26.00^^	26.00^^	26.00
	Nirmal BOT Limited	India	-	-	22.22
	Werkarena Basel AG (w.e.f 19 September 2019)	Switzerland	50.00	-	-
b)	**Associates**				
	Warasgaon Lake View Hotels Limited	India	24.56^^	24.56^^	24.56
	Knowledge Vistas Limited	India	49.00^^	49.00^^	49.00
	Evostate AG	Switzerland	30.00	30.00	30.00
	Evostate Immobilien AG (Subsidiary of Evostate AG)	Switzerland	30.00	30.00	30.00
	MCR Managing Corp. Real Estate	Switzerland	30.00	30.00	30.00
	Projektentwicklungsges. Parking Kunstmuseum AG	Switzerland	38.64	38.64	38.64
	Highbar Technocrat Limited	India	49.00	49.00	49.00

Note 49 Disclosure in accordance with Ind AS 24 Related Party Disclosures...contd.

	Other related parties	Relationship
c)	**Other related parties**	**Relationship**
	Gulabchand Foundation	Other related party
	Hincon Holdings Limited	Other related party
	Hincon Finance Limited	Other related party
	Shalaka Investment Private Limited	Other related party
	Aarya Capital Management Private Limited	Other related party
	HCC Employee's Provident Fund	Post-employment contribution plan
	Stiftung der Steniner AG (Steiner pension foundation)	Post-employment benefit plan

d)	**Key Management Personnel and relative of Key Management Personnel**	
	Mr. Ajit Gulabchand	Chairman and Managing Director
	Mr. Arjun Dhawan	Group Chief Executive Officer and Whole Time Director
	Ms. Shalaka Gulabchand Dhawan	Whole Time Director (upto 31 July 2019)
	Mr. N. R. Acharyulu	Non Executive Director
	Mr. Sharad M. Kulkarni	Independent Director
	Mr. Anil C. Singhvi	Independent Director
	Mr. Mahendra Singh Mehta	Independent Director (w.e.f. 17 June 2019)
	Mr. Santosh Janakiram Iyer	Independent Director (w.e.f. 17 June 2019)
	Dr. Mita Dixit	Independent Director (w.e.f. 6 February 2020)
	Mr. Omkar Goswami	Independent Director (upto 26 September 2019)
	Mr. Rajas R. Doshi	Independent Director (upto 26 September 2019)
	Mr. Ram P. Gandhi	Independent Director (upto 27 September 2019)
	Mr. Mukul Sarkar	Nominee Director (w.e.f. 6 February 2020)
	Mr. Samuel Joseph	Nominee Director (w.e.f. 7 February 2019 upto 6 February 2020)
	Ms. Harsha Bangari	Nominee Director (upto 6 February 2019)
	Mr. Praveen Sood	Group Chief Financial Officer (upto 31 December 2018)
	Mr. Shailesh Sawa	Chief Financial Officer (w.e.f. 7 February 2019 upto 9 July 2020)
	Mr. U.V. Phani Kumar	Chief Executive Officer- E&C (w.e.f 3 April 2020)
	Mr. Amit Uplenchwar	Chief Executive Officer- E&C (w.e.f 31 January 2018 upto 27 March 2020)
	Mr. Vithal P. Kulkarni	Company Secretary (w.e.f. 6 February 2020)
	Mr. Ajay Singh	Company Secretary (w.e.f. 7 February 2019 upto 6 February 2020)
	Mr. Venkatesan Arunachalam	Company Secretary (upto 6 November 2018)

^^ Refer note 53.1(i)

Note 49 Disclosure in accordance with Ind AS 24 Related Party Disclosures...contd.

B. Nature of transactions

₹ crore

	Year ended 31 March 2020	Year ended 31 March 2019
Transactions with related parties:		
Revenue from operations		
Joint ventures		
- Baharampore Farakka Highways Limited	76.26	68.67
- Farakka Raiganj Highways Limited	64.38	35.84
- Raiganj Dalkhola Highways Limited	0.09	3.46
	140.73	**107.97**
Interest income on inter corporate deposits		
Associates		
- Highbar Technocrat Limited	-	0.01
	-	**0.01**
Finance income on corporate guarantees		
Joint ventures		
- HCC Concessions Limited	1.27	0.11
	1.27	**0.11**
Interest income on lease deposit		
Other related parties		
- Hincon Finance Limited	0.47	0.35
	0.47	**0.35**
Rendering of services		
Joint ventures		
- Baharampore Farakka Highways Limited	0.05	-
- Farakka Raiganj Highways Limited	0.05	-
Associate		
- Highbar Technocrat Limited	0.37	2.00
Key management personnel		
- Mr. Ajit Gulabchand	0.09	-
	0.55	**2.00**
Remuneration written back		
Key management personnel		
- Mr. Ajit Gulabchand	-	8.74
	-	**8.74**
Other income		
Joint ventures		
- HCC Concessions Limited	0.54	0.69
Other related parties		
- Hincon Finance Limited	0.52	0.52
	1.06	**1.21**

Note 49 Disclosure in accordance with Ind AS 24 Related Party Disclosures...contd.

₹ crore

	Year ended 31 March 2020	Year ended 31 March 2019
Reimbursement of expenses		
Associates		
- Highbar Technocrat Limited	0.68	0.20
	0.68	**0.20**
Rental income		
Associates		
- Highbar Technocrat Limited	-	0.20
	-	**0.20**
Professional fees		
Associates		
- Highbar Technocrat Limited	14.07	21.80
	14.07	**21.80**
Other services received		
Joint ventures		
- HCC Concessions Limited	0.06	0.39
Other related party		
- Hincon Holding Limited	0.48	0.48
- Hincon Finance Limited	0.68	-
	1.22	**0.87**
Purchase of intangible assets		
Associates		
- Highbar Technocrat Limited	-	1.03
	-	**1.03**
Advance given		
Joint ventures		
- HCC Concessions Limited	-	0.02
	-	**0.02**
Inter corporate deposits given during the year		
Joint ventures		
- HCC Concessions Limited	12.13	6.54
- Werkarena Basel AG	36.15	-
Associates		
- Highbar Technocrat Limited	-	0.06
	48.28	**6.60**
Inter corporate deposit given by Group, repaid during the year		
- Highbar Technocrat Limited	0.06	-
	0.06	**-**

Note 49 Disclosure in accordance with Ind AS 24 Related Party Disclosures...contd.

₹ crore

	Year ended 31 March 2020	Year ended 31 March 2019
Inter corporate deposits repaid		
Joint ventures		
- HCC Concessions Limited	-	3.58
	-	**3.58**
Remuneration paid / accrued		
Key management personnel		
- Mr. Ajit Gulabchand	7.00	3.78
- Mr. Arjun Dhawan	6.00	3.76
- Ms. Shalaka Gulabchand Dhawan	0.57	1.75
- Mr. Arun Karambelkar	-	0.89
- Mr. Praveen Sood	-	2.85
- Mr. Shailesh Sawa	3.41	1.47
- Mr Amit Uplenchwar	4.17	3.26
- Mr. Vithal P. Kulkarni	0.16	-
- Mr. Arunachalam Venkatesan	-	0.48
- Mr. Ajay Singh	0.52	0.26
	21.83	**18.50**
Directors' sitting fees paid / accrued		
Key management personnel		
- Mr. Rajas R. Doshi	0.10	0.21
- Mr. Ram P. Gandhi	0.03	0.12
- Mr. Sharad M. Kulkarni	0.09	0.10
- Mr. Anil C. Singhvi	0.15	0.31
- Mr. Omkar Goswami	0.04	0.08
- Mr. N. R. Acharyulu	0.11	0.11
- Ms. Harsha Bangari	-	0.07
- Mr. Samuel Joseph	0.02	0.01
- Mr. Santosh Jankiram Iyer	0.06	-
- Mr. Mahendra Singh Mehta	0.07	-
- Mr. Mukul Sarkar	0.01	-
	0.68	1.01

Note 49 Disclosure in accordance with Ind AS 24 Related Party Disclosures...contd.

Outstanding balances:

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Outstanding receivables			
Trade receivables			
Joint ventures			
- Baharampore Farakka Highways Limited	222.37	224.04	216.42
- Farakka Raiganj Highways Limited	33.13	37.52	4.03
- Raiganj Dalkhola Highways Limited	1.91	1.91	1.91
- Badarpur Faridabad Tollways Limited	7.31	7.31	6.69
- Nirmal BOT Limited	-	-	55.72
Associate			
- Highbar Technocrat Limited	0.01	0.31	-
	264.74	**271.10**	**284.77**
Unbilled work-in-progress			
Joint ventures			
- Farakka Raiganj Highways Limited	430.66	423.36	430.62
- Raiganj Dalkhola Highways Limited	42.03	41.95	40.59
	472.69	**465.31**	**471.21**
Interest receivable			
Associate			
- Highbar Technocrat Limited	-	0.01	-
Joint venture			
- HCC Concessions Limited	5.60	4.60	4.97
	5.60	**4.61**	**4.97**
Other receivables			
Joint ventures			
- Badarpur Faridabad Tollways Limited	0.42	0.16	-
- HCC Concessions Limited	1.08	0.02	-
- Baharampore Farakka Highways Limited	0.04	-	-
- Farakka Raiganj Highway Limited^	0.41	0.47	-
- Raiganj Dalkhola Highways Limited	0.00*	0.00*	-
Associates			
- Highbar Technocrat Limited	-	20.99	0.43
- Evostate AG	-	-	27.65
Other related parties			
- Hincon Finance Limited	0.99	2.62	2.28
	2.93	**24.26**	**30.36**
Inter corporate deposits			
Associate			
- Highbar Technocrat Limited	-	0.06	-

Note 49 Disclosure in accordance with Ind AS 24 Related Party Disclosures...contd.

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Joint ventures			
- HCC Concession Limited	18.67	6.54	-
- Werkarena Basel AG	36.15	-	-
- Whistling Thrush Facilities Services	-	-	1.18
- Andromeda Hotels	-	-	0.40
- Spotless Laundry Services	-	-	23.86
- Appollo Lavasa Health Corporation Limited	-	-	18.03
- Bona Sera	-	-	13.42
	54.82	**6.60**	**56.89**
Security deposit			
Other related parties			
- Hincon Finance Limited	-	2.86	2.51
	-	**2.86**	**2.51**
Outstanding payables			
Inter corporate deposits taken			
Joint ventures			
- HCC Concessions Limited	-	-	3.58
	-	**-**	**3.58**
Other payables			
Joint ventures			
- HCC Concessions Limited	-	2.92	28.85
- Baharampore Farakka Highway Limited	53.40	42.28	-
- Farakka Raiganj Highway Limited	36.36	0.87	13.88
- Raiganj Dalkhola Highways Limited	65.52	65.52	-
Associates			
- Highbar Technocrat Limited	1.37	0.63	-
Other related parties			
- Hincon Holdings Limited	0.05	1.80	1.54
Key management personnel			
- Mr. Ajit Gulabchand	1.67	-	-
	158.37	**114.02**	**44.27**
Retention payable			
Associates			
- Highbar Technocrat Limited	3.07	3.06	1.88
	3.07	**3.06**	**1.88**
Due to customers			
Joint ventures			
- Baharampore Farakka Highway Limited	292.88	35.33	23.65
- Farakka Raiganj Highway Limited	142.74	181.72	190.00
	435.62	**217.04**	**213.65**

Note 49 Disclosure in accordance with Ind AS 24 Related Party Disclosures...contd.

₹ crore

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Deemed investments			
Joint ventures			
- Ecomotel Hotel Limited	-	-	0.94
	-	**-**	**0.94**
Corporate guarantees given and outstanding			
Associates			
- Knowledge Vistas Limited	-	-	0.88
Joint ventures			
- Ecomotel Hotel Limited	-	-	0.07
	-	**-**	**0.94**
Counter idemnities given and outstanding			
Joint ventures			
- Badarpur Faridabad Tollway Limited	14.70	14.70	14.70
- Farakka Raiganj Highway Limited	0.69	0.69	14.36
	15.39	**15.39**	**29.06**
Interest payable on inter corporate deposits			
Joint ventures			
- HCC Concessions Limited	-	-	0.21
	-	**-**	**0.21**
Remuneration payable (net)			
Key management personnel			
- Mr. Ajit Gulabchand	10.63	5.58	11.95
- Mr. Arjun Dhawan	4.56	0.31	1.29
- Ms. Shalaka Gulabchand Dhawan	-	0.15	0.54
- Mr. Arun Karambelkar	-	-	0.64
- Mr. Praveen Sood	-	-	0.49
- Mr. Shailesh Sawa	1.39	0.21	-
- Mr. Amit Uplenchwar	2.41	0.25	0.12
- Mr. Venkatesan Arunachalam	-	-	0.10
- Mr. Sangameshwar Iyer	-	-	0.05
- Mr. Ajay Singh	0.18	0.05	-
- Mr. Vithal P. Kulkarni	0.16	-	-
	19.33	**6.55**	**15.18**

Notes:

(i) The above figure does not include provisional gratuity liability valued by an actuary, as separate figures are not available.

(ii) Refer notes 18 and 22 for personal guarantee provided by CMD, shares pledged and other security created in respect of borrowing by the Holding Company or the related parties.

(iii) Refer notes 13.2 for pledge of shares for facilities taken by joint venture.

NOTE 50 FINANCIAL INSTRUMENTS

The fair value of the financial assets are included at amounts at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value:

(a) Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments

(b) Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

A Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2020 are as follows:

₹ crore

Particulars	Refer note	Amortised cost	Fair value through profit or loss	Fair value through Other Comprehensive Income	Total carrying value
Assets:					
Investments:					
Investments in equity shares (unquoted)	6A	-	-	4.73	4.73
Investments in equity shares (quoted)	6A	-	-	4.68	4.68
Investment in mutual funds (unquoted)	13	-	0.14	-	0.14
Trade receivables	7	4,617.28	-	-	4,617.28
Loans	8	79.37	-	-	79.37
Other financial assets	9	71.04	-	-	71.04
Cash and cash equivalents	14	276.11	-	-	276.11
Bank balances other than cash and cash equivalents	15	566.91	-	-	566.91
Liabilities:					
Borrowings (including current maturities of long-term debts)	18, 19, 22	3,974.22	-	-	3,974.22
Trade payables	23	2,965.62	-	-	2,965.62
Other financial liabilities	19	2,469.13	-	-	2,469.13

Note 50 Financial instruments...contd.

The carrying value and fair value of financial instruments by categories as at 31 March 2019 were as follows:

₹ crore

Particulars	Refer note	Amortised cost	Fair value through profit or loss	Fair value through Other Comprehensive Income	Total carrying value
Assets:					
Investments:					
Investments in equity shares (unquoted)	6A	-	-	14.76	14.76
Investments in equity shares (quoted)	6A	-	-	5.07	5.07
Investment in mutual funds (unquoted)	13	-	0.78	-	0.78
Trade receivables	7	4,188.20	-	-	4,188.20
Loans	8	64.41	-	-	64.41
Others financial assets	9	47.88	-	-	47.88
Cash and cash equivalents	14	270.70	-	-	270.70
Other bank balances	15	585.72	-	-	585.72
Liabilities:					
Borrowings (including current maturities of long-term debts)	18, 19, 22	4,107.54	-	-	4,107.54
Trade payables	23	2,745.82	-	-	2,745.82
Other financial liabilities	19	1,807.86	-	-	1,807.86

The carrying value and fair value of financial instruments by categories as at 1 April 2018 were as follows:

₹ crore

Particulars	Refer note	Amortised cost	Fair value through profit or loss	Fair value through Other Comprehensive Income	Total carrying value
Assets:					
Investments:					
Investments in equity shares (unquoted)	6A	-	-	21.56	21.56
Investments in equity shares (quoted)	6A	-	-	7.18	7.18
Investment in mutual funds (unquoted)	13	-	11.71	-	11.71
Trade receivables	7	3,840.41	-	-	3,840.41
Loans	8	99.58	-	-	99.58
Others financial assets	9	3,662.94	-	-	3,662.94
Cash and cash equivalents	14	404.18	-	-	404.18
Other bank balances	15	547.91	-	-	547.91
Liabilities:					
Borrowings (including current maturities of long-term debts)	18, 19, 22	9,455.57	-	-	9,455.57
Trade payables	23	2,829.60	-	-	2,829.60
Other financial liabilities	19	1,690.66	-	-	1,690.66

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)

Note 50 Financial instruments...contd.

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

₹ crore

Particulars	**31 March 2020**			31 March 2019			1 April 2018		
	Level 1	**Level 2**	**Level 3**	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets									
Investments in equity shares (quoted)	4.68	-	-	5.07	-	-	7.18	-	-
Investments in equity shares (unquoted)	-	4.03	0.70	-	14.07	0.69	-	20.86	0.70
Investment in mutual funds (unquoted)	-	0.14	-	-	0.78	-	-	11.71	-

NOTE 51 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks, market risk, credit risk and liquidity risk. The Group'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, foreign 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

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

₹ crore

Particulars	**Year ended 31 March 2020**	Year ended 31 March 2019
Impact on Profit / loss		
Increase	11.01	13.96
Decrease	(11.01)	(13.96)

b Foreign currency risk

The Group has several balances in foreign currency and consequently the Group is exposed to foreign exchange risk. The exchange rate between the rupee and foreign currencies has changed substantially in recent years, which has affected the results of the Group, and may fluctuate substantially in the future. The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

The following table analyses foreign currency risk from financial instruments as at 31 March 2020:

currency in crore

Particulars	USD	EUR	GBP	SEK	CHF
Assets					
Advance to suppliers	3.80	9.85	-	0.96	-
Trade receivables	22.01	19.68	-	-	51.17
Bank balances (including deposit accounts)	1.52	0.12	-	-	658.14
Unbilled work-in-progress (other current asset)	-	11.93	-	-	2,023.61
	27.32	**41.58**	**-**	**0.96**	**2,732.91**
Liabilities					
Loans from banks / financial institutions / others	336.24	-	-	-	40.83
Buyers' credit	-	-	-	-	-
Advance from contractee	6.83	52.57	-	-	-
Trade payables	15.18	15.10	-	0.26	2,083.23
Interest accrued	12.32	-	-	-	602.07
	370.56	**67.67**	**-**	**0.26**	**2,726.12**
Net assets / (liabilities)	**(343.24)**	**(26.09)**	**-**	**0.70**	**6.79**

Note 51 Financial risk management objectives and policies...contd.

The following table analyses foreign currency risk from financial instruments as at 31 March 2019:

currency in crore

Particulars	USD	EUR	GBP	SEK	CHF
Assets					
Advance to suppliers	5.57	-	-	-	-
Trade receivables	-	18.31	-	-	33.58
Bank balances (including deposit accounts)	1.60	1.15	-	-	626.84
Unbilled work-in-progress (other current asset)	-	12.46	-	-	1,807.77
	7.17	**31.92**	**-**	**-**	**2,468.19**
Liabilities					
Loans from banks / financial institutions / others	309.35	-	-	-	227.37
Buyers' credit	-	-	-	-	-
Advance from contractee	28.55	48.92	-	-	-
Trade payables	27.91	20.06	-	0.86	1,881.22
Interest accrued	25.07	-	-	-	4.90
	390.87	**68.98**	**-**	**0.86**	**2,113.49**
Net assets / (liabilities)	**(383.71)**	**(37.06)**	**-**	**(0.86)**	**354.70**

The following table analyses foreign currency risk from financial instruments as at 1 April 2018:

currency in crore

Particulars	USD	EUR	GBP	SEK	CHF
Assets					
Advance to suppliers	1.31	0.68	0.10	-	-
Trade receivables	-	18.16	-	-	53.05
Bank balances (including deposit accounts)	3.27	0.46	-	-	737.49
Unbilled work-in-progress (other current financial asset)	-	28.32	-	-	1,881.07
	4.57	**47.62**	**0.10**	**-**	**2,671.62**
Liabilities					
Loans from banks / financial institutions / others	380.05	-	-	-	224.65
Buyers' credit	9.14	1.82	-	-	-
Advance from contractee	10.45	50.30	-	-	-
Trade payables	87.50	27.40	-	0.81	1,619.74
Interest accrued	7.84	-	-	-	3.93
	494.97	**79.52**	**-**	**0.81**	**1,848.32**
Net assets / (liabilities)	**(490.40)**	**(31.90)**	**0.10**	**(0.81)**	**823.30**

Sensitivity analysis

A reasonably possible change in foreign exchange rates by 5% (31 March, 2019 : 5%) would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables in particular interest rates remain constant.

₹ crore

Particulars	**Year ended 31 March 2020**	Year ended 31 March 2019
Impact on Profit / loss		
Increase	18.09	3.35
Decrease	(18.09)	(3.35)

Note 51 Financial risk management objectives and policies...contd.

c Equity price risk

The Group's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

As at 31 March 2020, the exposure to listed equity securities including mutual fund at fair value was ₹ 4.82 crore (31 March 2019: ₹ 5.84 crore, 1 April 2018: ₹ 18.89 crore). A movement (decrease / increase) of 10% in the value of listed securities could have an impact of approximately ₹ 0.48 crore on the Other Comprehensive Income or equity attributable to owners of parent. These changes would not have a material effect on the profit or loss of the Group.

ii Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. The maximum exposure of the financial assets are contributed by trade receivables and bank balances other than cash and cash equivalents.

a Trade Receivable

Trade receivables are typically unsecured and are derived from revenue earned from two main classes of trade receivables i.e. receivables from government promoted agencies and receivables from private third parties. A substantial portion of the Group's trade receivables are from government promoted agencies having strong credit worthiness. Further the Company does not have a history of credit losses from such government promoted agencies, accordingly, provision for expected credit loss is not made in respect of trade receivables.

	As at 31 March 2020		As at 31 March 2019		As at 1 April 2018	
	₹ crore	%	₹ crore	%	₹ crore	%
Trade receivable						
- from government / government promoted agencies	4,532.59	98.17	4,116.40	98.29	3,764.76	98.03
- from private parties	84.69	1.83	71.80	1.71	75.65	1.97
	4,617.28	**100.00**	**4,188.20**	**100.00**	**3,840.41**	**100.00**

b Financial assets other than trade receivables

Financial assets other than trade receivables comprise of cash and cash equivalents, bank balances other than cash and cash equivalents, loan to employees and other financial assets. The Group monitors the credit exposure on these financial assets on a case-to-case basis. Based on the Group's historical experience, the credit risk on other financial assets is also low.

The Group is engaged in business segments viz. Engineering and Construction, Infrastructure, Real Estate, Comprehensive Urban Development and Management and Others.

₹ crore

	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from external customers:		
India	3,714.16	4,670.23
Outside India	5,722.90	5,873.29
Total revenue from operations	**9,437.06**	**10,543.52**

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

₹ crore

	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from top customer	519.37	572.27
Revenue from top five customers	2,087.24	2,563.63

For the year ended 31 March 2020, Nil (31 March 2019: Nil) customer, individually, accounted for more than 10% of the revenue.

c Credit risk on cash and cash equivalents is limited as the Group generally invest in deposits with banks and financial institutions with high credit ratings.

Note 51 Financial risk management objectives and policies...contd.

iii Liquidity risk

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

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

₹ crore

Particulars	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
As at 31 March 2020					
Borrowings (including current maturities of long-term debts and interest accrued)	1,406.00	1,327.27	1,602.10	665.97	5,001.34
Trade payables	-	2,736.75	228.87	-	2,965.62
Other financial liabilities	-	641.51	668.61	173.98	1,484.10
Total	**1,406.00**	**4,705.53**	**2,499.58**	**839.95**	**9,451.06**
As at 31 March 2019					
Borrowings (including current maturities of long-term debts and interest accrued)	1,168.83	671.10	1,918.87	1,023.27	4,782.07
Trade payables	-	2,545.68	200.14	-	2,745.82
Other financial liabilities	-	485.93	636.92	-	1,122.85
Total	**1,168.83**	**3,702.71**	**2,755.92**	**1,023.27**	**8,650.74**
As at 1 April 2018					
Borrowings (including current maturities of long-term debts and interest accrued)	1,112.35	5,800.42	2,508.77	1,232.56	10,654.10
Trade payables	-	2,829.60	-	-	2,829.60
Other financial liabilities	-	481.37	0.28	-	481.65
Total	**1,112.35**	**9,111.39**	**2,509.05**	**1,232.56**	**13,965.35**

NOTE 52 CAPITAL MANAGEMENT

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

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

₹ crore

	As at 31 March 2020	As at 31 March 2019
Total debt	3,974.22	4,107.54
Total equity plus total debt	3,215.05	3,107.53
Total debt to equity ratio (Gearing ratio)	**1.24**	**1.32**

In the long run, the Group's strategy is to maintain a gearing ratio of less than 1.25.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure requirements. Breaches in meeting the financial covenants would permit the lenders to immediately call loans and borrowings. Subsequent to restructuring of the borrowings, there have been no communications from the banks in this regard which might have a negative impact on the gearing ratio.

NOTE 53: INTEREST IN OTHER ENTITIES

53.1 Subsidiaries

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

Name of the entity	Country of incorporation	Ownership interest held by the group (%)^			Ownership interest held by non controlling interests (%)			Principal activities
		31 March 2020	31 March 2019	1 April 2018	**31 March 2020**	31 March 2019	1 April 2018	
Western Securities Limited	India	97.87	97.87	97.87	2.13	2.13	2.13	Insurance auxlliary services
HREL Real Estate Limited	India	100.00	100.00	100.00	-	-	-	Real Estate Development
Panchkutir Developers Limited	India	100.00	100.00	100.00	-	-	-	Real Estate Development
HCC Mauritius Enterprises Limited	Mauritius	100.00	100.00	100.00	-	-	-	Investment company
HCC Construction Limited	India	100.00	100.00	100.00	-	-	-	Construction
Highbar Technologies Limited	India	100.00	100.00	100.00	-	-	-	Information Technology Consulting
HCC Infrastructure Company Limited	India	100.00	100.00	100.00	-	-	-	Toll Management
HCC Mauritius Investments Limited	Mauritius	100.00	100.00	100.00	-	-	-	Investment company
Lavasa Corporation Limited (upto 30 August 2018)	India	68.70^^	68.70^^	68.70	31.30^^	31.30^^	31.30	Township development
HRL (Thane) Real Estate Limited	India	100.00	100.00	100.00	-	-	-	Real Estate Development
HRL Township Developers Limited	India	100.00	100.00	100.00	-	-	-	Real Estate Development
Nashik Township Developers Limited	India	100.00	100.00	100.00	-	-	-	Real Estate Development
Maan Township Developers Limited	India	100.00	100.00	100.00	-	-	-	Real Estate Development
Charosa Wineries Limited (upto 6 February 2019)	India	-	100.00	100.00	-	-	-	Winneries
Powai Real Estate Developer Limited	India	100.00	100.00	100.00	-	-	-	Real Estate Development
HCC Realty Limited	India	100.00	100.00	100.00	-	-	-	Real Estate Development
HCC Aviation Limited	India	100.00	100.00	100.00	-	-	-	Aircraft services
HCC Operation and Maintenance Limited	India	100.00	100.00	100.00	-	-	-	Operation and Maintenance of Road

53.1 Subsidiaries...contd.

Name of the entity	Country of incorporation	Ownership interest held by the group (%)^			Ownership interest held by non controlling interests (%)			Principal activities
		31 March 2020	31 March 2019	1 April 2018	**31 March 2020**	31 March 2019	1 April 2018	
Dhule Palesner Operations & Maintenance Limited	India	100.00	100.00	100.00	-	-	-	Operation and Maintenance of Road
HCC Power Limited	India	100.00	100.00	100.00	-	-	-	Power Development
HCC Energy Limited	India	100.00	100.00	100.00	-	-	-	Power Development
Lavasa Hotel Limited	India	100.00^^	100.00^^	100.00	-^^	-^^	-	Hotel (Hospitality)
Lakeshore Watersports Company Limited	India	100.00^^	100.00^^	100.00	-^^	-^^	-	Watersport operations
Dasve Convention Center Limited	India	100.00^^	100.00^^	100.00	-^^	-^^	-	Hospitality services
Dasve Business Hotel Limited	India	100.00^^	100.00^^	100.00	-^^	-^^	-	Entertainment and Hospitality
Dasve Hospitality Institutes Limited	India	100.00^^	100.00 ^^	100.00	-^^	-^^	-	Educational services
Lakeview Clubs Limited	India	100.00 ^^	100.00^^	100.00	-^^	-^^	-	Clubs
Dasve Retail Limited	India	100.00^^	100.00^^	100.00	-^^	-^^	-	Retail and leasing business
Full Spectrum Adventure Limited	India	90.91^^	90.91 ^^	90.91	9.09^^	9.09^^	9.09	Adventure Sports
Lavasa Bamboocrafts Limited	India	100.00^^	100.00^^	100.00	-^^	-^^	-	Manufacturing and sale of bamboo articles
My City Technology Limited	India	63.00^^	63.00^^	63.00	37.00^^	37.00^^	37.00	Information and Communication Technology
Reasonable Housing Limited	India	100.00^^	100.00^^	100.00	-^^	-^^	-	Housing business
Future City Multiservices Sez Limited	India	100.00^^	100.00^^	100.00	-^^	-^^	-	Development of SEZ
Verzon Hospitality Limited	India	100.00^^	100.00^^	100.00	-^^	-^^	-	Hostel services
Rhapsody Commercial Space Limited	India	100.00^^	100.00^^	100.00	-^^	-^^	-	Leasing business
Valley View Entertainment Limited	India	100.00^^	100.00^^	100.00	-^^	-^^	-	Entertainment services
Warasgaon Tourism Limited	India	100.00 ^^	100.00^^	100.00	-^^	-^^	-	Transport and Tourism
Our Home Service Apartments Limited	India	100.00^^	100.00^^	100.00	-^^	-^^	-	Hotel (Hospitality)

53.1 Subsidiaries...contd.

Name of the entity	Country of incorporation	Ownership interest held by the group (%)^			Ownership interest held by non controlling interests (%)			Principal activities
		31 March 2020	31 March 2019	1 April 2018	**31 March 2020**	31 March 2019	1 April 2018	
Warasgaon Power Supply Limited	India	100.00 ^^	100.00 ^^	100.00	-^^	-^^	-	Infrastructure-BOT basis
Sahyadri City Management Limited	India	100.00^^	100.00^^	100.00	-^^	-^^	-	City management
Hill City Service Apartments Limited	India	100.00^^	100.00^^	100.00	-^^	-^^	-	Hotel (Hospitality)
Kart Racers Limited	India	89.90^^	89.90^^	89.90	10.10^^	10.10	10.10	Adventure Sports
Warasgaon Infrastructure Providers Limited	India	100.00^^	100.00^^	100.00	-^^	-^^	-	Infrastructure services
Nature Lovers Retail Limited	India	100.00 ^^	100.00^^	100.00	-^^	-^^	-	Retail services
Warasgaon Valley Hotels Limited	India	100.00^^	100.00 ^^	100.00	-^^	-^^	-	Hotel (Hospitality)
Rosebay Hotels Limited	India	100.00^^	100.00^^	100.00	-^^	-^^	-	Hotel (Hospitality)
Mugaon Luxury Hotels Limited	India	100.00^^	100.00^^	100.00	-^^	-^^	-	Hotel (Hospitality)
Warasgaon Assets Maintenance Limited	India	100.00^^	100.00^^	100.00	-^^	-^^	-	Infrastructure-BOT basis
Hill View Parking Services Limited	India	100.00^^	100.00 ^^	100.00	-^^	-^^	-	Parking services
Steiner AG	Switzerland	100.00	100.00	100.00	-	-	-	Real Estate Development
Steiner Promotions et Participations SA	Switzerland	100.00	100.00	100.00	-	-	-	Real Estate Development
Steiner (Deutschland) GmbH	Germany	100.00	100.00	100.00	-	-	-	Real Estate Development
VM + ST AG	Switzerland	100.00	100.00	100.00	-	-	-	Real Estate Development
Steiner Leman SAS	France	100.00	100.00	100.00	-	-	-	Real Estate Development
Eurohotel SA (upto 29 January 2020)	Switzerland	-	95.00	95.00	-	5.00	5.00	Real Estate Development
Steiner India Limited	India	100.00	100.00	100.00	-	-	-	Real Estate Construction
Manufakt8048 AG	Switzerland	100.00	100.00	100.00	-	-	-	Real Estate Development
Green Hills Residences Limited	India	100.00^^	100.00^^	100.00	-^^	-^^	-	Hostel Services

^ including through subsidiary companies

53.1 (i) ^^ Pursuant to initiation of the Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code, 2016 ('IBC') against Lavasa Corporation Limited (LCL), effective 30 August 2018, the Holding Company has lost control / significant influence over LCL and its subsidiaries, associates and joint ventures. Accordingly, the above entities cease to be subsidiaries, associates and joint ventures of the Holding Company effective 30 August 2018.

53.2 Non-controlling interests (NCI)

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

₹ crore

Particulars	Western Securities Limited			Lavasa Corporation Limited			Full Spectrum Adventure Limited		
	31 March 2020	31 March 2019	1 April 2018	**31 March 2020**	31 March 2019	1 April 2018	**31 March 2020**	31 March 2019	1 April 2018
NCI percentage	**2.13%**	**2.13%**	**2.13%**	**- ^**	**- ^**	**31.30%**	**- ^**	**- ^**	**9.09%**
Summarised balance sheet									
Current assets (A)	2.05	0.31	0.29	- ^	- ^	2,144.02	- ^	- ^	0.57
Non-current assets (B)	1.34	1.83	2.31	- ^	- ^	2,662.76	- ^	- ^	3.34
Current liabilities (C)	0.07	0.00*	0.20	- ^	- ^	6,020.81	- ^	- ^	24.09
Non-current liabilities (D)	1.67	0.50	0.51	- ^	- ^	636.80	- ^	- ^	0.02
Net assets (A+B-C-D)	**1.65**	**1.64**	**1.89**	**- ^**	**- ^**	**(1,850.83)**	**- ^**	**- ^**	**(20.20)**
Net assets attributable to NCI	**0.04**	**0.03**	**0.04**	**- ^**	**- ^**	**(579.31)**	**- ^**	**- ^**	**(1.84)**
Summarised statement of profit and loss									
Revenue	0.70	0.20	0.20	- ^	- ^	64.94	- ^	- ^	1.95
Profit/(loss) for the year	0.06	(0.21)	0.09	- ^	- ^	(943.44)	- ^	- ^	(3.31)
Other comprehensive income/(loss)	(0.05)	(0.03)	(0.07)	- ^	- ^	(0.01)	- ^	- ^	0.00*
Total comprehensive income	**0.01**	**(0.24)**	**0.02**	**- ^**	**- ^**	**(943.45)**	**- ^**	**- ^**	**(3.31)**
Profit/(loss) allocated to NCI	0.00*	(0.00)*	0.00*	- ^	- ^	(295.30)	- ^	- ^	(0.30)
OCI allocated to NCI	(0.00)*	(0.00)*	(0.00)*	- ^	- ^	0.00*	- ^	- ^	0.00*
Total comprehensive income allocated to NCI	**0.00***	**(0.00)***	**0.00***	**- ^**	**- ^**	**(295.30)**	**- ^**	**- ^**	**(0.30)**
Summarised cash flows									
Cash flow from operating activities	1.24	(0.44)	0.05	- ^	- ^	(5.44)	- ^	- ^	0.46
Cash flow from investing activities	0.25	0.50	(0.07)	- ^	- ^	(36.06)	- ^	- ^	-
Cash flow from financing activities	-	-	-	- ^	- ^	39.63	- ^	- ^	(0.54)
Net increase/ (decrease) in cash and cash equivalents	**1.49**	**0.06**	**(0.02)**	**- ^**	**- ^**	**(1.87)**	**- ^**	**- ^**	**(0.08)**

53.2 Non-controlling interests (NCI)...contd.

₹ crore

Particulars	Kart Racers Limited			My City Technology Limited			Euro hotel SA		
	31 March 2020	31 March 2019	1 April 2018	**31 March 2020**	31 March 2019	1 April 2018	**31 March 2020**	31 March 2019	1 April 2018
NCI percentage	**- ^**	**- ^**	**10.10%**	**- ^**	**- ^**	**37.00%**	**5.00%**	**5.00%**	**5.00%**
Summarised balance sheet									
Current assets (A)	- ^	- ^	-	- ^	- ^	13.31	-	0.23	0.12
Non-current assets (B)	- ^	- ^	-	- ^	- ^	0.38	-	-	-
Current liabilities (C)	- ^	- ^	0.23	- ^	- ^	4.92	-	0.75	9.65
Non-current liabilities (D)	- ^	- ^	-	- ^	- ^	0.00*	-	-	-
Net assets (A+B-C-D)	**- ^**	**- ^**	**(0.23)**	**- ^**	**- ^**	**8.77**	**-**	**(0.52)**	**(9.53)**
Net assets attributable to NCI	**- ^**	**- ^**	**(0.02)**	**- ^**	**- ^**	**3.24**	**-**	**(0.03)**	**(0.48)**
Summarised statement of profit and loss									
Revenue	- ^	- ^	-	- ^	- ^	0.46	-	-	-
Profit/(loss) for the year	- ^	- ^	(0.03)	- ^	- ^	(1.66)	(0.06)	0.25	(2.08)
Other comprehensive income	- ^	- ^	-	- ^	- ^	0.00*	-	-	-
Total comprehensive income	**- ^**	**- ^**	**(0.03)**	**- ^**	**- ^**	**(1.66)**	**(0.06)**	**0.25**	**(2.08)**
Profit/(loss) allocated to NCI	- ^	- ^	(0.00)*	- ^	- ^	(0.62)	(0.00)*	0.01	(0.10)
OCI allocated to NCI	- ^	- ^	-	- ^	- ^	0.00*	-	-	-
Total comprehensive income allocated to NCI	**- ^**	**- ^**	**(0.00)***	**- ^**	**- ^**	**(0.62)**	**(0.00)***	**0.01**	**(0.10)**
Summarised cash flows									
Cash flow from operating activities	- ^	- ^	-	- ^	- ^	(0.15)	(0.00)*	0.11	0.09
Cash flow from investing activities	- ^	- ^	-	- ^	- ^	0.15	-	-	-
Cash flow from financing activities	- ^	- ^	-	- ^	- ^	-	-	-	-
Net increase/ (decrease) in cash and cash equivalents	**- ^**	**- ^**	**-**	**- ^**	**- ^**	**(0.01)**	**(0.00)***	**0.11**	**0.09**

^- Refer note 53.1(i)

53.3 Interest in associates and joint venture

₹ crore

	Note	Carrying amount as at		
		31 March 2020	31 March 2019	1 April 2018
Interest in associates	See (A) below	23.99	20.28	30.83
Interest in joint ventures	See (B) below	322.48	140.01	344.16
		346.47	**160.29**	**374.99**

53.3 Interest in associates and joint venture...contd.

(A) Interest in associates

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

₹ crore

Name of the entity	Country of incorporation	Ownership interest (%)	Carrying amount as at ^^			Principal activities
			31 March 2020	31 March 2019	1 April 2018	
Warasgaon Lake View Hotels Limited	India	24.56^	-	-	12.13	Hospitality
Knowledge Vistas Limited	India	49.00^	-	-	13.19	Education
Evostate AG	Switzerland	30.00	3.52	3.39	0.18	Real estate development
MCR Managing Corporate Real Estate AG	Switzerland	30.00	1.29	3.28	9.49	Real estate development
Projektentwicklungsgesellschaft Parking Kunstmuseum AG	Switzerland	38.64	9.00	6.49	3.51	Real estate development
Highbar Technocrat Limited	India	49.00	10.18	7.12	5.52	IT services
			23.99	20.28	44.02	
Less: Impairment allowance			-	-	(13.19)	
Total			**23.99**	**20.28**	**30.83**	

^ Refer note 53.1(i)

^^ Unlisted entity- no quoted price available

Refer note 53.4 for the summarised financial information of associates. The information disclosed reflects the amount presented in the financial statement of the relevant associates and not Group's share of those amounts. They have been amended to reflect adjustments made by the Group when using the equity method, including fair value adjustments at the time of acquisition and modifications for difference in accounting policies.

Group share of capital commitment and contingent liability in relation to its interest in associates is Nil

(B) Interest in joint ventures

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

₹ crore

Name of the entity	Country of incorporation	Ownership interest (%)	Carrying amount as at ^^			Principal activities
			31 March 2020	31 March 2019	1 April 2018	
Nirmal BOT	India	100.00	-	-	-	Toll management
Whistling Thrush Facilities Services Limited	India	51.00^	-	-	-	Facility management services
Starlit Resort Limited	India	26.00^	-	-	3.89	Hospitality
Ecomotel Hotel Limited	India	40.00^	-	-	6.00	Hospital health care services
Andromeda Hotels Limited	India	40.03^	-	-	2.90	Hospitality
Apollo Lavasa Health Corporation Limited	India	49.00^	-	-	25.08	Hospital health care services
Bona Sera Hotels Limited	India	26.00^	-	-	-	Hospitality
Spotless Laundry Services Limited	India	76.02^	-	-	-	Laundry services

53.3 Interest in associates and joint venture...contd.

₹ crore

Name of the entity	Country of incorporation	Ownership interest (%)	Carrying amount as at ^^			Principal activities
			31 March 2020	31 March 2019	1 April 2018	
HCC Concessions Limited	India	85.45	321.12	137.23	292.81	Concessionaries services
Baharampore-Farakka Highways Limited	India	85.45	0.00*	0.00*	0.45	Toll management
Farakka-Raiganj Highways Limited	India	85.45	-	0.00*	8.92	Toll management
Raiganj-Dalkhola Highways Limited	India	86.91	1.36	2.78	4.11	Toll management
Dhule Palesner Tollways Limited	India	-	-	0.00*	0.00*	Toll management
Werkarena Basel AG	Switzerland	50.00	0.00*	-	-	Real Estate Development
			322.48	**140.01**	**344.16**	

^ Refer note 53.1(i)

^^ Unlisted entity- no quoted price available

Refer Note 53.5 for the table below provide summarised financial information of joint ventures. The information disclosed reflects the amount presented in the financial statement of the relevant joint ventures and not Group's share of those amounts. They have been amended to reflect adjustments made by the Group when using the equity method, including fair value adjustments at the time of acquisition and modifications for difference in accounting policies.

Though the Group's investment in below mentioned entities exceed 50% of the total share capital, these entities have been classified as joint venture. The management has assessed whether or not the group has control over these entities based on whether the group has practical ability to direct relevant activities unilaterally. In these cases, based on specific shareholders agreement, the management concluded that the group does not have practical ability to direct the relevant activities unilaterally but has such ability along with the other shareholders. The details in respect of these entities are as under:

Name of the entity	**(%) of share holding as at 31 March 2020**
HCC Concessions Limited	85.45
Baharampore-Farakka Highways Limited	85.45
Farakka-Raiganj Highways Limited	85.45
Raiganj-Dalkhola Highways Limited	86.91

Group share of capital commitment and contingent liability in relation to its interest in joint ventures is as below:

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Contingent liability			
Claims not acknowledged as debts by the Joint ventures	2,633.50	2,079.24	1,780.21
Income Tax liability in appeals	5.41	6.49	7.31
Sales Tax Liability in appeals	10.56	11.48	13.09
Corporate guarantees given to banks	772.79	900.46	806.84
Counter indemnities given to banks in respect of contracts executed by subsidiaries of the Joint ventures*	64.09	64.09	-
The Joint ventures have not made provision for cumulative dividend payable excluding dividend distribution tax, towards 0.001% cumulative convertible preference shares, in absence of distributable profits.	0.03	0.03	-

* Pledge of unencumbered equity shares of the BFHL held by HCC Infrastructure Company Limited (to the extent of proportioonate amount of bank guarantee furnished)

53.3 Interest in associates and joint venture...contd.

Provident Fund

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

Commitments	31 March 2020	31 March 2019	1 April 2018
Capital commitment (net of advances)	184.64	271.74	37.18

Note 53.4 Table below provide summarised financial information for associates

₹ crore

Particulars	Warasgaon Lake View Hotels Limited			Highbar Technocrat Limited			Evostate AG		
	31 March 2020	31 March 2019	1 April 2018	**31 March 2020**	31 March 2019	1 April 2018	**31 March 2020**	31 March 2019	1 April 2018
Summarised Balance Sheet									
Current assets (A)	- ^	- ^	1.97	61.50	32.43	30.83	54.39	86.39	0.11
Non-current assets (B)	- ^	- ^	112.36	5.73	3.63	1.09	14.21	-	0.69
Current liabilities (C)	- ^	- ^	18.56	41.43	17.77	19.25	54.65	86.51	0.05
Non-current liabilities (D)	- ^	- ^	44.00	5.10	3.40	0.51	-	-	-
Net assets (A+B-C-D)	**- ^**	**- ^**	**51.77**	**20.71**	**14.89**	**12.16**	**13.96**	**(0.12)**	**0.75**
Summarised Statement of Profit and Loss									
Revenue	- ^	- ^	14.37	79.78	61.03	50.49	-	-	-
Profit/(loss) for the year (A)	- ^	- ^	8.30	8.30	5.81	5.39	(0.10)	(0.76)	(0.08)
Other comprehensive income (B)	- ^	- ^	-	(0.01)	0.07	(0.03)	-	-	-
Total comprehensive income (A+B)	**- ^**	**- ^**	**8.30**	**8.29**	**5.88**	**5.36**	**(0.10)**	**(0.76)**	**(0.08)**

₹ crore

Particulars	MCR Managing Corporate Real Estate AG			Projektentwicklungsgesellschaft AG			Knowledge Vistas Limited		
	31 March 2020	31 March 2019	1 April 2018	**31 March 2020**	31 March 2019	1 April 2018	**31 March 2020**	31 March 2019	1 April 2018
Summarised Balance Sheet									
Current assets (A)	13.35	19.16	84.17	23.51	20.83	28.32	- ^	- ^	-**
Non-current assets (B)	-	-	-	-	-	-	- ^	- ^	-**
Current liabilities (C)	9.03	7.89	39.53	0.22	3.99	14.81	- ^	- ^	-**
Non-current liabilities (D)	-	-	12.84	-	-	-	- ^	- ^	-**
Net assets (A+B-C-D)	**4.32**	**11.27**	**31.80**	**23.29**	**16.84**	**13.51**	**- ^**	**- ^**	**-****
Summarised Statement of Profit and Loss									
Revenue	0.02	7.40	0.29	-	30.93	-	- ^	- ^	-**
Profit/(loss) for the year (A)	(0.46)	5.55	(1.24)	0.24	18.94	(1.90)	- ^	- ^	-**
Other comprehensive income (B)	-	-	-	-	-	-	- ^	- ^	-**
Total comprehensive income (A+B)	**(0.46)**	**5.55**	**(1.24)**	**0.24**	**18.94**	**(1.90)**	**- ^**	**- ^**	**-****

^- Refer note 53.1(i)

**- Financials not available

Note 53.5 Table below provide summarised financial information for joint ventures:

₹ crore

Particulars	Raiganj-Dalkhola Highways Ltd			Baharampore-Farakka Highways Ltd			Farakka-Raiganj Highways Ltd		
	31 March 2020	31 March 2019	1 April 2018	**31 March 2020**	31 March 2019	1 April 2018	**31 March 2020**	31 March 2019	1 April 2018
Summarised Balance Sheet									
Cash and cash equivalents	0.07	0.03	0.02	11.87	1.82	11.56	8.39	1.46	7.08
Other assets	267.42	267.42	90.00	136.05	82.25	26.74	29.99	33.60	29.66
Current assets (A)	**267.49**	**267.45**	**90.02**	**147.92**	**84.07**	**38.30**	**38.38**	**35.06**	**36.74**
Non-current assets (B)	**0.59**	**0.64**	**178.07**	**1,008.89**	**979.41**	**965.44**	**1,568.99**	**1,592.15**	**1,600.59**
Financial liabilities (excluding trade and other payable and provision)	110.02	94.33	61.24	173.07	100.92	93.80	421.58	433.72	398.54
Other liabiliies	0.06	0.07	0.05	16.07	134.19	118.17	25.19	31.71	9.32
Current liabilities (C)	**110.08**	**94.40**	**61.29**	**189.14**	**235.11**	**211.97**	**446.77**	**465.43**	**407.86**
Financial liabilities (excluding trade and other payable and provision)	67.88	69.36	89.11	686.48	573.69	657.30	997.50	992.89	998.92
Other liabiliies	-	-	-	131.57	117.66	-	111.30	71.31	38.10
Non-current liabilities (D)	**67.88**	**69.36**	**89.11**	**818.05**	**691.35**	**657.30**	**1,108.81**	**1,064.20**	**1,037.02**
Net assets (A+B-C-D)	**90.10**	**104.32**	**117.69**	**149.62**	**137.02**	**134.47**	**51.78**	**97.58**	**192.45**
Summarised Statement of Profit and Loss									
Revenue (A)	**-**	**-**	**-**	**216.49**	**170.95**	**263.62**	**237.33**	**157.88**	**313.50**
Depreciation and amortization	-	-		33.06	33.01	33.02	51.31	51.21	51.21
Finance Cost	13.23	12.10	11.47	45.98	40.49	54.55	91.47	86.65	89.22
Other Expenses	0.99	1.27	0.38	124.84	94.90	179.49	140.35	114.88	223.88
Total Expenses (B)	**14.22**	**13.37**	**11.85**	**203.88**	**168.40**	**267.06**	**283.13**	**252.74**	**364.31**
Profit before tax (C=A-B)	**(14.22)**	**(13.37)**	**(11.85)**	**12.61**	**2.55**	**(3.44)**	**(45.80)**	**(94.86)**	**(50.81)**
Tax Expense (D)	-	-	-	-	-	-	-	-	-
Profit for the year (E=C-D)	**(14.22)**	**(13.37)**	**(11.85)**	**12.61**	**2.55**	**(3.44)**	**(45.80)**	**(94.86)**	**(50.81)**
Other Comprehensive Income (F)	-	-	-	-	-	-	-	-	-
Total comprehensive income (G=E+F)	**(14.22)**	**(13.37)**	**(11.85)**	**12.61**	**2.55**	**(3.44)**	**(45.80)**	**(94.86)**	**(50.81)**

Note 53.5 Table below provide summarised financial information for joint ventures...contd.

₹ crore

Particulars	HCC Concessions Limited			Andromeda Hotels Limited			Whistling Thrush Facilities Services Limited		
	31 March 2020	31 March 2019	1 April 2018	**31 March 2020**	31 March 2019	1 April 2018	**31 March 2020**	31 March 2019	1 April 2018
Summarised Balance Sheet									
Cash and cash equivalents	29.36	19.08	36.83	- ^	- ^	0.00	- ^	- ^	-
Other assets	1,920.51	1,709.70	98.47	- ^	- ^	-	- ^	- ^	6.15
Current assets (A)	**1,949.87**	**1,728.78**	**135.30**	**- ^**	**- ^**	**0.00***	**- ^**	**- ^**	**6.15**
Non-current assets (B)	**1,208.92**	**1,597.16**	**3,181.27**	**- ^**	**- ^**	**12.73**	**- ^**	**- ^**	**1.12**
Financial liabilities (excluding trade and other payable and provision)	1,707.09	2,205.82	655.56	- ^	- ^	-	- ^	- ^	1.40
Other liabiliies	11.92	148.39	135.95	- ^	- ^	0.11	- ^	- ^	7.41
Current liabilities (C)	**1,719.01**	**2,354.21**	**791.51**	**- ^**	**- ^**	**0.11**	**- ^**	**- ^**	**8.81**
Financial liabilities (excluding trade and other payable and provision)	761.43	766.41	2,154.14	- ^	- ^	5.05	- ^	- ^	-
Other liabiliies	132.13	0.86	38.92	- ^	- ^	-	- ^	- ^	-
Non-current liabilities (D)	**893.56**	**767.27**	**2,193.06**	**- ^**	**- ^**	**5.05**	**- ^**	**- ^**	**-**
Net assets (A+B-C-D)	**546.22**	**204.47**	**332.00**	**- ^**	**- ^**	**7.57**	**- ^**	**- ^**	**(1.54)**
Summarised Statement of Profit and Loss									
Revenue (A)	**311.20**	**336.69**	**690.58**	**- ^**	**- ^**	**-**	**- ^**	**- ^**	**0.07**
Depreciation and amortization	33.20	84.43	115.67	- ^	- ^	-	- ^	- ^	-
Finance Cost	176.95	195.13	209.45	- ^	- ^	0.06	- ^	- ^	0.22
Other Expenses	132.52	220.95	407.18	- ^	- ^	0.01	- ^	- ^	0.14
Total Expenses (B)	**342.67**	**500.51**	**732.30**	**- ^**	**- ^**	**0.07**	**- ^**	**- ^**	**0.36**
Profit before Exceptional items (C=A-B)	**(31.47)**	**(163.82)**	**(41.72)**	**- ^**	**- ^**	**(0.07)**	**- ^**	**- ^**	**(0.29)**
Exceptional items (D)	285.35	-	-	- ^	- ^	-	- ^	- ^	-
Tax Expense (E)	0.00	4.38	-	- ^	- ^	-	- ^	- ^	-
Profit for the year (F=C-D-E)	**253.88**	**(168.20)**	**(41.72)**	**- ^**	**- ^**	**(0.07)**	**- ^**	**- ^**	**(0.29)**
Other Comprehensive Income (G)	(0.06)	0.04	0.01	- ^	- ^	-	- ^	- ^	-
Total comprehensive income (H=F+G)	**253.82**	**(168.16)**	**(41.71)**	**- ^**	**- ^**	**(0.07)**	**- ^**	**- ^**	**(0.29)**

Note 53.5 Table below provide summarised financial information for joint ventures...contd.

₹ crore

Particulars	Starlit Resort Limited			Apollo Lavasa Health Corporation Limited			Spotless Laundry Services Limited		
	31 March 2020	31 March 2019	1 April 2018	**31 March 2020**	31 March 2019	1 April 2018	**31 March 2020**	31 March 2019	1 April 2018
Summarised Balance Sheet									
Cash and cash equivalents	- ^	- ^	0.00*	- ^	- ^	0.00*	- ^	- ^	0.01
Other assets	- ^	- ^	2.19	- ^	- ^	0.87	- ^	- ^	0.06
Current Assets (A)	**- ^**	**- ^**	**2.19**	**- ^**	**- ^**	**0.87**	**- ^**	**- ^**	**0.07**
Non-Current Assets (B)	**- ^**	**- ^**	**14.28**	**- ^**	**- ^**	**75.62**	**- ^**	**- ^**	**8.46**
Financial liabilities (excluding trade and other payable and provision)	- ^	- ^	0.00*	- ^	- ^	0.00*	- ^	- ^	28.41
Other liabiliies	- ^	- ^	1.37	- ^	- ^	24.45	- ^	- ^	2.27
Current liabilities (C)	**- ^**	**- ^**	**1.37**	**- ^**	**- ^**	**24.45**	**- ^**	**- ^**	**30.68**
Financial liabilities (excluding trade and other payable and provision)	- ^	- ^	0.00*	- ^	- ^	-	- ^	- ^	-
Other liabiliies	- ^	- ^	0.03	- ^	- ^	-	- ^	- ^	-
Non-current liabilities (D)	**- ^**	**- ^**	**0.03**	**- ^**	**- ^**	**-**	**- ^**	**- ^**	**-**
Net assets (A+B-C-D)	**- ^**	**- ^**	**15.07**	**- ^**	**- ^**	**52.04**	**- ^**	**- ^**	**(22.15)**
Summarised Statement of Profit and Loss									
Revenue (A)	**- ^**	**- ^**	**3.47**	**- ^**	**- ^**	**0.59**	**- ^**	**- ^**	**0.07**
Depreciation and amortization	- ^	- ^	-	- ^	- ^	0.82	- ^	- ^	1.46
Finance cost	- ^	- ^	0.00*	- ^	- ^	1.69	- ^	- ^	3.61
Other expenses	- ^	- ^	3.42	- ^	- ^	1.86	- ^	- ^	3.43
Total expenses (B)	**- ^**	**- ^**	**3.42**	**- ^**	**- ^**	**4.37**	**- ^**	**- ^**	**8.50**
Profit before tax (C=A-B)	**- ^**	**- ^**	**0.05**	**- ^**	**- ^**	**(3.78)**	**- ^**	**- ^**	**(8.43)**
Tax expense (D)	- ^	- ^	-	- ^	- ^	-	- ^	- ^	-
Profit / (loss) for the year (E=C-D)	**- ^**	**- ^**	**0.05**	**- ^**	**- ^**	**(3.78)**	**- ^**	**- ^**	**(8.43)**
Other comprehensive income / (loss) (F)	- ^	- ^	-	- ^	- ^	-	- ^	- ^	-
Total comprehensive income / (loss) (G=E+F)	**- ^**	**- ^**	**0.05**	**- ^**	**- ^**	**(3.78)**	**- ^**	**- ^**	**(8.43)**

Note 53.5 Table below provide summarised financial information for joint ventures...contd.

₹ crore

Particulars	Ecomotel Hotel Limited			Bona Sera Hotels Limited			Werkarena Basel AG		
	31 March 2020	31 March 2019	1 April 2018	**31 March 2020**	31 March 2019	1 April 2018	**31 March 2020**	31 March 2019	1 April 2018
Summarised Balance Sheet									
Cash and cash equivalents	- ^	- ^	0.18	- ^	- ^	0.00*	22.89	-	-
Other assets	- ^	- ^	1.62	- ^	- ^	7.10	95.13	-	-
Current Assets (A)	**- ^**	**- ^**	**1.80**	**- ^**	**- ^**	**7.10**	**118.02**	**-**	**-**
Non-Current Assets (B)	**- ^**	**- ^**	**15.46**	**- ^**	**- ^**	**7.43**	**-**	**-**	**-**
Financial liabilities (excluding trade and other payable and provision)	- ^	- ^	5.70	- ^	- ^	0.00*	0.03	-	-
Other liabiliies	- ^	- ^	4.58	- ^	- ^	14.34	-	-	-
Current liabilities (C)	**- ^**	**- ^**	**10.28**	**- ^**	**- ^**	**14.34**	**0.03**	**-**	**-**
Financial liabilities (excluding trade and other payable and provision)	- ^	- ^	-	- ^	- ^	0.00*	103.34	-	-
Other liabiliies	- ^	- ^	0.07	- ^	- ^	0.19	-	-	-
Non-current liabilities (D)	**- ^**	**- ^**	**0.07**	**- ^**	**- ^**	**0.19**	**103.34**	**-**	**-**
Net assets (A+B-C-D)	**- ^**	**- ^**	**6.91**	**- ^**	**- ^**	**(0.00)***	**14.66**	**-**	**-**
Summarised Statement of Profit and Loss									
Revenue (A)	**- ^**	**- ^**	**11.28**	**- ^**	**- ^**	**12.03**	**-**	**-**	**-**
Depreciation and amortization	- ^	- ^	1.59	- ^	- ^	0.86	-	-	-
Finance cost	- ^	- ^	1.99	- ^	- ^	0.69	0.96	-	-
Other expenses	- ^	- ^	10.06	- ^	- ^	10.03	0.18	-	-
Total expenses (B)	**- ^**	**- ^**	**13.64**	**- ^**	**- ^**	**11.58**	**1.14**	**-**	**-**
Profit before tax (C=A-B)	**- ^**	**- ^**	**(2.36)**	**- ^**	**- ^**	**0.45**	**(1.14)**	**-**	**-**
Tax expense (D)	- ^	- ^	-	- ^	- ^	0.16	-	-	-
Profit / (loss) for the year (E=C-D)	**- ^**	**- ^**	**(2.36)**	**- ^**	**- ^**	**0.29**	**(1.14)**	**-**	**-**
Other comprehensive income / (loss) (F)	- ^	- ^	0.03	- ^	- ^	-	-	-	-
Total comprehensive income / (loss) (G=E+F)	**- ^**	**- ^**	**(2.33)**	**- ^**	**- ^**	**0.29**	**(1.14)**	**-**	**-**

^- Refer note 53.1(i)

NOTE 54 ADDITIONAL INFORMATION PURSUANT TO PARA 2 OF GENERAL INSTRUCTIONS FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

₹ crore

Name of the entity	Country of incorporation	% of voting power as at 31 March 2020	Net assets / (liablities) i.e total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income / (loss)	
			As % of consolidated net assets / (liabilities)	Amount (₹ crore)	As % of consolidated profit / (loss)	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of consolidated total comprehensive income	Amount (₹ crore)
Hindustan Construction Company Limited	India	-	149.47%	1,178.75	-106.20%	(168.72)	22.44%	(13.87)	-188.14%	(182.59)
Subsidiaries (held directly)										
Indian										
HCC Real Estate Limited	India	100.00%	-69.02%	(544.33)	-17.28%	(27.46)	-	-	-28.29%	(27.46)
HCC Infrastructure Company Limited	India	100.00%	-20.82%	(164.18)	106.45%	169.12	-	-	174.26%	169.12
HCC Construction Limited	India	100.00%	0.00%	0.01	0.00%	(0.00)	-	-	0.00%	(0.00)
Panchkutir Developers Limited	India	100.00%	5.32%	41.99	-0.01%	(0.01)	-	-	-0.01%	(0.01)
Maan Township Developers Limited	India	100.00%	-1.44%	(11.32)	-1.78%	(2.83)	-	-	-2.91%	(2.83)
HRL Township Developers Limited	India	100.00%	-0.06%	(0.45)	-0.05%	(0.07)	-	-	-0.07%	(0.07)
Western Securities Limited	India	97.87%	0.21%	1.65	0.04%	0.06	0.08%	(0.05)	0.01%	0.01
Highbar Technologies Limited	India	100.00%	-0.02%	(0.20)	0.81%	1.28	0.16%	(0.10)	1.22%	1.18
Foreign										
Steiner AG	Switzerland	100.00%	45.81%	361.27	126.37%	200.77	61.71%	(38.15)	167.56%	162.62
HCC Mauritius Enterprises Limited	Mauritius	100.00%	-5.52%	(43.50)	-8.24%	(13.10)	10.46%	(6.46)	-20.16%	(19.56)
HCC Mauritius Investments Limited	Mauritius	100.00%	-3.94%	(31.08)	-0.11%	(0.17)	5.16%	(3.19)	-3.46%	(3.35)
TOTAL			**100.00%**	**788.61**	**100.00%**	**158.87**	**100.00%**	**(61.82)**	**100.00%**	**97.05**
a) Adjustments arising out of consolidation				**(1,547.79)**		**38.16**		**15.82**		**53.98**
b) Non-controlling interest in subsidiaries				0.00*		(0.00)*		(0.00)*		(0.00)*
TOTAL				**(759.18)**		**197.03**		**(46.00)**		**151.03**

NOTE 55 The Group has disclosed business segment as the primary segment. Segments have been identified taking into account the nature of activities of the parent company, its subsidiaries and joint ventures, the differing risks and returns, the organization structure and internal reporting system. Also, refer note 52(ii) for information on revenue from major customers.

The Group's operations predominantly relate to 'Engineering and Construction', 'Infrastructure', 'Real Estate' and 'Comprehensive Urban Development and Management'. Other business segments contribute less than 10% of the total revenue and have been grouped as 'Others'.

The segment revenue, segment results, segment assets and segment liabilities include respective amounts identifiable to each of the segment and also amounts allocated on a reasonable basis. .

₹ crore

Particulars	**Year ended 31 March 2020**	Year ended 31 March 2019
Segment revenue		
Engineering and construction	9,377.39	10,450.35
Infrastructure	78.19	70.03
Real estate	-	1.38
Others	13.47	21.76
Less: Inter segment revenue	(31.99)	-
Total	**9,437.06**	**10,543.52**
Segment results		
Engineering and construction	722.13	832.88
Infrastructure	39.30	4.51
Real estate	2.47	(38.71)
Others	(1.68)	0.93
Less: Unallocable expenditure (net of unallocable income)	(809.23)	(778.34)
Profit / (loss) before exceptional items, share of profit / (loss) of associates and joint ventures and tax	**(47.01)**	**21.27**
Exceptional items		
- Engineering and construction	221.23	(389.17)
- Comprehensive urban development and management	-	141.97
- Infrastructure	-	(137.74)
- Real estate	-	(142.43)
Profit / (loss) before share of profit/ (loss) of associates and joint ventures and tax	**174.22**	**(506.10)**

₹ crore

Particulars	**As at 31 March 2020**	As at 31 March 2019	As at 1 April 2018
Segment assets			
- Engineering and construction	10,900.74	9,565.80	10,376.87
- Infrastructure	79.26	69.61	25.24
- Real estate	41.67	45.87	239.61
- Comprehensive urban development and management	-	-	4,727.01
- Others	27.23	23.32	84.56
- Unallocable assets	1,118.65	1,205.36	237.09
	12,167.55	**10,909.96**	**15,690.38**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

₹ crore

Particulars	**As at 31 March 2020**	As at 31 March 2019	As at 1 April 2018
Segment liabilities			
- Engineering and construction	7,656.31	6,825.32	6,651.73
- Infrastructure	196.53	185.20	220.23
- Real estate	58.60	85.90	38.08
- Comprehensive urban development and management	-	-	1,482.84
- Others	8.63	7.26	42.86
- Unallocable liabilities	5,006.66	4,806.29	9,150.98
	12,926.73	**11,909.97**	**17,586.72**

The Holding Company is domiciled in India. The amount of its assets broken down by location is shown in the below table:

₹ crore

Particulars	**As at 31 March 2020**	As at 31 March 2019	As at 1 April 2018
Asset			
- In India	8,962.86	7,473.31	12,318.70
- Outside India	3,204.69	3,436.65	3,371.68
	12,167.55	**10,909.96**	**15,690.38**

Notes:

(i) Segment asset excludes current and non-current investments, deferred tax assets and income tax assets, which is included under unallocable assets.

(ii) Segment liabilities excludes borrowings, current maturities of long term debts, deferred tax liability, accrued interest and non-controlling interests, which is included under unallocable liabilities.

NOTE 56 * represents amount less than ₹ 1 lakh.

NOTE 57 Previous year figures have been regrouped or reclassified, to conform to the current year's presentation wherever considered necessary.

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

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

Rakesh R. Agarwal
Partner
Membership No.: 109632

Shailesh Sawa
Chief Financial Officer

Vithal P. Kulkarni
Company Secretary
ACS No. 6707

Place : Mumbai
Dated : July 9, 2020

For and on behalf of the Board of Directors

Ajit Gulabchand DIN: 00010827 *Chairman & Managing Director*
Arjun Dhawan DIN: 01778379 *Group Chief Executive Officer & Whole-Time Director*

Sharad M. Kulkarni DIN : 00003640
Anil C. Singhvi DIN : 00239589
N. R. Acharyulu DIN : 02010249
Santosh Jankiram Iyer DIN : 06801226
Mahendra Singh Mehta DIN : 00019566
Mukul Sarkar DIN : 00893700
Mita Dixit DIN : 08198165
Directors

Place : Mumbai / Raigad
Date : July 9, 2020

ANNEXURE I

Statement of Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results (Consolidated)

Statement on Implication of Audit Qualifications for the Financial Year ended 31 March 2020
[See Regulation 33/52 of the SEBI (LODR) Amendment Regulations, 2016)]

(Amount in ₹ Crore)

I.	**Sl. No.**	**Particulars**	**Audited Figures (as reported before adjusting for qualifications)**	**Adjusted Figures (audited figures after adjusting for qualifications)**
	1	Turnover / Total Income	9,521.87	9,539.27
	2	Total Expenditure	9,568.88	9,602.56
	3	Exceptional items Gain / (Loss)	221.23	(110.17)
	4	Net Profit / (Loss) for the year after tax	197.03	(45.67)
	5	Earnings per Share	1.30	(0.30)
	6	Total Assets	12,167.55	11,953.57
	7	Total Liabilities	12,926.73	12,955.45
	8	Net Worth	(759.18)	(1,001.88)
	9	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	**Audit Qualification**			
	a.	**Details of Audit Qualification:**	Auditor's Qualification	
			(i) Note 5 to the accompanying Statement, the Holding Company has accounted for managerial remuneration to Whole Time Directors (including Chairman and Managing Director) of the Holding Company aggregating ₹ 30.97 crore for the financial years ended 31 March 2015, 31 March 2016 and 31 March 2020 in excess of the limits prescribed under Section 197 of the Act, in respect of which approvals from the shareholders have been obtained as prescribed, however prior approval from the lenders of the Holding Company in accordance with Section 197 has not been obtained. Our review report dated 6 February 2020 on the consolidated financial results for the quarter ended 31 December 2019 was also qualified in respect of this matter.	
			(ii) Note 6 to the accompanying Statement, the Holding Company has recognised deferred tax assets (net) amounting to ₹ 437.08 crore outstanding as at 31 March 2020, on account of carried forward unused tax losses, unused tax credits and other taxable temporary differences, which are continued to be recognised on the basis of expected availability of future taxable profits for utilization of such deferred tax assets. However, in view of the continued losses incurred by the Holding Company and the impact of COVID-19 on business operations, we are unable to obtain sufficient appropriate audit evidence with respect to the current projections prepared by the management and therefore, are unable to comment on any adjustments that may be required to the carrying value of aforesaid deferred tax assets as at 31 March 2020.	
			(iii) Note 9 to the accompanying Statement, the Group's non-current borrowings, other non-current financial liabilities and other current financial liabilities as at 31 March 2020 include balances amounting to ₹ 171.59 crore, ₹ 591.04 crore and ₹ 337.09 crore, respectively, in respect of which direct confirmations from the respective banks / lenders have not been received. Further, in respect of certain loans while the principal balances have been confirmed, the interest accrued amounting to ₹ 42.76 crore has not been confirmed by the banks / lenders. These balances have been classified into current and non-current, basis the original maturity terms stated in the agreements which is not in accordance with the terms of the agreements relating to the implications in the event of default. Further, direct confirmation from banks have not been received for earmarked balances (included under bank balances other than cash and cash equivalents) and guarantees issued by banks on behalf of the Holding Company as at 31 March 2020 amounting to ₹ 5.46 crore and ₹ 76.93 crore, respectively.	

In the absence of such direct confirmations from the banks / lenders or sufficient and appropriate alternate audit evidence, we are unable to comment on the adjustments and changes in classification of balances in accordance with the principles of Ind AS 1, Presentation of financial statements, if any, that may be required to the carrying value of the aforementioned balances in the accompanying Statement.

(iv) Note 10(b) to the accompanying Statement, the Holding Company has written back a loss provision aggregating ₹ 331.40 crore in the quarter ended 31 December 2019, which was earlier recognised by the Holding Company during the year ended 31 March 2019 in cognizance of the assignment of beneficial interests / rights in a portfolio of identified arbitration awards and claims based on a non-binding term sheet with a consortium of investors along with a letter of commitment, due to cancellation of the said proposed transaction. However, such write-back is inconsistent with the continued intent of the Holding Company to sell / assign the arbitration awards and claims to other potential investors on similar terms as evidenced in the proposed resolution plan with the lenders. Accordingly, had the loss provision not been written back, exceptional gain, profit before tax, tax expense and net profit for the year ended 31 March 2020 would have been lower by ₹ 331.40 crore, ₹ 331.40 crore, ₹ 115.80 crore and ₹ 215.60 crore, respectively. Our review report dated 6 February 2020 on the consolidated financial results for the quarter ended 31 December 2019 was also qualified with respect to this matter.

(v) Note 11 to the accompanying Statement, Lavasa Corporation Limited ('LCL'), a subsidiary of HREL Real Estate Limited ('HREL') (formerly known as HCC Real Estate Limited), which is a wholly-owned subsidiary of the Holding Company, was admitted under the Corporate Insolvency and Resolution Process ('CIRP') in accordance with the Insolvency and Bankruptcy Code, 2016 ('IBC') on 30 August 2018 and a Resolution Professional was appointed. The Board of Directors of LCL were suspended with effect from 30 August 2018, and the Holding Company and HREL therefore, did not exercise either control or significant influence over LCL from this date onwards. Owing to unavailability of financial statements and / or financial information of LCL and its subsidiaries, associates, jointly controlled entity ('LCL Group') for the period 1 April 2018 to 30 August 2018, the consolidated financial results of LCL Group for the period 1 April 2018 to 30 August 2018 ('cut off period') have not been included in the consolidated financial results for the year ended 31 March 2019, and the assets and liabilities of LCL Group have been derecognized at their respective carrying values as at 31 March 2018 instead of 30 August 2018.

The said accounting treatment by the Group was not in compliance with Ind AS 110- Consolidated Financial Statements. Our opinion on the consolidated financial results for the year ended 31 March 2020 is qualified because of the effects of this matter on the comparability of the current year figures and the corresponding figures for the year ended 31 March 2019. Our opinion dated 9 May 2019 on the consolidated financial results for the year ended 31 March 2019 and our review report dated 6 February 2020 on the consolidated financial results for the quarter ended 31 December 2019 were also qualified with respect to this matter.

(vi) As given in Note 15 to the accompanying Statement, the following qualification is given by us vide our report dated 27 June 2020 on the consolidated financial statements of HCC Infrastructure Company Limited, a subsidiary of the Holding Company, reproduced as under:

"Note XX to the accompanying Statement, regarding non accrual of interest aggregating ₹ 47.25 crore by HCC Operations and Maintenance Limited (HOML), a subsidiary company, in accordance with terms of the Debenture Sale Purchase (DSP) agreement entered with certain debenture holders for purchase of debentures issued by LCL. Had the subsidiary company provided for interest in accordance with the terms of the aforesaid agreement, net profit of the Group for the year ended 31 March 2020 would have been lower by ₹ 47.25 crore and other financial liabilities would have been higher by ₹ 47.25 crore and the reserves and surplus as at that date would have been lower by ₹ 47.25 crore."

b.	**Type of Audit Qualification:**	Qualified Opinion
c.	**Frequency of Qualification:**	Qualification II a) (i) and (iv)- Incuded first time in the limited review report for the quarter/ period ended 31 December 2019 Qualification II a) (ii) , (iii) and (vi)- Included first time during the quarter and year ended 31 March 2020. Qualification II a) (v)- Included first time in the audit report for the period 31 March 2019, thereafter in the review reports of four (4) quarter including the current quarter ended 31 March 2020 of the financial year 2019-2020.
d.	**For Audit Qualification (s) where the impact is quantified by the auditor, Management views:**	II a) (i) Pursuant to notification of the Companies (Amendment) Act, 2017 with effect from 12 September 2018, amending Section 197 of the Companies Act, 2013 ('the Act'), the Holding Company's application to the Ministry of Corporate Affairs for approval in respect of managerial remuneration of Chairman and Managing Director (CMD) aggregating ₹ 17.40 crore accrued / paid in excess of the prescribed limit for the financials years 2014-15 and 2015-16 stands abated. The Holding Company, vide resolution dated 10 September 2019, has obtained approval from the shareholders for the payment of remuneration in respect of the aforesaid years to be only given effect to post receipt of the approval of the lenders. Further, on 26 September 2019, the Holding Company in its shareholders' meeting has also obtained approvals vide special resolutions for managerial remuneration of CMD and Whole Time Directors aggregating ₹ 13.57 crore for the year ended 31 March 2020, to be given effect to, only post receipt of the approval of lenders. Pending receipt of lenders approval, the amounts continue to be accrued / paid held-in-trust. Necessary actions will be made based on the outcome of such approvals.
		II a) (iv) During the quarter ended 31 March 2019, the Holding Company had recognized a provision of ₹ 331.40 crore pursuant to the signing of a non-binding term sheet with a consortium of investors along with a letter of commitment, for an assignment of the beneficial interest in portfolio of identified arbitration awards and claims ('specified assets') for an aggregate consideration of ₹ 1,750 crore. The said provision continued thereafter in view of mutual extension of the said transaction till 31 December 2019. In the absence of any further extension, the Holding Company had decided to cancel this proposed transaction, which had been reported to and confirmed by statutory auditors. Pursuant to the cancellation of the aforesaid transaction, the provision of ₹ 331.40 crore, related to specified assets, recognized earlier had been written back during the quarter and year ended 31 December 2019 and 31 March 2020, respectively.
		II a) (vi) On 29 September 2017, HCC Operations and Maintenance Limited (HOML), a wholly owned subsidiary of HICL, had signed a Debenture Sale Purchase (DSP) agreement with certain debenture holders for purchase of debentures issued by LCL, in the event of any default for an aggregate consideration of ₹ 138 crore plus interest @ 10.27 % per annum. Pursuant to the above, HOML has till date paid ₹ 21 crore, including ₹ 3 crore paid during the current year, to the aforesaid debenture holders towards these debentures. During the year, vide letter dated 8 August 2019, HOML has received recall notice from the debenture holders for ₹ 185.25 crore due to payment default as per DSP agreement. As at 31 March 2020, there exist a liability in the books (after adjusting advances paid) amounting to ₹ 117 crore attributable to the principal obligation and HOML is in discussion with the debenture holders for the waiver of interest obligation. Considering the present status of the discussion, management believes that that amount payable on settlement will not exceed the liability provided in books in respect of this matter and accordingly interest of ₹ 47.25 crore has been disclosed as contingent liability and not been provided for in the books of accounts as at 31 March 2020.

e.	**For Audit Qualification (s) where the impact is not quantified by the auditor:**			
	i)	**Management's estimation on the impact of audit qualification:**	Not ascertainable	
	ii)	**If management is unable to estimate the impact, reasons for the same:**	II a) (ii)	On 20 September 2019, vide the Taxation Laws (Amendment) Ordinance 2019, the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective 01 April 2019 subject to certain conditions. During the current year, certain Group companies have elected to exercise the option permitted under section 115BAA however, the Holding Company, having significant amount of brought forward tax losses and unabsorbed depreciation on which deferred tax asset has been recognised, is still evaluating and has not yet elected to exercise the option permitted under section 115BAA. In view of the above, there is no impact of the new tax rate on the financial results for the current period. During the quarter ended 30 September 2019, the Holding Company had written off deferred tax assets aggregating ₹ 151.30 crore due to expiry of statutory period for setting off underlying losses. As at 31 March 2020, the Holding Company has continued to recognize net deferred tax assets amounting to ₹ 437.08 crore on account of carried forward unused tax losses, unused tax credits and other taxable temporary differences. Based on the expected profits from the unexecuted orders on hand, outcome of the ongoing discussion with lenders for restructuring of loans and expected settlement of arbitration awards, the Holding Compay's management is confident that sufficient future taxable income will be available against which such deferred tax assets will be realized.
			II a) (iii)	Non-current borrowings, other non-current financial liabilities and other current financial liabilities as at 31 March 2020 include balances amounting to ₹ 171.59 crore, ₹ 591.04 crore and ₹ 337.09 crore respectively, in respect of which confirmations / statements from the respective banks / lenders have not been received. Further, in respect of non-current borrowings and current borrowings aggregating ₹ 864.23 crore, the lenders have confirmed the principal balance outstanding. However, the accrued interest until 31 March 2020 aggregating ₹ 42.76 crore in respect of these outstanding balances have not been confirmed. In the absence of confirmations / updated statements from the lenders, the Group has provided for interest and other penal charges on these borrowings based on the latest communication available from the respective lenders at the interest rate specified in the agreement. The Group's management believes that amount payable on settlement will not exceed the liability provided in books in respect of these borrowings. Accordingly, classification of these borrowings into current and non-current as at 31 March 2020 is based on the original maturity terms stated in the agreements with the lenders. Further, earmarked balances (included under bank balances other than cash and cash equivalents) and guarantees issued by banks on behalf of the Holding Company as at 31 March 2020 includes balances amounting to ₹ 5.46 crore and ₹ 76.93 crore respectively, in respect of which confirmation / statements from banks have not been received inspite of incessant efforts by Group's management.

	II a) (v)	The National Company Law Tribunal, Mumbai ('NCLT') vide Order dated 30 August 2018, has admitted an application filed against Lavasa Corporation Limited ('LCL') by an operational creditor and initiated the Corporate insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code 2016 ('IBC'). In accordance with the provisions of IBC, the powers of the Board of Directors of LCL shall stand suspended and the management of LCL presently vests with the Resolution Professional ('RP') appointed under the provisions of IBC. HREL Real Estate Limited (HREL) (formerly known as HCC Real Estate Limited), a wholly owned subsidiary of the Holding Company, is presently holding 68.70% equity stake in LCL. The Holding Company made all the required efforts to obtain requisite standalone and consolidated financial results/ financial information of LCL and its subsidiaries, associates and joint ventures ('LCL group') for the period 1 April 2018 to 30 August 2018 (date up to which the company had control) through appointed RP, for which no response was received from RP. In the absence of the required financial results/ financial information of LCL group, it was practically beyond the control of Holding Company's management to consolidate financial results / financial information of LCL group for the year to date period 1 April 2018 up to the date of loss of control i.e. 30 August 2018, in consolidated financial results for the year ended 31 March 2019. In view of this, financial results/ financial information of LCL group for the aforesaid periods have not been considered in the consolidated financial results for the year ended 31 March 2019. Further, de-recognition of assets and liabilities of LCL group, consequent to aforesaid loss of control, was carried out based on the latest available financial results of LCL group, i.e. year ended 31 March 2018, in these consolidated financial results for the year ended 31 March 2019.
iii) Auditors' comments on (i) or (ii) above	Included in details of auditor's qualifications stated above	

III. Signatories:

	For **Hindustan Construction Company Limited**
For **Walker Chandiok & Co LLP** Chartered Accountants Firm Registration No. 001076N / N500013	**Ajit Gulabchand** Chairman & Managing Director
Rakesh R. Agarwal Partner Membership No.: 109632	**Shailesh Sawa** Chief Financial Officer
	Sharad M. Kulkarni Audit Committee Chairman
Place: Mumbai Date : July 9, 2020	Place: Mumbai / Raigad Date : July 9, 2020

FORM AOC-I

Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Statement containing silent features of the financial statement of subsidaries \ associates \ joint venture

Part "A": Subsidiaries

(₹ in Crore)

Sr. No	Name of the subsidiary	Reporting period	Reporting currency / Exchange rate	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Deferred Tax	Profit after taxation	Proposed Dividend	Extent of Holding (In Percentage)
1	HCC Construction Limited	01.04.2019-31.03.2020	INR	0.05	(0.04)	0.04	0.03	-	-	(0.00)	-	-	(0.00)	-	100%
2	Highbar Technologies Limited	01.04.2019-31.03.2020	INR	6.25	(15.61)	26.95	36.31	1.01	12.77	(1.80)	-	0.03	(1.82)	-	100%
3	Panchkutir Developers Limited	01.04.2019-31.03.2020	INR	1.40	40.59	102.64	60.65	-	-	0.01	-	-	0.01	-	100%
4	HCC Operations & Maintenance Limited	01.04.2019-31.03.2020	INR	0.05	(67.31)	141.29	208.55	0.02	63.19	(75.33)	11.70	-	(87.03)	-	100%
5	HCC Power Limited	01.04.2019-31.03.2020	INR	0.50	(9.18)	304.14	312.82	0.05	-	(3.89)	-	-	(3.89)	-	100%
6	HCC Energy Limited	01.04.2019-31.03.2020	INR	0.05	(0.12)	302.24	302.31	-	-	(0.02)	-	-	(0.02)	-	100%
7	HCC Infrastructure Company Limited	01.04.2019-31.03.2020	INR	0.25	437.51	968.94	531.18	864.14	15.00	64.93	-	-	64.93	-	100%
8	Dhule Palesner Operations & Maintenance Limited	01.04.2019-31.03.2020	INR	0.50	(34.88)	122.95	157.33	-	-	(33.75)	1.21	-	(34.96)	-	100%
9	Steiner India Limited	01.04.2019-31.03.2020	INR	7.16	43.01	107.21	57.04	-	38.83	(4.24)	-	-	(4.24)	-	100%
10	HCC Real Estate Limited	01.04.2019-31.03.2020	INR	66.19	(582.30)	68.79	584.90	19.52	-	(24.19)	-	-	(24.19)	-	100%
11	Western Securities Limited	01.04.2019-31.03.2020	INR	2.00	(0.35)	3.38	1.73	0.15	0.70	0.20	0.15	-	0.06	-	97.87%
12	HCC Aviation Limited	01.04.2019-31.03.2020	INR	0.05	(15.84)	0.06	15.84	-	-	(0.01)	-	-	(0.01)	-	100%
13	HCC Realty Limited	01.04.2019-31.03.2020	INR	0.05	(0.04)	0.03	0.02	-	-	(0.00)	-	-	(0.00)	-	100%
14	HRL (Thane) Real Estate Limited	01.04.2019-31.03.2020	INR	0.10	(23.10)	19.00	42.01	-	-	(4.76)	-	-	(4.76)	-	100%
15	HRL Township Developers Limited	01.04.2019-31.03.2020	INR	0.10	(0.56)	0.15	0.60	-	-	(0.08)	-	-	(0.08)	-	100%
16	Maan Township Developers Limited	01.04.2019-31.03.2020	INR	0.10	(11.42)	10.84	22.15	-	-	(2.83)	-	-	(2.83)	-	100%
17	Nashik Township Developers Limited	01.04.2019-31.03.2020	INR	0.10	(1.90)	0.12	1.92	-	-	0.19	-	-	0.19	-	100%
18	Powai Real Estate Developers Limited	01.04.2019-31.03.2020	INR	0.05	(0.06)	0.00	0.02	-	-	(0.00)	-	-	(0.00)	-	100%

Part "A": Subsidiaries

(₹ in Crore)

Sr. No	Name of the subsidiary	Reporting period	Reporting currency / Exchange rate	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Deferred Tax	Profit after taxation	Proposed Dividend	Extent of Holding (In Percentage)
Foreign Subsidiary Companies															
1	HCC Mauritius Investment Limited	01.04.2019-31.03.2020	INR	7.59	(38.66)	201.16	232.23	33.76	10.86	(3.35)	-	-	(3.35)	-	100%
			USD	0.10	(0.51)	2.65	3.06	0.44	0.15	(0.00)	-	-	(0.00)	-	
2	HCC Mauritius Enterprises Limited	01.04.2019-31.03.2020	INR	37.99	(81.47)	244.83	288.31	244.64	-	(19.56)	-	-	(19.56)	-	100%
			USD	0.50	(1.07)	3.23	3.80	3.22	-	(0.18)	-	-	(0.18)	-	
3	Steiner AG, Zurich	01.04.2019-31.03.2020	INR	380.88	80.30	3,495.34	3,034.16	122.68	5,548.03	(81.48)	-	-	(81.48)	-	100%
			CHF	4.90	1.03	44.97	39.03	1.58	71.38	(1.05)	-	-	(1.05)	-	
4	Steiner (Deutschland)GmbH Paderborn	01.01.2019-31.12.2019	INR	80.63	(20.82)	86.42	26.61	-	-	(0.03)	-	-	(0.03)	-	100%
			EUR	1.02	(0.26)	1.10	0.34	-	-	(0.00)	-	-	(0.00)	-	
5	VM & ST AG, Zurich	01.04.2019-31.03.2020	INR	7.77	0.12	7.95	0.06	-	-	(0.04)	-	-	(0.04)	-	100%
			CHF	0.10	0.00	0.10	0.00	-	-	(0.00)	-	-	(0.00)	-	
6	Steiner Leman SAS	01.04.2019-31.03.2020	INR	1.87	(1.63)	0.62	0.39	-	-	(0.08)	-	-	(0.08)	-	100%
			CHF	0.02	(0.02)	0.01	0.01	-	-	(0.00)	-	-	(0.00)	-	
7	Eurohotel SA, Geneva	01.01.2019-31.12.2019	INR	0.78	(12.70)	0.26	12.18	-	-	(0.05)	-	-	(0.05)	-	95%
			CHF	0.01	(0.16)	0.00	0.16	-	-	(0.00)	-	-	(0.00)	-	
8	Steiner Promotions et Participations SA	01.04.2019-31.03.2020	INR	23.32	11.68	168.96	133.96	0.78	263.53	13.02	-	-	13.02	-	100%
			CHF	0.30	0.15	2.17	1.72	0.01	3.39	0.17	-	-	0.17	-	
9	Manufakt8048 AG, Zurich	01.04.2019-31.03.2020	INR	0.68	(0.31)	11.90	11.53	-	-	(0.06)	-	-	(0.06)	-	100%
			CHF	0.01	(0.00)	0.15	0.15	-	-	(0.00)	-	-	(0.00)	-	

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in Crore)

Sr. No	Name of Associates/Joint Ventures	Highbar Technocrat Limited	Evostate AG (Incl. Evostate Immobilien AG)	MCR Managing Corporate Real-estate AG	Projectentwicklungsgesellchaft Parking Kunstmeseum Basel AG	HCC Concessions Limited	Narmada Bridge Tollway Limited	Badarpur Faridabad Tollway Limited	Baharampore-Farakka Highways Limited	Farakka-Raiganj Highways Limited	Raiganj-Dalkhola Highways Limited	Werkarena Basel AG
1	Latest audited balance sheet date	31-Mar-20	31-Dec-19	31-Dec-19	31-Dec-19	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20
2	Date on which the associate or joint venture was associated or acquired	21-Jul-16	1-May-10	31-May-17	1-May-10	1-Apr-15	1-Apr-15	1-Apr-15	1-Apr-15	1-Apr-15	1-Apr-15	30-Sep-19
3	Shares of associate/joint ventures held by the company at the year end											
	- Number	99,940	300	30	850	288,902,512	50,000	98,000,000	217,253,000	250,221,000	137,150,000	500
	- Amount of investment in associates/joint venture	10.18	3.52	1.29	9.00	859.47	0.05	98.00	217.25	250.22	137.15	0.00
	- Extend of holding %	49.00%	30.00%	30.00%	38.64%	85.45%	85.45%	85.45%	85.45%	85.45%	86.91%	50.00%
4	Description of how there is significant influence	Associate- Significant Influence over Share Capital	Associate- Significant Influence over Share Capital	Associate- Significant Influence over Share Capital	Associate- Significant Influence over Share Capital	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture
5	Reason why the associate/joint venture is not consolidated	Consolidated - Equity Method	Consolidated - Equity Method	Consolidated - Equity Method	Consolidated - Equity Method	NA	NA	NA	NA	NA	NA	NA
6	Wheather company has commenced the operations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
7	Networth attributable to shareholders as per latest audited balance sheet	20.70	13.74	4.25	22.92	674.99	20.00	(0.23)	149.62	51.79	90.11	14.43
8	Profit / Loss for the year	8.30	(0.11)	(0.49)	0.26	(299.26)	28.84	226.87	12.60	(45.80)	(14.22)	(1.12)
	i. considered in consolidation	4.07	(0.03)	(0.15)	0.10	(255.72)	24.64	193.86	10.77	(39.14)	(12.36)	(0.56)
	ii. Not considered in consolidation	4.23	(0.08)	(0.35)	0.16	(43.54)	4.20	33.01	1.83	(6.66)	(1.86)	(0.56)

Disclosure mandated by Schedule III by way of additional information

(₹ in crore)

	Name of Entity	Net assets(Total assets - Total Liablities)		Share in profit or loss	
		Amount (₹ in Crore)	As % of consolidated Net Asset	Amount (₹ in Crore)	As % of consolidated Profit or Loss
	Consolidated	(759.18)		151.03	
	Parent Company				
	Hindustan Construction Company Limited	1,178.74	-155.27%	(182.59)	-120.90%
	Indian Subsidiary Companies				
1	HCC Construction Limited	0.01	0.00%	(0.00)	0.00%
2	Highbar Technologies Limited	(9.36)	1.23%	(1.82)	-1.21%
3	Panchkutir Developers Limited	41.99	-5.53%	0.01	0.01%
4	HCC Operations & Maintenance Limited	(67.26)	8.86%	(87.03)	-57.62%
5	HCC Power Limited	(8.68)	1.14%	(3.89)	-2.58%
6	HCC Energy Limited	(0.07)	0.01%	(0.02)	-0.01%
7	HCC Infrastructure Company Limited	437.76	-57.66%	64.93	42.99%
8	Dhule Palesner Operations & Maintenance Limited	(34.38)	4.53%	(34.96)	-23.15%
9	Steiner India Limited	50.17	-6.61%	(4.24)	-2.81%
10	HCC Real Estate Limited	(516.11)	67.98%	(24.19)	-16.02%
11	Western Securities Limited	1.65	-0.22%	0.06	0.04%
12	HCC Aviation Limited	(15.79)	2.08%	(0.01)	-0.01%
13	HCC Realty Limited	0.01	0.00%	(0.00)	0.00%
14	HRL (Thane) Real Estate Limited	(23.00)	3.03%	(4.76)	-3.15%
15	HRL Township Developers Limited	(0.46)	0.06%	(0.08)	-0.05%
16	Maan Township Developers Limited	(11.32)	1.49%	(2.83)	-1.87%
17	Nashik Township Developers Limited	(1.80)	0.24%	0.19	0.13%
18	Powai Real Estate Developers Limited	(0.01)	0.00%	(0.00)	0.00%

	Foreign Subsidiary Companies					
1	HCC Mauritius Investment Limited	INR	(31.07)	4.09%	(3.35)	-2.22%
		USD	(0.41)		(0.00)	
2	HCC Mauritius Enterprises Limited	INR	(43.48)	5.73%	(19.56)	-12.95%
		USD	(0.57)		(0.18)	
3	Steiner AG, Zurich	INR	461.18	-60.75%	(81.48)	-53.95%
		CHF	5.93		(1.05)	
4	Steiner (Deutschland)GmbH Paderborn	INR	59.81	-7.88%	(0.03)	-0.02%
		EUR	0.76		(0.00)	
5	VM & ST AG, Zurich	INR	7.89	-1.04%	(0.04)	-0.03%
		CHF	0.10		(0.00)	
6	Steiner Leman SAS	INR	0.23	-0.03%	(0.08)	-0.05%
		CHF	0.00		(0.00)	
7	Eurohotel SA, Geneva	INR	(11.92)	1.57%	(0.05)	-0.04%
		CHF	(0.15)		(0.00)	
8	Steiner Promotions et Participations SA	INR	35.00	-4.61%	13.02	8.62%
		CHF	0.45		0.17	
9	Manufakt8048 AG, Zurich	INR	0.37	-0.05%	(0.06)	-0.04%
		CHF	0.01		(0.00)	

(₹ in crore)

Name of Entity			Net assets(Total assets - Total Liablities)		Share in profit or loss	
			Amount (₹ in Crore)	As % of consolidated Net Asset	Amount (₹ in Crore)	As % of consolidated Profit or Loss
Joint Ventures						
Indian						
1	HCC Concessions Limited		674.99	-88.91%	(299.26)	-198.15%
2	Narmada Bridge Tollway Limited		20.00	-2.63%	28.84	19.10%
3	Badarpur Faridabad Tollway Limited		(0.23)	0.03%	226.87	150.22%
4	Baharampore-Farakka Highways Limited		149.62	-19.71%	12.60	8.34%
5	Farakka-Raiganj Highways Limited		51.79	-6.82%	(45.80)	-30.33%
6	Raiganj-Dalkhola Highways Limited		90.11	-11.87%	(14.22)	-9.42%
Foreign						
1	Werkarena Basel AG	INR	14.43	-1.90%	(1.12)	0.74%
		CHF	0.19		(0.01)	
Associate Companies						
Indian						
1	Highbar Technocrat Limited		20.70	-2.73%	4.07	2.69%
Foreign						
1	Evostate AG (Incl. Evostate Immobilien AG)	INR	13.74	-1.81%	(0.03)	-0.02%
		CHF	0.18		(0.00)	
2	MCR Managing Corporate Real-estate AG	INR	4.25	-0.56%	(0.15)	-0.10%
		CHF	0.05		(0.00)	
3	Projectentwicklungsgesellchaft Parking Kunstmeseum Basel AG	INR	22.92	-3.02%	0.10	0.07%
		CHF	0.29		0.00	
4	Evostate Immobilien AG	INR	12.17	-1.60%	(1.06)	-0.70%
		CHF	0.16		(0.01)	

NOTICE

NOTICE is hereby given that the Ninety-Fourth Annual General Meeting of the Members of Hindustan Construction Company Limited ('the Company') will be held on Thursday, December 24, 2020 at 11.00 a.m. through video conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses :-

ORDINARY BUSINESS

1. Adoption of the Audited Standalone and Consolidated Financial Statements of the Company

To receive, consider and adopt:

a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020 including the Audited Standalone Balance Sheet as at March 31, 2020 and the Standalone Statement of Profit and Loss for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon; and

b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020 including the Audited Consolidated Balance Sheet as at March 31, 2020 and the Consolidated Statement of Profit and Loss for the year ended on that date together with the Reports of the Auditors thereon.

2. Appointment of Mr. N. R. Acharyulu, who retires by rotation and being eligible, offers himself for re-appointment as a Director

To consider and, if thought fit, to pass the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to Section 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any amendment(s) thereto or any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, Mr. N. R. Acharyulu (DIN:02010249) who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation;

RESOLVED FURTHER THAT consent of the Members be and is hereby accorded to Mr. N.R. Acharyulu, who has attained the age of seventy-five years on May 22, 2019, to continue his directorship upto the conclusion of his term as a Director.**"**

SPECIAL BUSINESS

3. Appointment of Dr. Mita Dixit, as an Independent Woman Director of the Company

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any amendment(s) thereto or any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with Schedule IV to the Act, and Regulation 17(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr. Mita Dixit (DIN:08198165) who was appointed as an Additional Director on February 6, 2020 by the Board of Directors of the Company to hold the office as an Independent Woman Director of the Company in terms of Section 161(1) of the Act read with Article 88 of Articles of Associations of the Company and who holds office up to the conclusion of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act, signifying his intention to propose her candidature for the office of Director, be and is hereby appointed as an Independent Woman Director of the Company to hold office for a term of 3 consecutive years, upto the conclusion of the 97th Annual General Meeting of the Company to be held in the calendar year 2023, not liable to retire by rotation;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby severally authorised to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution.**"**

4. Ratification of Remuneration of Cost Auditor for FY 2019-20

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 (3) of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014 (including any amendment(s) thereto or any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s.Joshi Apte & Associates, Cost Accountants, (Firm Registration No. 00240), appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2019-20 amounting to ₹ 2,85,000/- (Rupees Two Lakhs Eighty Five Thousand Only) plus applicable taxes and reimbursement of out of pocket expenses, in connection with the said audit, be and is hereby ratified and confirmed;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby severally authorised to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution.**"**

5. Issue of Securities of the Company

To consider and, if thought fit, to pass the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to Sections 42, 62, 71 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the rules made thereunder (including any amendment(s) thereto or any statutory modification(s) and/or re-enactment thereof, for the time being in force, all other applicable laws and regulations including the Foreign

Exchange Management Act, 1999 ("FEMA"), the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 including any statutory modification(s) or re-enactment(s) thereof, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended and modified from time to time, and such other statutes, notifications, clarifications, circulars, rules and regulations, as may be applicable, issued by the Government of India ("GOI"), the Reserve Bank of India ("RBI"), Stock Exchanges, the Securities and Exchange Board of India ("SEBI") including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Regulations") as may be applicable and in accordance with enabling provisions in the Memorandum and Articles of Association of the Company and/or stipulated in the Listing Agreements entered into by the Company with the Stock Exchanges where the Equity Shares of the Company are listed and subject to such approvals, consents, permissions and sanctions, if any, of the GOI, SEBI, RBI, Stock Exchanges and any other relevant statutory/governmental/ regulatory authorities (the "Concerned Authorities") as may be required and applicable and further subject to such terms and conditions as may be prescribed or imposed by any of the Concerned Authorities while granting such approvals, consents, permissions and sanctions, as may be necessary, which may be agreed upon by the Board of Directors of the Company as deemed appropriate (hereinafter referred to as the "Board", which term shall include any Committee (s) constituted/to be constituted by the Board to exercise the powers conferred on the Board by this Resolution), consent of the Company be and is hereby accorded to the Board to create, issue, offer and allot (including with provisions for reservation on firm and/ or competitive basis, of such part of issue and for such categories of persons as may be permitted), Equity Shares and/or Equity Shares through depository receipts including American Depository Receipts (ADRs), Global Depository Receipts (GDRs) and/or Foreign Currency Convertible Bonds (FCCBs), Fully Convertible Debentures (FCDs), Partly Convertible Debentures (PCDs), Optionally Convertible Debentures (OCDs), and/or other securities convertible into Equity Shares at a later date, at the option of the Company and/or the holder(s) of such securities or with or without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the Equity Shares or otherwise, in registered or bearer form, whether rupee denominated or denominated in foreign currency (collectively referred as "Securities"), as the Board at its sole discretion or in consultation with underwriters, merchant bankers, financial advisors or legal advisors may at any time decide, by way of one or more public or private offerings in domestic and/or one or more international market(s), with or without a green shoe option, or issued/ allotted through Qualified Institutions Placement (QIP) in accordance with the SEBI Regulations, or by any one or more combinations of the above or otherwise and at such time or times and in one or more tranches, to any eligible investors including residents and/or non-residents and/ or qualified institutional buyers and/or institutions/banks and/or corporate bodies and/or individuals and/or trustees and/or stabilizing agent or otherwise, whether or not such investors are members of the Company, as may be deemed appropriate by the Board and as permitted under applicable laws and regulations, for an aggregate amount not exceeding ₹ 1,000 crore (Rupees One Thousand crore Only) on such terms and conditions and in such manner as the Board may in its sole discretion decide including the timing of the issue(s)/offering(s), the investors to whom the Securities are to be issued, terms of issue, issue price, number of Securities to be issued, the Stock Exchanges on which such securities will be listed, finalization of allotment of the Securities on the basis of the subscriptions received including details on face value, premium, rate of interest, redemption period, manner of redemption, amount of premium on redemption, the ratio/number of Equity Shares to be allotted on redemption/conversion, period of conversion, fixing of record date or book closure dates, etc., as the case may be applicable, prescribe any terms or a combination of terms in respect of the Securities in accordance with local and/or international practices including conditions in relation to offer, early redemption of Securities, debt service payments, voting rights, variation of price and all such terms as are provided in domestic and/or international offerings and any other matter in connection with, or incidental to the issue, in consultation with the merchant bankers or other advisors or otherwise, together with any amendments or modifications thereto ("the Issue");

RESOLVED FURTHER THAT the Securities to be created, issued, offered and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and the Equity Shares to be allotted in terms of this resolution shall rank *pari-passu* in all respects with the existing Equity Shares of the Company;

RESOLVED FURTHER THAT if the issue or any part thereof is made for a QIP, FCDs, PCDs, OCDs or any other Securities, which are convertible into or exchangeable with the Equity Shares of the Company (hereinafter collectively referred as "Other Specified Securities" and together with Equity Shares of the Company (hereinafter referred as "Specified Securities") within the meaning of the SEBI Regulations or any combination of Specified Securities as may be decided by the Board, issued for such purpose, the same shall be fully paid-up and the allotment of such Specified Securities shall be completed within twelve months from the date of this resolution or such other time as may be allowed under the SEBI Regulations, from time to time, at such price being not less than the price determined in accordance with the pricing formula provided under the SEBI Regulations and the Specified Securities shall not be eligible to be sold except as may be permitted, from time to time, under the SEBI Regulations;

RESOLVED FURTHER THAT the Company may, in accordance with applicable laws, also offer a discount of such percentage as permitted under applicable laws on the price calculated in accordance with the pricing formula provided under the SEBI Regulations;

RESOLVED FURTHER THAT in the event of issue of Specified Securities by way of a QIP, the 'Relevant Date' on the basis of which the price of the Specified Securities shall be determined as specified under SEBI Regulations, shall be the date of the meeting in which the Board or the Committee of Directors duly authorized by the Board decides to open the proposed issue of Specified Securities or such other date as may be decided by the Board and as permitted by the SEBI Regulations, subject to any relevant provisions of applicable laws, rules and regulations, as amended from time to time, in relation to the proposed issue of the Specified Securities;

RESOLVED FURTHER THAT in the event of issue of Other Specified Securities, the number of Equity Shares and/or conversion price in relation to Equity Shares that may be issued and allotted on conversion shall be appropriately adjusted for corporate actions including bonus issue, rights issue, split and consolidation of share capital, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring exercise;

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of Securities may have such features and attributes or any terms or combination of terms that provide for the tradability and free transferability thereof in accordance with the prevalent market practices in the capital markets, including but not limited to, the terms and conditions relating to variation of the price or period of conversion of Other Specified Securities into Equity Shares or for issue of additional Securities and such of these Securities to be issued, if not subscribed, may be disposed of by the Board, in such manner and/or on such terms including offering or placing them with banks/ financial institutions/mutual funds or otherwise, as the Board may deem fit and proper in its absolute discretion, subject to applicable laws, rules and regulations;

RESOLVED FURTHER THAT in the event the Securities are proposed to be issued as American Depository Receipts ("ADRs") or Global Depository Receipts ("GDRs"), pursuant to the provisions of the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 and other applicable pricing provisions issued by the Ministry of Finance, the relevant date for the purpose of pricing the Equity Shares to be issued pursuant to such issue shall be the date of the meeting in which the Board or duly authorised committee of directors decides to open such issue after the date of this resolution or such other date as may be decided by the Board subject to the relevant provisions of the applicable law, rules and regulations as amended from time to time, in relation to the proposed issue of the Securities;

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution and any issue, offer and allotment of Securities, the Board be and is hereby authorized to take all such actions, give such directions and to do all such acts, deeds, things and matters connected therewith, as it may, in its absolute discretion deem necessary, desirable or incidental thereto including, without limitation, the determination of terms and conditions for issuance of Securities, the number of Securities that may be offered in domestic and/or international markets and proportion thereof, timing for issuance of such Securities and shall be entitled to vary, modify or alter any of the terms and conditions, as it may deem expedient, the entering into and executing arrangements/ agreements for managing, underwriting, marketing, listing of Securities, trading, appointment of Merchant Banker(s), Advisor(s),Registrar(s), paying and conversion agent(s) and any other advisors, professionals, intermediaries and all such agencies as may be involved or concerned in such offerings of Securities and to issue and sign all deeds, documents, instruments and writings and to pay any fees, commission, costs, charges and other outgoings in relation thereto and to settle all questions whether in India or abroad, for the issue and executing other agreements, including any amendments or supplements thereto, as necessary or appropriate and to finalise, approve and issue any document(s) including, but not limited to, prospectus and/or letter of offer and/or circular, documents and agreements including conducting all requisite filings with GOI, RBI, SEBI, Stock Exchanges, if required, and any other concerned authority in India or outside, and to give such directions that may be necessary in regard to or in connection with any such issue, offer and allotment of Securities and utilization of the issue proceeds, as it may in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members or otherwise, to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution, and accordingly any such action, decision or direction of the Board shall be binding on all the Members of the Company;

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Equity Shares or Securities or instruments representing the same, as described above, the Board be and is hereby authorised on behalf of the Company to seek listing of any or all of such Securities on one or more Stock Exchanges in India or outside India and the listing of Equity Shares underlying the ADRs and/or GDRs on the Stock Exchanges in India;

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company to give effect to the aforesaid resolution and thereby such Committee of Directors or one or more such Directors as authorized, are empowered to take such steps and to do all such acts, deeds, matters and things and accept any alterations or modifications as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in this regard.**"**

By Order of the Board
For **Hindustan Construction Co. Ltd.**

Vithal P. Kulkarni
Company Secretary

Registered Office:
Hincon House,
Lal Bahadur Shastri Marg,
Vikhroli (West),
Mumbai 400 083

Place: Mumbai
Date: November 24, 2020

NOTES – FORMING PART OF THE NOTICE

1. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 (the Act), in respect of the businesses mentioned under Item numbers 2, 3, 4 and 5 of the Notice dated November 24, 2020 is appended hereto. The relevant details of Directors seeking appointment/reappointment pursuant to the Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations") is given in Annexure to this Notice.

2. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs (the MCA) vide its Circular number 20/2020 dated May 05, 2020 read with Circulars number 14/2020 and 17/2020 dated April 08, 2020 and April 13, 2020 respectively (collectively referred to as 'the MCA Circulars'), has introduced certain measures enabling companies to convene their Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) without the physical presence of the Members at a common venue and also send notice of the Annual General Meeting and other correspondences related thereto, through electronic mode. In compliance with the Act, the SEBI Listing Regulations and the MCA Circulars, the Ninety-Fourth Annual General Meeting of the Company (the AGM) is being held through VC / OAVM. The detailed procedure for participating in the meeting through VC/OAVM is annexed herewith (Refer serial no. 16) and available at the Company's website www.hccindia.com.

3. In view of the MCA Circulars, no proxy shall be appointed by the Members and accordingly the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Corporate Members (other than Individuals, HUF, NRI etc.) intending to authorize their representatives are requested to send duly certified copy of the Board Resolution alongwith attested specimen signature of the duly authorized signatory (ies) who are authorized to participate the AGM through VC / OAVM and to vote through remote e-voting to the Scrutinizer by e-mail to evoting.hcc@gmail.com with a copy marked to evoting@nsdl.co.in.

4. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

5. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

6. The SEBI has decided that securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019. In view of the above and to avail various benefits of dematerlisation, Members are advised to dematerialize shares that are held by them in physical form. Members can contact the Company or Company's Registrar and Transfer Agents, TSR DARASHAW Consultants Private Limited (TCPL) for assistance in this regard.

7. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, December 18, 2020 to Thursday, December 24, 2020 (both days inclusive) for the purpose of the AGM of the Company.

8. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available for inspection in the electronic form (scanned copy) by the Members during the AGM. All documents referred to in the Notice will also be available for inspection in the electronic form (scanned copy) without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. Thursday, December 24, 2020. Members seeking to inspect such documents can send an email to secretarial@hccindia.com.

9. In compliance with the provisions of Section 129(3) of the Act the Audited Financial Statements of the Company includes the Consolidated Financial Statements of the Company as defined in the Act for consideration and adoption by the Members of the Company.

10. **The Members are requested to:**

a) Intimate change in their registered address, if any, to TCPL at 6-10, Haji Moose Patrawala Indl. Estate, 20, Dr. E. Moses Road, Near Famous Studio, Mahalaxmi, Mumbai- 400 011 in respect of their holdings in physical form.

b) Notify immediately any change in their registered address to their Depository Participants in respect of their holdings in electronic form.

c) Non-Resident Indian Members are requested to inform TCPL immediately of the change in residential status on return to India for permanent settlement.

d) Please note that in accordance with the provisions of Section 72 of the Act, Members are entitled to make nominations in respect of the Equity Shares held by them. Members desirous of making nominations may procure the prescribed form SH-13 from TCPL and have it duly filled, signed and sent back to them, in respect of shares held in physical form. Members holding shares in Dematerialised mode should file their nomination with their Depository Participant (DP).

11. **Green Initiative**

The MCA and the SEBI have encouraged paperless communication as a contribution to greener environment.

In compliance with the aforesaid MCA Circulars and the SEBI Circular dated May 12, 2020 the copy of the Annual Report for 2019-20 including Audited Financial Statements, Board's Report etc. and Notice of the 94th Annual General Meeting of the Company *inter-alia* indicating the process and manner of remote e-voting is being sent by electronic mode, to all those Members whose e-mail IDs are registered with their respective Depository Participants.

For Members who have not registered their email address, Members holding shares in physical mode are requested to register their e-mail IDs with TCPL and Members holding shares in Demat mode are requested to register their e-mail IDs with the respective Depository Participants (DPs) in case the same is still not registered.

If there is any change in the e-mail ID already registered with the Company, Members are requested to immediately notify such change to TCPL in respect of shares held in physical form and to their respective DPs in respect of shares held in electronic form

Members may also note that the Notice of the 94th Annual General Meeting and the Annual Report for 2019-20 of the Company will also be available on the Company's website www.hccindia.com.

12. **Appointment/Re-appointment of Directors**

The details of the Directors seeking appointment/ re- appointment at the AGM, as required in terms of Regulation 36(3) of the SEBI Listing Regulations, as amended, read with Secretarial Standards-2 on General Meetings, is provided in Annexure A to the Explanatory Statement to the Notice.

13. **IEPF Disclosures**

The Company has transferred to the Investor Education and Protection Fund (IEPF) on the due date, the unclaimed dividend for the financial year ended March 31, 2011.

Further pursuant to Section 124(6) of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, shares corresponding to the Dividend for FY 2010-11 which had remained unclaimed for a period of seven consecutive years has also been transferred by the Company to IEPF.

14. **Voting**

All persons whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date namely Thursday, December 17, 2020 only shall be entitled to vote at the AGM by availing the facility of remote e-voting or voting by use of electronic voting at the AGM venue. If a person was a Member as on the date of dispatch of the notice but has ceased to be a Member as on the cut-off date i.e. Thursday, December 17, 2020, he/ she shall not be entitled to vote. Such person should treat this Notice for information purpose only.

Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Thursday, December 17, 2020, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with National Securities Depository Limited (NSDL) for remote e-voting then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using 'Forgot User Details / Password' or 'Physical User Reset Password' option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

15. **Voting through Electronic means (E-Voting)**

In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI Listing Regulations, the Company is pleased to provide remote e-voting facilities to its Members in respect of the business to be transacted at the AGM of the Company. The Company has engaged NSDL as authorised agency to provide the facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM) ('remote e-voting'). It is clarified that it is not mandatory for a Member to vote using remote e-voting facility.

The remote e-voting period will commence on Sunday, December 20, 2020 (9.00 a.m.) and will end on Wednesday, December 23, 2020 (5.00 p.m.). During this period, Members of the Company, holding shares either in physical form or in Dematerialized form, as on the cut-off date of Thursday, December 17, 2020, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

A person who is not a Member as on the cut-off date should treat this Notice of the AGM for information purpose only. The details of the process and manner for remote e-voting are explained herein below

A. For Members whose e-mail addresses are registered with the Company/Depositories

Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on step 1 are mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com either on a Personal Computer or on a Mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical		Your user id is:
a)	For Members who hold shares in Demat Account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******
b)	For Members who hold shares in Demat Account with CDSL	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c)	For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

   c) How to retrieve your 'initial password'?

      i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      ii) If your email ID is not registered, please follow steps mentioned below in process for those Members whose email IDs are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on "Forgot user details/Password"(If you are holding shares in your Demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) Physical user reset Password" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

B. For Members whose e-mail addresses are not registered with Company/Depositories

   1. In case shares are held in physical mode, please provide folio no., name of the shareholder, scanned

copy of the share certificate (front and back), PAN (self-attested scanned copy), AADHAR (Self – attested scanned copy) by email to secretarial.hccindia.com

2. In case shares are held in demat mode, please provide DPID- CLID (16 digit DPID +CLID OR 16 digit beneficiary ID), name, client master or copy of consolidated account statement, PAN (self-attested scanned copy), AADHAR (Self – attested scanned copy) by email to secretarial.hccindia.com

3. Alternatively, Member may send an email request to evoting@nsdl.co.in for obtaining user ID and password by providing details mentioned in point (1) or (2) as the case may be and obtain User ID and Password.

General Guidelines for shareholders

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the Forgot user details/Password" or "Physical user reset Password" option available on www.evoting.nsdl.com to reset the password.

2. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in. Members may send their queries relating to e-voting to Ms. Pallavi Mhatre, Manager, NSDL at : E-mail id: evoting@ nsdl.co.in; Toll free No.: 1800-222-990.

16. **The details of the process and manner for participating in the AGM through Video Conferencing / Other Audio Visual Means are explained herein below:**

    a) Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at https://www.evoting.nsdl.com by using their remote e-voting login credentials and selecting the EVEN for Company's AGM.

    b) Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.

    c) Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.

    d) Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in/ or contact Ms. Pallvai Mhatre, Manager at 1800-222-990.

    e) Members can participate in AGM through smart phone/laptop. However, for better experience and smooth participation it is advisable to join the Meeting through Laptops connected through broadband.

    f) Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number via email at secretarial@hccindia.com latest by Sunday, December 20, 2020 (5:00 p.m.). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

17. **The details of the process and manner for e-voting at the AGM are explained herein below:**

    a) The procedure for e-Voting on the day of the Annual General Meeting is same as the instructions mentioned above for remote e-voting.

    b) Only those Members/ shareholders, who will be present in the meeting through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the Annual General Meeting.

    c) Members who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the meeting.

    d) The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the Annual General Meeting shall be the same person mentioned for Remote e-voting.

    Mr. B. Narasimhan, Proprietor, B. N & Associates, Practicing Company Secretary (Membership No. FCS 1303 and Certificate of Practice No. 10440), or failing him, Mr. Venkataraman K, Practicing Company Secretary (Membership No. ACS 8897 and Certificate of Practice No. 12459), has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting at AGM, in a fair and transparent manner, and they have communicated willingness to be appointed and shall be available for the same purpose.

    The Members who have cast their votes by remote e-voting prior to the AGM may also attend and participate in the AGM but they shall not be entitled to cast their vote again at the AGM.

Members can opt for only one mode of voting i.e. either by remote e-voting or voting at the AGM by electronic voting. In case Members cast their votes through both the modes, voting done by remote e-voting shall prevail and the votes cast at the AGM shall be treated as invalid.

The voting rights of Members shall be in proportion of the paid-up equity share capital of the Company as on the cut-off date i.e. Thursday, December 17, 2020.

Resolutions passed by Members through remote e-voting or through electronic voting at the AGM, are deemed to have been passed as if they have been passed at the AGM.

Members who are present in the meeting through video conferencing facility and have not casted their vote on the resolutions through remote e-voting, shall be allowed to be vote through e- voting system during the meeting.

The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be uploaded on the BSE Listing Portal and on the NSE NEAPS Portal.

Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Annual General Meeting i.e. Thursday, December 24, 2020.

By Order of the Board
For **Hindustan Construction Co. Ltd.**

Vithal P. Kulkarni
Company Secretary

Registered Office:
Hincon House,
Lal Bahadur Shastri Marg,
Vikhroli (West),
Mumbai 400 083

Place: Mumbai
Date: November 24, 2020

ANNEXURE TO THE NOTICE

AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013 (THE ACT), THE FOLLOWING EXPLANATORY STATEMENT SETS OUT ALL MATERIAL FACTS RELATING TO THE BUSINESSES MENTIONED UNDER ITEM NUMBERS 2, 3, 4 AND 5 OF THE ACCOMPANYING NOTICE DATED NOVEMBER 24, 2020.

Item No. 2

As per the provisions of Section 152 of the Act, Mr. N. R. Acharyulu, Non- Executive- Non-Independent Director of the Company, is liable to retire by rotation and being eligible has offered himself for re-appointment. Mr. N. R. Acharyulu has been a Non- Executive- Non-Independent Director of the Company since May 2, 2016 and has attained the age of Seventy-Five years. It is necessary to approve continuation of his directorship on the Board of the Company.

The Company has received consent from Mr. N.R. Acharyulu for his re-appointment as a Director.

Pursuant to Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Listing Regulations), no listed company shall appoint or continue the directorship of a Non-Executive Director who has attained the age of Seventy-Five years, unless a special resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the notice for such appointment.

.A justification note for the continuation of his directorship of Mr. N. R. Acharyulu on the Board of the Company, upon attaining the age of Seventy-Five years, is appended below, for the consideration of the Members which was also placed before the meetings of Nomination and Remuneration Committee and Board of the Directors respectively .

Mr. N. R. Acharyulu has a distinguished career having more than fifty years of enriched experience and has held various leadership positions during his long stint. A Mechanical Engineer from Andhra University, Mr. Acharyulu joined HCC in 1970 as Junior Engineer at Idukki Hydroelectric

Power project in Kerala. During his career with HCC, he was entrusted with responsibilities of heading the Plant and Equipment department since 1991. Thereafter, he headed the Construction Engineering and Methodology Group in 2001 for some time before he was made the Project Controller of the Water Supply and Irrigation projects in 2004. He was then made the Head of Water Vertical in 2007 and later given the independent responsibility of Claims Task force in 2011. Mr. Acharyulu became the Chief Operating Officer of HCC in mid of 2012 and then was made the Chief Business Development Officer of the Company in 2014. Upon conclusion of his contract period, he was appointed as the Non- Executive-Non-Independent Director on the Board with effect from May 2, 2016.

Mr. N. R. Acharyulu holds 4100 shares in the Company.

The Nomination and Remuneration Committee at its meeting held on June 29, 2020 has recommended the re-appointment and continuation of Mr. N. R. Acharyulu as a Non-Executive Director, liable to retire by rotation and the Board of Directors of the Company at its meeting held on July 9, 2020 has also recommended the same, considering his experience and long standing association with the Company, his continuance as a Non-Executive Director, would be of immense benefit to the Company.

Accordingly, consent of the Members is sought for passing a special resolution as set out at Item No. 2 of the accompanying

Notice for re- appointment and continuation of Mr. N. R. Acharyulu as a Non- Executive- Non-Independent Director of the Company.

Except Mr. N. R. Acharyulu, none of the Directors, Key Managerial Personnel or their respective relatives are in any way concerned or interested, financially or otherwise, in the resolution mentioned at Item No. 2 of this Notice except to the extent of their respective shareholding in the Company.

Item No. 3

The Board of Directors at its meeting held on February 6, 2020 on the recommendation of Nomination and Remuneration Committee, appointed Dr. Mita Dixit as an Additional Director in terms of Section 161(1) of the Act read with Article 88 of the Articles of Association of the Company in the category of an Independent Woman Director of the Company. She holds office upto the date of the ensuing AGM and Dr. Mita Dixit is eligible for being appointed as Independent Woman Director, not liable to retire by rotation

The Company has received a notice in writing from a Member proposing Dr. Mita Dixit as a candidate for the office of Director of the Company. The Company has also received the declarations from Dr. Mita Dixit confirming that she meets the criteria of Independence as prescribed under Section 149 of the Act and Regulation 16 (1)(b) read with Regulation 25(8) of the SEBI Listing Regulations. Accordingly, the Board of Directors of your Company is of the opinion that Dr. Mita Dixit meets with the criteria of independence and is independent of the management.

Dr. Mita Dixit is also not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director of the Company.

Brief Profile of Dr. Mita Dixit is as under:

Dr. Mita Dixit is a Chemical Engineer and had done Masters in Marketing Management, PhD from BITS Pilani University. Dr. Dixit is the Co-Founder and Director of Equations Advisors Private Ltd, a specialized consulting company for family owned- and managed Business with 20+ years of experience.

Dr. Mita Dixit facilitates owner-families to align their family aspirations and expectation with business vision and goals. She helps families to practice good governance by developing family policies, family Constitution, and conflict resolution process.

At Equations, she leads a team of consultants and professionals providing services in strategic growth, organizational development, professionalization, business restructuring, and executive coaching. As a Management professional, Dr Mita Dixit has worked with prominent corporates like Garware Group, Indian Express, and Ajay Piramal Group Company in Marketing and Branding.

Dr. Mita Dixit is the first Indian to do a doctoral research in "Conflict in Indian Family Businesses." She has co-authored "The 5Gs of Family Business, a practical insightful and engaging book on success framework of family businesses. She was the Head of research and consulting at the CFMB at SPJIMR, Mumbai and is a visiting faculty at several family business management programms.

Dr. Mita Dixit currently serves as an Independent Director on the Board of Anuh Pharma Limited, Certified Management Consultant (CMC) also the Chairperson, Mumbai Chapter of Institute of Management Consultants of India.

Dr. Mita Dixit does not hold by herself or for any other person on a beneficial basis, any Equity Shares in the Company.

A copy of the draft letter for appointment of Dr. Mita Dixit as an Independent Woman Director setting out the terms and conditions would be available for inspection in the electronic form (scanned copy) without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. Thursday, December 24, 2020. Members seeking to inspect such documents can send an email to secretarial@hccinida.com.

The Board of Directors of the Company considers that Dr. Mita Dixit's continued association would be immense benefit and it is desirable to continue to avail her services. Accordingly, consent of the Members is sought for passing as an ordinary resolution as set out at Item No. 3 of the accompanying Notice for appointment of Dr. Mita Dixit as an Independent Woman Director of the Company. In compliance with the General circular number 20/2020 issued by the MCA, this item is considered unavoidable and forms part of this Notice.

Except Dr. Mita Dixit, none of the Directors, Key Managerial Personnel or their respective relatives are in any way concerned or interested, financially or otherwise, in the resolution mentioned at Item No. 3 of this Notice except to the extent of their respective shareholding in the Company, if any.

This Explanatory Statement alongwith Annexure to the Notice provides the relevant details relating to the appointment of Dr. Mita Dixit that may be regarded as adequate disclosure under the Act and SEBI Listing Regulations read with Secretarial Standards-2 on General Meetings.

Item No. 4

The Board of Directors of the Company on the recommendation of the Audit Committee approved the appointment and remuneration of M/s Joshi Apte & Associates, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ended March 31, 2020.

In terms of the provisions of Section 148(3) of the Act read with Rule 14 the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors is required to be ratified by the Members.

The remuneration payable to M/s. Joshi Apte & Associates, Cost Auditors of the Company for conducting the audit of the cost records for the financial year ended March 31, 2020 as recommended by the Audit Committee and approved by the Board of Directors at its meeting held on August 1, 2019, will not exceed ₹ 2,85,000/- (Rupees Two Lakh Eighty Five Thousand Only) plus applicable taxes and reimbursement of out of pocket expenses.

Accordingly, the consent of the Members is sought for passing as an ordinary resolution as set out at Item No. 4 of the accompanying Notice to ratify the remuneration payable to the Cost Auditors for the financial year ended March, 31 2020. In compliance with the General circular number 20/2020 issued by the MCA, this item is considered unavoidable and forms part of this Notice.

None of the Directors or Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

Item No. 5

The special resolution contained in the Notice under Item No. 5 relates to a resolution by the Company enabling the Board to create, issue, offer and allot Equity Shares, GDRs, ADRs, Foreign Currency Convertible Bonds, Convertible Debentures and such other Securities as stated in the resolution (the 'Securities') at such price as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the issue, offer, and allotment shall be made considering the prevalent market conditions and other relevant factors and wherever necessary, in consultation with Merchant Bankers, Advisors, Underwriters, etc, inclusive of such premium, as may be determined by the Board in one or more tranche(s), subject to SEBI (ICDR) Regulations and other applicable laws, rules and regulations.

The resolution enables the Board to issue Securities for an aggregate amount not exceeding ₹ 1,000 crore or its equivalent in any foreign currency.

The Board shall issue Securities pursuant to this special resolution to meet long term working capital and capital expenditure requirements of the Company and its subsidiaries, joint ventures and affiliates, including investment in subsidiaries (including overseas subsidiaries), joint ventures and affiliates besides strengthening the Balance Sheet of the Company including repayment of debt, tap acquisition opportunities, usage for business ventures / projects and other general corporate purposes.

The special resolution also authorizes the Board of Directors of the Company to undertake a Qualified Institutions Placement with Qualified Institutional Buyers (QIBs) in the manner as prescribed under Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009, (the 'SEBI Regulations') for raising capital. The pricing of the Specified Securities to be issued to QIBs pursuant to the said SEBI Regulations shall be freely determined subject to such price not being less than the price calculated in accordance with the relevant provisions of the said SEBI Regulations.

The detailed terms and conditions for the offer will be determined by the Board in consultation with the Advisors, Merchant Bankers, Underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevalent market conditions from time to time and in accordance with the applicable provisions of law, rules and regulations and other relevant factors.

The Equity Shares allotted or arising out of conversion of any Securities would be listed. The issue / allotment / conversion of Securities would be subject to the receipt of regulatory approvals, if any. Further, the conversion of Securities held by foreign investors, into Equity Shares would be subject to the permissible foreign shareholding limits / cap specified by Reserve Bank of India from time to time.

Pursuant to the provisions of Sections 42, 62 and 71 of the Act including any rules made thereunder and any other provision of the said Act, as may be applicable and the relevant provisions of the listing agreement with the stock exchanges and any other applicable laws, the issue of securities comprising equity shares, foreign currency convertible bonds, ADR's, GDR's, non-convertible debentures and / or issue of debentures on private placement, convertible debentures, etc., will require the prior approval of the Members by way of a Special Resolution.

The special resolution as set out at Item No. 5, is an enabling resolution and if passed, will have the effect of permitting the Board to issue and allot Securities to Investors, who may or may not be existing Members of the Company.

The Board believes that the proposed enabling special resolution is in the interest of the Company and therefore recommends the resolution for Members approval. Accordingly, the consent of the Members is sought for passing as a special resolution as set out at Item No. 5 of the accompanying Notice to issue of securities of the Company. In compliance with the General circular number 20/2020 issued by the MCA, this item is considered unavoidable and forms part of this Notice.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice except to the extent of their respective shareholding in the Company, if any.

By Order of the Board
For **Hindustan Construction Co. Ltd.**

Vithal P. Kulkarni
Company Secretary

Registered Office:
Hincon House,
Lal Bahadur Shastri Marg,
Vikhroli (West),
Mumbai 400 083

Place: Mumbai
Date: November 24, 2020

ANNEXURE A (FOR ITEM NUMBERS 2 AND 3)

Details of the Directors seeking appointment/re-appointment/continuance of Directorship/ at the 94th Annual General Meeting in pursuance of the Companies Act, 2013 and the SEBI Listing Regulations, read with Secretarial Standards-2 on General Meetings, as applicable.

1	**Name of the Director**	**Mr. N.R. Acharyulu**
	DIN	02010249
	Date of Birth	May 22, 1944
	Qualification	B.E. (Mechanical)
	Date of Appointment	May 2, 2016
	Brief Resume alongwith Justification Note	As provided in the Explanatory Statement to the AGM Notice under Item No. 2
	Relationship with Directors	None
	Expertise in specific functional areas	Wide Experience in Project Management.
	No. of Board Meetings attended during the year	5
	Directorships held in other Companies and Bodies Corporate	Steiner India Limited
	Chairman/Member of the Committee of the Board of Directors in other Companies	Nil
	Number of Shares held in the Company	4100

2	**Name of the Director**	**Dr. Mita Dixit**
	DIN	08198165
	Date of Birth	February 16, 1965
	Qualification	Chemical Engineer, Masters in Marketing Management, PhD from BITS Pilani University
	Date of Appointment	February 06, 2020
	Brief Resume alongwith Justification Note	As provided in the Explanatory Statement to the AGM Notice under Item No. 3
	Relationship with Directors	None
	Expertise in specific functional areas	Specialized consulting company for family owned-and managed Business
	No. of Board Meetings attended during the year	Nil
	Directorships held in other Companies and Bodies Corporate	Anuh Pharma Limited Equations Advisors Private Limited
	Chairman/Member of the Committee of the Board of Directors in other Companies	Nil
	Number of Shares held in the Company	Nil

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IMPORTANT FINANCIAL STATISTICS

	Paid Up Capital				Fixed Assets				Dividend paid on Preference and Equity shares	
Year	Equity ₹ Lacs	Preference ₹ Lacs	Reserves ₹ Lacs	Debentures ₹ Lacs	Gross Block ₹ Lacs	Net Block ₹ Lacs	Turnover ₹ Lacs	Net Profit ₹ Lacs	₹ Lacs	Equity Dividend %
1926-27	4.00	—	0.30	—	0.58	0.58	N.A.	0.98	0.80	20.00
1927-28	4.00	—	0.30	—	0.53	0.53	N.A.	0.98	0.80	20.00
1928-29	4.00	—	0.25	—	0.53	0.53	N.A.	1.38	1.40	35.00
1929-30	4.00	—	0.25	—	0.50	0.50	N.A.	0.81	0.70	17.50
1930-31	4.00	—	0.25	—	0.84	0.84	N.A.	0.12	-	-
1931-32	4.00	—	0.25	—	0.94	0.64	N.A.	0.44	0.40	10.00
1932-33	8.00	—	0.25	—	1.78	1.28	N.A.	2.19	2.00	25.00
1933-34	8.00	—	0.19	—	3.16	2.66	N.A.	2.67	2.80	35.00
1934-35	12.00	—	0.24	—	3.42	2.82	N.A.	2.19	2.00	16.33
1935-36	12.00	—	0.48	—	4.71	3.96	9.40	1.86	1.75	14.50
1936-37	12.00	—	0.56	—	7.30	6.40	62.96	1.81	—	—
1937-38	12.00	—	0.70	—	8.08	7.18	69.04	-1.90	—	—
1938-39	12.00	—	0.70	—	6.85	5.95	45.50	0.31	—	—
1939-40	12.00	—	0.70	—	6.02	5.12	90.39	3.58	2.40	20.00
1940-41	12.00	—	1.70	—	5.36	4.46	184.58	4.28	4.20	35.00
1941-42	12.00	25.00	1.70	—	4.70	3.80	510.53	7.45	6.18	45.00
1942-43	12.00	25.00	1.70	—	4.66	3.01	574.57	10.59	8.76	60.00
1943-44	12.00	25.00	1.70	—	4.89	1.74	466.69	10.33	8.56	60.00
1944-45	12.00	25.00	2.70	—	3.87	—	—	10.14	1.56	—
1945-46	12.00	25.00	9.70	—	3.99	0.04	175.47	12.89	4.56	25.00
1946-47	12.00	25.00	17.70	—	10.46	6.31	165.70	10.92	4.56	25.00
1947-48	36.00	25.00	1.70	—	12.40	8.25	249.76	8.26	4.56	8.33
1948-49	36.00	25.00	5.70	—	14.46	10.31	263.14	11.20	4.56	8.33
1949-50	36.00	25.00	12.70	—	18.52	14.37	202.49	9.75	5.16	10.00
1950-51	36.00	25.00	15.70	—	21.38	16.23	239.24	9.10	5.16	10.00
1951-52	36.00	25.00	18.70	—	21.89	15.94	299.04	6.22	5.16	10.00
1952-53	36.00	25.00	19.00	—	24.30	17.35	231.57	8.16	5.16	10.00
1953-54	36.00	25.00	21.50	—	24.09	16.64	—	10.65	5.16	10.00
1954-55	36.00	25.00	24.00	—	24.06	14.11	345.62	15.34	5.16	10.00
1955-56	36.00	25.00	25.35	—	27.93	16.01	415.54	17.73	6.06	12.50
1956-57	36.00	25.00	23.34	—	29.42	17.01	769.15	12.46	6.06	12.50
1957-58	36.00	25.00	51.11	—	37.16	25.06	928.37	15.22	6.06	12.50
1958-59	36.00	25.00	66.70	—	38.48	24.10	1080.85	24.37	8.76	20.00
1959-60	36.00	25.00	97.62	—	563.22	210.51	913.84	31.88	8.76	20.00
1960-61	36.00	25.00	129.34	—	575.97	202.46	1037.66	31.08	8.76	20.00
1961-62	72.00	25.00	144.75	—	635.20	225.06	1280.33	59.68	11.45	20.00
1962-63	72.00	25.00	218.32	—	673.22	259.40	1476.12	30.86	15.96	20.00
1963-64	72.00	25.00	280.29	—	744.67	281.65	1837.79	84.51	37.56	50.00
1964-65	72.00	25.00	389.13	—	889.87	364.65	2169.89	120.79	44.76	60.00
1965-66	180.00	25.00	389.81	—	977.45	401.22	2021.32	114.64	46.43	25.00
1966-67	252.00	25.00	391.81	—	1154.51	503.28	1994.93	72.76	46.92	18.00
1967-68	252.00	25.00	427.26	—	1250.05	524.60	1689.72	55.35	31.80	12.00
1968-69	252.00	25.00	472.14	—	1420.94	614.79	2249.82	36.61	31.80	12.00
1969-70	252.00	25.00	492.31	—	1473.64	577.23	2574.57	28.86	31.80	12.00
1970-71	252.00	25.00	468.44	—	1541.99	527.99	2256.93	-37.01	1.56	—
1971-72	252.00	25.00	355.07	—	1580.80	471.42	2294.29	-140.47	1.56	—
1972-73	252.00	25.00	260.62	120.00	1677.91	491.34	2478.09	-136.27	1.56	—
1973-74	252.00	25.00	216.33	120.00	1776.09	481.58	2962.99	-55.7	—	—
1974-75	252.00	25.00	301.11	120.00	1825.94	462.49	3006.50	61.65	—	—
1975-76	252.00	25.00	320.23	120.00	1890.47	471.69	2529.62	15.98	19.81	6.00
1976-77	252.00	25.00	435.82	120.00	1994.99	508.35	3485.71	-46.25	51.96	20.00
1977-78	252.00	25.00	384.81	96.00	2111.14	594.75	2903.63	145.71	16.68	6.00
1978-79	252.00	25.00	387.43	80.42	2170.42	595.93	3146.53	21.38	24.24	9.00
1979-80	252.00	25.00	409.90	64.85	2255.96	582.63	4181.76	45.31	24.24	9.00
1980-81	252.00	25.00	608.98	49.28	3122.81	1152.64	6916.96	233.58	39.36	15.00
1981-82	252.00	25.00	755.81	45.71	3991.44	1598.37	10989.86	184.07	39.36	15.00
1982-83	252.00	25.00	1861.51	42.14	4744.49	2745.66	11021.23	422.90	39.36	15.00
1983-84	628.54	25.00	2046.45	38.57	5022.30	2748.32	10989.89	513.13	81.46	15.00
1984-85	629.96	25.00	2253.89	1035.00	5627.17	3052.75	9178.04	231.06	96.06	15.00
1985-86	629.98	25.00	2057.21	1035.00	6329.50	3311.65	8426.38	-195.12	1.56	—
1986-87	630.00	25.00	1710.57	1035.00	6578.91	3102.10	9885.49	-346.64	—	—
1987-88	630.00	25.00	1672.72	990.83	6445.07	2653.76	12334.37	21.98	59.83	9.00
1988-89 (14 months)	630.00	25.00	1772.71	1032.15	6282.70	2308.82	12223.19	202.61	102.62	16.00
1989-91 (18 months)	630.00	—	1820.25	1421.60	6685.51	2477.79	12794.33	161.05	113.46	18.00
1991-92 (15 months)	775.13	—	1824.84	1031.78	6318.24	2015.47	11232.57	64.95	60.36	8.00
1992-93	775.90	—	2006.60	800.65	7033.20	2488.91	11072.27	275.01	93.25	12.00
1993-94	775.98	—	2624.81	547.16	7949.79	3101.73	14292.85	812.48	194.27	25.00
1994-95	776.79	—	3955.22	451.73	8442.89	2899.08	22037.40	1562.96	232.96	30.00
1995-96	2002.55	—	5499.23	7120.58	9890.04	4770.48	24695.24	1050.63	304.84	17.50
1996-97	2003.04	—	5559.82	7206.41	16083.41	10493.38	31170.13	324.51	200.03	10.00
1997-98	2003.04	—	5771.45	7133.23	17112.45	10743.31	37563.57	431.97	200.03	10.00
1998-99	2003.04	—	6348.45	7059.89	27251.87	18942.28	62540.25	924.66	300.46	15.00
99-2000	2003.04	—	8043.55	6962.16	29566.64	19839.21	53077.22	2139.83	400.66	20.00
2000-01	2003.05	—	10145.17	6142.13	34454.43	23602.22	56585.93	2653.54	500.83	25.00
2001-02 (9 months)	2003.06	—	9986.63	5819.92	41916.96	28851.20	46394.16	4274.91	600.72	30.00
2002-03	2003.06	—	11948.68	7000.00	48911.08	35820.96	78923.25	2865.64	800.96	40.00
2003-04	2003.06	—	14387.18	7000.00	54821.32	36943.13	117135.67	3567.98	1001.20	50.00
2004-05	2293.61	—	33004.80	9800.00	62076.02	43804.21	157654.05	7401.96	1375.77	60.00
2005-06	2563.16	—	86418.93	8933.33	77280.60	59949.11	202814.87	12479.81	1793.75	70.00
2006-07	2563.16	—	87845.40	17966.67	110118.56	74616.08	239450.36	3675.96	1921.87	75.00
2007-08	2563.16	—	96323.45	16900.00	140970.45	95307.98	310434.07	10875.74	2050.00	80.00
2008-09	2563.16	—	96403.00	20500.00	168283.00	112819.00	351832.00	12535.00	2050.00	80.00
2009-10	3033.16	—	148683.00	18333.00	181418.00	114969.00	386297.00	8144.00	2426.00	80.00
2010-11	6066.00	—	146153.00	16667.00	198749.00	118428.00	414905.00	7100.00	2426.00	40.00
2011-12	6066.00	—	123944.00	22000.00	205622.00	112447.00	401060.00	-22225.00	—	—
2012-13	6066.00	—	110211.00	22000.00	206289.00	101039.00	383865.00	-13764.00	—	—
2013-14	6066.00	—	118673.00	22000.00	202580.00	91540.00	411349.00	8064.00	—	—
2014-15	6459.00	—	132286.00	21010.00	200646.00	78474.00	430114.00	8165.00	—	—
2015-16	7792.00	—	178491.00	18730.00	194985.00	66908.00	419090.00	8497.00	—	—
2016-17 (IND-AS)	10108.00	—	258890.00	14469.00	198988.00	59547.00	419594.00	8092.00	—	—
2017-18	10155.00	—	267339.00	11024.00	207258.00	59794.00	457508.00	6589.00	—	—
2018-19 (Restated)	15131.00	—	120232.00	10382.00	190284.00	41809.00	460349.00	-193506.00	—	—
2019-20	15131.00	—	102743.00	8259.00	185085.00	34547.00	364364.00	-18259.00	—	—

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Mumbai Metro Line 3 Project