FINANCIAL STATEMENT
2019-20

HCC CONCESSIONS LIMITED

Walker Chandiok & Co LLP
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Indiabulls Finance Centre,
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Independent Auditor's Report

To the Members of HCC Concessions Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

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

2. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, and its 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 more fully explained in note 36 to the accompanying standalone financial statements, the Company meets the criteria for being classified as a Non-Banking Financial Company ('NBFC'). However, the Company has not complied with the requirements of the Reserve Bank of India Act, 1934 ('RBI Act') in respect of NBFC including registering the Company as a NBFC and having the net owned fund of ₹ 200.00 lakhs, as required under section 45-IA of the RBI Act. Further, the requirements of preparation and presentation of the financial statements as applicable to the NBFCs as required under Division III of Schedule III of the Act and other compliance requirements under the RBI Act have also not been complied with by the Company. Pending regularization of the aforesaid defaults, we are unable to comment on the extent of consequential adjustment, if any, that may be required to the accompanying financial statements on account of possible fines/penalties.

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

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Emphasis of Matter

5. We draw attention to note 4(e) (iii) to the accompanying standalone financial statements, regarding the Company's investments in its subsidiary, Raiganj Dalkhola Highways Limited (RDHL), amounting to ₹ 13,415.00 lakhs (31 March 2019: ₹ 13,415.00 lakhs) and other non-current / current financial assets amounting to ₹ 290.87 lakhs (31 March 2019: ₹ 189.59 lakhs). On 31 March 2017, the National Highway Authority of India (NHAI) has served notice of termination of contract in respect of this subsidiary. Based on the future plans and projections of this subsidiary company, which have been developed by the management using certain assumptions and estimates, the Company's management believes that there is no decline in the carrying amounts of such non-current investments. The appropriateness of management's assessment on recoverability of the investment and receivables is dependent upon the realisation of the related business plan as mentioned in aforesaid note. Our opinion is not modified in respect of this matter.

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

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

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

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

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

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

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

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional 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.

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

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

e) the matters described in paragraph 3 under the Basis for Qualified Opinion section and in paragraph 5 under the Emphasis of Matter section, in our opinion, may have an adverse effect on the functioning of the Company;

f) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as at 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act;

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

h) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 22 June 2020 as per Annexure B expressed a modified opinion; and

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

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

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

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

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

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

Vijay. D Jain

Vijay D. Jain
Partner
Membership No:117961

UDIN:20117961AAAAAH5510

Place: Mumbai
Date: 22 June 2020

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Annexure A (Contd)

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

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Amount paid under Protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	106.91	106.91	A.Y. 2011-12	Income Tax Appellate Tribunal
		23.68	23.68	A.Y. 2012-13	Income Tax Appellate Tribunal
		277.06	41.56	A.Y. 2013-14	Commissioner of Income Tax (Appeals)
		76.36	15.27	A.Y. 2014-15	Commissioner of Income Tax (Appeals)
		255.69	38.00	A.Y. 2015-16	Commissioner of Income Tax (Appeals)
		153.88	35.00	A.Y. 2017-18	Commissioner of Income Tax (Appeals)

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

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

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

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

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

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the standalone financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, provisions of clause 3(xiv) of the Order are not applicable.

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Annexure A (Contd)

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act. Accordingly, provisions of clause 3(xv) of the Order are not applicable.

(xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934, however such registration has not been obtained by the Company for the reasons mentioned in note 36 to the accompanying standalone financial statements. Also, refer 'Basis for Qualified Opinion' section in our audit report.

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

Vijay. D Jain

Vijay D. Jain
Partner
Membership No:117961

UDIN:20117961AAAAAH5510

Place: Mumbai
Date: 22 June 2020

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

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

1. In conjunction with our audit of the standalone financial statements of HCC Concessions Limited ("the Company") as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

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

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

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

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

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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.

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Annexure B (Contd)

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Qualified Opinion

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

   a) The Company's internal financial controls with respect to compliance with laws and regulations of the Reserve Bank of India Act, 1934 ('RBI Act') towards registration of the Company as a Non-Banking Finance Company ('NBFC') under Section 45-IA of the RBI Act and consequent preparation and presentation of the financial statements as required under Schedule III of the Companies Act, 2013 and the RBI Act were not operating effectively, which could potentially result in material misstatements in the presentation and disclosures in the Company's financial statements.

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

10. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI), and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to financial statements were operating effectively as at 31 March 2020.

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

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

Vijay · D Jain

Vijay D. Jain
Partner
Membership No:117961

UDIN:20117961AAAAAH5510

Place: Mumbai
Date: 22 June 2020

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

	Note No.	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property and equipment	3	8.37	20.73
Investments in subsidiaries	4	38,410.30	63,000.14
Financial assets			
Loans	5	7,499.23	7,129.23
Other financial assets	6	4,428.55	4,260.88
Income-tax assets (net)	7	765.15	570.22
Total non-current assets		**51,111.60**	**74,981.20**
Current assets			
Financial assets			
Trade receivables	8	78.58	373.22
Cash and cash equivalents	9	11.82	7.42
Other financial assets	6	-	3.85
Other current assets	10	30.79	14.69
Total current assets		**121.19**	**399.18**
Assets classified as held for sale	11	25,778.51	25,778.50
TOTAL ASSETS		**77,011.30**	**101,158.88**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	341.37	341.37
Instruments entirely equity in nature	13	42,025.33	42,025.33
Other equity		25,132.29	55,058.59
Total equity		**67,498.99**	**97,425.29**
Liabilities			
Non-current liabilities			
Financial liabilities			
Other financial liabilities	14	1,368.02	1,679.98
Provisions	15	56.75	44.08
Total non current liabilities		**1,424.77**	**1,724.06**
Current liabilities			
Financial liabilities			
Borrowings	16	1,867.04	653.74
Trade payables	17		
i) total outstanding dues of micro and small enterprises		13.36	36.84
ii) total outstanding dues other than (i) above		11.20	8.50
Other financial liabilities	14	6,085.23	1,181.44
Other current liabilities	18	66.71	83.70
Provisions	15	44.00	45.31
Total current liabilities		**8,087.54**	**2,009.53**
TOTAL EQUITY AND LIABILITIES		**77,011.30**	**101,158.88**

Notes 1 to 37 form an integral part of the standalone financial statements

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

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

Vijay D. Jain

Vijay D. Jain
Partner
Membership No.: 117961

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 22 June 2020

For and on behalf of the Board of Directors

Arjun Dhawan
Director
DIN No. : 01778379

S. Sridevi

Sridevi Iyengar
Director
DIN No. : 06981630

Ravindra Singh
Company Secretary

Kiran Kakkar
Chief Financial Officer

Place: Mumbai
Date: 19 June 2020

HCC Concessions Limited

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

	Note No.	Year ended 31 March 2020	Year ended 31 March 2019
Income			
Revenue from operations	19	360.00	540.00
Other income	20	1,525.68	1,345.80
Total income		**1,885.68**	**1,885.80**
Expenses			
Employee benefits expense	21	535.58	588.30
Finance costs	22	136.27	15.29
Depreciation and amortisation expense	23	13.30	13.16
Other expenses	24	354.23	413.72
Total expenses		**1,039.38**	**1,030.47**
Profit before exceptional items and tax		**846.30**	**855.33**
Exceptional items - loss	25	30,766.91	365.20
(Loss) / Profit before tax		**(29,920.61)**	**490.13**
Tax expenses / (credit)			
Current income tax			
- Current tax		0.08	88.09
- Tax pertaining to earlier years		-	94.72
Deferred income tax [net of MAT credit written off]		-	255.43
(Loss) / Profit for the year (A)		**(29,920.69)**	**51.89**
Other comprehensive income			
(a) Items not to be reclassified subsequently to profit or loss			
- Gain/(loss) on fair value of defined benefit plans as per actuarial valuation (net of tax)		(5.61)	3.50
(b) Items to be reclassified subsequently to profit or loss (net of tax)		-	-
Other comprehensive (loss) / income for the year, net of tax (B)		**(5.61)**	**3.50**
Total comprehensive (loss) / income for the year, net of tax (A+B)		**(29,926.30)**	**55.39**
Earnings per equity share of ₹ 10 each :	27		
Basic (in ₹)		(876.50)	1.51
Diluted (in ₹)		(876.50)	0.93

Notes 1 to 37 form an integral part of the standalone financial statements

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

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

Vijay D. Jain

Vijay D. Jain
Partner
Membership No.: 117961

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 22 June 2020

For and on behalf of the Board of Directors

Arjun Dhawan
Director
DIN No. : 01778379

S. Sridevi

Sridevi Iyengar
Director
DIN No. : 06981630

Ravindra Singh
Company Secretary

Kiran Kakkar
Chief Financial Officer

Place: Mumbai
Date: 19 June 2020

HCC Concessions Limited

HCC Concessions Limited
Standalone Statement of Cash flow for the year ended 31 March 2020
(All amounts are in ₹ lakhs, unless stated otherwise)

	Year ended 31 March 2020	Year ended 31 March 2019
A CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(29,920.61)	490.13
Adjustments for		
Depreciation expenses	13.30	13.16
Finance cost	136.27	15.29
Interest Income	(1,053.45)	(871.43)
Profit on sale of investments (net)	-	(2.95)
Interest on income tax refund	-	(17.53)
Payables for earlier years written back	-	(147.30)
Impairment losses on financial assets	3.85	21.78
Unwinding of financial guarantee	(472.23)	(107.63)
Deemed equity investment	-	(115.11)
Exceptional items	30,766.91	365.20
Receivables written off	-	14.11
Operating loss before working capital changes	**(525.96)**	**(342.28)**
Adjustments for changes in working capital:		
(Increase)/decrease in trade receivables	294.64	(58.80)
(Increase) in other financial assets	(37.70)	(413.07)
(Increase) in other current assets	(16.10)	(3.16)
Increase in other financial liabilities	105.30	435.12
Increase/(decrease) in current provisions	(6.92)	3.84
Increase in non current provisions	12.67	3.76
Increase/(decrease) in trade payable	(20.78)	38.29
Increase/(decrease) in other current liabilities	(16.99)	68.08
Cash generated from/(used in) operations	(211.84)	(268.22)
Direct taxes paid (net of refund)	(195.01)	22.25
Net cash generated from/(used in) operating activities	**(406.85)**	**(245.97)**
B CASH FLOW FROM INVESTING ACTIVITIES:		
Subordinate debt given	-	(1,198.23)
Inter corporate deposits given	(370.00)	-
Refund of intercorporate deposits	-	357.72
Purchase of property and equipment	(0.93)	(0.17)
Proceeds from sale of current investments (net)	-	136.98
Proceeds from sale of non-current investments (Refer note (d) below)	-	148.73
Interest income (Refer note (c) below)	105.60	101.54
Net cash used in investing activities	**(265.33)**	**(453.43)**
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from current borrowings (net) (Refer note (e) below)	713.30	653.74
Finance cost	(9.00)	(4.16)
Finance cost pertaining to borrowings	(27.72)	(51.51)
Net cash generated from financing activities	**676.58**	**598.07**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	4.40	(101.33)
Cash and cash equivalents at the beginning of the financial year	7.42	108.75
Cash and cash equivalents at the end of the year (Refer note 9)	**11.82**	**7.42**
Components of cash and cash equivalents considered only for the purpose of statement of cash flow		
In bank current accounts	11.82	7.42
Balances as per statement of cash flows	**11.82**	**7.42**

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HCC Concessions Limited

HCC Concessions Limited
Standalone Statement of Cash flow for the year ended 31 March 2020
(All amounts are in ₹ lakhs, unless stated otherwise)

Note-
The Statement of Cash flow has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows. Effective 1 April 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. (Refer note 17a)

Significant non cash movements during the year excludes:
(a) Conversion of CCCPS into equity shares amounting to ₹ Nil lakhs (31 March 2019: ₹2,469.98 lakhs)
(b) Transfer of equity shares from Hindustan Construction Company Limited (HCC) (Ultimate holding company) to the Company adjusted against advances paid by the Company to HCC amounting to ₹ 0.01 lakhs (31 March 2019: ₹ 20,022.10 lakhs)
(c) Interest on inter corporate deposit receivable from HCC was adjusted against payables to HCC amounting to ₹ Nil lakhs (31 March 2019: ₹ 265.73 lakhs)
(d) Diminution in realisable value towards sale of equity in Nirmal BOT Company Limited (NBOT) as per the amended Share purchase agreement amounting to ₹ Nil lakhs (31 March 2019: 365.20 lakhs).
(e) Inter Corporate deposit received from HCC Infrastructure Company Limited (HICL) amounting to ₹ 500.00 lakhs (31 March 2019: ₹ Nil).
(f) Subordinate debt given to Badarpur Faridabad Tollways Limited (BFTL) amounting to ₹ 500.00 lakhs (31 March 2019: ₹ Nil).
(g) Deemed equity investment with respect to coporate guarantee in BFTL amounting to ₹ 139.22 lakhs (31 March 2019: ₹ Nil).
(h) Deemed equity investment in BFTL amounting to ₹ 4,720.00 lakhs for payables accounted by the Company towards lenders of BFTL (31 March 2019: ₹ Nil).

Notes 1 to 37 form an integral part of the standalone financial statements

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

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

Vijay D. Jain

Vijay D. Jain
Partner
Membership No.: 117961

WALKER CHANDIOK & Co LLP * CHARTERED ACCOUNTANTS * MUMBAI

Place: Mumbai
Date: 22 June 2020

For and on behalf of the Board of Directors

Arjun Dhawan
Director
DIN No. : 01778379

S. Sridevi

Sridevi Iyengar
Director
DIN No. : 06981630

Ravindra Singh
Company Secretary

Kiran Kakkar
Chief Financial Officer

Place: Mumbai
Date: 19 June 2020

HCC Concessions Limited

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

A) Equity share capital (Refer note 12)

Particulars	Number	₹ lakhs
Equity shares of ₹ 10 each issued, subscribed and paid up		
As at 31 March 2018	3,413,702	341.37
Issue of equity shares	-	-
As at 31 March 2019	3,413,702	341.37
Issue of equity shares	-	-
As at 31 March 2020	3,413,702	341.37

B) Instrument entirely equity in nature (Refer note 13)

Particulars	Number	₹ lakhs
0.001% cumulative compulsory convertible preference shares of ₹ 10 each issued, subscribed and paid up		
As at 31 March 2018	420,253,317	42,025.33
Issue of equity shares	-	-
As at 31 March 2019	420,253,317	42,025.33
Issue of equity shares	-	-
As at 31 March 2020	420,253,317	42,025.33

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

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

C) Other equity

(₹ lakhs)

	Reserve and Surplus		Total equity attributable to equity holders
	Securities premium reserve	Retained earnings	
As at 1 April 2018	66,937.67	(11,934.47)	55,003.20
Profit for the year	-	51.89	51.89
Other comprehensive income for the year	-	3.50	3.50
As at 31 March 2019	66,937.67	(11,879.08)	55,058.59
Loss for the year	-	(29,920.69)	(29,920.69)
Other comprehensive (loss) for the year	-	(5.61)	(5.61)
As at 31 March 2020	66,937.67	(41,805.38)	25,132.29

Nature and purpose of reserves

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

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

Notes 1 to 37 form an integral part of the standalone financial statements

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

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

Vijay D. Jain
Partner
Membership No.: 117961

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 22 June 2020

For and on behalf of the Board of Directors

S. Sridevi

Arjun Dhawan
Director
DIN No.: 01778379

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DIN No.: 06981630

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Company Secretary

Kiran Kakkar
Chief Financial Officer

Place: Mumbai
Date: 19 June 2020

HCC Concessions Limited

1 Corporate information

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

The financial statements of the Company for the year ended 31 March 2020 were authorised for issue in accordance with resolution of the Board of Director on 19 June 2020.

2 Summary of significant accounting policies

(a) Basis of preparation

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

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

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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

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

(b) Accounting estimates

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

Estimates and assumptions

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

Valuation of investment in/ loans to subsidiaries

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

Deferred tax assets

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

Defined benefit plans

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

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HCC Concessions Limited

(c) Property and equipment

Property 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 and equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

(d) Depreciation/ amortisation

The useful lives have been determined based on useful lives of assets as provided in Schedule II of Companies Act, 2013 using Straight Line Method (SLM). The asset's useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.
Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).
On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

The estimated useful lives are as below:

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

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

(e) Financial Instruments

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

i Financial assets

Initial recognition

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

Subsequent measurement

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

Financial assets at amortised cost

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

Financial assets measured at fair value

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

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

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

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HCC Concessions Limited *

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(f) Employee benefits

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

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

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

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

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

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

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HCC Concessions Limited

(i) Borrowing costs

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

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

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

i Initial recognition

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

ii Conversion

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

iii Treatment of exchange difference

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

(k) Revenue recognition

i Project management consultancy and advisory fees

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

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

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

ii Dividend income

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

iii Finance and other income

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

(l) Income tax

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

i Current income tax

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

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HCC Concessions Limited

ii Deferred income tax

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

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

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

(m) Leases

Company as a lessee

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

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

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

(n) Impairment of non-financial assets

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

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

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

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

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

(o) Trade receivables

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

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(p) Trade payables

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

(q) Earnings Per Share

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

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

(r) Provisions, contingent liabilities and contingent assets

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

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

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

(s) Asset classified as held for sale

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

A sale is considered as highly probable when decision has been made to sell, assets are available for immediate sale in its present condition, assets are being actively marketed and sale has been agreed or is expected to be concluded within 12 months of the date of classification.

Non-current assets held for sale are neither depreciated nor amortised.

Assets and liabilities classified as held for sale are measured at the lower of their carrying amount and fair value less cost of sale and are presented separately in the Balance Sheet.

(t) Exceptional items

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

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

Note 3 Property and equipment

Particulars	Leasehold improvements	Computers	Office equipment	Furniture and fixtures	Total
Gross carrying value (at deemed cost)					
As at 1 April 2018	93.06	0.24	3.72	72.92	169.94
Additions	-	-	0.10	0.07	0.17
As at 31 March 2019	93.06	0.24	3.82	72.99	170.11
Additions	-	0.94	-	-	0.94
As at 31 March 2020	93.06	1.18	3.82	72.99	171.05
Accumulated depreciation / amortisation					
As at 1 April 2018	93.06	0.24	3.64	39.28	136.22
Charge for the year	-	-	0.08	13.08	13.16
As at 31 March 2019	93.06	0.24	3.72	52.36	149.38
Charge for the year	-	0.13	0.04	13.13	13.30
As at 31 March 2020	93.06	0.37	3.76	65.49	162.68
Net carrying value					
As at 31 March 2019	-	-	0.10	20.63	20.73
As at 31 March 2020	-	0.81	0.06	7.50	8.37

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

	As at 31 March 2020	As at 31 March 2019
4 Investments in subsidiaries		
Non-current		
Investments valued at deemed cost		
In subsidiary companies (Refer note 4.1 below)	7,204.99	17,004.99
Investments in other instruments		
In subsidiary companies (Refer note 4.1 below)	31,205.31	45,995.15
Total non-current investments	38,410.30	63,000.14

4.1 Detailed list of investments in subsidiary companies

I. Investments valued at deemed cost		
(Face value of ₹ 10 each, unless otherwise stated, fully paid up)		
In subsidiary companies (unquoted)		
Badarpur Faridabad Tollway Limited [Refer note e (i) below]	9,800.00	9,800.00
98,000,000 (31 March 2019 - 98,000,000) equity shares		
Less: Written off during the year (Refer note 25)	(9,800.00)	-
Baharampore Farakka -Highways Limited	4,499.99	4,499.99
44,999,900 (31 March 2019 - 44,999,900) equity shares		
Farakka- Raiganj Highways Limited [Refer note 6(a)]	25,022.09	25,022.09
250,221,000 (31 March 2019 - 250,220,900) equity shares		
Add: 100 shares (31 March 2019 - Nil) acquired from Ultimate holding company (Refer note (f) below)	0.01	-
Less: Assets classified as held for sale (Refer note 11)	(25,022.10)	(25,022.09)
Raiganj- Dalkhola Highways Limited [Refer note e (iii) below]	2,700.00	2,700.00
27,000,000 (31 March 2019 - 27,000,000) equity shares		
Narmada Bridge Tollway Limited [Refer note e (ii) below]	5.00	5.00
50,000 (31 March 2019 - 50,000) equity shares		
Total investments valued at deemed cost	7,204.99	17,004.99
II. Investments in other instruments		
Deemed Investment in subsidiary companies (unquoted)		
Corporate guarantees		
Baharampore-Farakka Highways Limited	550.01	550.01
Farakka Raiganj Highways Limited	756.41	756.41
Less: Assets classified as held for sale (Refer note 11)	(756.41)	(756.41)
Badarpur Faridabad Tollway Limited	1,255.66	1,140.45
Add: Additions during the year (Refer notes (e) (i) below and 28)	139.22	115.21
Less: Written off during the year (Refer note 25)	(1,394.88)	-
Equity component in cumulative convertible preference shares:		
(Face value of ₹ 10 each, unless otherwise stated, fully paid up)		
Baharampore-Farakka Highways Limited	17,225.30	17,225.30
172,253,000 (31 March 2019 - 172,253,000) 9% cumulative convertible preference shares		
Raiganj-Dalkhola Highways Limited [Refer note e (iii) below]	10,715.00	10,715.00
107,150,000 (31 March 2019 - 107,150,000) 9% cumulative convertible preference shares		
Equity component in subordinate debt		
Badarpur Faridabad Tollway Limited	13,534.18	13,534.18
Add: Additions during the year (Refer notes (e) (i) below and 28)	5,220.00	-
Less: Written off during the year (Refer note 25)	(18,754.18)	-
Narmada Bridge Tollway Limited [Refer note e (ii) below]	2,715.00	2,715.00
Total investments in other instruments	31,205.31	45,995.15
Total investments in subsidiary companies (I+II)	38,410.30	63,000.14

Notes:

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

Name	No of equity shares pledged 31 March 2020	31 March 2019
Badarpur Faridabad Tollway Limited	49,000,000	49,000,000
Baharampore -Farakka Highways Limited	27,556,771	27,556,771
Farakka- Raiganj Highways Limited	141,204,859	141,204,859
Raiganj- Dalkhola Highways Limited	15,300,000	7,956,000

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

	No of preference shares pledged	
Name	31 March 2020	31 March 2019
Baharampore -Farakka Highways Limited	35,988,008	35,988,008

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

	No of shares	
Name	31 March 2020	31 March 2019
Badarpur Faridabad Tollway Limited	49,000,000	49,000,000
Baharampore -Farakka Highways Limited	63,544,779	63,544,779
Farakka- Raiganj Highways Limited	141,204,859	141,204,859
Raiganj- Dalkhola Highways Limited	15,300,000	7,956,000

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

	As at 31 March 2020	As at 31 March 2019
Details:		
(i) Market value of investments - unquoted	-	-
(ii) Carrying value of investments - unquoted	38,410.30	63,000.14
(iii) Investments carried at deemed cost	38,410.30	63,000.14
(iv) Impairment of investments	-	-

(e) **Disclosures pertaining to non current investments**

(i) Badarpur Faridabad Tollway Limited
During the current year, subsidiary of the Company, Badarpur Faridabad Tollways Limited (BFTL), has entered into a settlement agreement with National Highways Authority of India (NHAI) on 26 March 2020 by approaching the Conciliation Committee of Independent Experts ("CCIE-2") for a sum of ₹ 30,044.00 lakhs as full and final settlement against all claims and counterclaims related to the Project.

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

Thus, considering the above developments during the current year, the Company expects no return from its investment in BFTL and believes that the Company's exposure in BFTL should be written off entirely. The exposure as at 31 March 2020 includes non-current investments aggregating ₹ 29,949.06 lakhs (31 March 2019: ₹ 24,589.84 lakhs) and other non-current financial assets ₹ 96.25 lakhs (31 March 2019: ₹ 73.96 lakhs) in BFTL. The Company has also furnished corporate guarantee amounting to ₹ 46,764.16 lakhs (31 March 2019 ₹ 61,704.21 lakhs) to the lenders of BFTL, will continue in the books of the Company, considering the default event specified in the settlement agreement, wherein upon the event of default the lenders shall be entitled to continue with the Original application before the Hon'ble Tribunal and also enforce recovery order against the guarantor i.e. the Company.

(ii) Narmada Bridge Tollway Limited
The Company, as at 31 March 2020, has non-current investments aggregating ₹ 2,720 lakhs (31 March 2019: ₹ 2,720 lakhs) and other non-current financial assets ₹ 152.26 lakhs (31 March 2019 ₹ 873.70 lakhs) in its subsidiary, Narmada Bridge Tollways Limited (NBTL). In accordance with the terms of the Memorandum of Understanding (MOU) with NHAI dated 17 March 2013, the Concession Agreement dated 23 July 2012 entered between NBTL and NHAI stands foreclosed with mutual consent. NBTL has received an arbitration award of ₹ 3,919.00 lakhs in its favour on 3 September 2018 against the claims filed by them along with a right to receive interest @18% per annum till the date of actual payment of the awarded amount. NHAI has further challenged this award in the High Court post depositing 75% of the awarded amount on 5 April 2019 as per the provisions of the Arbitration Act.

On 4 March 2020, NBTL, has entered into a settlement agreement with NHAI under the provisions of Section 73 of the Arbitration and Conciliation Act 1996, as amended by the Amendment Act, 2015 (3 of 2016) by approaching the Conciliation Committee of Independent Experts ("CCIE-2") for an amount of ₹ 3,000 lakhs as full and final settlement against all claims and counterclaims related to the Project. In view of this, Management of the Company is confident of recovering the amount from NHAI and exposure of the Company in NBTL is considered to be fully recoverable.

(iii) Raiganj Dalkhola Highways Limited
The Company, as at 31 March 2020, has a non-current investments aggregating ₹ 13,415.00 lakhs (31 March 2019: ₹ 13,415.00 lakhs) and other non-current financial assets amounting to ₹ 290.87 lakhs (31 March 2019: ₹ 189.59 lakhs) in its subsidiary, Raiganj Dalkhola Highways Limited (RDHL). RDHL has received a notice from NHAI for termination of the road construction project being carried out under this entity. RDHL has not accepted the contention of NHAI as the requisite land to carry out the desired work was not made available by NHAI. RDHL has preferred a claim of ₹ 36,800 lakhs before arbitration tribunal for wrongful termination of the project by NHAI and based on legal advise it is confident of recovering entire cost incurred on the project. Further, RDHL has also filed claims amounting to ₹ 80,200 lakhs towards losses suffered by it till 31 March 2017 on account of delay in providing land and consequent delay in completion of the project which are presently referred to arbitration for which constitution of Arbitral Tribunal to adjudicate this dispute is awaited. Further the net worth of RDHL, at this juncture, is also positive. Based on the legal advice obtained in this respect, Management of the Company is confident of recovering the amount from NHAI and exposure of the Company in RDHL is considered to be fully recoverable.

(f) During the current year, the Company has acquired 100 shares from Hindustan Construction Company (HCC) against the advances given for a sum of ₹1,000.

(g) The increase in corporate guarantee is on account of increase in total debt outstanding of the subsidiary for which the Company has given guarantee in accordance with the requirements of Ind AS 109 and Ind AS Technical Facilitation Group (ITFG) bulletin number 16, issued by the Institute of Chartered Accountants of India (ICAI).

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

	As at 31 March 2020	As at 31 March 2019
5 Loans		
Non current		
Loans (Refer note below and 28)	7,499.23	7,129.23
Total non-current loans	7,499.23	7,129.23
Break up of security details		
Loans, considered good - secured	-	-
Loans, considered good - unsecured	7,499.23	7,129.23
Loans which have significant increase in credit risk	-	-
Loans- credit impaired	-	-
Total	7,499.23	7,129.23
Loss allowance	-	-
Total loans	7,499.23	7,129.23

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

Nature and purpose of non current loans

Name of Company	Nature and interest rate	Purpose	Repayment	As at 31 March 2020	As at 31 March 2019
Farakka Raiganj Highways Limited	Subordinate Loan@10.75% p.a.	Promoter's contribution for project finance	To be repaid after restricted payment clause satisfied and Debt Equity ratio maintained	7,331.23	6,961.23
Baharampore Farakka Highways Limited	Subordinate Loan @9.75% p.a.	Promoter's contribution for project finance	To be repaid after restricted payment clause satisfied and Debt Equity ratio maintained	168.00	168.00
Total				7,499.23	7,129.23

	As at 31 March 2020	As at 31 March 2019
6 Other financial asset		
Non current		
Interest on loans given to related parties [Refer notes below, 4 (e) (i) and (ii) and 28]	3,695.44	2,747.61
Less: Written off during the year (Refer note 25)	(483.21)	-
Advance towards purchase of investments [Refer notes (a) below and 28]	300.01	300.03
Receivables from related parties [Refer notes below, 4 (e) (i) and (ii) and 28]	561.69	523.98
Less: Written off during the year (Refer note 25)	(334.64)	-
Other receivables	711.04	711.04
Less : Loss allowance (Refer note 24)	(21.78)	(21.78)
Total non current financial assets	4,428.55	4,260.88
Current		
Other receivables	3.85	3.85
Less : Loss allowance (Refer note 24)	(3.85)	-
Total current financial assets	-	3.85
Total financial assets	4,428.55	4,264.73
Break up of security details		
I. Interest on inter corporate deposits given to related parties		
Interest receivable, considered good - secured	-	-
Interest receivable, considered good - unsecured	3,212.23	2,747.61
Interest receivable which have significant increase in credit risk	-	-
Interest receivable- credit impaired	-	-
Total	3,212.23	2,747.61
Loss allowance	-	-
Total interest receivables from related parties	3,212.23	2,747.61
II. Receivables from related parties		
Receivables, considered good - secured	-	-
Receivables, considered good - unsecured	227.05	523.98
Receivables which have significant increase in credit risk	-	-
Receivables- credit impaired	-	-
Total	227.05	523.98
Loss allowance	-	-
Total receivables from related parties	227.05	523.98

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	As at 31 March 2020	As at 31 March 2019
III. Other receivables		
Receivables, considered good - secured	-	-
Receivables, considered good - unsecured	689.26	689.26
Receivables which have significant increase in credit risk	-	-
Receivables- credit impaired	21.78	21.78
Total	711.04	711.04
Loss allowance	(21.78)	(21.78)
Total receivables	689.26	689.26

(a) Note

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

HCC has given inter alia an undertaking in respect of investment in Baharampore - Farakka Highways Limited, Farakka -Raiganj Highways Limited, Dhule Palesner Tollways Limited and Raiganj - Dalkhola Highways Limited to National Highways Authority of India (NHAI) that it will not transfer its shareholding till the commercial operation date. The Company has entered into purchase agreement with HCC to purchase these shares at book value at future dates on fulfillment of that obligation as per undertaking given to NHAI. The Company has paid full consideration of ₹ 300.01 lakhs (31 March 2019: ₹ 300.03 lakhs) for transfer of the above shares at book value from HCC, subject to necessary approvals and consents to the extent required in the following BOT subsidiary's :-

Name of BOT subsidiary	As at 31 March 2020		As at 31 March 2019	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
Baharampore -Farakka Highways Limited	100	0.01	100	0.01
Farakka -Raiganj Highways Limited	-	-	100	0.01
Raiganj-Dalkhola Highways Limited*	3,000,000	300.00	3,000,000	300.00
Dhule Palesner Tollway Limited	-	-	100	0.01
Total	3,000,100	300.01	3,000,300	300.03

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

	31 March 2020	31 March 2019
7 Income tax assets (net)		
Advance tax [Net of provision of ₹ 436.33 lakhs (31 March 2019 ₹ 440.97 lakhs)]	765.15	570.22
Total income tax assets (net)	765.15	570.22
I Income tax expense in the statement of profit and loss comprises :		
Current income tax	0.08	88.09
Tax pertaining to previous year	-	94.72
Income tax expenses (net)	0.08	182.81

	As at 31 March 2020	As at 31 March 2019
II The following table provides the details of income tax assets and liabilities as at 31 March 2020 and 31 March 2019:		
Net current income tax asset at the beginning	570.22	757.75
Tax deducted at source	195.01	(4.72)
Current income tax expense	(0.08)	(182.81)
Net current income tax asset at the closing	765.15	570.22

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

Profit before income tax	(29,920.61)	490.13
Applicable income tax rate [(New tax regime / MAT rate), also refer note below]	25.17%	20.59%
Computed expected tax expense	-	100.90
Difference in mat tax rate & normal tax rate	-	-
Effect of income not considered for tax purpose	0.08	(12.81)
Income tax charged to the statement of profit and loss pertaining to earlier years	-	94.72
Income tax charged to the statement of profit and loss	0.08	182.81

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

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Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020

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

	As at 31 March 2020	As at 31 March 2019
8 Trade receivables		
Receivables from related parties (Refer note 28)	78.58	373.22
Less: loss allowance	-	-
Total trade receivables	78.58	373.22
Break up of security details		
Trade receivables, considered good - secured	-	-
Trade receivables, considered good - unsecured	78.58	373.22
Trade receivables which have significant increase in credit risk	-	-
Trade receivables- credit impaired	-	-
Total	78.58	373.22
Loss allowance	-	-
Total trade receivables	78.58	373.22

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

	As at 31 March 2020	As at 31 March 2019
9 Cash and cash equivalents		
Balances with banks		
In current accounts	11.82	7.42
Total cash and cash equivalents	11.82	7.42
10 Other current assets		
Current		
Advances to suppliers	6.36	1.06
Advances to employees	1.36	0.45
Balance with government authorities	16.87	12.07
Prepaid expenses	6.20	1.11
Total current assets	30.79	14.69
11 Assets classified as held for sale		
(Face value of ₹ 10 each, unless otherwise stated, fully paid up)		
I. Deemed Investment in subsidiary companies (unquoted)		
In subsidiary company (unquoted) *		
Farakka- Raiganj Highways Limited	25,022.10	25,022.09
250,221,000 (31 March 2019: 250,220,900) equity shares		
Total	25,022.10	25,022.09
II. Investments in other instruments		
Investment carried at deemed cost in subsidiary companies (unquoted)*		
Corporate guarantee given to Farakka- Raiganj Highways Limited	756.41	756.41
Total	756.41	756.41
Total assets held for sale	25,778.51	25,778.50

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

The buyer has extended the long stop date with regard to satisfaction of the condition precedents (CP) until 31 July 2020, subject to fulfilment of conditions communicated to the management, before 30 June 2020.

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	As at 31 March 2020	As at 31 March 2019
12 Equity share capital		
Authorised share capital		
200,000,000 (31 March 2019: 200,000,000) equity shares of ₹10 each	20,000.00	20,000.00
1,200,000,000 (31 March 2019: 1,200,000,000) 0.001% compulsorily convertible cumulative preference shares of ₹10 each	120,000.00	120,000.00
Total authorised share capital	**140,000.00**	**140,000.00**
Issued, subscribed and paid up share capital:		
Equity share capital		
3,413,702 (31 March 2019: 3,413,702) equity shares of ₹10 each	341.37	341.37
Instruments entirely equity in nature		
420,253,317 (31 March 2019: 420,253,317) 0.001% compulsorily convertible cumulative preference shares of ₹10 each (Refer note 13)	42,025.33	42,025.33
Total issued, subscribed and paid up share capital	**42,366.70**	**42,366.70**

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

	As at 31 March 2020		As at 31 March 2019	
	No of shares	₹ In lakhs	No of shares	₹ In lakhs
At the beginning of the year	**3,413,702**	**341.37**	**3,413,702**	**341.37**
Issued during the year	-	-	-	-
At the end of the year	**3,413,702**	**341.37**	**3,413,702**	**341.37**

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

	As at 31 March 2020		As at 31 March 2019	
	No of shares	% holding	No of shares	% holding
Equity shares of ₹ 10 each fully paid				
Promoter				
HCC Infrastructure Company Limited	2,917,091	85.45%	2,917,091	85.45%
Non-promoter				
Xander Investment Holding XXVI Limited	496,551	14.55%	496,551	14.55%

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

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

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

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

d) Rights and restriction attached to equity shareholders:
The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. During the year ended 31 March 2020, the amount of per share dividend recognized as distributions to equity shareholders was ₹ Nil (31 March 2019: ₹. Nil). In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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HCC Concessions Limited *

13 **Compulsorily convertible cumulative preference shares (CCCPS)**

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

	As at 31 March 2020		As at 31 March 2019	
	No of shares	₹ lakhs	No of shares	₹ lakhs
At the beginning of the year	420,253,317	42,025.33	420,253,317	42,025.33
Shares issued during the year	-	-	-	-
Total	**420,253,317**	**42,025.33**	**420,253,317**	**42,025.33**

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

	As at 31 March 2020		As at 31 March 2019	
	No of shares	%holding	No of shares	%holding
HCC Infrastructure Company Limited	285,985,361	68.05%	285,985,361	68.05%
Xander Investment Holding XXVI Limited	134,267,956	31.95%	134,267,956	31.95%
Total	**420,253,317**	**100.00%**	**420,253,317**	**100.00%**

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

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

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

(c) Each 200 CCCPS shall be converted into 1 equity share, subject to adjustments as defined under consolidation condition.
In the event of liquidation of the Company before conversion of this CCCPS, the holders will have priority over equity shares in the payment of dividend and repayment of capital.

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

		As at 31 March 2020	As at 31 March 2019
14	**Other financial liabilities**		
	Non-current		
	Financial guarantee (Refer note 28)	1,368.02	1,679.98
	Total non-current financial liabilities	**1,368.02**	**1,679.98**
	Current		
	Interest accrued and due on inter-corporate deposits (Refer note 28)	559.88	460.33
	Financial guarantee (Refer note 28)	185.37	206.41
	Retention deposit	24.48	24.48
	Payables to related party (Refer note 28)	148.76	21.86
	Employee related payables	125.00	145.04
	Payable towards lenders of subsidiary company [Refer note 4 (e)(i)]	4,720.00	-
	Other payables	321.74	323.32
	Total current financial liabilities	**6,085.23**	**1,181.44**
	Total financial liabilities	**7,453.25**	**2,861.42**

		As at 31 March 2020	As at 31 March 2019
15	**Provisions**		
	Non-current		
	Provision for employee benefits (Refer note 32)		
	- Gratuity	56.75	44.08
	Total non-current provisions	**56.75**	**44.08**
	Current		
	Provision for employee benefits (Refer note 32)		
	- Gratuity	1.86	1.09
	- Leave entitlement and Compensated absences	42.14	44.22
	Total current provisions	**44.00**	**45.31**
	Total provisions	**100.75**	**89.39**

		As at 31 March 2020	As at 31 March 2019
16	**Current borrowings (Unsecured)**		
	Inter corporate deposit from related party (Refer note 28)*	1,867.04	653.74
	Total current borrowings	**1,867.04**	**653.74**

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

		As at 31 March 2020	As at 31 March 2019
17	**Trade payables**		
	Current		
	i) total outstanding dues of micro and small enterprises (Refer note below)	13.36	36.84
	ii) total outstanding dues other than (i) above	11.20	8.50
	Total trade payables	**24.56**	**45.34**

Outstanding dues to Micro and Small Enterprises:

The Company has amount due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as at 31 March 2020. The disclosure pursuant to the said Act is as under:

(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	12.52	36.38
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.46	-
(iii) The amount of interest due and payable for the year	0.38	0.46
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year	0.84	0.46
(v) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

The figures for the year ending 31 March 2020 have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

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

17 (a) Net debt reconciliation

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Cash and cash equivalents	11.82	7.42	108.75
Liquid investments	-	-	134.03
Current borrowings (including other financial liabilities)	(2,426.92)	(1,114.07)	(500.71)
Net debt	**(2,415.10)**	**(1,106.65)**	**(257.93)**

Particulars	Other assets		Liabilities from financing activities	
	Cash and cash equivalents	Liquid investments	Current borrowings	Total
Net debt as at 31 March 2018	108.75	134.03	(500.71)	(257.93)
Cash flows	(101.33)	2.95	(653.74)	(752.12)
Profit on sale of investments (net)	-	(136.98)	-	(136.98)
Interest expense	-	-	(11.13)	(11.13)
Interest paid	-	-	51.51	51.51
Net debt as at 31 March 2019	**7.42**	-	**(1,114.07)**	**(1,106.65)**
Net debt as at 31 March 2019	7.42	-	(1,114.07)	(1,106.65)
Cash flows	4.40	-	(713.30)	(708.90)
Interest expense	-	-	(127.27)	(127.27)
Non-cash movement	-	-	(500.00)	(500.00)
Interest paid	-	-	27.72	27.72
Net debt as at 31 March 2020	**11.82**	-	**(2,426.92)**	**(2,415.10)**

	As at 31 March 2020	As at 31 March 2019
18 Other current liabilities		
Statutory dues	66.71	83.70
Total other current liabilities	**66.71**	**83.70**

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HCC Concessions Limited ★

		Year ended 31 March 2020	Year ended 31 March 2019
19	**Revenue from operations**		
	Management fees (Refer note 28)	360.00	540.00
	Total revenue from operations	**360.00**	**540.00**
20	**Other income**		
	Interest income on		
	- loans given to related party (Refer note 28)	1,053.14	870.54
	- receivable from stake sale of Nirmal BOT Limited	-	198.96
	- unwinding of financial guarantee (Refer note 28)	472.23	107.63
	- income tax refund	-	17.53
	Others		
	-payables for earlier years written back	-	147.30
	-gain on sale of current investments (net)	-	2.95
	- others	0.31	0.89
	Total other income	**1,525.68**	**1,345.80**
21	**Employee benefits expense**		
	Salaries and wages (Refer note 32)	503.95	559.74
	Contribution to provident funds and other funds (Refer note 32B)	27.45	25.22
	Staff welfare expenses	4.18	3.34
	Total employee benefits	**535.58**	**588.30**
22	**Finance costs**		
	Interest on loans from related party (Refer note 28)	127.27	11.13
	Interest on delayed payment of statutory dues	9.00	4.16
	Total finance cost	**136.27**	**15.29**
23	**Depreciation and amortisation expense**		
	Depreciation and amortisation on property and equipment (Refer note 3)	13.30	13.16
	Total depreciation and amortisation expense	**13.30**	**13.16**
24	**Other expenses**		
	Travelling	50.88	37.82
	Director sitting fees (Refer note 28)	1.20	0.90
	Postage, telephone and fax	0.73	1.85
	Rates and taxes	0.55	0.59
	Legal and professional	178.09	211.74
	Security	8.63	11.35
	Entertainment	-	0.39
	Insurance	5.81	4.05
	Stationary and printing	2.91	7.82
	Rent* (Refer note 28)	54.00	54.00
	Repairs and maintenance	0.14	2.96
	Housekeeping and maintenance	24.87	31.79
	Receivables written off	-	14.11
	Loss allowance on financial assets (Refer note 6)	3.85	21.78
	Payment to auditors (excluding GST)		
	-Statutory audit	8.50	8.50
	-Limited review	4.50	-
	-Others	2.87	0.40
	Miscellaneous	6.70	3.67
	Total other expenses	**354.23**	**413.72**

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

The Company has entered into operating lease agreements for office facility and such lease is basically cancellable in nature. Lease rent expense recognised in the Statement of profit and loss for the period ended 31 March 2020 in respect of operating lease is ₹ 54.00 lakhs (31 March 2019: ₹ 54.00 lakhs).

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

Breakdown of lease expenses	Year ended 31 March 2020	Year ended 31 March 2019
Short-term lease expense	54.00	54.00
Total lease expense	**54.00**	**54.00**

25	**Exceptional Items**		
	Receivable towards stake sale of Nirmal BOT Limited written off	-	365.20
	Investment-equity component in sub-ordinate debt written off (Refer note 28)	18,754.18	-
	Investment in subsidiary written off (Refer note 28)	9,800.00	-
	Deemed investment - corporate guarantee written off (Refer note 28)	1,394.88	-
	Financial assets written off (Refer note 28)	817.85	-
	Total exceptional items	**30,766.91**	**365.20**

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26 Contingent liabilities and commitments

(A) Contingent liabilities	As at 31 March 2020	As at 31 March 2019
(i) Corporate guarantees given on behalf of subsidiary companies [Refer notes (a) below, 4 (e) (i) and 28]	90,438.16	105,378.21
(ii) Income tax liability that may arise in respect of matters which is in appeal	893.58	890.54
(iii) Claims not acknowledged as debts by the Company	-	712.07
(iii) Service tax and MVAT litigation pending with department	-	9.84
(iv) The Company has not made provision for cumulative dividend payable excluding dividend distribution tax, towards 0.001% cumulative convertible preference shares, in absence of distributable profits.	3.57	3.15

(v) 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.

(a) Corporate guarantee includes ₹ 46,764.16 lakhs (31 March 2019: ₹ 61,700.00 lakhs) furnished by the Company in respect of loans of its subsidiary, Badarpur Faridabad Tollways Limited (BFTL). Settlement agreement has been signed by the Company, BFTL and BFTL Lenders on 19 March 2020, wherein, outstanding loan and interest payable has been settled for an amount of ₹ 34,764.00 lakhs. A joint application was filed in Delhi Debt Recovery Tribunal II (DRT) on 20 March 2020 for allowing completion of stake sale transaction. DRT has modified earlier order allowing completion of stake sale transaction on 20 March 2020.

Further, BFTL has signed a full and final settlement agreement with NHAI on 26 March 2020 for payment of ₹ 30,241.00 lakhs. Subsequently, NHAI has released 75% of settlement amount to the tune of ₹ 21,893.00 lakhs (net of tax deducted at source) on 30 March 2020; and balance 25% of the amount was agreed to be released post withdrawal of all the cases by BFTL against NHAI in High court. Post payment of settlement amount of ₹ 34,764.00 lakhs to the lenders, the DRT matter will be completely withdrawn and corporate guarantee will be released. BFTL lenders have already been paid an amount of ₹ 21,893.00 lakhs (net of tax deducted at source) and the balance amount of ₹ 12,871.00 lakhs has been agreed to pay on or before 31 March 2020(*). Also, it was agreed that ₹ 4,720 lakhs would be paid through proceeds from stake sale of the Company's other subsidiary, Farakka Raiganj Highways Limited (FRHL) and the balance amount would be paid out of the remaining NHAI Settlement amount to be received.

(*) Due to nationwide lockdown on account of Covid 19, completion of all the proceedings was not possible immediately and hence the Company had requested all the lenders to approve extension of time for complete settlement for a period of 3 months i.e. untill 30 June 2020, as a matter of abundant caution. All the lenders had agreed to seek further approvals from sanctioning authority for revised timeline in view of the current scenario.

27 Earnings per share:

		Year ended 31 March 2020	Year ended 31 March 2019
A. (Loss) / Profit computation for basic earnings per share of ₹ 10 each			
(Loss) / Profit as per the statement of profit and loss available for equity shareholders	(₹ lakhs)	(29,920.69)	51.89
B. Less: Preference dividend on cumulative preference shares including distribution tax		(0.42)	(0.42)
(Loss) / Profit after preference dividend as stated above	(₹ lakhs)	(29,921.11)	51.47
C. Weighted average number of equity shares for basic earning per share computation	(Nos.)	3,413,702	3,413,702
D. (Loss) / Profit per share - basic	(₹)	(876.50)	1.51
E. Weighted average number of equity shares for diluted earning per share computation(*)	(Nos.)	5,514,969	5,514,969
F. (Loss) / Profit per share - diluted(*)	(₹)	(876.50)	0.93

(*) Also refer note 13(iii) for conversion terms related to CCCPS

Note:
Since the conversion of preference shares to equity shares would decrease loss per share from continuing ordinary activities in the current year, hence these potential equity shares are considered anti-dilutive and the effect of anti-dilutive potential equity shares are ignored.

28 Disclosure in accordance with Ind AS 24 Related Party Transactions

I) Names of related parties and nature of relationship

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

	Country of incorporation	Company's holding as at (%) As at 31 March 2020	As at 31 March 2019
B) Joint ventures			
HCC Infrastructure Company Limited	India	85.45%	85.45%
Xander Investment Holding XXVI Limited	India	14.55%	14.55%
C) Subsidiaries			
Baharampore Farakka Highways Limited	India	100.00%	100.00%
Farakka Raiganj Highways Limited	India	100.00%	100.00%
Badarpur Faridabad Tollways Limited	India	100.00%	100.00%
Raiganj Dalkhola Highways Limited	India	90.00%	90.00%
Narmada Bridge Tollway Limited	India	100.00%	100.00%

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

E) Key Management Personnel

Mr. Arjun Dhawan	Director
Ms. Sridevi Iyengar Ramanujam	Director
Mr. Kishore Venkata Ramana Repaka	Director
Mr. Ashok Gupta	Nominee Director
Mr. Manish Kumar Khanna	Independent Director
Mr. Rahul Shukla	Manager
Mr. Ravindra Singh	Company Secretary
Mr. Kiran Kakkar	Chief Financial Officer

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

II) Transactions with related parties :

Nature of Transactions	Relationship	Year ended 31 March 2020	Year ended 31 March 2019
Services rendered - management fees		**360.00**	**540.00**
Baharampore-Farakka Highways Limited	Subsidiary	360.00	360.00
Farakka-Raiganj Highways Limited	Subsidiary	-	180.00
Services received		**54.00**	**54.00**
Hindustan Construction Company Limited	Ultimate Holding company	54.00	54.00
Expenditure incurred on behalf of related parties		**157.93**	**138.51**
Hindustan Construction Company Limited	Ultimate Holding company	-	0.66
HCC Infrastructure Company Limited	Holding company	6.18	14.41
Baharampore-Farakka Highways Limited	Subsidiary	5.99	5.74
Farakka-Raiganj Highways Limited	Subsidiary	6.04	0.27
Raiganj-Dalkhola Highways Limited	Subsidiary	101.28	63.09
Badarpur Faridabad Tollways Limited.	Subsidiary	22.29	41.91
Narmada Bridge Tollways Limited	Subsidiary	0.16	-
HCC Energy Limited	Fellow Subsidiary	7.38	0.83
HCC Power Limited	Fellow Subsidiary	0.35	0.19
HCC Operations and Maintenance Limited	Fellow Subsidiary	8.10	0.31
Dhule Palesner Operations & Maintenance Limited	Fellow Subsidiary	0.16	11.10
Expenditure incurred on behalf of the Company		**62.07**	**14.71**
Hindustan Construction Company Limited	Ultimate Holding company	7.75	-
Baharampore-Farakka Highways Limited	Subsidiary	36.26	-
HCC Infrastructure Company Limited	Holding company	0.10	-
Narmada Bridge Tollways Limited	Subsidiary	-	14.71
HCC Operations and Maintenance Limited	Fellow Subsidiary	17.96	-
Payables for earlier years written back		**-**	**100.54**
HCC Aviation Limited	Fellow Subsidiary	-	100.54
Director Sitting Fees		**1.20**	**0.90**
Manish Khanna	Director	1.20	0.90
Remuneration to KMP		**142.17**	**128.70**
Ravindra Singh	Company Secretary	106.11	97.61
Kiran Kakkar	Chief Financial Officer	36.06	31.09
Interest income on loans* given		**1,053.14**	**870.54**
Hindustan Construction Company Limited	Ultimate Holding company	-	7.38
HCC Infrastructure Company Limited	Holding company	-	33.08
Baharampore Farakka Highways Limited	Subsidiary	17.11	0.09
Farakka-Raiganj Highways Limited	Subsidiary	1,036.03	829.99
Unwinding of financial guarantee		**472.23**	**107.63**
Baharampore-Farakka Highways Limited	Subsidiary	35.91	35.83
Farakka-Raiganj Highways Limited	Subsidiary	49.38	49.28
Badarpur Faridabad Tollway Limited	Subsidiary	386.94	22.52
Conversion of cumulative convertible preference shares		**-**	**20,022.10**
Farakka-Raiganj Highways Limited	Subsidiary	-	20,022.10
Acquisition of additional shares in subsidiaries		**0.01**	**2,469.98**
Farakka-Raiganj Highways Limited	Subsidiary	0.01	1,299.99
Baharampore-Farakka Highways Limited	Subsidiary	-	1,169.99
Decrease in advance given against acquisition of equity shares		**0.02**	**2,469.98**
Hindustan Construction Company Limited	Ultimate Holding company	0.02	2,469.98
Equity component in subordinate debt		**5,220.00**	**-**
Badarpur Faridabad Tollway Limited	Subsidiary	5,220.00	-
Deemed equity investment towards corporate guarantee		**139.22**	**115.11**
Badarpur Faridabad Tollway Limited	Subsidiary	139.22	115.11
Investment of Subsidiaries written off		**29,949.06**	**-**
Badarpur Faridabad Tollway Limited	Subsidiary		
- Investment-equity component in sub-ordinate debt written off		18,754.18	-
- Investment in subsidiary written off		9,800.00	-
- Deemed investment - corporate guarantee written off		1,394.88	-
Financial assets written off		**817.85**	
- Other receivables		**334.64**	-
Badarpur Faridabad Tollway Limited	Subsidiary	96.25	-
Narmada Bridge Tollway Limited	Subsidiary	238.39	-
- Interest receivables		**483.21**	-
Narmada Bridge Tollway Limited	Subsidiary	483.21	-

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

ii) Transactions with related parties :

Nature of Transactions	Relationship	Year ended 31 March 2020	Year ended 31 March 2019
Interest expenses on inter corporate deposit		**127.27**	**11.13**
HCC Infrastructure Company Limited	Holding company	127.27	11.13
Inter corporate deposit taken		**1,213.30**	**653.74**
HCC Infrastructure Company Limited	Holding company	1,213.30	653.74
Loans given (*)		**370.00**	**1,298.23**
HCC Infrastructure Company Limited	Holding company	-	100.00
Farakka-Raiganj Highways Limited	Subsidiary	370.00	1,030.23
Baharampore-Farakka Highways Limited	Subsidiary	-	168.00
Repayment of loans given (*)		-	**457.72**
Hindustan Construction Company Limited	Ultimate Holding company	-	57.72
HCC Infrastructure Company Limited	Holding company	-	400.00

(*) Loans refer to inter corporate deposits and subordinate loans

iii) Outstanding as at year end :

	Relationship	As at 31 March 2020	As at 31 March 2019
Other payables		**148.76**	**21.86**
Hindustan Construction Company Limited	Ultimate Holding company	91.20	20.05
HCC Infrastructure Company Limited	Holding company	14.78	-
Farakka-Raiganj Highways Limited	Subsidiary	32.79	-
HCC Power Limited	Fellow subsidiary	-	1.81
HCC Operations and Maintenance Limited	Fellow subsidiary	9.99	-
Trade receivables		**78.58**	**373.21**
Baharampore-Farakka Highways Limited	Subsidiary	78.58	206.51
Farakka-Raiganj Highways Limited	Subsidiary	-	166.70
Other receivables		**227.05**	**523.98**
HCC Infrastructure Company Limited	Holding company	-	16.22
Badarpur Faridabad Tollway Limited	Subsidiary	-	73.96
Baharampore-Farakka Highways Limited	Subsidiary	-	39.31
Farakka-Raiganj Highways Limited	Subsidiary	-	30.50
Raiganj-Dalkhola Highways Limited	Subsidiary	227.04	125.76
Narmada Bridge Tollway Limited	Subsidiary	-	238.23
HCC Power Limited	Fellow subsidiary	0.01	-
Subordinate loans given		**7,499.23**	**7,129.23**
Baharampore Farakka Highways Limited	Subsidiary	168.00	168.00
Farakka-Raiganj Highways Limited	Subsidiary	7,331.23	6,961.23
Equity component in subordinate debt		**2,715.00**	**16,249.18**
Badarpur Faridabad Tollway Limited	Subsidiary	-	13,534.18
Narmada Bridge Tollway Limited	Subsidiary	2,715.00	2,715.00
Equity component in subordinate debt written off during the year		**18,754.18**	-
Badarpur Faridabad Tollway Limited	Subsidiary	18,754.18	-
Advances given towards acquisition of additional shares in subsidiary		**300.01**	**300.03**
Hindustan Construction Company Limited	Ultimate Holding company	300.01	300.03
Interest accrued and due on loans* given		**3,212.23**	**2,747.61**
Baharampore Farakka Highways Limited	Subsidiary	15.48	0.08
Farakka-Raiganj Highways Limited	Subsidiary	2,980.66	2,048.23
Raiganj Dalkhola Highways Limited	Subsidiary	63.83	63.83
Narmada Bridge Tollway Limited	Subsidiary	152.26	635.47
Interest accrued and due on loans* given			
Baharampore Farakka Highways Limited			
Financial guarantee obligation		**1,553.39**	**1,886.39**
Baharampore Farakka Highways Limited	Subsidiary	397.90	433.81
Farakka-Raiganj Highways Limited	Subsidiary	547.22	596.59
Badarpur Faridabad Tollway Limited	Subsidiary	608.27	855.99
Interest accrued and due on intercorporate deposit received		**559.88**	**460.33**
HCC Infrastructure Company Limited	Holding company	559.88	460.33
Inter corporate deposit taken		**1,867.04**	**653.74**
HCC Infrastructure Company Limited	Holding company	1,867.04	653.74
Corporate guarantees given		**90,438.16**	**105,378.21**
Baharampore-Farakka Highways Limited	Subsidiary	18,387.00	18,387.00
Farakka-Raiganj Highways Limited	Subsidiary	25,287.00	25,287.00
Badarpur Faridabad Tollway Limited	Subsidiary	46,764.16	61,704.21

(*) Loans refer to inter corporate deposits and subordinate loans

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

Notes:
(i) The above figure does not include provisional gratuity liability valued by an actuary, as separate figures are not available.
(ii) During the year, the Company has acquired equity shares of it's subsidiaries. Refer note 6 (a) for the same and for the movement in advances given to Hindustan Construction Company limited.
(iii) Refer notes 4 (a), (b) and (c) for pledge of Company's investments in equity and preference shares and non-disposal undertaking given by the Company to the lenders for facilities taken by Subsidiary companies.

29 Financial Instruments

A Financial Instruments by category

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

Particulars	Financial assets / liabilities at amortised cost	Financial assets / liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets					
Trade receivables	78.58	-	-	78.58	78.58
Cash and cash equivalents	11.82	-	-	11.82	11.82
Loans	7,499.23	-	-	7,499.23	7,499.23
Other financial assets	4,428.55	-	-	4,428.55	4,428.55
Liabilities					
Current borrowings (including other financial liabilities)	2,426.92	-	-	2,426.92	2,426.92
Trade payables	24.56	-	-	24.56	24.56
Other financial liabilities	6,893.37	-	-	6,893.37	6,893.37

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

Particulars	Financial assets / liabilities at amortised cost	Financial assets / liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets					
Trade receivables	373.22	-	-	373.22	373.22
Cash and cash equivalents	7.42	-	-	7.42	7.42
Loans	7,129.23	-	-	7,129.23	7,129.23
Other financial assets	4,264.73	-	-	4,264.73	4,264.73
Liabilities					
Current borrowings (including other financial liabilities)	1,114.07	-	-	1,114.07	1,114.07
Trade payables	45.34	-	-	45.34	45.34
Other financial liabilities	2,401.09	-	-	2,401.09	2,401.09

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 Leval 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. dervied from prices)
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There are no assets or liabilities in the books that are measure at fair value on a recurring basis.

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

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

a Interest rate risk
The company does not have any floating rate borrowings and consequently the company is not exposed to interest rate risk.

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

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

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

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

iii **Liquidity risk**

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

Maturity analysis of financial liabilities:

As at 31 March 2020

Particulars	On demand	Contractual Cash flow				Total
		0-12 Months	1-3 years	3-5 years	Above 5 years	
Borrowings (including other financial liabilities)	2,426.92	-	-	-	-	2,426.92
Trade payables	-	24.56	-	-	-	24.56
Other financial liabilities	-	5,525.35	171.43	172.12	1,024.47	6,893.37
Total	2,426.92	5,549.91	171.43	172.12	1,024.47	9,344.85

As at 31 March 2019

Particulars	On demand	Contractual Cash flow				Total
		0-12 Months	1-3 years	3-5 years	Above 5 years	
Borrowings (including other financial liabilities)	1,114.07	-	-	-	-	1,114.07
Trade payables	-	45.34	-	-	-	45.34
Other financial liabilities	-	721.11	362.67	362.17	955.14	2,401.09
Total	1,114.07	766.45	362.67	362.17	955.14	3,560.50

31 **Capital management**

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

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

	As at 31 March 2020	As at 31 March 2019
Net debt	2,415.10	1,106.65
Total equity	67,498.99	97,425.29
Total debt to capital employed ratio (Gearing ratio)	0.04	0.01

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

32 **Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'**

A **Defined benefit obligations - Gratuity (unfunded)**

The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

	As at 31 March 2020	As at 31 March 2019
a) **Change in defined benefit obligations**		
Present value of obligation as at the beginning of the year	45.17	42.06
Current service cost	4.32	6.11
Interest expenses	3.51	3.25
Past service cost	-	-
Other obligations	-	-
Benefits paid	-	(2.75)
Remeasurements - net actuarial (gains)/ losses	5.61	(3.50)
Present value of obligation as at the end of the year	58.61	45.17

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		As at 31 March 2020	As at 31 March 2019
b)	**Expenses recognised in the Statement of Profit and Loss**		
	Current service cost	4.32	6.11
	Past service cost	-	-
	Net interest cost	3.51	3.25
	Other obligations	-	-
	Total	**7.83**	**9.36**
c)	**Remeasurement (gains)/ losses recognised in OCI**		
	Actuarial changes arising from changes in financial assumptions	2.60	(0.21)
	Experience adjustments	3.01	(3.29)
	Total	**5.61**	**(3.50)**
d)	**Actuarial assumptions:**		
	Discount rate	6.87 % p.a.	7.77 % p.a.
	Rate of increase of compensation levels	0.00% p.a. for the next 1 years, 8.00% p.a. thereafter, starting from the 2nd year	8.00 % p.a.
	Expected average remaining working lives of employees	13.00	14.00
	Mortality table	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate

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

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

		As at 31 March 2020	As at 31 March 2019
e)	**Sensitivity analysis for significant assumptions is as below:**		
		1% increase	
	i. Discount rate	(5.97)	(4.75)
	ii. Salary escalation rate - over a long-term	4.59	3.51
	iii. Attrition rate	0.31	0.49
		1% decrease	
	i. Discount rate	6.93	5.54
	ii. Salary escalation rate - over a long-term	(3.96)	(3.24)
	iii. Attrition rate	(0.32)	(0.54)

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

f)	**Maturity analysis of defined benefit obligation**		
	Within the next 12 months	1.86	1.09
	Between 2 and 5 years	10.61	5.58
	Between 6 and 10 years	17.10	12.34
	Sum of Years 11 and above	108.50	106.76
	Total expected payments	**138.07**	**125.77**

B Defined contribution plans

Amount recognised as an expense and included in note 21, Contribution to provident and other funds amounted to ₹ 27.45 lakhs (31 March 2019 ₹ 25.22 lakhs)

Superannuation fund	8.21	7.69
Pension fund	14.63	12.79
Employee's provident fund	4.61	4.73
	27.45	**25.22**

C Current/ non-current classification

Gratuity		
Current	1.86	1.09
Non-current	56.75	44.08
	58.61	**45.17**
Compensated absences (including sick leave)		
Current	42.14	44.22
Non-current	-	-
	42.14	**44.22**

33 Contribution towards Corporate Social Responsibility (CSR)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Average net profit of the Company for last three financial years	35.71	(9,721.36)
Prescribed CSR expenditure (2% of average net profit as computed above)	0.71	-
Details of CSR expenditure during the financial year		
Total amount to be spent for the financial year	0.71	-
Amount spent	-	-
Amount unspent	0.71	-

34 Recent accounting update
Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

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

36 The provisions of Section 45 – IA of the Reserve Bank of India Act, 1934 requires the Company to register itself as a Non-Banking Financial Company ('NBFC") with the Reserve Bank of India. The management believes that the Company is not engaged in financial activities and has given a loan to its subsidiary to support its business activities, hence as per the management, the aforementioned provisions are not applicable to the Company. Hence, the requirements of preparation and presentation of the financial statements as applicable to the NBFCs as required under Division III of Schedule III of the Act and other compliance requirements under the RBI Act have also not been followed by the Company based on the contention of it not being engaged in financial activities.

37 In January 2020, the World Health Organization has declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern", which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. The impact of COVID-19 on the business operations of the Company, including the duration, cannot be reasonably ascertained at this point in time, however, considering the fact that the Company's services are contractual in nature, the management does not anticipate any material adverse impact on the business, results of operations, financial position and cash flows in the financial year ending 31 March 2021.

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

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

Vijay D. Jain
Partner
Membership No.: 117961

Place: Mumbai
Date: 22 June 2020

For and on behalf of the Board of Directors

Arjun Dhawan
Director
DIN No. : 01778379

Sridevi Iyengar
Director
DIN No. : 06981630

Ravindra Singh
Company Secretary

Kiran Kakkar
Chief Financial Officer

Place: Mumbai
Date: 19 June 2020

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Independent Auditor's Report

To the Members of HCC Concessions Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

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

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

Basis for Qualified Opinion

3. As more fully explained in note 42 to the accompanying financial statements, the Holding Company meets the criteria for being classified as a Non-Banking Financial Company ('NBFC'). However, the Holding Company has not complied with the requirements of the Reserve Bank of India Act, 1934 ('RBI Act') in respect of NBFC including registering the Holding Company as a NBFC and having the net owned fund of ₹ 200.00 lakhs as required under section 45-IA of the RBI Act. Further, the requirements of preparation and presentation of the financial statements as applicable to the NBFCs as required under Division III of Schedule III of the Act and other compliance requirements under the RBI Act have also not been complied with by the Holding Company. Pending regularization of the aforesaid defaults, we are unable to comment on the extent of consequential adjustment, if any, that may be required to the accompanying consolidated financial statements on account of possible fines/penalties.

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4. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 16 of the Other Matters section below, is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matters

5. We draw attention to note 29(A)(viii) of the accompanying consolidated financial statements on following emphasis of matter included in the audit report on the financial statements of Badarpur Faridabad Tollway Limited (BFTL), a subsidiary of the Holding Company, issued by an independent firm of Chartered Accountants, vide their report dated 19 June 2020, on matter which is relevant to our opinion on the consolidated financial statements of the Group, and reproduced by us as under:

   a) Attention is drawn to note 1, 8, 10, 17, 20 and 30 to the financials; the Company has signed a Settlement agreement on 26 March 2020 with NHAI for payment of ₹ 302.41 crores including interest. NHAI has released 75% of settlement amounting to ₹ 218.93 crores including interest on 30 March 2020 and balance 25% will only be released post withdrawal all cases by the BFTL against NHAI in High court. The Company has written back / written off all the payables / receivables to / from NHAI except to the extent of 25% of the settlement amount excluding interest.

   b) Attention is drawn to note 1, 14 and 30 to the financials; the Company has signed a Settlement agreement on 19 March 2020 with the lenders wherein loan and interest payable as on 31 March 2020 has been settled for an amount of ₹ 347.64 crores. Payment to the lenders will be made from the claim amount receivable from NHAI to the extent of ₹ 300.44 crores and Promoters Contribution to the extent of ₹ 47.20 crores. As on 31 March 2020, the Company has paid ₹ 218.93 crores to the lenders. As per the Settlement agreement, the transaction should be executed till 30 June 2020 or till further date as may be agreed by the lenders.

6. We draw attention to note 38.1 and note 38.4 of the accompanying consolidated financial statements on following emphasis of matters included in the audit report on the financial statements of Baharampore Farakka Highways Limited (BFHL), a subsidiary of the Holding Company, issued by an independent firm of Chartered Accountants, vide their report dated 19 June 2020, on matters which are relevant to our opinion on the consolidated financial statements of the Group, and reproduced by us as under:

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

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

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7. We draw attention to note 38.2, note 38.3 and note 38.4 of the accompanying consolidated financial statements on following emphasis of matters included in the audit report on the financial statements of Raiganj Dalkhola Highways Limited (RDHL), a subsidiary of the Holding Company, issued by an independent firm of Chartered Accountants, vide their report dated 19 June 2020, on matters which are relevant to our opinion on the consolidated financial statements of the Group, and reproduced by us as under:

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

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

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

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

8. We draw attention to note 38.4 of the accompanying consolidated financial statements on following emphasis of matter included in the audit report on the financial statements of Farakka Raiganj Highways Limited (FRHL), a subsidiary of the Holding Company, issued by an independent firm of Chartered Accountants, vide their report dated 19 June 2020, on matter which are relevant to our opinion on the consolidated financial statements of the Group, and reproduced by us as under:

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

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

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

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

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

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

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

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

12. Those Board of Directors are also responsible for overseeing the financial reporting process of the Companies included in the Group.

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

13. 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.

14. 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.

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

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

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

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

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

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

Other Matter

16. We did not audit the financial statements of five subsidiaries, whose financial statements (before eliminating inter-company balances) reflect total assets of ₹ 315,626.32 lakhs and net assets of ₹ 31,128.79 lakhs as at 31 March 2020, total revenues (before eliminating inter-company balances) of ₹ 54,325.23 lakhs and net cash outflows amounting to ₹ 3,002.75 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

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

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS * MUMBAI

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

    e) the matters described in paragraphs 5 to 8 of the Emphasis of Matter section and in paragraph 3 of the Basis for Qualified Opinion section, in our opinion, may have an adverse effect on the functioning of BFTL, RDHL, BFHL and FRHL, subsidiaries of the Holding Company;

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

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

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

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

        i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in note 29 to the consolidated financial statements;

CHANDIOK & CO LLP * WALKER * CHARTERED ACCOUNTANTS MUMBAI

ii. except for the possible effects of the matter described in the Basis for Qualified Opinion section, provision has been made in these consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts, as detailed in note 20 to the consolidated financial statements;

iii. there were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies covered under the Act, during the year ended 31 March 2020; and

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are no relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

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

Vijay. D. Jain

Vijay D. Jain
Partner
Membership No:117961

UDIN:20117961AAAAAI1957

Place: Mumbai
Date: 22 June 2020

Annexure 1

List of subsidiaries

(a) Baharampore Farakka Highways Limited
(b) Farakka Raiganj Highways Limited
(c) Badarpur Faridabad Tollways Limited
(d) Raiganj Dalkhola Highways Limited and
(e) Narmada Bridge Tollway Limited

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

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

1. In conjunction with our audit of the consolidated financial statements of HCC Concessions Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), 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 and its subsidiary 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 and its subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (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 and its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, as aforesaid.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS * MUMBAI

Annexure A (Contd)

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Qualified Opinion

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

   a) The Holding Company's internal financial controls with respect to compliance with laws and regulations of the Reserve Bank of India Act, 1934 ('RBI Act') towards registration of the Holding Company as a Non-Banking Finance Company ('NBFC') under Section 45-IA of the RBI Act and consequent preparation and presentation of the financial statements as required under Schedule III of the Companies Act, 2013 and the RBI Act were not operating effectively, which could potentially result in material misstatements in the presentation and disclosures in the Holding Company's financial statements.

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

10. In our opinion, the Holding Company and its subsidiaries has, in all material respects, adequate internal financial controls over financial reporting as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India (ICAI), and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Holding Company and its subsidiaries internal financial controls with reference to financial statements were operating effectively as at 31 March 2020.

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

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS * MUMBAI

Annexure A (Contd)

Other Matter

12. We did not audit the internal financial controls with reference to financial statements insofar as it relates to five subsidiary companies, which are companies covered under the Act, whose financial statements (before eliminating inter-company balances) reflect total assets of ₹ 315,626.32 lakhs and net assets of ₹ 31,128.79 lakhs as at 31 March 2020, total revenues (before eliminating inter-company balances) of ₹ 54,325.23 lakhs and net cash outflows amounting to ₹ 3,002.75 lakhs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its five subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such five subsidiary companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

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

Vijay D. Jain

Vijay D. Jain
Partner
Membership No:117961

UDIN:20117961AAAAAI1957

Place: Mumbai
Date: 22 June 2020

HCC Concessions Limited

Consolidated Balance Sheet as at 31 March 2020

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

	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	108.36	131.85
Investment property	4	29.68	29.68
Other intangible assets	5	52,062.46	55,355.74
Intangible assets under development	6	47,589.05	41,280.63
Financial assets			
Other financial asset	7	18,734.92	52,800.04
Income-tax assets (net)	8	1,898.85	933.40
Other non current assets	9	469.11	9,485.68
Total non-current assets		120,892.43	160,017.02
Current assets			
Financial assets			
Investments	10	47.23	44.64
Trade receivables	11	251.34	944.00
Cash and cash equivalents	12	2,943.74	1,914.97
Bank balances other than cash and cash equivalents	12.1	-	-
Loans	13	-	-
Other financial asset	7	9,988.96	644.80
Other current assets	9	21,599.24	6,904.47
Total current assets		34,830.51	10,452.88
Assets classified as held for sale	13	160,156.38	162,124.57
TOTAL ASSETS		315,879.32	332,594.47
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	341.37	341.37
Instruments entirely equity in nature	15	42,025.33	42,025.33
Other equity		12,425.23	(21,892.07)
Equity attributable to owners of the parent		54,791.93	20,474.63
Non-controlling interests		(170.37)	(28.14)
Total equity		54,621.56	20,446.49
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	16	75,188.82	75,884.15
Other financial liabilities	17	953.98	1,335.89
Provisions	20	13,213.71	85.63
Total non-current liabilities		89,356.51	77,305.67
Current liabilities			
Financial liabilities			
Borrowings	16	1,867.04	653.74
Trade payables			
i) total outstanding dues of micro and small enterprises	18	30.10	82.00
ii) total outstanding dues other than (i) above	18	1,118.23	2,809.51
Other financial liabilities	17	42,165.83	81,472.49
Other current liabilities	19	761.64	832.10
Provisions	20	44.00	11,769.56
Total current liabilities		45,986.84	97,619.40
Liabilities directly associated with assets classified as held for sale	13	125,914.41	137,222.91
TOTAL EQUITY AND LIABILITIES		315,879.32	332,594.47

Notes 1 to 43 form an integral part of the consolidated financial statements

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

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

Vijay D. Jain
Partner
Membership No 117961

Place Mumbai
Date 22 June 2020

For and on behalf of the Board of Directors

Arjun Dhawan
Director
DIN No 01778379

S. Sridevi

Sridevi Iyengar
Director
DIN No 06981630

Ravindra Singh
Company Secretary

Kiran Kakkar
Chief Financial Officer

Place. Mumbai
Date 19 June 2020

HCC Concessions Limited

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

	Note No.	Year ended 31 March 2020	Year ended 31 March 2019
Continuing operations			
Income			
Revenue from operations	21	23,832.84	17,078.23
Other income	22	7,287.22	803.00
Total income		31,120.06	17,881.23
Expenses			
Construction cost	23	7,134.42	4,869.42
Employee benefits expense	24	535.58	594.35
Finance costs	25	17,694.68	11,362.23
Depreciation and amortisation expense	26	3,319.99	3,321.92
Other expenses	27	5,582.08	4,957.85
Total expenses		34,266.75	25,105.77
Loss before exceptional items and tax		(3,146.69)	(7,224.54)
Exceptional items gain / (loss) (net)	28	28,535.43	(365.20)
Profit / (Loss) before tax from continuing operations		25,388.74	(7,589.74)
Tax expense	8		
Current income tax			
- Current tax		0.08	88.19
- Tax pertaining to earlier years		-	94.72
Deferred income tax [net of MAT credit written off (Refer note 8.I)]		-	255.43
Profit / (Loss) after tax from continuing operations (A)		25,388.66	(8,028.08)
Discontinued Operations	13		
Loss from discontinued operations before tax		(4,005.25)	(8,792.03)
Tax expense of discontinued operations		-	-
Loss from discontinued operations after tax (B)		(4,005.25)	(8,792.03)
Profit / (Loss) after tax from total operations (C) (A+B)		21,383.41	(16,820.11)
Profit / (Loss) for the year attributable to:			
Owners of the parent		21,525.64	(18,210.50)
Non-controlling interest		(142.23)	1,390.39
Other comprehensive income / (loss)			
(a) Items not to be reclassified subsequently to profit or loss			
- Gain on fair value of defined benefit plans as per actuarial valuation (net of tax)		(5.61)	3.50
(b) Items to be reclassified subsequently to profit or loss		-	-
Other comprehensive income / (loss) for the year, net of tax (D)		(5.61)	3.50
Other comprehensive income / (loss) attributable to :			
Owners of the parent		(5.61)	3.50
Non-controlling interest		-	-
Total comprehensive income / (loss) for the year, net of tax (C+D)		21,377.80	(16,816.61)
Total comprehensive income / (loss) for the year attributable to:			
Owners of the parent		21,520.03	(18,207.00)
Non-controlling interest		(142.23)	1,390.39
Earnings per equity share of ₹ 10 each	31		
Basic (in ₹)		630.55	(533.47)
Diluted (in ₹)		630.55	(533.47)

Notes 1 to 43 form an integral part of the consolidated financial statements

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

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

Vijay D. Jain
Partner
Membership No. 117961

Place: Mumbai
Date: 22 June 2020

For and on behalf of the Board of Directors

Arjun Dhawan
Director
DIN No. 01778379

S. Sridevi
Sridevi Iyengar
Director
DIN No. 06981630

Ravindra Singh
Company Secretary

Kiran Kakkar
Chief Financial Officer

Place: Mumbai
Date: 19 June 2020

HCC Concessions Limited

HCC Concessions Limited
Consolidated Cash Flow Statement for the year ended 31 March 2020
(All amounts are in ₹ lakhs, unless stated otherwise)

		Year ended 31 March 2020	Year ended 31 March 2019
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit / Loss before tax and after exceptional items	21,520.11	(17,768.66)
	Adjustments for		
	Depreciation and amortisation expenses	8,451.16	8,443.25
	Finance costs	25,331.35	19,050.40
	Unwinding of Retention Payable	-	21.05
	Unwinding of Major Maintenance Repairs	889.71	409.61
	Construction cost	14,055.72	9,909.48
	Borrowing cost	46.57	31.59
	NHAI Recievables written off - exceptional item	9,577.79	-
	Receivable towards stake sale of Nirmal BOT Limited written off (Refer note (iii))	-	365.20
	Less:		
	Interest Income	(569.16)	(641.97)
	Profit on sale of investments	-	(6.05)
	Fair value gain on current investments	(2.59)	-
	Compensation in lieu of termination including interest	(7,176.00)	-
	Construction revenue	(14,055.72)	(9,909.48)
	Payable of earlier years written back	(1,751.00)	(147.30)
	Term loan & Interest payable written back - exceptional item	(38,113.22)	-
	Operating profit before working capital changes	18,204.72	9,757.12
	Adjustments for changes in working capital:		
	Decrease in trade receivables	1,316.33	-
	(Increase) / decrease in other financial assets (Refer note (i) below)	21,905.32	(15,699.22)
	(Increase) / decrease in other non-current assets	8,968.07	224.41
	Increase in other current assets	(14,510.19)	(6,488.10)
	Increase / (decrease) in trade payables (Refer note (ii) below)	(647.24)	3,189.68
	Increase / (decrease) in other financial liabilities (Refer note (v) below)	12,814.38	(102.25)
	Increase in provisions	4,511.94	4,050.58
	Increase / (decrease) in other current liabilities	82.48	(302.87)
	Cash generated from / (used) in operating activities	34,441.09	(15,127.77)
	Direct taxes paid (net of refund)	(1,058.68)	5.63
	Net cash generated from / (used in) operating activities	51,587.13	(5,365.02)
B	CASH FLOW FROM INVESTING ACTIVITIES:		
	Purchase / movement of property, plant and equipment / intangible assets	(9,033.36)	8,384.15
	Share of non-controlling interests	(142.23)	1,390.40
	Proceeds from sale of investments (net)	-	136.98
	Derecognition of Equity & Minority Interest	-	(2,469.98)
	Interest received (Refer note (ii))	568.01	927.01
	Net cash generated from / (used in) investing activities	(8,607.58)	8,368.56
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from / (repayment of) long term borrowings (net)	(29,695.79)	1,722.21
	Proceeds from short term borrowings (net)	1,213.30	653.74
	Interest paid	(12,775.38)	(8,331.63)
	Short term deposits	-	357.72
	Net cash used in financing activities	(41,257.87)	(5,597.96)
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	1,721.67	(2,594.43)
	Cash and cash equivalents at the beginning of the financial year	2,061.01	4,655.44
	Cash and cash equivalents at the end of the year (Refer notes (iv) below & 12)	3,782.68	2,061.01

Notes :-

a) The Cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows. Effective 1 April 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. [Refer note 16.6 (b)]

HCC Concessions Limited

HCC Concessions Limited
Consolidated Cash Flow Statement for the year ended 31 March 2020
(All amounts are in ₹ lakhs, unless stated otherwise)

Significant non cash movements during the year excludes:

i) Transfer of equity shares from Hindustan Construction Company Limited (Ultimate holding company) to the Company adjusted against advances paid by the Company to HCC amounting to ₹ 0.01 lakhs. (31 March 2019 ₹ 20,022.10 lakhs).

ii) Interest on inter corporate deposit receivable from HCC was adjusted against payables to HCC amounting to ₹ Nil lakhs. (31 March 2019 ₹ 265.73 lakhs).

iii) Diminution in realisable value towards sale of equity in Nirmal BOT Company Limited as per the amended Share purchase agreement amounting to ₹ 365.20 lakhs in previous year.

iv) The cash and cash equivalents as at 31 March 2020 include balances pertaining to assets held for sale of ₹ 838.94 lakhs (March 2019 ₹146.04 lakhs). This amount disclosed as "asset held for sale" under each schedule have been disclosed / included under amounts disclosed in note 13 of the financial statements, respectively.

v) Deemed equity investment in Badarpur Faridabad Tollway Limited (BFTL) amounting to ₹ 4720.00 lakhs for payables accounted by company towards lenders of BFTL (31 March 2019, ₹ Nil).

vi) The above cash flow has been prepared under "Gross basis", including the amount disclosed under each schedule as "asset held for sale".

Notes 1 to 43 form an integral part of the consolidated financial statements

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

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

Vijay D. Jain
Partner
Membership No.: 117961

Place: Mumbai
Date: 22 June 2020

For and on behalf of the Board of Directors

Arjun Dhawan
Director
DIN No. : 01778379

S. Sridevi

Sridevi Iyengar
Director
DIN No. : 06981630

Ravindra Singh
Company Secretary

Kiran Kakkar
Chief Financial Officer

Place: Mumbai
Date: 19 June 2020

HCC Concessions Limited

HCC Concessions Limited
Consolidated Statement of changes in equity for the year ended 31 March 2020
(All amounts are in ₹ lakhs, unless stated otherwise)

A) Equity share capital (Refer note 14)

Particulars	Number	₹ lakhs
Equity shares of ₹ 10 each issued, subscribed and fully paid up		
As at 31 March 2018	3,413,702	341.37
Issue of equity shares	-	-
As at 31 March 2019	3,413,702	341.37
Issue of equity shares	-	-
As at 31 March 2020	3,413,702	341.37

B) Instrument entirely equity in nature (Refer note 15)

Particulars	Number	₹ lakhs
0.001% cumulative compulsory convertible preference shares of ₹ 10 each issued, subscribed and fully paid up		
As at 31 March 2018	420,253,317	42,025.33
Issue of equity shares	-	-
As at 31 March 2019	420,253,317	42,025.33
Issue of equity shares	-	-
As at 31 March 2020	420,253,317	42,025.33

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

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

C) Other equity

	Reserves and Surplus		Total equity attributable to owners of the Company	Non-controlling interest	Total
	Securities premium	Retained earnings			
As at 31 March 2018	66,937.67	(74,685.56)	(7,747.89)	(1,418.53)	(9,166.42)
Loss for the year	-	(18,210.50)	(18,210.50)	-	(18,210.50)
Transfer to liabilities held for sale (Refer note 13)	-	6,532.80	6,532.80	-	6,532.80
Minority interest share transfer during the year	-	(2,469.98)	(2,469.98)	1,390.39	(1,079.59)
Other comprehensive income for the year	-	3.50	3.50	-	3.50
As at 31 March 2019	66,937.67	(88,829.74)	(21,892.07)	(28.14)	(21,920.21)
Profit / Loss for the year	-	21,525.64	21,525.64	-	21,525.64
Transfer to liabilities held for sale (Refer note 13)	-	12,797.27	12,797.27	-	12,797.27
Minority interest share transfer during the year	-	-	-	(142.23)	(142.23)
Other comprehensive income/(loss) for the year	-	(5.61)	(5.61)	-	(5.61)
As at 31 March 2020	66,937.67	(54,512.44)	12,425.23	(170.37)	12,254.86

Nature and purpose of reserves

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

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

Notes 1 to 43 form an integral part of the consolidated financial statements

This is the consolidated Statement of changes in equity referred to in our audit report of even date

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

Vijay D. Jain
Partner
Membership No.: 117961

Place Mumbai
Date 22 June 2020

For and on behalf of the Board of Directors

S. Sridevi

Arjun Dhawan
Director
DIN No. 01778379

Sridevi Iyengar
Director
DIN No.: 06981630

Ravindra Singh
Company Secretary

Kiran Kakkar
Chief Financial Officer

Place Mumbai
Date 19 June 2020

HCC Concessions Limited

HCC Concessions Limited
Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

1 Corporate information

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

The financial statements comprises the financial statements of the Company and its subsidiaries (the Company and its subsidiaries referred to as the "Group"). The Group is principally engaged in the business of infrastructure development. These consolidated financial statements ("the financial statements") of the Group for the year ended 31 March 2020 were authorised for issue in accordance with resolution of the Board of Directors on 19 June 2020.

2.1 Summary of significant accounting policies

(i) Basis of preparation

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

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

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

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

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

(ii) Principles of Consolidation

(a) Subsidiaries

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

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet, respectively.
The consolidated financial statements have been presented to the extent possible, in the same manner as Parent Company's standalone financial statements

(b) Change in ownership interests

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

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

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

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

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

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

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(iii) Accounting estimates

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

Estimates and assumptions

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

Valuation of investment in/ loans to subsidiaries and associates

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

Deferred tax assets

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

Defined benefit plans

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

(iv) Fair value measurement

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

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

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

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

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

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

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

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

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

(v) Property, plant and equipment (Tangible assets)

Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost

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(vi) Investment Property

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

(vii) Intangible Assets

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

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

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

(viii) Service concession arrangements

The Group recognises an intangible asset arising from a service concession arrangement to the extent it has a right to charge for use of the concession infrastructure. The fair value, at the time of initial recognitions of such an intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement, is regarded to be its cost. Subsequent to initial recognition, the intangible assets is measured at cost, less any accumulated amortisations and accumulated impairment losses.

Appendix D "Service concession arrangements" applies to "public- to-private" service concession arrangements, which can be defined as contracts under which the grantor transfers to a concession holder the right to deliver public services that give access to the main public facilities for a specified period of time in return for managing the infrastructure used to deliver those public services.

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

In assessing the applicability the management has exercised significant judgement in relation to the underlying ownership of the assets, the ability to enter into power purchase arrangements with any customer, ability to determine prices etc. in concluding that the arrangements don't meet the criteria for recognition as service concession arrangements.

Group has Toll Road Concession rights where it Designs, Build, Finances, Operates and transfer (DBFOT) infrastructure used to provide public service for a specified period of time. These arrangements may include Infrastructure used in a public-to-private service concession arrangement for its entire useful life. These arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the Company receives a right (a license) to charge users of the public service. The financial asset model is used when the Company has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component. If the Company performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

Appendix A "Service concession arrangements" applies to "public- to-private" service concession arrangements, which can be defined as contracts under which the grantor transfers to a concession holder the right to deliver public services that give access to the main public facilities for a specified period of time in return for managing the infrastructure used to deliver those public services.

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

(ix) Depreciation/ Amortisation

(a) Depreciation/ amortisation is provided:

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

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

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

iv. In respect of certain subsidiaries incorporated in India on building, plant and machinery, computers, office equipment, furniture and fixtures and motor vehicles depreciation is provided on written down value basis considering the useful life determined based on the technical evaluation and the management's experience of use of the assets that is a period of three to twelve years, as against the period of nine to twenty years as prescribed in the Schedule II to the Act.

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

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

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

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

(x) Financial Instruments

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

(a) Financial assets

Initial recognition

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

Subsequent measurement

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

Financial assets at amortised cost

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

Financial assets measured at fair value

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

Impairment of financial assets

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

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

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

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss.

De-recognition of Financial Assets

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

(b) Financial Liabilities

Financial Liabilities at amortised cost

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

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

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

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

De-recognition of Financial Liabilities

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

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

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

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

(xiii) Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.
Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment are allocated on the basis of associated revenue of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments are disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment and all other assets and liabilities are disclosed as unallocable. Property, plant and equipment that could be used interchangeably among segments are not allocated to reportable segments.

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

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

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

(xv) Revenue recognition
(a) Revenue recognition
Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised services to customers in an amount that reflects the consideration we expect to receive in exchange for those services. Revenue from services is accounted net of taxes.

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

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

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

(d) Toll revenue
The income from toll charges are generated by the operations of the facilities is accounted on receipt basis.

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

(f) Dividend income
Dividend is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend

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

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(xvi) Income tax

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent it is probable that the Company will pay normal income tax during the specified period.

(xvii) Impairment of non-financial assets

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

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

(xviii) Trade receivables

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

(xix) Trade payables

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

(xx) Earnings Per Share

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

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders increased by the after tax amount of dividend and interest recognised in the period in respect the dilutive potential ordinary shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

(xxi) Provisions, contingent liabilities and contingent assets

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

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

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

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

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

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

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

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

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(xxii) Resurfacing expenses

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

(xxiii) Exceptional Items

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

(xxiv) Asset classified as held for sale

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

A sale is considered as highly probable when decision has been made to sell, assets are available for immediate sale in its present condition, assets are being actively marketed and sale has been agreed or is expected to be concluded within 12 months of the date of classification.

Non-current assets held for sale are neither depreciated nor amortised.

Assets and liabilities classified as held for sale are measured at the lower of their carrying amount and fair value less cost of sale and are presented separately in the Balance Sheet.

(xxv) The financial assets model

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

(xxvi) Impairment of concession intangible assets

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

(xxvii) Leases

Company as a lessee

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

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

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

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

Note 3 Property, plant and equipment (Tangible assets)

Particulars	Freehold land	Plant and equipment	Leasehold improvement	Furniture and fixtures	Computers	Office equipment	Vehicles	Total
Gross carrying value (at deemed cost)								
As at 1 April 2018	61.43	28.17	93.06	76.06	95.07	53.85	94.19	501.83
Additions	-	0.96	-	0.07	-	0.24	-	1.27
Disposals	-	-	-	-	-	-	-	-
Reclassification as held for sale (Refer note 13)	-	(7.76)	-	-	(29.92)	(12.72)	(51.20)	(101.60)
As at 31 March 2019	61.43	21.37	93.06	76.13	65.15	41.37	42.99	401.50
Additions	-	0.81	-	-	1.46	2.23	-	4.50
Disposals	-	-	-	-	-	-	-	-
Reclassification as held for sale (Refer note 13)	-	-	-	-	(0.52)	(0.75)	-	(1.27)
As at 31 March 2020	61.43	22.18	93.06	76.13	66.09	42.85	42.99	404.73
Accumulated depreciation and amortisation								
As at 1 April 2018	-	3.46	93.06	39.82	65.38	30.83	25.92	258.47
Depreciation and ammortisation charge for the year	-	1.94	-	13.41	19.04	10.30	11.63	56.32
Accumulated depreciation on disposals	-	-	-	-	-	-	-	-
Reclassification as held for sale (Refer note 13)	-	(1.16)	-	-	(24.40)	(5.86)	(13.72)	(45.14)
As at 31 March 2019	-	4.24	93.06	53.23	60.02	35.27	23.83	269.65
Depreciation and ammortisation charge for the year	-	1.45	-	13.46	1.19	4.61	6.01	26.72
Accumulated depreciation on disposals	-	-	-	-	-	-	-	-
Reclassification as held for sale (Refer note 13)	-	-	-	-	-	-	-	-
As at 31 March 2020	-	5.69	93.06	66.69	61.21	39.89	29.85	296.37
Net carrying value								
As at 31 March 2019	61.43	17.13	-	22.90	5.13	6.10	19.16	131.85
As at 31 March 2020	61.43	16.49	-	9.44	4.88	2.96	13.14	108.36

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4 Investment properties

	Land	Total
Gross carrying value		
As at 1 April 2018	44.91	44.91
Additions	-	-
Reclassification as held for sale (Refer note 13)	(15.23)	(15.23)
As at 31 March 2019	29.68	29.68
Additions	-	-
Reclassification as held for sale (Refer note 13)	-	-
As at 31 March 2020	29.68	29.68
Net carrying value		
As at 31 March 2019	29.68	29.68
As at 31 March 2020	29.68	29.68

The fair value of land lying with group as at 31 March 2020 is ₹41.31 lakhs (31 March 2019: ₹ 41.31 lakhs)

Income from Investment property generating Rental Income

Particulars	As at 31 March 2020	As at 31 March 2019
Rental Income derived from investment properties	2.71	2.03
Direct Operating expenses from property (including repairs and maintenance) that generated rental income	-	-
Direct Operating expenses from property (including repairs and maintenance) that did not generate rental income	-	-
Income arising from investment properties before depreciation	2.71	2.03
Depreciation	-	-
Income from Investment properties (net)	2.71	2.03

i <u>Estimation of fair value</u>

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

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

Discounted cash flow projections based on reliable estimates of future cash flows.
Capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

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

5 Intangible assets

	Intangible assets	Total
Gross carrying value (at deemed cost)		
As at 1 April 2018	195,442.76	195,442.76
Reclassification as held for sale (Refer note 13)	(124,043.58)	(124,043.58)
As at 31 March 2019	71,399.18	71,399.18
Reclassification as held for sale (Refer note 13)	-	-
As at 31 March 2020	71,399.18	71,399.18
Accumulated amortisation		
As at 1 April 2018	20,154.53	20,154.53
Reclassification as held for sale (Refer note 13)	(12,498.02)	(12,498.02)
Amortisation charge	8,386.93	8,386.93
As at 31 March 2019	16,043.44	16,043.44
Reclassification as held for sale (Refer note 13)	(5,116.64)	(5,116.64)
Amortisation charge	8,409.91	8,409.91
As at 31 March 2020	19,336.72	19,336.72
Net carrying value		
As at 31 March 2019	55,355.74	55,355.74
As at 31 March 2020	52,062.46	52,062.46

6 Intangible assets under development

	Amount	Total
As at 1 April 2018	96,192.27	96,192.27
Addition	9,357.01	9,357.01
Transferred to Other financial asset (Refer note 7)	(17,742.44)	(17,742.44)
Reclassification as held for sale (Refer note 13)	(46,526.21)	(46,526.21)
As at 31 March 2019	41,280.63	41,280.63
Addition	9,028.85	9,028.85
Transferred to Other financial asset	-	-
Reclassification as held for sale (Refer note 13)	(2,720.43)	(2,720.43)
As at 31 March 2020	47,589.05	47,589.05

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		As at 31 March 2020	As at 31 March 2019
7	**Other financial assets**		
	Non-current		
	Receivables from related parties (Refer note 30)	0.01	16.22
	Other receivables	711.16	711.16
	Less : Loss allowance	(21.78)	(21.78)
	Receivable from National Highway Authorities of India [Refer notes (b) and (c) below]	17,742.44	51,785.23
	Security deposit	29.18	35.28
	Less : Reclassification as held for sale (Refer note 13)	(26.10)	(26.10)
	Interest receivable on Security Deposit	2.46	1.31
	Less : Reclassification as held for sale (Refer note 13)	(2.46)	(1.31)
	Advance given to ultimate holding company [Refer note (a) below and 30]	300.01	300.03
	Total non-current financial assets	18,734.92	52,800.04
	Current		
	Interest receivable on fixed deposit	0.42	-
	Receivable from National Highway Authorities of India [Refer note 29(A)(viii) & (c) below]	9,168.25	-
	Other receivable	2,476.27	1,883.09
	Less : Loss allowance	(3.85)	-
	Less : Reclassification as held for sale (Refer note 13)	(1,652.13)	(1,238.29)
	Total current financial assets	9,988.96	644.80
	Total financial assets	28,723.88	53,444.84
	Break up of security details		
	I. Receivables from related parties		
	Interest receivable, considered good - secured	-	-
	Interest receivable, considered good - unsecured	0.01	16.22
	Interest receivable which have significant increase in credit risk	-	-
	Interest receivable- credit impaired	-	-
	Total	0.01	16.22
	Loss allowance	-	-
	Total receivables from related parties	0.01	16.22
	II. Other receivables		
	Receivables, considered good - secured	-	-
	Receivables, considered good - unsecured	1,509.67	1,334.18
	Receivables which have significant increase in credit risk	-	-
	Receivables- credit impaired	21.78	21.78
	Total	1,531.45	1,355.96
	Loss allowance	(21.78)	(21.78)
	Total receivables	1,509.67	1,334.18

Note-

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

HCC has given inter alia an undertaking in respect of investment in Baharampore - Farakka Highways Limited, Farakka -Raiganj Highways Limited, Dhule Palesner Tollways Limited and Raiganj - Dalkhola Highways Limited to National Highways Authority of India (NHAI) that it will not transfer its shareholding till the commercial operation date. The Company has entered into purchase agreement with HCC to purchase these shares at book value at future dates on fulfillment of that obligation as per undertaking given to NHAI. The Company has paid full consideration of ₹ 300.02 lakhs (31 March 2019: ₹ 300.03 lakhs) for transfer of the above shares at book value from HCC, subject to necessary approvals and consents to the extent required in the following BOT subsidiary's .-

Name of BOT subsidiary	As at 31 March 2020		As at 31 March 2019	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
Baharampore -Farakka Highways Limited	100	0.01	100	0.01
Farakka -Raiganj Highways Limited	-	-	100	0.01
Raiganj-Dalkhola Highways Limited*	3,000,000	300.00	3,000,000	300.00
Dhule Palesner Tollway Limited	-	-	100	0.01
Total	3,000,100	300.01	3,000,300	300.03

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

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(b) On 31 March 2017, NHAI has terminated the Concession Agreement (CA) of the Project by issuing Termination Notice due to alleged Concessionaire Defaults under the CA, mainly alleged failure to re-start the works. The Company has refuted the contention of NHAI and has notified NHAI that the termination shall be deemed to occur on account of Authority Default and accordingly the company shall be entitled for the Termination Payment as per terms of CA since the delay was on account of default from NHAI. Company has claimed ₹ 36,700.00 lakhs as termination payment from NHAI on account of wrongful termination of contract, which is being adjudicated by the Arbitral Tribunal ("AT"). Further, the company has also claimed ₹ 83,600.00 lakhs from NHAI towards for losses suffered over the extended period, which is also being adjudicated by a separate Arbitral Tribunal. The Company has accumulated the cost incurred on the project till 31 March 2017 as intangible asset under development. After the termination of the contract by NHAI the cost incurred thereafter has been charged to profit and loss account. Based on the legal advice the company is of the view that claims are fully recoverable and as a result the intangible asset under development representing the cost incurred till the date of termination doesn't require any impairment suffered by the Company due to NHAI defaults under CA, which is also being adjudicated by a separate Arbitral Tribunal.

The AT's internal meetings are in progress for publication of award. However, the meeting could not take place after the month of February 2020 due to COVID-19 lockdown.

(c) In accordance with the terms of the Memorandum of Understanding (MOU) with NHAI dated 17 March 2013, the Concession Agreement dated 23 July 2012 entered between NBTL and NHAI stands foreclosed with mutual consent. NBTL has received an arbitration award of ₹ 3,919.00 lakhs in its favour on 3 September 2018 against the claims filed by them along with a right to receive interest @18% per annum till the date of actual payment of the awarded amount. NHAI has further challenged this award in the High Court post depositing 75% of the awarded amount on 5 April 2019 as per the provisions of the Arbitration Act.

On 4 March 2020, NBTL, has entered into a settlement agreement with NHAI under the provisions of Section 73 of the Arbitration and Conciliation Act 1996, as amended by the Amendment Act, 2015 (3 of 2016) by approaching the Conciliation Committee of Independent Experts ("CCIE-2") for an amount of ₹ 3,000 lakhs as full and final settlement against all claims and counterclaims related to the Project. However, the amount could not be released immediately due to COVID-19 lockdnwn.

There are three projects which have been terminated / foreclosed and the group has preferred claims on National Highway Authorities of India (NHAI).

The total amount receivable from NHAI :-

Name of the BOT subsidiary	**As at 31 March 2020**	**As at 31 March 2019**
Raiganj-Dalkhola Highways Limited	17,742.44	17,742.44
Badarpur Faridabad Tollway Limited	6,168.25	34,042.79
Narmada Bridge Tollway Limited	3,000.00	-
Total receivable from NHAI	26,910.69	51,785.23

8 Income tax assets (net)		
Income tax assets	2,137.41	1,078.81
Less : Reclassification as held for sale (Refer note 13)	(238.56)	(145.41)
Total income tax assets (net)	1,898.85	933.40
I. Income tax expense in the statement of profit and loss comprises :		
Current income tax	0.08	88.19
Tax pertaining to earlier years	-	94.72
Deferred income tax	-	255.43
Income tax expenses (net)	0.08	438.34
II. The gross movement in the current tax asset/ (liability) for the year ended is as follows:		
Net current income tax asset at the beginning	1,078.81	1,267.35
Income tax paid (net of refund)	(0.08)	(438.34)
Tax deducted at source	1,058.68	249.80
Net current income tax asset at the closing	2,137.41	1,078.81
III. Reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before income tax is as below.		
Loss before income tax & exceptional items	(3,146.69)	(7,224.54)
Non-taxable (Exceptional items)*	28,535.43	(365.20)
Applicable income tax rate [(New tax regime / MAT rate), also refer note below]	25.17%	20.57%
Computed expected tax expense	-	-
Difference in mat tax rate & normal tax rate	-	-
Effect of income not considered for tax purpose	0.08	88.19
Income tax charged to the statement of profit and loss pertaining to earlier years	-	94.72
Income tax charged to the statement of profit and loss	0.08	182.91

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

*The company is not liable to pay tax as profit is on account of exceptional items which are non-taxable

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

		As at 31 March 2020	As at 31 March 2019
9	**Other current assets**		
	Non - current		
	Balance with government authorities	221.14	64.64
	Less : Reclassification as held for sale (Refer note 13)	(141.56)	(26.03)
	Capital advances (Mobilisation advance) (Refer note 30)	647.84	9,772.41
	Less : Reclassification as held for sale (Refer note 13)	(258.31)	(325.34)
	Total other non - current assets	469.11	9,485.68
	Current		
	Prepaid expenses	154.13	90.31
	Less : Reclassification as held for sale (Refer note 13)	(135.95)	(72.36)
	Advance to related party (Refer note 30)	12,994.08	7,806.82
	Less : Reclassification as held for sale (Refer note 13)	(696.28)	(1,025.94)
	Advance to supplier	430.46	177.06
	Less : Reclassification as held for sale (Refer note 13)	(165.78)	(84.29)
	Capital advances (Mobilisation advance) (Refer note 30)	9,000.00	-
	Other advances	1.36	0.45
	Balance with government authorities	16.87	12.07
	Security deposit	0.35	0.35
	Total current assets	21,599.24	6,904.47

		As at 31 March 2020	As at 31 March 2019
10	**Current Investments**		
	Investments in mutual funds		
	Fair value through profit or loss		
	Unquoted		
	Canara Rebeco Mutual Fund 1,976.26 units (31 March 2019 : 1,976.26 units)	47.23	44.64
	Total current investments	47.23	44.64
	Total Current Investments	47.23	44.64
	(i) Market value of investments - unquoted	47.23	44.64
	(ii) Carrying value of investments - unquoted	47.23	44.64
	(iii) Investments carried at FVTPL	47.23	44.64
11	**Trade receivables**		
	Others		
	Receivables from National Highways Authorities of India (NHAI) (Refer note below)	517.68	1,834.00
	Less : Reclassification as held for sale (Refer note 13)	(266.34)	(890.00)
	Total trade receivables	251.34	944.00
	Break up of security details		
	Trade receivables, considered good - secured	-	-
	Trade receivables, considered good - unsecured	251.34	944.00
	Trade receivables which have significant increase in credit risk	-	-
	Trade receivables- credit impaired	-	-
	Total	251.34	944.00
	Loss allowance	-	-
	Total	251.34	944.00

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

	Name of the BOT subsidiary		
	Baharampore -Farakka Highways Limited	251.34	736.00
	Badarpur Faridabad Tollway Limited	-	208.00
	Total receivable from NHAI	251.34	944.00
12	**Cash and bank balances**		
	Cash and cash equivalents		
	Cash on hand	56.00	171.23
	Less : Reclassification as held for sale (Refer note 13)	(30.00)	(78.20)
	Balances with banks		
	In current accounts	3,719.23	1,878.90
	Less : Reclassification as held for sale (Refer note 13)	(808.92)	(64.37)
	With Collection Agency	0.04	3.47
	Less : Reclassification as held for sale (Refer note 13)	(0.02)	(3.47)
	Other bank balances		
	Fixed deposits with original maturity of less than three months (including restricted DSRA)	7.41	7.41
	Total cash and cash equivalents	2,943.74	1,914.97

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

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		As at 31 March 2020	As at 31 March 2019
13	**Assets classified as held for sale**		
	Investment in associates		
	Unquoted		
	i. Equity instruments		
	In Farakka Raiganj Highways Limited [Refer note (i) below]	160,156.38	162,124.57
	Total assets classified as held for sale	160,156.38	162,124.57
	Liabilities directly associated with assets classified as held for sale		
	In Farakka Raiganj Highways Limited [Refer note (i) below]	(125,914.41)	(137,222.91)
	Total liabilities directly associated with assets classified as held for sale	(125,914.41)	(137,222.91)
	Total assets classified as held for sale (net)	34,241.97	24,901.66

Discontinued Operations

a. Description

(i) On 28 September 2018, HCC Concessions Limited ('the Company') has executed a definitive agreement for sale of its entire equity shareholding in Farakka-Raiganj Highways Limited (FRHL), its concessionaire subsidiary, for an aggregate consideration of ₹ 37,200 lakhs, which is subject to certain adjustments and additional considerations as specified in the agreement. The buyer has extended the long stop date with regard to satisfaction of the condition precedents (CP) until 31 July 2020, subject to fulfilment of conditions communicated to the management, before 30 June 2020. The associated assets and liabilities are consequently presented as held for sale in the Consolidated Financial Statements.

b. Financial performance and cash flow operations pertaining to discontinued operations

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Total income	23,733.15	15,788.17
Total expenses	27,738.40	24,580.20
Loss before tax	(4,005.25)	(8,792.03)
Exceptional item	-	-
Tax Expenses	-	-
Loss after tax	(4,005.25)	(8,792.03)
Other comprehensive income from discontinued operations	-	-
Net cash generated from operating activities	12,580.30	8,353.83
Net cash used in investing activities	(65.67)	(1,217.90)
Net cash used in financing activities	(11,821.73)	(7,697.62)
Net cash generated from / (used in) discontinued operations	692.90	(561.69)

Assets and liabilities classified as held for sale

The carrying amount of assets and liabilities as at 31 March 2020 are as follows

Particulars	As at 31 March 2020	As at 31 March 2019
Property, plant and equipment	43.17	56.46
Intangible asset	106,428.92	111,545.56
Investment property	15.23	15.23
Intangible asset under development	49,246.64	46,526.21
Other non current asset	399.87	351.37
Trade receivable	266.34	890.00
Cash and cash equivalent	838.94	146.04
Non Current Tax Assets (Net)	238.56	145.41
Other current asset	998.02	1,182.59
Other financial asset	1,680.69	1,265.70
Total assets	160,156.38	162,124.57
Borrowings	(89,438.45)	(90,279.20)
Other financial liabilities	(42,157.76)	(43,371.77)
Provisions	(11,130.47)	(7,131.35)
Trade payables	(2,287.69)	(2,942.77)
Other current liabilities	(230.11)	(30.62)
Retained earnings	19,330.07	6,532.80
Total liabilities	(125,914.41)	(137,222.91)
Net assets	34,241.97	24,901.66

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	As at 31 March 2020	As at 31 March 2019
14 Equity share capital		
Authorised		
200,000,000 (31 March 2019: 200,000,000) equity shares of ₹ 10 each	20,000.00	20,000.00
1,200,000,000 (31 March 2019: 1,200,000,000) 0.001% cumulative compulsorily convertible preference shares of ₹ 10 each	120,000.00	120,000.00
Total authorised share capital	140,000.00	140,000.00
Issued, subscribed and fully paid up:		
Equity share capital		
3,413,702 (31 March 2019: 3,413,702) equity shares of ₹ 10 each	341.37	341.37
Instrument entirely equity in nature		
420,253,317 (31 March 2019: 420,253,317) 0.001% cumulative compulsorily convertible preference shares of ₹ 10 each (Refer note 15)	42,025.33	42,025.33
Total issued, subscribed and paid up share capital	42,366.70	42,366.70

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

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	₹ In lakhs	No. of shares	₹ In lakhs
At the beginning of the year	3,413,702	341.37	3,413,702	341.37
Issued during the year	-	-	-	-
At the end of the year	3,413,702	341.37	3,413,702	341.37

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

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	% holding	No. of shares	% holding
Equity shares of ₹ 10 each fully paid				
Promoter				
HCC Infrastructure Company Limited (Including nominee shareholders)	2,917,151	85.45%	2,917,151	85.45%
Non-promoter				
Xander Investment Holding XXVI Limited	496,551	14.55%	496,551	14.55%

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

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

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

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

d) Rights and restriction attached to equity shareholders:

The holding company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. During the period ended 31 March 2020, the amount of per share dividend recognized as distributions to equity shareholders was ₹ Nil (31 March 2019: ₹. Nil). In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the holding company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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15 Cumulative compulsorily convertible preference shares (CCCPS)

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

i)

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	₹ lakhs	No. of shares	₹ lakhs
At the beginning of the year	420,253,317	42,025.33	420,253,317	42,025.33
Shares issued during the year	-	-	-	-
Total	420,253,317	42,025.33	420,253,317	42,025.33

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

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	% holding	No. of shares	% holding
HCC Infrastructure Company Limited	285,985,361	68.05%	285,985,361	68.05%
Xander Investment Holding XXVI Limited	134,267,956	31.95%	134,267,956	31.95%
Total	420,253,317	100.00%	420,253,317	100.00%

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

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

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

(c) Each 200 CCCPS shall be converted into 1 equity share, subject to adjustments as defined under consolidation condition.
In the event of liquidation of the Company before conversion of this CCCPS, the holders will have priority over equity shares in the payment of dividend and repayment of capital.

HCC Concessions Limited

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		As at 31 March 2020	As at 31 March 2019
16	**Borrowings**		
	Non Current Borrowings		
	Secured		
	Term loans		
	From banks	156,676.36	198,205.21
	Less : Reclassification as held for sale (Refer note 13)	(80,822.15)	(83,077.67)
	From financial institutions	20,969.12	21,135.75
	Less : Reclassification as held for sale (Refer note 13)	(10,081.40)	(10,175.23)
	Total term loans	86,741.93	126,088.06
	Less: Current maturity of long-term debt	13,018.21	53,177.61
	Less : Reclassification as held for sale (Refer note 13)	(1,465.10)	(2,973.70)
	Total non-current borrowings	75,188.82	75,884.15

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

i	Carrying interest rate ranging 9.75% to 10.25 % p.a. repayable in 52 unstructured quarterly installments commencing from March 2016 and ending in March 2030. (Refer note 16.1 and 16.2)	60,597.80	60,776.43
ii	Carrying interest rate of 10.75% p.a. repayable in 52 consecutive quarterly installments from June 2018 and ending on March 2031 (Refer note 16.3, 16.4 and 16.5)	7,105.46	7,087.42
iii	Carrying interest at 11% p a. repayable in unstructured quarterly installments from June 2013 and ending on March 2026 (Refer note 16.4 and 16.5)	8,150.95	47,263.69
iv	Carrying interest rate ranging 9.75% to 11% p.a. repayable in 52 unstructured quarterly installments commencing from June 2017 and ending in March 2030. (Refer note 16.1 and 16.2)	80,822.15	83,077.67
	Total borrowings	156,676.36	198,205.21

Note

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

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

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

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

16.5 The loans have been classified as Non Performing Assets (NPA) and Banks have recalled the financial assistance of ₹ 12,870.95 lakhs extended by them to the Company vide letter dated 31 October 2018.

From financial institutions
Rupee term Loan I and II

	As at 31 March 2020	As at 31 March 2019
Carrying interest rate ranging 9.75% to 10.25% p.a. (31 March 2019 : 9.75% p.a.) repayable in 52 unstructured quarterly installments commencing from June 2017 and ending in March 2030. (Refer note 16.1 and 16.2)	9,008.37	9,085.93
Carrying interest rate of 10.75% p.a (31 March 2019 : 10.75% p a) repayable in 52 consecutive quarterly installments from June 2018 and ending on March 2031 (Refer note 16.3, 16.4 and 16.5)	1,879.35	1,874.60
Carrying interest rate ranging 9.75% to 11% p.a. (31 March 2019 . 9.75% p a.) repayable in 52 unstructured quarterly installments commencing from June 2017 and ending in March 2030. (Refer note 16.1 and 16.2)	10,081.40	10,175.22
	20,969.12	21,135.75
Current borrowings		
Unsecured		
From related parties* (Refer note 30)		
Inter corporate deposit	1,867.04	653.74
Total current borrowings	1,867.04	653.74
Total borrowings	77,055.86	76,537.89

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

16.6 Notes on borrowings:

(a) Summary of default in repayment

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

Particulars	0 - 180 days		Above 180 days		Total	
	Principle	Interest	Principle	Interest	Principle	Interest
Term loan from banks	725.59	1,818.97	12,998.76	2,462.20	13,724.35	4,281.17
Term loan from financial institution	88.20	412.02	1,931.51	656.35	2,019.71	1,068.37

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

Particulars	0 - 180 days		Above 180 days		Total	
	Principle	Interest	Principle	Interest	Principle	Interest
Term loan from banks	463.62	1,799.31	54,351.12	16,327.08	54,814.74	18,126.39
Term loan from financial institution	61.60	376.07	9,889.03	2,871.07	9,950.63	3,247.14

(b) Net debt reconciliation

Particulars	31 March 2020 ₹ in lakhs	31 March 2019 ₹ in lakhs	31 March 2018 ₹ in lakhs
Cash and cash equivalents	3,782.68	2,061.01	4,655.44
Liquid investments	47.23	44.64	175.56
Current borrowings (including current maturities of long-term debt)	14,885.25	53,831.35	4,567.29
Interest payable	7,253.93	20,811.49	10,092.72
Non-current borrowings	164,627.27	166,163.36	213,051.47
Net debt	190,596.36	242,911.85	232,542.48

Particulars	Other assets		Liabilities from financing activities			
	Cash and cash equivalents	Liquid investments	Current borrowings	Interest payable	Non-current borrowings	Total
Net debt as at 1 April 2018	4,655.44	175.56	4,567.29	10,092.72	213,051.47	232,542.48
Cash flows	(2,594.43)	(130.92)	653.74	(8,331.63)	1,722.21	(8,681.03)
Profit on sale of investments (net)	-	-	-	-	-	-
Interest expense	-	-	-	19,050.40	-	19,050.40
Classified into current maturity	-	-	48,610.32	-	(48,610.32)	-
Net debt as at 31 March 2019	2,061.01	44.64	53,831.35	20,811.49	166,163.36	242,911.85
Cash flows	1,721.67	2.59	1,213.30	(12,775.38)	(29,695.79)	(39,533.61)
Interest expense	-	-	-	25,331.35	-	25,331.35
Borrowing & Interest Payable written back			(11,999.70)	(26,113.53)	-	(38,113.23)
Reclassified	-	-	(28,159.70)	-	28,159.70	-
Net debt as at 31 March 2020	3,782.68	47.23	14,885.25	7,253.93	164,627.27	190,596.36

Note: The above net debt reconciliation has been prepared under "Gross basis", including the amount disclosed under each schedule as "asset held for sale".

HCC Concessions Limited

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

		As at 31 March 2020	As at 31 March 2019
17	**Other financial liabilities**		
	Non Current		
	Retention payable to ultimate holding company (Refer note 30)	2,794.22	3,094.19
	Less : Reclassification as held for sale (Refer note 13)	(1,840.24)	(1,758.30)
	Total non-current financial liabilities	953.98	1,335.89
	Current		
	Current maturities of long-term debt (Refer note 16)	13,018.21	53,177.61
	Less : Reclassification as held for sale (Refer note 13)	(1,465.10)	(2,973.70)
	Interest accrued and due on long-term debt	5,349.54	19,063.13
	Less : Reclassification as held for sale (Refer note 13)	(1,602.57)	(1,362.51)
	Interest accrued but not due on long-term debt	1,344.51	1,288.01
	Less : Reclassification as held for sale (Refer note 13)	(799.52)	(826.93)
	Interest accrued and due on inter corporate deposits (Refer note 30)	559.88	460.33
	Payable for capital expenditure to related party (Refer note 30)	47,990.02	47,990.09
	Less : Reclassification as held for sale (Refer note 13)	(36,448.74)	(36,448.74)
	Payable for capital expenditure to others	392.82	395.02
	Payable towards lenders of subsidiary company (Refer note 29 (a)(viii))	4,720.00	-
	Payables to related party (Refer note 30)	302.32	208.18
	Due to employees	125.00	145.03
	Other payables	577.58	334.09
	Less : Reclassification as held for sale (Refer note 13)	(1.60)	(1.60)
	Retention deposit payable	24.48	24.48
	Retention payable to ultimate holding company (Refer note 30)	579.00	-
	Advance received against NHAI Claim	7,500.00	-
	Total current financial liabilities	42,165.83	81,472.49
	Total financial liabilities	43,119.81	82,808.38
18	**Trade payables**		
	Trade payables : micro and small enterprises (Refer note below)	31.31	83.05
	Less : Reclassification as held for sale (Refer note 13)	(1.21)	(1.05)
	Trade payables : others	1,854.74	3,418.95
	Less : Reclassification as held for sale (Refer note 13)	(739.67)	(847.64)
	Trade payables : related parties (Refer note 30)	1,549.97	2,332.29
	Less : Reclassification as held for sale (Refer note 13)	(1,546.81)	(2,094.08)
	Total trade payables	1,148.33	2,891.51

Outstanding dues to Micro and Small Enterprises:

The Company has amount due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as at 30 March, 2020. The disclosure pursuant to the said Act is as under:

(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	27.90	80.58
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.61	-
(iii) The amount of interest due and payable for the year	2.80	2.47
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year	3.41	2.47
(v) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

The figures for the year ending 31 March 2020 have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

19	**Other current liabilities**		
	Statutory dues	335.41	192.39
	Less : Reclassification as held for sale (Refer note 13)	(230.13)	(30.62)
	Advance from National Highway Authorities of India (NHAI) (Refer note below)	656.36	670.33
	Total other current liabilities	761.64	832.10

Note:

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

20	**Provisions**		
	Non-current		
	Provision for employee benefits (Refer note 35)		
	-Gratuity	56.75	44.08
	-Compensated absences	-	41.55
	Provision for major maintenance [refer note (a) below]	24,287.43	7,131.35
	Less : Reclassification as held for sale (Refer note 13)	(11,130.47)	(7,131.35)
	Total non- current provisions	13,213.71	85.63
	Current		
	Provision for employee benefits (Refer note 35)		
	-Gratuity	1.86	1.09
	-Compensated absences	33.73	1.97
	Provision for sick leave	8.41	0.71
	Provision for major maintenance (Refer note below)	-	11,765.79
	Total current provisions	44.00	11,769.56
	Total provisions	13,257.71	11,855.19

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

	As at 31 March 2020	As at 31 March 2019
(a) Movements of provision for major maintenance		
Movements in provisions		
Opening Balance	11,765.79	14,431.13
Charged/ (credited) to profit and loss		
Additional Provision	4,500.59	4,056.40
Unused Amount reversed	-	-
Unwinding of Discount	889.71	409.61
Utilised during the year	-	-
Less : Reclassification as held for sale (Refer note 13)	(3,999.13)	(7,131.35)
Closing Balance	13,156.96	11,765.79

Note:

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

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

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HCC Concessions Limited

HCC Concessions Limited
Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020
(All amounts are in ₹ lakhs, unless stated otherwise)

		Year ended 31 March 2020	Year ended 31 March 2019
21	**Revenue from operations**		
	Construction revenue	7,134.42	4,869.42
	Toll collection	14,471.17	12,208.81
	Compensation in lieu of termination	2,227.25	-
	Total revenue from operations	23,832.84	17,078.23
22	**Other income**		
	Interest income on		
	- loans given to related party [Refer note 2.1 (ii) (e) and 30]	527.68	404.71
	- receivable from stake sale of Nirmal BOT Limited	-	198.96
	- income-tax refund	1.98	17.53
	- fixed deposits	41.48	14.88
	- compensation	4,948.75	-
	Other non-operating Income		
	- fair value gain on current investments (net)	2.59	6.05
	- payable of earlier years written back (net)	1,751.00	141.67
	- reimbursement of expenses from NHAI	-	5.02
	- others	13.74	14.18
	Total other income	7,287.22	803.00
23	**Construction cost**		
	Construction cost	7,134.42	4,869.42
	Total construction cost	7,134.42	4,869.42
24	**Employee benefits expense**		
	Salaries and wages	503.95	565.79
	Contribution to provident funds and other funds (Refer note 35)	27.45	25.22
	Staff welfare expenses	4.18	3.34
	Total employee benefits expense	535.58	594.35
25	**Finance costs**		
	Interest expense on term loans	17,324.09	11,274.91
	Interest expense on inter corporate deposit (Refer note 30)	127.27	11.13
	Interest expense on delayed payment of statutory dues	9.00	4.16
	Facility fees	22.73	28.85
	Bank guarantee commission	88.50	22.13
	Unwinding of retention payable	-	21.05
	Unwinding of major maintenance repairs [Refer note 20(a)]	123.09	-
	Total finance costs	17,694.68	11,362.23
26	**Depreciation and amortisation expense**		
	Depreciation on property, plant and equipment (Refer note 3)	26.72	37.65
	Amortisation on intangible assets (Refer note 5)	3,293.27	3,284.27
	Total depreciation and amortisation expense	3,319.99	3,321.92

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HCC Concessions Limited

		Year ended 31 March 2020	Year ended 31 March 2019
27	**Other expenses**		
	Travelling	80.68	70.25
	Director sitting fees (Refer note 30)	8.79	8.33
	Postage, telephone and fax	0.73	1.85
	Electricity expenses	105.32	130.49
	Rent* (Refer note 30)	54.00	54.00
	Rates and taxes	11.60	14.01
	Legal, professional and consultancy charges	581.51	655.70
	Security expenses	8.63	11.35
	Management fees	64.80	64.80
	Insurance charges	69.07	54.72
	Audit remuneration	13.00	12.28
	Major maintenance expenses [Refer note 20(a)]	1,268.08	1,145.00
	Operations, repairs and maintenance	3,218.94	2,606.94
	Housekeeping and maintenance	24.87	31.79
	Miscellaneous expenses	68.21	74.56
	Loss allowance on financial assets (Refer note 7)	3.85	21.78
	Total other expenses	5,582.08	4,957.86

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

The Company has entered into operating lease agreements for office facility and such lease is basically cancellable in nature. Lease rent expense recognised in the Statement of profit and loss for the period ended 31 March 2020 in respect of operating lease is ₹ 54.00 lakhs (31 March 2019: ₹ 54.00 lakhs).

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

Breakdown of lease expenses	Year ended 31 March 2020	Year ended 31 March 2019
Short-term lease expense	54.00	54.00
Total lease expense	54.00	54.00

28	**Exceptional Items**		
	Receivable towards stake sale of Nirmal BOT Limited written off	-	365.20
	Term loan & Interest payable of Badarpur Faridabad Tollway Limited written back [Refer Note 29A(viii)]	(38,113.22)	-
	NHAI receivables of Badarpur Faridabad Tollway Limited written off	9,577.79	-
	Total exceptional items - gain/(loss)	(28,535.43)	365.20

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29 Contingent liabilities and commitments

(A) Contingent liabilities

		As at 31 March 2020	As at 31 March 2019
(i)	Corporate guarantees given on behalf of subsidiary companies [Refer note (viii) below]	90,438.00	105,378.21
(ii)	Income tax liability that may arise in respect of matter which is in appeal	893.58	890.54
(iii)	Claims against Company not acknowledged as debts		
	-From National Highway Authorities of India (NHAI)	45,733.50	40,856.11
	-From Hindustan Construction Company Limited	253,426.38	196,805.80
	-From HCC Operations and Maintenance Limited	638.00	325.40
	-From Independent engineers	5,341.00	5,341.00
(iv)	Service tax and MVAT litigation pending with department	1,235.82	1,337.69
(v)	Counter indemnities given to banks in respect of contracts executed by subsidiaries*	7,500.00	7,500.00
(vi)	The Company has not made provision for cumulative dividend payable excluding dividend distribution tax, towards 0.001% cumulative convertible preference shares, in absence of distributable profits.	3.57	3.15

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

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

(viii) Corporate guarantee includes ₹ 46,764.16 lakhs (31 March 2019: ₹ 61,700.00 lakhs) furnished by the Company in respect of loans of its subsidiary, Badarpur Faridabad Tollway Limited (BFTL). Settlement agreement has been signed by the Company, BFTL and BFTL Lenders on 19 March 2020, wherein, outstanding loan and interest payable has been settled for an amount of ₹ 34,764.00 lakhs. A joint application was filed in Delhi Debt Recovery Tribunal II (DRT) on 20 March 2020 for allowing completion of stake sale transaction. DRT has modified earlier order allowing completion of stake sale transaction on 20 March 2020.

Further, BFTL has signed a full and fiinal settlement agreement with NHAI on 26 March 2020 for payment of ₹ 30,241.00 lakhs. Subsequently, NHAI has released 75% of settlement amount to the tune of ₹ 21,893.00 lakhs (net of tax deducted at source) on 30 March 2020; and balance 25% of the amount was agreed to be released post withdrawal of all the cases by BFTL against NHAI in High court. Post payment of settlement amount of ₹ 34,764.00 lakhs to the lenders, the DRT matter will be completely withdrawn and corporate guarantee will be released. BFTL lenders have already been paid an amount of ₹ 21,893.00 lakhs (net of tax deducted at source) and the balance amount of ₹ 12,871.00 lakhs has been agreed to pay on or before 31 March 2020(*). Also, it was agreed that ₹ 4,720.00 lakhs would be paid through proceeds from stake sale of the Company's other subsidiary, Farakka Raiganj Highways Limited (FRHL) and the balance amount would be paid out of the remaining NHAI Settlement amount to be received.

(*) Due to nationwide lockdown on account of Covid 19, completion of all the proceedings was not possible immediately and hence the Company had requested all the lenders to approve extension of time for complete settlement for a period of 3 months i.e. untill 30 June 2020, as a matter of abundant caution. All the lenders had agreed to seek further approvals from sanctioning authority for revised timeline in view of the current scenario.

(B) Commitment

	31 March 2020	31 March 2019
Estimated amount of contracts remaining to be executed on capital account not provided for (Net of Advance)	21,608.09	31,801.47

(C) Other commitment

	31 March 2020	31 March 2019
Professional Fees on Services	300.00	300.00

(D) Others
Against NHAI " Intention to Issue Termination Notice" on 24th August 2017 and the company refuted all the alleged defaults. The Independent Engineer has recommended NHAI to withdraw intention to issue termination notice on 26 June 2019. Further, the company has also got access to ₹ 35,898 lakhs deposited by NHAI with the Delhi High Court in respect of an Arbitration Award and the proceeds are being used towards completion of project of this ₹ 7,500 lakhs have already been drawn

(E) Contingent asset
The Company has received an Arbitration award amounting to ₹ 44,826 Lakhs (Including Interest of ₹ 9,543 lakhs till the date of award) against various claims filed by the Company to NHAI for compensation of losses suffered due to Authority's material default. NHAI shall be liable to pay interest @ 15% p.a. from the date of award till the date of actual payment. NHAI has deposited ₹ 35,898 Lakhs in Court as per the order of Court in the Execution Petition filed by company for execution of award. Subsequently, Court vide Order dated 12.09.2018 has allowed company to get the amount released from Court against the Bank Guarantee. In terms of Arbitration Award pending final adjudication by the Applelatte Court, company can avail 75% of the award amount against furnishing of Bank guarantee. Company has accordingly furnished Bank guarantee of ₹ 7,500 Lakhs and received ₹ 7,500 Lakhs during the period.

30 Disclosure in accordance with Ind AS 24 Related Party Transactions

I) Names of related parties and nature of relationship

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

	Country of incorporation	Company's holding as at (%) As at 31 March 2020	As at 31 March 2019
B) Joint ventures			
Xander Investment Holding XXVI Limited	India	14.55%	14.55%
HCC Infrastructure company Limited	India	85.45%	85.45%
C) Subsidiaries			
Baharampore Farakka Highways Limited	India	100.00%	100.00%
Farakka Raiganj Highways Limited	India	100.00%	100.00%
Badarpur Faridabad Tollway Limited	India	100.00%	100.00%
Raiganj Dalkhola Highways Limited	India	90.00%	90.00%
Narmada Bridge Tollway Limited	India	100.00%	100.00%

HCC Concessions Limited

	Country of Incorporation	Company's holding as at (%) As at 31 March 2020	As at 31 March 2019
D) Fellow subsidiaries (with whom transactions have taken place during the year)			
Dhule Palesner Operations and Maintenance Limited	India	-	-
HCC Power Limited	India	-	-
HCC Energy Limited	India	-	-
HCC Operations and Maintenance Limited	India	-	-
HCC Aviation Limited	India	-	-
Highbar Technologies Limited	India	-	-
Highbar Technocrat Limited	India	-	-

F) Key Management Personnel
Mr. Arjun Dhawan - Director
Mrs. Sridevi Iyengar - Director
Mr. Manish Khanna - Independent director
Mr. Ashok Gupta - Nominee Director
Mr. Chandrahas Zaveri - Director
Mr. Kishore Venkata Ramana Repaka - Director
Mr. Ravindra Singh - Company secretary
Mr. Kiran Kakkar - Chief financial officer

II) Transactions with related parties :

Transaction with related parties	Relationship	Year ended 31 March 2020 (₹ in lakhs)	Year ended 31 March 2019 (₹ in lakhs)
Rent		**54.00**	**54.00**
Hindustan Construction company Limited	Ultimate Holding company	54.00	54.00
Services received - Operations, repairs and maintenance		**5,200.45**	**4,906.77**
HCC Operations and Maintenance Limited	Fellow subsidiary	5,200.45	4,906.77
Services received - Miscellaneous I.T. services		**12.64**	**13.37**
Highbar Technologies Limited	Fellow subsidiary	11.38	12.31
Highbar Technocrat Limited	Fellow subsidiary	1.26	1.06
Services received - construction subcontracting		**4,924.73**	**3,933.60**
Hindustan Construction company Limited	Ultimate Holding company	4,924.73	3,933.68
Services received - construction Change of Scope / Utility Shifting Cost works		**3,125.00**	**552.47**
Hindustan Construction company Limited	Ultimate Holding company	3,125.00	552.47
Expenditure incurred on behalf of related parties		**55.32**	**35.20**
Hindustan Construction company Limited	Ultimate Holding company	-	0.66
HCC Infrastructure company Limited	Joint venturer	6.18	14.41
HCC Energy Limited	Fellow subsidiary	7.38	0.83
HCC Power Limited	Fellow Subsidiary	0.35	0.19
HCC Operations and Maintenance Limited	Fellow subsidiary	30.31	18.92
Dhule Palesner Operations & Maintenance Limited	Fellow Subsidiary	11.10	0.19
Expenditure incurred on behalf of the company		**43.44**	**76.09**
Hindustan Construction company Limited	Ultimate Holding company	7.75	10.91
HCC Infrastructure company Limited	Joint venturer	0.10	-
HCC Energy Limited	Fellow Subsidiary	-	-
HCC Operations and Maintenance Limited	Fellow subsidiary	35.59	65.18
Payables for earlier years written back		**-**	**100.54**
HCC Aviation Limited	Fellow subsidiary	-	100.54
Director sitting fees		**8.79**	**8.33**
Manish Khanna	Director	2.62	3.08
Chandrahas Zaveri	Director	1.42	3.01
Rajas Doshi	Director	2.35	-
Sridevi Iyengar	Director	1.20	1.12
Ravindra Singh	Director	1.20	1.12
Remuneration to KMP		**142.17**	**128.70**
Ravindra Singh	Company Secretary	106.11	97.61
Kiran Kakkar	Chief Financial Officer	36.06	31.09
Interest income on loans* given		**527.68**	**404.71**
Hindustan Construction company Limited	Ultimate Holding company	-	7.38
HCC Infrastructure company Limited	Joint venturer	-	33.08
Baharampore Farakka Highways Limited	Subsidiary	16.77	-
Farakka Raiganj Highways Limited	Subsidiary	510.91	364.25
Interest expenses on inter corporate deposit		**127.27**	**11.13**
HCC Infrastructure company Limited	Joint venturer	127.27	11.13
Inter corporate deposit taken		**1,213.30**	**653.74**
HCC Infrastructure company Limited	Joint venturer	1,213.30	653.74

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	Relationship	Year ended 31 March 2020 (₹ in lakhs)	Year ended 31 March 2019 (₹ in lakhs)
Transaction with related parties			
Loans* given		-	**100.00**
HCC Infrastructure company Limited	Joint venturer	-	100.00
Repayment of loans* given		-	**457.72**
Hindustan Construction company Limited	Ultimate Holding company	-	57.72
HCC Infrastructure company Limited	Joint venturer	-	400.00
Decrease in advance given against acquisition of equity shares		**0.02**	-
Hindustan Construction company Limited	Ultimate Holding company	0.02	-

*Loans here indicate inter corporate deposits and subordinate loans
The above disclosure has been prepared under "Gross basis", including amount disclosed under "asset held for sale".

III) **Outstanding as at year end :**

		As at 31 March 2020 (₹ in lakhs)	As at 31 March 2019 (₹ in lakhs)
Other payables		**302.32**	**208.18**
Hindustan Construction company Limited	Ultimate Holding company	194.66	123.49
HCC Power Limited	Fellow subsidiary	-	1.81
HCC Infrastructure company Limited	Joint venturer	34.79	20.01
HCC Operations and Maintenance Limited	Fellow subsidiary	72.87	62.87
Payable for capital expenditure		**11,541.28**	**11,541.32**
Hindustan Construction company Limited	Ultimate Holding company	47,990.02	47,990.06
Less: asset classified as held for sale (Refer note 13)		(36,448.74)	(36,448.74)
Trade payables		**3.16**	**238.22**
HCC Infrastructure company Limited	Joint venturer	0.25	0.40
Less: asset classified as held for sale (Refer note 13)		-	(0.17)
HCC Operations and Maintenance Limited	Fellow subsidiary	1,543.90	2,319.67
Less: asset classified as held for sale (Refer note 13)		(1,543.90)	(2,087.80)
Highbar Technocrat Limited	Fellow subsidiary	4.82	6.11
Less. asset classified as held for sale (Refer note 13)		(2.41)	(5.62)
Highbar Technologies Limited	Fellow subsidiary	1.00	6.11
Less: asset classified as held for sale (Refer note 13)		(0.50)	(0.48)
Other receivables		**0.01**	**16.22**
HCC Infrastructure company Limited	Joint venturer	-	16.22
HCC Energy Limited	Fellow subsidiary	-	-
HCC Power Limited	Fellow subsidiary	0.01	-
HCC Operations and Maintenance Limited	Fellow subsidiary	-	-
Capital Advances		**9,389.53**	**9,447.07**
Hindustan Construction company Limited	Ultimate Holding company	9,647.84	9,772.41
Less: asset classified as held for sale (Refer note 13)		(258.31)	(325.34)
Advances given		**12,597.81**	**7,080.91**
Hindustan Construction company Limited	Ultimate Holding company	13,277.28	8,106.85
Less: asset classified as held for sale (Refer note 13)		(696.28)	(1,025.94)
HCC Operations and Maintenance Limited	Fellow subsidiary	16.81	-
Retention Payable		**1,532.98**	**1,335.89**
Hindustan Construction company Limited	Ultimate Holding company	3,373.22	3,094.19
Less: asset classified as held for sale (Refer note 13)		(1,840.24)	(1,758.30)
Interest accrued and due on intercorporate deposit received		**559.88**	**460.33**
HCC Infrastructure company Limited	Joint venturer	559.88	460.33
Inter corporate deposit taken		**1,867.04**	**653.74**
HCC Infrastructure company Limited	Joint venturer	1,867.04	653.74

IV **Contingent as on 31st March 2020**

Corporate Guarantee given against Performance Security		**4,213.00**	**4,213.00**
Hindustan Construction Company Limited	Ultimate Holding company	18,073.00	18,073.00
Less. asset classified as held for sale		(13,860.00)	(13,860.00)
Claims		**254,064.38**	**197,131.20**
Hindustan Construction Company Limited	Ultimate Holding company	253,426.38	196,805.80
HCC Operations and Maintenance Limited	Fellow subsidiary	638.00	325.40

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31 Profit / Loss per share:

		Year ended 31 March 2020	Year ended 31 March 2019
A. Loss computation for basic earnings per share of ₹ 10 each			
Loss as per the statement of profit and loss available for equity shareholders	(₹ lakhs)	21,525.64	(18,210.50)
B. Less: Preference dividend on cumulative preference shares including distribution tax		(0.42)	(0.42)
Loss after preference dividend as stated above	(₹ lakhs)	21,525.22	(18,210.92)
C. Weighted average number of equity shares for basic/diluted earning per share computation	(Nos.)	3,413,702	3,413,702
D. Loss per share - basic/diluted	(₹)	630.55	(533.47)

32 Financial Instruments

A Financial Instruments by category

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

Particulars	Financial assets / liabilities at amortised cost	Financial assets / liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets					
Investments					
Investments in mutual funds	-	47.23	-	47.23	47.23
Trade receivables	251.34	-	-	251.34	251.34
Cash and cash equivalents and other bank balances	2,943.74	-	-	2,943.74	2,943.74
Other financial assets	28,723.88	-	-	28,723.88	28,723.88
Liabilities					
Borrowings (including other financial liabilities)	88,608.97	-	-	88,608.97	88,608.97
Trade payables	1,148.34	-	-	1,148.34	1,148.34
Other financial liabilities	31,566.70	-	-	31,566.70	31,566.70

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

Particulars	Financial assets / liabilities at amortised cost	Financial assets / liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets					
Investments					
Investments in mutual funds	-	44.64	-	44.64	44.64
Trade receivables	944.00	-	-	944.00	944.00
Cash and cash equivalents and other bank balances	1,914.97	-	-	1,914.97	1,914.97
Other financial assets	53,444.84	-	-	53,444.84	53,444.84
Liabilities					
Borrowings (including other financial liabilities)	126,741.80	-	-	126,741.80	126,741.80
Trade payables	2,891.51	-	-	2,891.51	2,891.51
Other financial liabilities	32,604.47	-	-	32,604.47	32,604.47

B Fair value hierarchy

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

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

Particulars	31 March 2020			31 March 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Investments in mutual funds	-	47.23	-	-	44.64	-

33 Financial risk management objectives and policies

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

i Market risk

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

a Interest rate risk

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

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

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(₹ lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Total Borrowings	77,055.86	76,537.89
% of borrowings out of above bearing variable rate of interest	98%	99%

Interest rate sensitivity

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

(₹ lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
50 bps increase would increase the loss before tax by	(375.94)	(379.42)
50 bps increase would decrease the loss before tax by	375.94	379.42

b **Foreign currency risk**

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

c **Equity price risk**

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

i **Credit risk**

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

ii **Liquidity risk**

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

– Maturity analysis of financial liabilities:

As at 31 March 2020

Particulars	On demand	Contractual Cash flow				
		0-12 Months	1-2 years	2-5 years	Above 5 years	Total
Borrowings from Banks / Financial Institutions	8,150.95	3,234.17	2,472.13	24,825.13	48,059.57	**86,741.95**
Borrowings from others	1,867.04	-	-	-	-	**1,867.04**
Trade payables	-	1,148.33	-	-	-	**1,148.33**
Other financial liabilities	-	30,612.72	953.98	-	-	**31,566.70**
Total	10,017.99	34,995.22	3,426.11	24,825.13	48,059.57	121,324.02

As at 31 March 2019

Particulars	On demand	Contractual Cash flow				
		0-12 Months	1-2 years	2-5 years	Above 5 years	Total
Borrowings from Banks / Financial Institutions	-	50,080.98	2,721.67	33,236.33	40,049.09	**126,088.07**
Borrowings from others	653.74	-	-	-	-	**653.74**
Trade payables	-	2,891.51	-	-	-	**2,891.51**
Other financial liabilities	-	31,268.58	1,335.89	-	-	**32,604.47**
Total	653.74	84,241.07	4,057.56	33,236.33	40,049.09	162,237.79

34 Capital management

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

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

	As at 31 March 2020	As at 31 March 2019
Net debt	190,596.36	242,911.85
Total capital employed	54,621.56	20,446.49
Total debt to capital employed ratio	3.49	11.88

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

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35 Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'

A Defined benefit obligations - Gratuity (unfunded)

The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

	As at 31 March 2020	As at 31 March 2019
a) Change in defined benefit obligations		
Present value of obligation as at the beginning of the year	45.17	42.06
Current service cost	4.32	6.11
Interest expenses	3.51	3.25
Past service cost	-	-
Other obligations	-	-
Benefits paid	-	(2.75)
Remeasurements - net actuarial (gains)/ losses (including tax)	5.61	(3.50)
Present value of obligation as at the end of the year	**58.61**	**45.17**
b) Expenses recognised in the Statement of Profit and Loss		
Current service cost	4.32	6.11
Past service cost	-	-
Net interest on the net defined benefit obligations / assets	3.51	3.25
Total	**7.83**	**9.36**
c) Remeasurement (gains)/ losses recognised in OCI		
Actuarial changes arising from changes in financial assumptions	2.61	(0.21)
Experience adjustments	3.01	(3.29)
Total	**5.61**	**(3.50)**
d) Actuarial assumptions:		
Discount rate	6.87 % p.a.	7.77 % p.a.
Rate of increase of compensation levels	0.00% p.a. for the next 1 years, 8.00% p.a. thereafter, starting from the 2nd year	8.00 % p.a.
Expected average remaining working lives of employees	13.00	14.00
Mortality table	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate

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

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

e) Sensitivity analysis for significant assumptions is as below:

	1% increase		1% decrease	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
i. Discount rate	(5.97)	(4.75)	6.93	5.54
ii. Salary escalation rate - over a long-term	4.59	3.51	(3.96)	(3.24)
iii. Attrition rate	0.31	0.49	(0.32)	(0.54)

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

f) Maturity analysis of defined benefit obligation

	31 March 2020	31 March 2019
Within the next 12 months	1.86	1.09
Between 2 and 5 years	10.61	5.58
Between 6 and 10 years	17.10	12.34
Sum of Years 11 and above	108.50	106.76
Total expected payments	**138.07**	**125.77**

B Defined contribution plans

Amount recognised as an expense and included in note 24, Contribution to provident and other funds amounted to ₹ 27.45 lakhs (31 March 2019 ₹ 25.21 lakhs)

Superannuation fund	8.21	7.69
Pension fund	14.63	12.79
Employee's provident fund	4.61	4.73
	27.45	**25.21**

C Current/ non-current classification

Gratuity		
Current	1.86	1.09
Non-current	56.75	44.08
	58.61	**45.17**
Compensated absences (including sick leave)		
Current	42.14	2.68
Non-current	-	41.55
	42.14	**44.23**

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36 Interest in other entities

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 (%) As at 31 March 2020	Ownership interest held by the group (%) As at 31 March 2019	Ownership interest held by non controlling interests (%) As at 31 March 2020	Ownership interest held by non controlling interests (%) As at 31 March 2019	Principal activities
Baharampore-Farakka Highways Limited	India	100	100	-	-	Toll management
Farakka-Raiganj Highways Limited	India	100	100	-	-	Toll management
Raiganj-Dalkhola Highways Limited	India	90	90	10.00	10.00	Toll management
Badarpur Faridabad Tollway Limited	India	100	100	-	-	Toll management
Narmada Bridge Tollway Limited	India	100	100	-	-	Toll management

Non-controlling interests (NCI)

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

Particulars	Raiganj-Dalkhola Highways As at 31 March 2020	Raiganj-Dalkhola Highways As at 31 March 2019
Non-current assets	58.12	64.23
Current assets	26,749.46	26,745.47
Non-current liabilities	6,788.49	6,935.77
Current liabilities	11,007.98	9,440.50
Net assets	**9,011.11**	**10,433.43**
Net assets attributable to NCI	**901.11**	**1,043.34**
Finance cost	1,323.18	1,209.82
Other expenses	99.13	126.77
Loss for the year	**(1,422.31)**	**(1,336.59)**
Tax expenses	-	-
Net loss after tax	(1,422.31)	(1,336.59)
Other comprehensive income	-	-
Total comprehensive income	**(1,422.31)**	**(1,336.59)**
Profit/(Loss) allocated to NCI	(142.23)	(133.66)
Total comprehensive income allocated to NCI	**(142.23)**	**(133.66)**
Cash flow from operating activities	3.99	0.73
Cash flow from investing activities	-	-
Cash flow from financing activities	-	-
Net increase in cash and cash equivalents	**3.99**	**0.73**

37 Disclosure Mandated by Schedule III by way of additional information

As at 31 March 2020 (₹ In Lakhs)

Name of Entity	Net Assets (Total Assets - Total Liabilities) Amount	Net Assets As % of Consolidated Net Asset (%)	Share in Profit or Loss Amount	Share in Profit or Loss As % of Consolidated profit and loss (%)
Consolidated	54,621.56	100.00	21,377.80	100.00
Parent Company				
HCC Concessions Limited	95,948.45	175.66	(533.86)	(2.50)
Indian Subsidiary Companies				
Baharampore Farakka Highways Limited	(6,504.66)	(11.91)	1,673.39	7.83
Farakka Raiganj Highways Limited	-	-	(4,005.26)	(18.74)
Raiganj Dalkhola Highways Limited	(4,403.89)	(8.06)	(1,280.08)	(5.99)
Badarpur Faridabad Tollway Limited	(29,528.45)	(54.06)	22,781.78	106.57
Narmada Bridge Tollway limited	(719.52)	(1.32)	2,884.06	13.49
Minority Interest in all subsidiaries	(170.37)	(0.31)	(142.23)	(0.66)

As at 31 March 2019 (₹ In Lakhs)

Name of Entity	Net Assets (Total Assets - Total Liabilities) Amount	Net Assets As % of Consolidated Net Asset (%)	Share in Profit or Loss Amount	Share in Profit or Loss As % of Consolidated profit and loss (%)
Consolidated	20,446.49	100.00	(16,816.61)	100.00
Parent Company				
HCC Concessions Limited	96,339.97	471.18	(1,058.07)	6.29
Indian Subsidiary Companies				
Baharampore Farakka Highways Limited	(8,178.03)	(40.00)	650.71	(3.87)
Farakka Raiganj Highways Limited	(8,792.02)	(43.00)	(8,792.02)	52.28
Raiganj Dalkhola Highways Limited	(2,981.59)	(14.58)	(1,202.93)	7.15
Badarpur Faridabad Tollway Limited	(52,310.13)	(255.84)	(6,221.73)	37.00
Narmada Bridge Tollway limited	(3,603.58)	(17.62)	(58.91)	0.35
Minority Interest in all subsidiaries	(28.13)	(0.14)	(133.66)	0.80

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38.1 National Highways Authority of India had served "Intention to Issue Termination Notice" vide letter dated 24 August 2017 to which Baharampore-Farakka Highways Limited (BFHL) refuted all the alleged defaults. The Independent Engineer has recommended the Authority to withdraw intention to issue termination notice on 26 June 2019. Further, BFHL has received an Arbitration award amounting to ₹ 44,826 lakhs (including Interest of ₹ 9,543 lakhs till date of award) against various claims filed by the BFHL to NHAI for compensation of losses suffered due to Authority's material default. NHAI shall be liable to pay interest @ 15% p.a. from the date of award till the date of actual payment. NHAI has deposited ₹ 35,898 lakhs in Court as per order of Court in the Execution Petition filed by BFHL for execution of award. Subsequently, Court vide Order dated 12.09.2018 has allowed BFHL to get the amount released from Court against the Bank Guarantee. In terms of Arbitration Award pending final adjudication by the appalete Court, BFHL can avail 75% of the award amount against furnishing of Bank guarantee. BFHL has accordingly furnished Bank guarantee of ₹ 7,500 lakhs and received ₹ 7,500 lakhs during the period.

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

38.3 The Company has given interest free mobilization advance aggregating to ₹ 9,000.00 lakhs to Hindustan Construction Company-its ultimate holding company and EPC contractor for various projects entered by the Company. This said amount have been outstanding and lying in companies book for more than 3 years. The Management feels that the amount paid as mobilisation advance stands recoverable and is shown as current. The same will be adjusted upon payment of EPC claims as per note 29 A (iii).

38.4 The Company as at 31 March 2020 has received claims aggregating to ₹ 253,426.38 lakhs from Hindustan Construction Company-its ultimate holding company and EPC contractor for various projects entered by the Company. The Company has preferred claims on National Highways Authorities of India (NHAI). The Company recognises the claim income based on receipt of the award [Refer note 2.1 (xv)(e)]. The Company shall repay the amount to HCC only when its realises the award income from NHAI. In view of this claim income has been disclosed as contingent liability in note 29 A (iii).

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

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

39 Contribution towards Corporate Social Responsibilty (CSR)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Average net profit of the Company for last three financial years	35.71	(9,721.36)
Prescribed CSR expenditure (2% of average net profit as computed above)	0.71	-
Details of CSR expenditure during the financial year		
Total amount to be spent for the financial year	0.71	-
Amount spent	-	-
Amount unspent	0.71	-

40 Recent accounting update
Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

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

42 The provisions of Section 45 – IA of the Reserve Bank of India Act, 1934 requires the Company to register itself as a Non-Banking Financial Company ("NBFC") with the Reserve Bank of India. Further, the requirements of preparation and presentation of the financial statements as applicable to the NBFCs as required under Division III of Schedule III of the Act and other compliance requirements under the RBI Act have also not been followed by the Company. Management believes that the Company is not engaged in financial activities and has given a loan to its subsidiary to support its business activities. Furthermore, any liabilities/penalties/levies, if any, on account of the above stated non-compliance are not expected to be material and the same are currently not determinable.

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HCC Concessions Limited

43 In January 2020, the World Health Organization has declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern", which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. The impact of COVID-19 on the business operations of the Company, including the duration, cannot be reasonably ascertained at this point in time, however, considering the fact that the Company's services are contractual in nature, the management does not anticipate any material adverse impact on the business, results of operations, financial position and cash flows in the financial year ending 31 March 2021.

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

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

Vijay D. Jain
Partner
Membership No.: 117961

Place: Mumbai
Date: 22 June 2020

For and on behalf of the Board of Directors

S. Sridevi

Arjun Dhawan
Director
DIN No. : 01778379

Sridevi Iyengar
Director
DIN No. : 06981630

Ravindra Singh
Company Secretary

Kiran Kakkar
Chief Financial Officer

Place: Mumbai
Date: 19 June 2020

HCC Concessions Limited