HCC/SEC/2021 August 31, 2021

BSE Limited	National Stock Exchange of India Ltd.
The Corporate Relationship Dept,	Exchange Plaza,
1st Floor, Phiroze Jeejeebhoy Towers,	Bandra-Kurla Complex,
Dalal Street,	Bandra (East),
Mumbai-400 001.	Mumbai-400 051.
Scrip Code : 500185	Scrip Code : HCC

Dear Sir,

Sub: Annual Report for the Financial Year 2020-21 and Notice of 95th Annual General Meeting of the Company

We wish to inform you that the 95th Annual General Meeting (the AGM) of the Company is scheduled to be held on **Thursday, September 23, 2021 at 11.00 a.m.** through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

Pursuant to Regulation 30 and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual Report of the Company for the Financial Year 2020-21 along with the Notice convening the 95th AGM is enclosed herewith.

The Company is providing to its Members facility to exercise their right to vote on resolutions proposed to be passed at the AGM by electronics means. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. Thursday, September 16, 2021, shall be entitled to avail electronic voting facility. The remote e-voting period commences on Sunday, September 19, 2021 (9.00 a.m.) and ends on Wednesday, September 22, 2021 (5.00 p.m.).

Further, the Register of Members and the Share Transfer Books of the Company will remain close from Friday, September 17, 2021 to Thursday, September 23, 2021 (both days inclusive) for the purpose of the AGM of the Company.

We request you to kindly take the above on record.

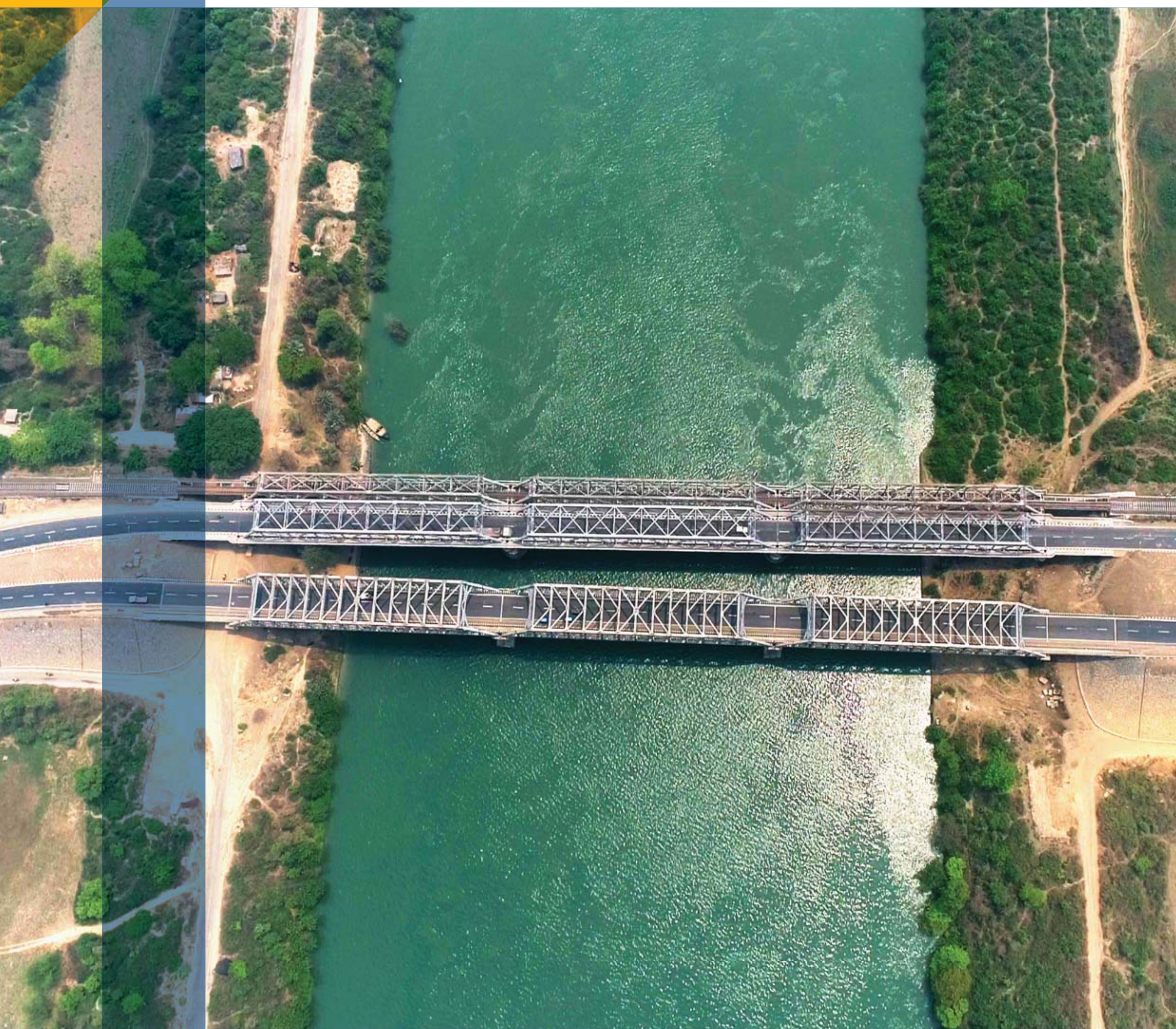
Thanking you,

Yours faithfully,
For **Hindustan Construction Company Ltd.**

Vithal P Kulkarni
Company Secretary

Encl: as above.

Annual Report 2020-21



Contents

Highlights 2020-21

- Consolidated Group revenue at ₹8,335 crore; standalone income of ₹2,642 crore in FY21 vs ₹3,676 crore in FY20
- EBITDA margin (excluding Other Income): 11.6% in FY21 vs. 12.8% in FY20
- Secured five fresh orders worth ₹7,639 crore (HCC JV share: ₹3,467 crore); Order backlog of ₹17,914 crore
- Completed four projects of significant importance in urban infra, hydro power and irrigation sector:
  - Two projects CC66 & CC34 of underground metro with total TBM tunnelling of ~10 kms for Delhi Metro Rail Corporation
  - The 111 MW Sawra Kuddu Hydro Power Project in Himachal Pradesh
  - Kaleshwaram Lift Irrigation Project Package 10 in Telangana with a reservoir capacity of 100 TMC (Thousand million cubic feet) or 2,83,100 crore litres
- Completed ~₹3,300 crore worth of asset sales & award/claims conciliations in FY21
- Debt carve-out resolution plan with lenders in the final stages

HCC'S MAJOR PROJECTS

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

ANDHRA PRADESH

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

ARUNACHAL PRADESH

- □ Pare Hydro Power Project

ASSAM

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

BIHAR

- □ Ganga Bridge at Mokameh
- □ Munger Rail-cum-Road Bridge
- □ Muzaffarpur Thermal Power Plant
- ▲ Sahibganj Manihari Bridge
- □ Sone Barrage
- □ Sone Bridge

CHATTISGARH

- □ Bhilai Steel Plant

DELHI

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

GOA

- □ Goa Barge Berth at Marmugoa

GUJARAT

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

HARYANA

- □ Hathnikund Barrage
- □ Panipat Chimney

HIMACHAL PRADESH

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

JAMMU & KASHMIR

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

JHARKHAND

- □ Chandil Dam
- □ Grand Trunk Road Improvement Project

KARNATAKA

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

KERALA

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

LADAKH

- □ Chutak Hydro Power Project
- □ Nimoo Bazgo Hydro Power Project

MADHYA PRADESH

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

MAHARASHTRA

- □ Bandra-Worli Sea Link
- ● BARC - Integrated Nuclear Recycle Plant, Tarapur
- ● Bhama Askhed Pipeline
- □ Bhandup Pipeline
- □ Bhandup Water Treatment Complex
- □ Bhorghat Tunnel
- ● Pune Metro
- ● DGNP Dry-Dock and Wharves
- □ Factory Civil Works for Premier Automobiles Limited
- □ Ghatkopar High Level Water Tunnel
- □ Koyna Hydro Power Project Stage I to IV

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

MANIPUR

- ● Imphal Kangchup Tamenglong Road
- ● Parallel safety tunnel of T-12
- □ Railway Tunnel No.1 between Jiribam and Tupul
- □ Railway Tunnel No. 3 between Jiribam and Tupul
- □ Railway Tunnel No. 10 between Jiribam and Tupul
- □ Railway Tunnel No. 12 between Jiribam and Tupul
- ● Railway Tunnel No. 12 between Tupul and Imphal
- ▲ Single Line BG Tunnels Lot 14A and Lot 15A

ORISSA

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

PUNJAB

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

RAJASTHAN

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

TAMIL NADU

- □ Chennai Bypass
- ▲ Chennai Metro Rail - Phase II, Corridor 4 - ECV02
- □ Ennore Port
- ● Fast Reactor Fuel Cycle Facility, Kalpakkam
- ● Residential Buildings, Anupuram
- □ Kadamparai Pumped Storage Project
- □ Kudankulam Nuclear Power Project, Units 1 & 2
- □ Lower Mettur Hydro Power Project
- □ Navamalai Irrigation Tunnel
- □ Tirupur Water Supply Project
- □ Upper Nirar Irrigation Tunnel

TELANGANA

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

UTTAR PRADESH

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

UTTARAKHAND

- □ Dhauliganga Hydro Power Project
- ▲ RVNL: Rishikesh- Karanprayag New BG Line - Pkg-9
- ● Tapovan Vishnugad Hydro Power Project
- ● Tehri Pumped Storage Project
- ● Vishnugad Pipalkoti Hydro Power Project

WEST BENGAL

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

BHUTAN

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

BANGLADESH

- ● Rooppur Nuclear Power

CHAIRMAN'S LETTER

Dear Shareholder,

The past year was unimaginable by any measure. The pandemic swamped the entire globe like a colossal tsunami leaving multifold changes in its wake. Besides extracting an appalling human toll, it changed the way we live, work, learn, and much more. Its immediate consequences saw the world facing a severe economic contraction and triggered unprecedented government actions.

Despite the gathering of dark clouds, some beams of light broke through as India calibrated its response with an attempt to bring about economic reforms. This helped ensure minimal disruption on the supply side while ensuring that the demand side also remained extant. The Emergency Credit Line Guarantee Scheme provided much-needed relief to stressed sectors. A favourable monetary policy ensured abundant liquidity and immediate relief to debtors via temporary moratoria, unclogging monetary policy transmission.

These timely initiatives resulted in arresting the decline, with GDP declining 7.3% in Q2 as against a big drop of 24.4% in Q1, signalling the beginning of an economic recovery. This was followed by positive news from the IMF when it raised its March 2021 forecast for India's growth to 12.5%.

Amidst these developments, suddenly, a second wave of the pandemic precipitously enveloped the nation and caught us unprepared. The Government embarked on quick course correction measures with ramping up of health infrastructure for patients and vaccinations of eligible citizens on war-footing. The stringent localised lockdowns and enhancement of critical medical infrastructure will ensure containment of the virus and hopefully overcome the pandemic soon.

While the events unfolded through the year, at HCC, we kept our focus on what we, as a Company, can do to build responsible infrastructure. As I begin this annual letter to the shareholders, I am proud of what our Company and our employees have achieved, collectively and individually.

During this challenging year, we have had to perform the greatest balancing act in the Company's history — addressing the COVID19 pandemic while pushing for our long-term sustainability by initiatives aimed at deleveraging the balance sheet and pruning fixed costs.

Right from the onset of the pandemic, HCC adopted stringent safety measures to ensure the safety and well-being of its people and all stakeholders. We ensured that the 13,400 contract workmen at our project sites received good care by implementing stringent Standard Operating Procedures and safety norms for COVID19. Besides providing food, shelter and medical assistance, the focus was on maintaining prescribed COVID19 preventive and containment protocols.

While we had a challenging situation at the project sites due to the lockdown, HCC remobilized the required workmen, strengthened the supply chain management with improved vendor management, and took various measures with clients to improve cash flow to successfully bring stalled projects back into regular operation during the year.

I am proud that this year, your Company has completed two projects of the Delhi Metro Rail Corporation – CC66 and CC34, as well as the Sawra Kuddu HEP in Himachal Pradesh. Significant progress has been achieved on several projects under construction, which include: Coastal Road Project in Maharashtra, Mumbai Metro Line 3 in Maharashtra, Delhi Metro Rail Corporation's DC06 contract, Railway Tunnel T-49A, T13, T14 and Anjikhad Cable-Stayed Bridge in Jammu & Kashmir, Tehri Pumped Storage Plant and Vishnugad Pipalkoti HEP in Uttarakhand, the Fast Reactor Fuel Cycle Facility at Kalpakkam in Tamil Nadu, the Rajasthan Atomic Power Project, the Integrated Nuclear Recycle Plant for Bhabha Atomic Research Centre at Tarapur, Parwan Dam in Rajasthan, and Bistan Lift Irrigation in Madhya Pradesh.

While project execution was stabilised, HCC continued with its steadfast efforts through the year to lighten the balance sheet, bring down operational costs and interest outgo to achieve greater financial stability.

Meanwhile, our ongoing Resolution Plan with lenders will significantly deleverage the Company and address its asset-liability mismatch. When implemented, the Company will not have any material debt servicing obligations till FY23. The Company will focus on the working capital requirements for normalizing its operations and securing new orders for business growth.

Also, in September 2020, HCC Concessions Ltd, the subsidiary of HCC, completed the 100% sale of Farakka-Raiganj Highways Limited to Cube Highways and Infrastructure II Pte Ltd with an enterprise valuation of ₹1,508 crore. This sale to Cube unlocks substantial sums, which will be reinvested in the EPC business.

In a year overshadowed by uncertainty, your Company turned in a creditable performance and registered growth in key performance parameters. With strategic bidding of around ₹8,000 crore across key sectors, the Company has secured significant orders worth ₹7,639 crore (HCC's share ₹3,467 crore). The total order backlog as of March 31, 2021, was ₹17,914 crore. The Company has substantial future business potential for bidding and to gain new orders across metro rail, tunnels, bridges, highways, and hydropower segments.

Your Company takes a 360-degree view of sustainable development that encompasses the organization's social, economic, governance, and financial aspects. We have been disclosing our sustainability performance through our annual Sustainability Reports published for the last 11 years. The Report adheres to the Global Reporting Initiative (GRI) framework and is independently verified by a third-party assurance agency. Through these initiatives, we make sure that the communities around us see a tangible and durable benefit from our presence. They see it in the shape of better access to potable water, improved sanitation levels, facilities for health, education and skill-building. The Company has also supported authorities in disaster relief during the glacier burst at Tapovan Vishnugarh HEP in Uttarakhand.

While businesses have worked with courage and conviction to serve their stakeholders, I believe that the pandemic has presented an existential crisis to the infrastructure industry, which was already deaccelerating pre-COVID and demands a determined response from the policymakers.

The government needs to urgently initiate the following medium-term reforms to make the future of the Construction Industry sustainable:

- Reduction in the Non-Fund Based securities and guarantees sought in a construction contract
- Rationalization of contract conditions in line with FIDIC: Current contract agreements need to evolve to an improved risk-sharing mechanism. This will give both financial institutions comfort on financing but also minimise disputes

In response to industry demands, the government must be complimented for undertaking the following steps.

- Reduction in performance securities from 10% to 3% for all government contracts
- Waiving off bid securities/earnest money deposits
- Several retention securities are dealt with in a different way by various PSUs
- NHAI has modified the milestone-based payment system that put cash flow stress on the liquidity situation in the infrastructure sector

It is necessary for the government to consider the above, as well as several other demands made by the construction industry. The sector employs nearly 70 million people and has the highest impact on the GDP per Rupee invested, with a multiplier factor of two. Therefore, assisting the construction industry will not only drive our economic recovery but also absorb large swaths of unemployment.

We are all passing through a crisis of unprecedented magnitude, and I would like to thank Team HCC as well as our customers, vendors and other stakeholders for the confidence and trust they have reposed in us. I also thank my fellow Board Members for their invaluable support in guiding the Company through this challenging period. We are putting in enormous efforts to mitigate the impact of the pandemic and register an enhanced performance in FY 2021-22.

Yours sincerely,

Ajit Gulabchand
Chairman & Managing Director

PROJECTS

1. **Coastal Road Project in Maharashtra** has started construction of the Monopile (3.5 m dia) for bridge foundation in marine locations, and test piles are successfully cast. This is the first such adoption of large diameter (3m+) Monopile technology in bridge construction in India.
2. **Mumbai Metro Line 3 Project in Maharashtra:** After completing tunnelling, station building work is proceeding as per the plan at Chhatrapati Shivaji Terminus, Kalbadevi, Girgaon and Grant Road stations.

3

UPDATE

3. **NH34 Concession Projects:** The balance works on Farakka Raiganj Highway and the additional construction of 14.35 km of Bahrampore Farakka Highway was completed in FY21 with revised tolling from May 2021, leading to an increase in revenues.
4. **Anji Khad Bridge:** Substructure, Pylon construction and fabrication works are in progress. The bridge superstructure work has commenced by the incremental launching method. On completion this will be one amongst longest cable stayed bridges in the world for railways.

4

5. **Kaleshwaram Lift Irrigation Project Package 10** for drawing/lifting 88.24 TMC of water from Mid Manar to the new reservoir at Ananthagiri village, Karimnagar District, Telangana received completion certificates.

6. **Punatsangchhu Hydro Power Project:** Concreting of headrace tunnel, surge shaft, pressure shaft and powerhouse complex of the 1200 MW Punatsangachhu Hydro Power Project, the largest in Bhutan, is completed despite 9 months of project closure due to extra ordinary logistical challenges at borders & restrictions in Bhutan due to COVID.

7

7. **Tehri Pumped Storage Plant in Uttarakhand** is progressing well in civil and electro-mechanical works. Powerhouse and Ventilation Tunnel concreting is in progress. Control building last slab casting completed. TRT-Downstream surge shaft and draft tube junction works are in progress.
8. **Rajasthan Atomic Power Project, Units 7&8:** Achieved the milestone of completing the Unit 8 IC dome casting on April 05, 2021. Finishing Works of both Unit-7 and Unit-8 are in progress. Tunnels & Trenches works are 98% completed.

8

STEINER AG

1. **Baloise Park, Basel** was opened to the public in September 2020. The scheme comprises 3 new buildings, which will house the Baloise Group HQ with 700 workplaces, a 264-room hotel, 11,600 sq m of office space and 2,400 sq m for a training centre.
2. **Château d'Echallens, Echallens** was opened in September 2020. The Project was constructed in three phases involving a new building in phase I, few units under the existing esplanade in phase II, and refurbishment of the north wing of the castle in the final phase.

COMPANY INFORMATION

BOARD OF DIRECTORS

Ajit Gulabchand | Chairman & Managing Director

Sharad M. Kulkarni | Independent Director
(upto December 24, 2020)

Anil C. Singhvi | Independent Director

N. R. Acharyulu | Independent Director
(Non-Executive Director till June 22, 2021 and Independent Director w.e.f. June 23, 2021)

Arjun Dhawan | Group CEO & Whole-time Director

Santosh Janakiram Iyer | Independent Director

Mahendra Singh Mehta | Independent Director

Mukul Sarkar | Nominee Director

Dr. Mita Dixit | Independent Director

Arun Karambelkar | Non-Executive & Non-Independent Director (w.e.f. June 23, 2021)

KEY MANAGERIAL PERSONNEL

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

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

Anil Kumar Chandani | Chief Financial Officer
(w.e.f. November 09, 2020 upto January 15, 2021)

Vithal P. Kulkarni | Company Secretary

AUDITORS

Walker Chandiok & Co. LLP, Chartered Accountants

REGISTRAR & SHARE TRANSFER AGENTS

TSR Darashaw Consultants Private Limited
C-101, 1st Floor, 247 Park,
Lal Bahadur Shastri Marg, Vikhroli (West),
Mumbai – 400083.

REGISTERED OFFICE

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

MANAGEMENT DISCUSSION & ANALYSIS

INTRODUCTION

Hindustan Construction Company Limited ('HCC' or 'Company') is engaged in the engineering and construction of large infrastructure projects, many of which are of national importance. It is one of the oldest infrastructure development companies in India, founded by Seth Walchand Hirachand in 1926. HCC operates mainly in the heavy infrastructure space and has presence in major infrastructure sectors like roads, bridges, hydro, nuclear, irrigation and water supply. It leverages its widespread knowledge base to deliver efficient solutions for its Clients ranging from engineering design, project management and controls to project execution and commissioning. It has acquired pre-qualification (PQ) skills and execution capabilities across sectors over the years.

The HCC Group's principal business areas can be classified into three broad verticals of Engineering and Construction (E&C), Infrastructure development and Real Estate. While the E&C vertical is undertaken by HCC, the rest of the activities are carried out through separate subsidiary companies.

For the construction industry in India, financial year (FY) 2021 was severely impacted by the COVID19 pandemic. The infrastructure sector, not an exception to this shock, experienced a sharp decline during the lockdown period. Economic activity started recovering as the unlocking process began. Further improvement and firming up in industrial activities are foreseen with the vaccination drive, enhanced capital expenditure by government, and the relentless push forward on long-pending reform measures.

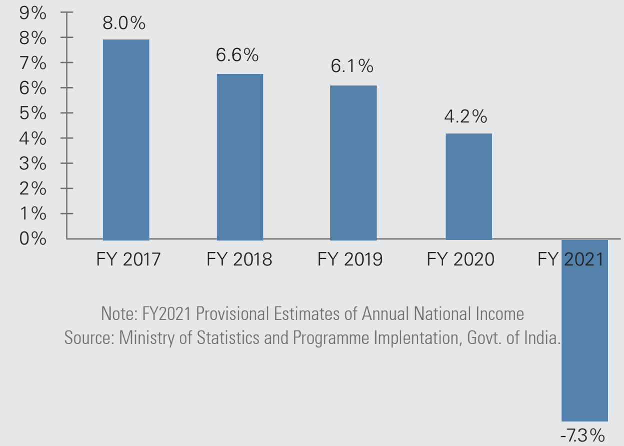
In such an environment, HCC has focused on improving its liquidity position through realisation of its Client receivables and the monetisation of non-core assets to bolster its balance sheet. The Company also continues to drive organisational change to deliver operational robustness while relying on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

MACROECONOMIC REVIEW

The National Statistical Office, Ministry of Statistics and Programme Implementation, Government of India reported a contraction of 7.3% in real GDP growth for FY2021 while revising the growth estimates for FY2020 to 4% from 4.2% earlier in its provisional estimate of Annual National Income and Quarterly Estimates of GDP for Q4 of FY2021 released on May 31, 2021. Chart A shows the data for Real GDP growth in India for the past five years. The government also released quarterly estimates showing real GDP growth of-24.4% for Q1 (Apr-Jun),-7.4% for Q2, 0.5% for Q3 and 1.6% for Q4 of FY2021. While the latest growth numbers indicate a modest growth pick up in the second half of FY2021, the recovery is likely to be affected significantly in Q1 and Q2 of FY2022 by the sudden eruption of the second COVID19 wave from April 2021, which resulted in lockdown-like restrictions in most states across India.

The agriculture sector registered a healthy 3.6% growth during FY2021 after 4.3% growth in the previous fiscal year.

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



Note: FY2021 Provisional Estimates of Annual National Income
Source: Ministry of Statistics and Programme Implentation, Govt. of India.

Quarterly data of other components of GDP by economic activity reported a mixed trend in real Gross Value Added (at 2011-12 prices) for FY2021. Mining and quarrying, trade, hotels, transport, communication and other services continued in negative territory during the second half of FY2021. However, the construction sector bounced back (6.5% in Q3 and 14.5% growth in Q4) as did manufacturing (1.7% and 6.9%) during this period. While the sequential quarterly data portend an encouraging trend, the growth momentum remains under strain, particularly given the fresh and severe economic activity disruptions due to the pandemic's second wave in India.

The index of industrial production (IIP) recorded strong growth in March 2021 across all segments, with overall industry growth of 22.4%, partly due to the low base effect. The overall recovery trend in the industry continued during Q4 of FY2021. However, overall, IIP registered a negative growth (-8.6%) for FY2021. Despite strong rebound in March 2021, all the use-based segments ended FY2021 with negative growth, with capital goods (-19.2%), consumer durables (-15.2%), intermediate goods (-9.7%) and construction goods (-9.1%).

Expenditure trends (at 2011-12 prices) in Q4 of FY2021 appear to be promising. Private final consumption expenditure stood at 55.4% of GDP in Q4 of FY2021 compared to 54.9% in Q4 of FY2020. Also, the Government final consumption expenditure was 11.7% of GDP in the last quarter of FY2021 as against 9.3% in the corresponding quarter of FY2020. Further, Gross Fixed Capital Formation – an indicator of private investment – bounced back to 33% of GDP in Q3 and further to 34.3% in Q4 of FY2021 compared to 32.3% and 31.5%, respectively for Q3 and Q4 of FY2020.

The BSE Sensex continued its bullish trend after shedding about 4500 points between February 15 – April 20, 2021, and scaled another peak at 52,329 on June 7, 2021. However, gains in the broader market have lagged the major indices. GST collections crossed ₹1,00,000 crore mark for eight months in a row till May 2021, reflecting the resilience of economic activity. However, non-food credit growth was 4.9%, the lowest in four years, even as bank deposits grew at 11.4% for FY2021. The RBI kept the repo rate – its key lending rate – low at 4% and assured maintaining an accommodative stance for liquidity for as long as necessary to revive growth. The consumer price inflation rate eased to 4.29% in April 2021 from a high of 5.52% for February 2021. However, the Wholesale Price Index rose to 7.39% year-on-year in March 2021 and further to 10.49% in April 2021.

The government managed the first wave of the COVID19 pandemic much better than critics would give it credit. A strict lockdown prevented mass transmission of the virus and large-scale outbreak while providing breathing space for rapid scaling up of emergency healthcare infrastructure, especially in dense urban centres. India recorded a healthy recovery rate and a low (1%) mortality rate from the pandemic. From June-July 2020, the lockdown was gradually eased, and economic activities resumed. Meanwhile, India joined the global race for developing a vaccine for COVID19. Vaccination for frontline workers started from January 16, 2021, and for senior citizens thereafter.

However, the second wave of COVID19, propelled by a new 'delta' variant, hit the country suddenly from April 2021 onwards, with daily new cases rising exponentially and reaching 4,14,188 on May 6, 2021. The daily numbers have since declined as quickly as they had risen and returned below 1 lakh beginning the second week of June 2021. Since the beginning of the pandemic in March 2020, a total of 2.95 crore people suffered COVID19 infections till mid-June 2021, with 3.74 lakh total deaths. During the second wave, several states declared strict lockdown measures, severely impacting economic activities. The pandemic threat is not yet over, and there is the apprehension of a third wave. The government has now set an ambitious target of vaccinating the entire population by end-December 2021. The Prime Minister announced free vaccines for all adult population to be administered by the Central Government jointly with states. He also extended free ration scheme support to 80 crore people till November 2021.

Therefore, the economic outlook for FY2022 remains clouded in pandemic-induced uncertainty, especially in the current and the following quarters. India's unemployment rate sharply rose to 7.11 per cent in 2020 from 5.27 per cent in 2019 as per the ILO database. According to The Centre for Monitoring Indian Economic (CMIE) estimates, over 1.5 crore jobs were lost in India in May this year. The monthly unemployment rate reached 11.9 per cent, the highest since last year's national lockdown. At the same time, inflationary expectations are on the rise. As per the RBI's latest survey, households' inflationary expectations rose by 220 basis points from January 2021 to May 2021 for the current period and 150 points for the three months ahead period. Consumer confidence fell to 48.5 in May 2021 from 55.5 in January 2021, according to the RBI survey. The survey also indicated worsening consumer optimism for the year ahead reflected in lower future expectations index from 117.1 to 96.4% in May 2021.

India's growth expectations for FY2022 are being adjusted downwards. The RBI now expects GDP growth to be lower at 9.5% for FY2022. The IMF is likely to revise its April 2021 forecast of India's GDP of 12.5% during FY2022 and 6.9% the following year. The global economy seems to have stabilized. The IMF forecast the world output to grow 6% in 2021 and 4.4% in 2022. China's economy is projected to grow at 8.4% in 2021 and 5.5% in 2022.

The government's ability for fiscal and monetary support to sustain growth momentum is quite limited. The challenges due to continuing pandemic are likely to affect governments revenue estimates and, at the same time, additional resources will be required for an effective pandemic response. Experts reckon that there may be a shortfall of 0.4% in the non-debt capital receipts. At the same time, the expenditure is likely to overshoot on account of free vaccination, income support to vulnerable parts of the population, additional capital expenditure for healthcare and other sectors. Together, these factors are likely to push the fiscal deficit close to 8% compared to the 6.7% budget target. Public debt at over 90% of GDP is already very high, and the further increase could impact the country's investment ratings and put pressure on the rupee. The government may have to continue to rely on the RBI's accommodative monetary policy. Supporting growth through additional expenditure without raising the fiscal deficit or inflation would be a tough challenge.

INFRASTRUCTURE AND CONSTRUCTION IN INDIA

The Indian construction industry accounts for ~9% of the country's GDP and employs around 4 crore people. The construction industry has induced effects in the majority of the manufacturing sectors of the economy (such as cement, steel, industrial equipment). Thus, it plays a pivotal role in the economic growth of the nation. Structurally, the construction sector comprises the real estate and infrastructure segments. The infrastructure holds a major share and is a key driver of the overall growth in the construction sector.

Over the last few years, the infrastructure industry was plagued with significant cost overruns, liquidity issues, regulatory bottlenecks, highly leveraged balance sheets and aggressive bidding positions taken by a few market players resulting in financial losses. The Government of India has undertaken initiatives such as PPPs to draw private sector investments into the infrastructure sector. The government also introduced several structural reforms in the form of several schemes such as NIFF, Make In India, AMRUT, UDAAN, Hybrid Annuity Model, REITs & InvITs etc., to revive the investment cycle and further strengthen infrastructure development in rural and urban areas. To bridge the funding gap, the Reserve Bank of India ('RBI') has notified 100 per cent foreign direct investment ('FDI') under automatic route in the construction development sector.

The intent of the Indian government to create world-class infrastructure is evident in the recent announcements on investment in this sector and various structural policy initiatives taken. These initiatives' impact can be seen in India's rank in the WEF's Global Competitiveness Index, which has improved significantly from 71st position in 2014-15 to 40th position in 2017-18. During the same period, a similar improvement was observed in the "Infrastructure Sub-index", under which India's rank improved from 87th position to 66th position.

Further, the government is taking several initiatives to eliminate bottlenecks in the infrastructure sector, such as delays in obtaining clearances, funding constraints and land acquisition issues. Few of these initiatives include the launch of a portal for single-window clearance, creation of the National Investment and Infrastructure Fund ('NIIF'), and re-examination of the Viability Gap Funding ('VGF') Scheme to fill the funding gap. India is expected to be the third-largest construction market globally by 2030, with its contribution to GDP increasing to 15% by 2030.

Infrastructure spending is expected to have a multiplier effect on overall economic growth. To meet the target of a $5 trillion economy by 2024-25, India has developed US$ 1.5 trillion (₹111 lakh crore) National Infrastructure Pipeline (NIP) built on Infrastructure Vision 2025, which should provide a timely stimulus to the economy. The total project capital expenditure in infrastructure sectors in India during the fiscals 2020 to 2025 is projected at over ₹111 lakh crore in which sectors such as Energy (24%), Roads (19%), Urban infrastructure (16%), Railways (13%) and Ports amount to around 70% of the projected capital expenditure.

Power: The government is looking to increase the total installed capacity by ~36% (213 GW) over the next five years. Out of this, Thermal will contribute 60 GW, Renewable Energy 140 GW, Nuclear 5 GW and Hydro 6 GW. Since ~64 GW thermal capacity is already under development, the largest investment is bound to be in Renewable Energy.

Roads: The roads and highways sector has received a significant push via government initiatives, such as Bharatmala Pariyojana, Pradhan Mantri Gram Sadak Yojana and multiple expressways. Over the next five years, the total NIP Capex will be over US$271 billion (₹20 lakh crore) with over 1800 project pipeline.

Urban infrastructure: Many programmes for urban development such as the AMRUT to provide basic civic amenities like water supply, sewerage, mass rapid transit system, smart city mission, jal jeevan mission, PMAY-U to provide affordable housing and the SCM for integrated development are in place. Over the next five years, the total NIP Capex will be over US$ 256 billion (₹19 lakh crore) with over 1300 project pipeline.

Railways: Various initiatives have been undertaken by the Indian Railways to provide impetus to the Make in India programme and encourage investment in railway infrastructure through investor-friendly policies. Over the next five years, the total NIP Capex will be over US$ 182 billion (₹13 lakh crore) with over 720 project pipeline.

Ports: Overall, the Sagarmala programme is expected to oversee the development and implementation of new as well as existing ports and inland waterways. Over the next five years, the total NIP Capex will be over US$ 16 billion (₹1.2 lakh crore) with over 58 project pipeline.

Out of the total expected capital expenditure of ₹111 lakh crore, projects worth ₹42.7 lakh crore (42%) are under implementation, projects worth ₹32.7 lakh crore (32%) are in the conceptualization stage, and the rest are under development. It is expected that projects of certain states, which are yet to communicate their pipelines, would be added to the pipeline in due course.

Till recently, the construction industry was witnessing sluggish growth due to various economic and policy concerns. Certain initiatives undertaken by the stakeholders involved have provided much need relief. NHAI is now awarding contracts only after a substantial portion of the land acquisition has been done. Regulatory clearances are being received prior to the tendering stage. Settlement of arbitration claims is a time-consuming process and blocks a large sum of receivables for EPC companies. Recent amendments in the Arbitration Act are encouraging the realization of claims. The government has announced its agenda to revive the growth of the EPC sector. It plans to adopt a multi-pronged strategy to simplify procedures, expedite ongoing projects and develop new ones. There are efforts in better coordination between ministries to ensure faster project award and grant of clearances and relief offered to road developers through measures like relaxation in the exit clause, deferment of premium, and NHAI fund infusion in stalled projects.

HCC, having executed numerous contracts in the above mentioned sectors, has strong PQs in the same. We believe that the underlying macro drivers for investments in India remain intact and that the Company is poised to capitalize on these opportunities in the future.

HCC: STRATEGIC DEVELOPMENTS

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

NHAI Conciliations & Realisation of BOT Asset Sale

The Company initiated a material conciliation process with NHAI in December 2019 to settle certain awards & claims. Besides generating upfront liquidity, the intention was to reduce litigation costs and release BGs provided to Court or the Client under CCEA directive, thereby reducing bank's exposure and lightening the balance sheet. The Company has been successful in closing five conciliations within its BOT arm, HCC Concessions, and one conciliation of HCC through the Conciliation Committee of Independent Experts (CCIE) of NHAI. As per the aforementioned settlement agreements, HCC Group has received a total sum of ₹1,849 crore and the return of ₹100 crore of its BGs.


Farakka-Raiganj Highway (NH-34), West Bengal

As part of its fundraising initiatives, HCC Concessions Ltd (HCON) completed the sale of Farakka-Raiganj Highways Ltd (FRHL) to Cube Highways and Infrastructure II Pte Ltd

(Cube Highways) on September 22, 2020, with an enterprise valuation of ₹1,508 crore, comprising debt of ₹905 crore and an equity valuation of ₹603 crore.

In Q4 FY2021, the HCC Group concluded its conciliation with NHAI for all disputes concerning Baharampore-Farakka Highways Ltd (BFHL) and Farakka-Raiganj Highways Ltd (FRHL). The SPVs entered into settlement agreements with NHAI for a comprehensive closure of all outstanding disputes and claims between the parties for a total amount of ₹1,259 crore. BFHL settled the disputes for ₹405.53 crore and FRHL settled it for ₹853.54 crore. The amounts have been received by the respective SPVs. FRHL will release the settlement proceeds to HCC Group per the existing contractual understanding with FRHL.


Baharampore-Farakka Highway (NH-34), West Bengal

These initiatives will help provide immediate liquidity to the HCC Group to be utilized for operations and growth.

An exit will also be provided to HCC's equity partner, The Xander Group, in HCON from the proceeds of FRHL sale and conciliation with NHAI. Further, with the renewed impetus on BOT/HAM projects by the central government through NHAI and other agencies, HCON will look to bid selectively for BOT/HAM projects in partnership with financial investors and provide end-to-end construction services for these projects.

Lender Resolution Plan

HCC has embarked on a comprehensive debt resolution plan (RP) with its lenders. The Company proposes transferring the economic/beneficial interest in specified awards and claims as per following details:

a. Lenders' liability not exceeding ₹4,000 crore

b. Economic /beneficial interest in (i) awards of up to ₹2,749 crore and (ii) claims of up to ₹2,136 crore, both accounted by the Company as per method of accounting regularly employed.

c. Economic/beneficial interest in awards & claims of up to ₹4,315 crore made by the Company, however, yet to be accounted.

The amount identified above will be initially novated/assigned by the Company to the Prolific Resolution Pvt Ltd, a wholly owned subsidiary of the Company. The final amount of debt along with the economic/beneficial interest in awards and claims to be assigned will depend on when precisely the Resolution Plan will close, as the debt amount to be carved out will include all over dues till the date of implementation of Resolution Plan.

The Company will subsequently sell/transfer/dilute or otherwise dispose of up to 51% of its equity shareholding to the investor.

The ratio of assigned awards and claims to total debt will be up to 2.3 times depending on the total debt and mix of awards and claims as agreed with the lenders. The debt transferred would be repaid over a period of time from the claims & awards realization proceeds through concentrated efforts by the SPV. The carved-out debt will be restructured as a 10-year instrument, payable from the 6th year onwards, with equity upside shared between the investor and lenders as agreed in the waterfall mechanism. HCC share (~49%) remaining after repayment of debt and capped IRR to investor, will fold back to HCC. HCC's Corporate Guarantee will be limited to 20% of debt (principal amount) transferred to SPV.

The investor will hold a majority stake in this entity with a planned investment of upfront equity of ₹25 crore and priority debt of ₹75 crore, which will be utilized towards arbitration and litigation expenses. The return on investment to the identified investor entity will be limited and capped to a maximum of 35% and Board is authorized to negotiate and finalize the same.

The plan also entails divestment of identified non-core assets in HCC and conciliation/realization of identified Awards and Claims (remaining in HCC after carve out) to the tune of ₹1,247 crore, which will be utilized for operations. On the RP closure, Lenders will continue to issue/re-issue Bank Guarantees (BGs) for operations and growth from existing sanctioned operational NFB limits.

This plan received in-principle approval at the Senior Level Consortium meeting held on January 10, 2020. Due to the ongoing COVID19 pandemic, there was a need to alter the proposed RP which was presented and approved in-principle by Lenders on August 18, 2020. The RP has received full support of HCC's lenders and the Inter Creditor Agreement (ICA), inter se the lenders, has been signed by 99% of the lender consortium, with one lender having committed to do so along with their final board approval. The plan was submitted in March to the Overseeing Committee (OC) for its approval. However, it was subsequently clarified by the Indian Banks' Association (IBA) that there was no requirement of OC, and the Lenders are currently in the process of granting their final approvals.

The Company's Board has approved the Resolution Plan subject to approval of the shareholders at the Extra-ordinary General Meeting of the Company to be held on June 29, 2021. Certain disruptions due to COVID19 have led to delay and the plan is expected to get implemented in Q2 FY2022.

On the implementation of this RP, HCC will stand substantially deleveraged, which will help address its current asset-liability mismatch which the Company has suffered on account of delayed realization of its awards and claims from Government Agencies. The Company will be able to focus on the working capital requirements for normalizing its operations and securing new orders for business growth.

Execution of Arbitration Awards

Consequent to the Supreme Court of India setting aside Section 87 of the Arbitration and Conciliation Act, there would henceforth not be any automatic stay on the execution of Arbitration Awards. A stay, which in the past, was granted at the mere filing of a challenge to an Award, would sometimes continue for years until the Court had time to hear the matter. Today, as a result of HCC's efforts in the Supreme Court, all Awards may be executed resulted in the deposit/collection of monies.

The Company has filed several Execution Petitions for deposit and collection of monies in various Courts for the Arbitration Award(s) passed in its favour.

The Company has collected ₹253 crore in FY2021 through execution petitions filed. Besides, ₹101 crore has been collected in last three months and ₹366 crore has already been deposited in the Courts, which will be released against the bank guarantees.

Furthermore, and in recognition of the mechanical challenging of Arbitration Awards that has caused stress to the sector, the Government of India order dated November 28, 2019, the Cabinet Committee on Economic Affairs (CCEA) has approved the following:

a. For challenging the Arbitral Awards gone in favour of the Contractors/Concessioners, the governmental entity will take the opinion of Law Officer – Attorney General of India/ Solicitor General of India/Additional Solicitor General of India in consultation with Department of Legal Affairs at the Ministry of Law & Justice as per the procedure laid down in this respect.

b. For the arbitral awards challenged in the Court, the Government Entity will pay 75% of such awards to the contractor/concessionaire against a bank guarantee only for 75% amount and not for its interest component.

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

Consequently, the Company expects Arbitration Awards' realization to be swifter, leading to more efficient dispute resolution in the long run. As a result of the order, HCC has recovered Bank Guarantees of ₹586 crore and is expected to receive a further release of BGs worth ₹161 crore.

To avoid litigations, the GOI in the Union Budget has proposed a conciliation mechanism for resolving disputes in the construction industry. Para 135 of Budget provides as under:

> *135. To have ease of doing business for those who deal with Government or CPSEs and carry out Contracts, I propose to set up a Conciliation Mechanism and mandate its use for quick resolution of Contractual disputes. This will instil confidence in private sector investors and contractors.*

This mechanism is likely to spur private investment in the Infrastructure sector, which is greatly problematic due to mechanical challenging of awards and long delays in dispute resolution. The above mechanism-specific mandate to the CPSEs will go a long way in helping the contractors and the government agencies to ensure the infrastructure projects are completed with minimum delays as the disputes would be settled and the money would be available during the performance of the Contracts.

OPERATIONS REVIEW

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

HIGHLIGHTS FY21

- Improved performance in Q4 FY2021 relative to Q4 FY2020, despite COVID19 challenges.
- Two projects of Delhi Metro Rail Corporation CC66 and CC34 (HSJV) have been completed successfully, and obtained their project performance certificates.
- Commissioning of Sawra Kuddu HEP (Himachal Pradesh) and receipt of completion certificates.
- Received completion certificates for Kaleshwaram Project – Package 10 (Telangana).

BUSINESS DEVELOPMENT

With strategic bidding of ~₹8,000 crore across key sectors, the Company has secured decent orders during FY2021.

HCC has been awarded five contracts worth ₹7,639 crore. (HCC's share is ₹3,467 crore), mainly in the Transportation sector

1. Sahibganj Bypass inclusive Ganga Bridge, Bihar. Client: NHAI. The project was awarded in JV with DBL at a total

Chart B: Order Backlog-Business Line wise

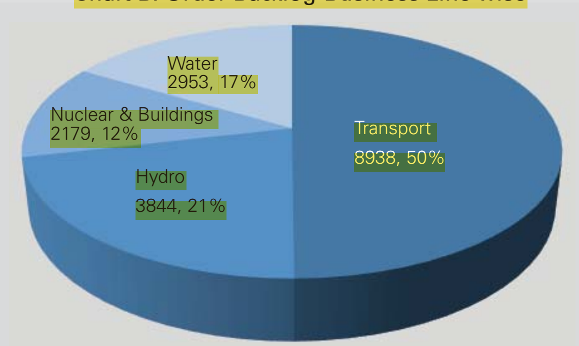
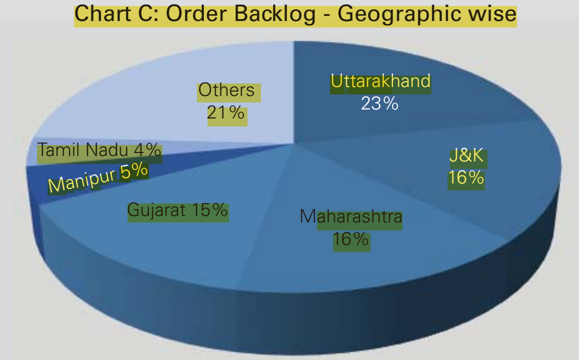


Chart C: Order Backlog - Geographic wise



cost of ₹1,900 crore. HCC's share in the JV is 26% (₹494 crore).

2. Bhadbut Barrage, Gujarat. Client: Narmada Water Resources Water Supply and Kalpsar Dept. The project was awarded in JV with DBL at a total cost of ₹4,168 crore. HCC's share in the JV is 49% (₹2,042 crore).

3. Rishikesh Karanprayag New BG Tunnel – Pkg. 9, Uttarakhand – Client: RVNL. The project was awarded in JV with DBL at a total cost of ₹1,335 crore. HCC's share in the JV is 60% (₹801 crore).

4. Two packages in Mizoram (subsection 14A and subsection 15A) for construction of Tunnels, Cut & Cover Tunnel, Lining, Balance works, Ancillary works, etc. for New BG Railway Line Bairabi-Sairang. Client North Frontier Railway. These packages were awarded in JV with VCCL, and HCC's share is 55%. Package 14A total cost of ₹156 crore. HCC's share is ₹86 crore. and package 15A total cost of ₹80 crore, HCC's share is ₹44 crore.

Project Performance

The performance of our projects was severely affected due to the COVID19 pandemic. Works resumed by end September 2020 at all project sites, but delays continue in the remobilization of manpower, availability of materials due to disruptions in the supply chain and intermediate lockdown restrictions imposed by government authorities. Furthermore, abnormal increase in prices of cement and steel have also dented performance.

While we had less production time at projects during April 2020 to July 2021, Company has utilized this period on certain broad strategies such as (i) augmenting internal capabilities in the Company's core business of Engineering & Construction; (ii) managing and mitigating risks; (iii) being selective in securing new orders and optimizing resources by entering in well-structured joint ventures (JVs); (iv) continuously improving operational parameters; (v) development of internal processes (vi) resolving contractual issues with Clients (vii) finding innovative cashflow solutions with Clients (viii) contractual closure of closed projects.

Overall, the strategy focused on cashflow solutions for ongoing projects, contractual closure of closed projects and stress on liability reduction. Projects which were stalled or faced cashflow stress in the past have been brought into regular operations during the year with working capital support and supportive measures by various Clients.

Impact of COVID19 Pandemic

During the year, project performance was sorely affected due to the imposition of lockdown and various restrictions post lockdown by Government authorities. Disruptions in supply chain management and non-availability of workmen at projects resulted in low turnover and affected the working capital cycle. Despite the above challenges, projects have made additional efforts to remobilize the required workmen and made the transportation arrangements to bring the manpower required to execute works and strengthen the supply chain management with the improved vendor management. Though Client's have agreed to sanction the extension of time as per Government guidelines, most Clients are yet to sanction payment for compensation towards lockdown period costs. While projects have reached the required level of resources and are expected to deliver performance as per the normal operating level, any future lockdowns or restrictions will disrupt the construction cycle.

PROJECTS UPDATE

Transportation:

The transportation sector has around 50% of order backlog, and all projects in this sector are performing well. Update on major projects:

- Coastal Road Project in Maharashtra is progressing well in available work fronts. Out of the necessary permission of Corals and CRZ of the Project, Corals permissions have been approved by the National Board for Wildlife, and the corals have been relocated successfully. On CRZ permissions, the committee of MOEF has recommended, and formal permission is expected soon. The Client has approved the use of Monopile (3.5m dia for the first time in India) for bridge foundation in marine locations, and test piles are planned to be cast in this quarter.

- Mumbai Metro in Maharashtra, station works are progressing well in CST station, Kalbadevi, Girgaon and Grand Road.

- Delhi Metro Rail Corporation under contract no. DC06, Station works, and TBM works are progressing well. Tree cutting permission is an area of concern that could impact the completion timeline.

- Railway Tunnel T-49A in Jammu and Kashmir improved the Tunnel and Bridge progress with the cashflow measures approved by IRCON.

- Railway Tunnel T13 & T14 in Jammu and Kashmir improved tunnel progress and now consistently achieved progress of 20 m per day across all faces put together. Tunnel lining works have also picked up following the increased availability of sand on lifting the ban on sand quarrying and the Client approving extra lead for procurement of sand.

- Anjikhad Cable-Stayed Bridge in Jammu and Kashmir: Substructure works and fabrication works are progressing well. The bridge superstructure launching has commenced by the incremental method. Slope protection works is a concern area that is being discussed with the Client for alternative technical solutions.

Anjikhad Cable-Stayed Bridge, J&K

Hydro Power:

20% of the order backlog is from the Hydro sector, and the performance of projects has improved with various support measures from the Client. Update on major projects:

- Tehri Pumped Storage Plant in Uttarakhand is progressing well in civil and electro-mechanical works.
- Tapovan Vishnugad HEP in Uttarakhand stalled due to flash floods in Feb’21, and rescue operations are in progress. Discussions are on with NTPC on project feasibility way forward on project execution.
- Vishnugad Pipalkoti HEP in Uttarakhand works resumed with the working capital advance released by THDCIL.

Tehri Pumped Storage Plant, Uttarakhand

Nuclear Power:

The projects in the Nuclear sector are having cashflow challenges. The Company is pursuing with the highest authorities of Client to find solutions to improve the cash flow. Update on major projects:

- Civil and structural works continued for the three nuclear facilities:
  - The Fast Reactor Fuel Cycle Facility (FRFCF) at Kalpakkam in Tamil Nadu,
  - The Rajasthan Atomic Power Project Unit 7 & 8,
  - The Integrated Nuclear Recycle Plant for Bhabha Atomic Research Centre (BARC) at Tarapur.

Various cash flow measures are under persuasion with the Client.

Rajasthan Atomic Power Project Unit 7 & 8

Water Supply and Irrigation:

The Projects in the Water sector are performing well, and update on major projects:

- Parwan Dam in Rajasthan: The Client has given partial approvals in March 2021 to carry out the Dam concrete works pending since February 2019.
- Bistan Lift Irrigation in Madhya Pradesh is progressing well in the available land.

Bistan Lift Irrigation Project, Madhya Pradesh

MANAGEMENT SYSTEMS

HCC’s entire construction operations are optimised and governed through an Integrated Management System (IMS) based on International standards stipulated by ISO 9001:2015 for Quality; ISO 14001:2015 for Environment, and ISO 45001:2018 for safety. This Integrated Management System has been developed to address the requirements of the ISO9001:2015, ISO14001:2015 and ISO45001:2018 standards and outlines the systems and procedures that constitute the Integrated Management System implemented at HCC.

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

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

The Safe Work Instruction (SWI) manual & Risk Index guide was revised and merged in a single volume. SWI & Risk Index is used as a guide for executing the project construction activities safely. Also, it can be used as a guide to prepare project-specific SWI & HIRAC to identify the unsafe condition and/or act which may harm environment, health & safety of workers/staff and suggest suitable remedial action and facilitate the implementation of corrective measure. The necessary formats & checklist are updated against the HSE requirement as well as SWI and uploaded on the intranet. The Proactive Safety Observation Programme (PSOP) is continued to reduce the overall incidents at project sites.

The year was very challenging due to COVID19. Guidelines and standard operating procedures to protect the workforce was developed, implemented, and monitored. Internal audit was conducted for many sites as remote audit using virtual platforms.

This year, initiative adopted in coordination with the HCC IT team for online preparation & uploading the monthly & quarterly HSE performance & legal compliance report to create an online HSE database. Online Quality Observation Training (QOT) roll out to capture all non-conformities concerning quality practices & records the finding in the online system. This year IMS department initiated an online programme and quiz to propagate & enhance awareness among the staff on HSE & quality requirements during the lockdown period.

In February 2021, the RAPP 7&8 project was bestowed with Project Safety Award-2020 by NPCIL based on safety efforts put in by our team and overall safety performance during the year-2020. In March'21, three HCC projects have won the Certificate of Appreciation in the most prestigious Safety Awards-2020 (Construction Sector) established by the National Safety Council of India- Ministry of Labour & Employment, Government of India (GOI). The award is given for our exemplary Occupational Safety & Health (OSH) performance & commitment to reduce workplace injuries, implement the best OSH practices and encourage continual improvements.

KEY SUBSIDIARIES

HCC INFRASTRUCTURE COMPANY LTD.

Baharampore-Farakka Highway (NH-34), West Bengal

HCC Infrastructure Company Limited is a wholly-owned subsidiary of HCC Limited. HCC Concessions Limited (HCON) is an 85.5%-owned subsidiary of HCC Infrastructure Company Ltd. HCON has developed a premium portfolio of DBFOT (Design, Build, Finance, Operate and Transfer) assets that generated stable, diversified and sizeable cash flow streams with a high return on equity. HCON has developed a portfolio of ~₹7,000 crore of road assets under India's National Highway Development Program, being executed through the National Highways Authority of India (NHAI).

Despite the substantial impact of COVID19 in FY2021, the turnover of Baharampore Farakka Highways Ltd. (BFHL) grew to ₹168 crore (an increase of 16%), with the average daily collection being ₹46 lakh.

On September 22, 2020, HCON completed its 100% sale of FRHL to Cube Highways and Infrastructure II Pte Ltd (Cube Highways), with an enterprise valuation of ₹1,508 crore, comprising debt of ₹905 crore and an equity valuation of ₹603 crore. The total expected payout of ₹603 crore to HCC Group includes (i) cash payout of ₹270 crore, which combines equity consideration and contractor payments; (ii) ₹233 crore of holdbacks to be released on the completion of dispute resolution with NHAI; (iii) up to ₹100 crore of earnout is payable in 2023, contingent on traffic projections.

In Q4 FY2021, the Company concluded its conciliation with NHAI for all disputes concerning Baharampore-Farakka Highways Ltd (BFHL) and Farakka-Raiganj Highways Ltd (FRHL). The SPVs entered into settlement agreements with NHAI for a comprehensive closure of all outstanding disputes and claims between the parties for a total amount of ₹1,259 crore. BFHL has received ₹405 crore while FRHL has received ₹854 crore from the NHAI. FRHL will release the settlement proceeds to HCC Group per the existing contractual understanding with Cube Highways. As a further consequence of this conciliation, Cube Highways will release ₹233 crore withheld as part of HCON's sale of FRHL.

In FY2021, NHAI awarded 141 projects (4,788 km) worth ₹1.71 lakh crore. The share of engineering procurement and construction (EPC) in the awards was 50%, followed by the hybrid annuity model (HAM) at 49%. Two projects were awarded on the build, operate and transfer (BOT) basis after a gap of 2 years. In FY2022, NHAI plans to award projects close to 5,000 km worth around ₹2.25 lakh crore, and HAM is expected to have the largest share of awards followed by EPC. BOT is likely to gain momentum to constitute between 5-10% of the award basket. HCC Infrastructure will look to bid for a few selected BOT/HAM projects in equity partnership with a financial player and provide end-to-end construction services for these projects

STEINER AG

Hofmatt, Menziken (Canton Aargau)

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

The business is primarily divided into three offerings.

- First, the primary business of the Company is real estate development, including long-standing brownfield projects and redevelopment projects. The focus is on developing projects that will have a market in the future.


Gloggeguet, Schaffhausen


The Spice Plant, Delhi

- Second, Steiner is involved in General and Total Contracting, where it provides complete turnkey building services from design to construction.
- Third, Steiner is evolving a model of developing financial vehicles that will fund real estate development and is working on partnerships with funds.

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

- Construction of Glasi-quarter, a new urban district in Bülach with 500-plus apartments, a residential and care centre, a hotel and over 20,000 m² of light-industrial and service-sector units, worth approx. CHF 350 million.
- The new Horizont hospital building at Frauenfeld Cantonal Hospital includes an interdisciplinary outpatient clinic, an ultra-modern operating theatre area and much more, worth CHF 160 million.
- Gloggeguet residential development in Schaffhausen, worth CHF 40 million and includes the construction of five new blocks containing 27 rental and 71 privately owned apartments.
- Manegg Mitte development in Zurich worth approx. CHF 140 million, comprising two residential buildings with 151 owner-occupied apartments and a third new-build with 101 cooperative apartments and light-industrial units.

Steiner AG reported revenues of CHF 705 million (₹5,655 crore) in the financial year 2020-21 as compared to CHF 802 million (₹5,779 crore) in the previous year (restated) and a profit of CHF 3.6 million (₹30 crore) as compared to a net profit of CHF 28.0 million (₹201 crore) in the previous year (restated). The Company secured fresh orders worth CHF 575 million (₹4,454 crore). The order book stood at CHF 1.32 billion (₹10,225 crore) at the end of the financial year. In addition to this, the Company has secured orders for CHF 13 million (₹101 crore), where contracts are yet to be signed.

The World Health Organization officially declared the spread of COVID19 as a pandemic as of March 12, 2020. Various lockdowns, construction site closures, illness-related absences of skilled site workers and bottlenecks at its suppliers have not left the Steiner Group unscathed. Throughout the COVID19 pandemic, the Company's top priority was to ensure the health and safety of its employees and partners. Steiner has therefore been swift in deploying strict hygiene and safety measures for all its construction sites as well as its office spaces.

In February 2021, Steiner Group's Board of Directors decided to adapt the Company's business model so that Steiner can emerge from the COVID19 crisis with renewed strength. In the future, the Company will focus on developing its own projects to transform Steiner AG into a leading developer with supporting construction expertise.

Steiner AG's subsidiary Steiner India Ltd. has achieved strong initial traction in India, having successfully completed design-build /turnkey GC/TC key high rise residential, hospitality and industrial projects in Mumbai, NCR and Kolkata. Recently has been awarded a five-star category project, "The Park" in Pune

HUMAN RESOURCES (HR)

During the FY 2021, no industry has been immune to the impact of COVID19, though few were more impacted than others. The construction industry has been one such industry that is people-intensive, and traditionally, people are required to work in close proximity to each other at project sites. This created a major challenge in meeting strict COVID19 protocol requirements, including physical distancing and required several workarounds to keep our workforce safe, meet the lockdown and COVID19 restrictions of each state we operate in and yet continue with our operations.

At the offices, work from home (WFH) became the norm. Guidelines were issued to ensure that employees could manage WFH seamlessly and securely. In many cases, employees were supported with digital infrastructure laptops/desktops, data cards etc., to ensure business continuity. On re-opening of the offices, COVID19 protocols such as wearing of masks, sanitization and social distancing were ensured in our offices.

Periodic communication on safety protocols, hygiene practices, emergency numbers, list of hospitals, guidelines for quarantining and isolating, and much more were provided by HR. Also, assistance was provided by HR to employees at all project sites and their families across India needing medical help.

During the pandemic, the processes relating to key HR activities like recruitment, on-boarding, and learning & development underwent a change. Entire recruitment process was made on-line, on-boarding new hires underwent a change to become fully digital & virtual induction process was introduced. Training mostly remained on-line only and limited to on the job training.

During the year, the engineers and officers number remained at around 1,200. Hiring of few key positions at the Head Office and for project sites were successfully completed. Attrition, post re-opening was on the higher side due to employees wanting to move closer to home town and family, which stabilised over the next few months. Considering the financial constraints, during and post re-opening, few cost control measures were also adopted like temporary salary reduction etc.

With the pandemic continuing, HR is working on converting a part of training and skilling to online mode. Many of the online HR processes already implemented like online Performance Management System, Employee Portal etc. will ensure that HR activities & employee connect do not get affected due to work from home or remote working.

While we have kept and will continue to keep the safety and security of our workforce and their families as our first priority, we are constantly working on making our workforce more productive by continuously exploring and reviewing different HR practices.

FINANCIAL REVIEW

Table 1: Abridged Profit and Loss account of HCC

(₹ crore)

	Standalone	
	FY 21	FY 20
Total Income from operations	2642.4	3,676.1
Construction Cost (incl. material) / other exp.	1966.4	2767.9
Employee Cost	323.7	413.7
EBITDA (excluding Other Income)	299.62	465.09
EBITDA margins (excluding Other Income)	11.6%	12.8%
Finance Cost	829.9	746.2
Depreciation	91.1	109.4
Exceptional Items – Gain / (Loss)	274.0	320.0
Profit/ Loss before Tax	(568.7)	(360.9)
Profit / (Loss) Before Tax after Exceptional items	(842.7)	(41.0)
Tax	(276.3)	127.7
Profit / (Loss) After Tax	(566.5)	(168.7)
Other comprehensive income (after tax)	6.9	(13.9)
Total Comprehensive Income (after Tax)	(559.6)	(182.6)

Key Financial Ratios

	Standalone	
	FY 21	FY 20
Debtors Turnover Ratio (in times)	0.58	0.84
Inventory Turnover Ratio (in times)	13.65	18.75
Interest Coverage Ratio (in times)	0.04	1.10
Current Ratio	1.00	0.71
Debt Equity Ratio	6.46	2.86
Operating Profit Margin (%)	11.57	12.75
Net Profit Margin^ (%)	(21.61)	(5.01)

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

CORPORATE SOCIAL RESPONSIBILITY

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

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

CSR INITIATIVES

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

DISASTER RELIEF AND RESPONSE

The Company has provided timely interventions in several rescue and relief operations within India and internationally since 2004.

COVID19 relief work at Vishnugad Pipalkoti Hydroelectric Project

In FY 2021

- During National COVID19 lockdown in April, May and June 2020, HCC provided necessary support like ambulance facility, food and drinking water to local communities in Vishnugad Pipalkoti Hydroelectric Project, Tapovan Vishnugad Hydroelectric Project, Uttarakhand, Rajasthan Atomic Power Project 7&8, Rajasthan and in the tribal area of Tara village Dist. Raigad, Maharashtra.
- HCC contributed to Homi Bhabha Cancer Hospital & Research Centre, Vishakhapatnam, Andhra Pradesh, to develop patient amenities in November 2020.
- During the glacier break disaster in Uttarakhand in February 2021, HCC offered essential support to the police, NDRF, Military local administration. The support was extended by providing food, the first-aid facility, two ambulances, manpower, heavy earth moving machines and materials, lighting and ventilation duct, diesel generator, transport vehicles, technical support and guidance to the disaster management team.

HIV/AIDS EDUCATION AND AWARENESS.

In recognition of HIV/AIDS's severe impact on migrant workers, HCC formed an HIV/AIDS workplace policy and adopted an intervention programme that focuses on educating and raising HIV/AIDS awareness amongst migrant workers at Company's projects. The Policy was implemented in collaboration with the International Labour Organisation. The Company observes World AIDS Day every year on December 01 at the project sites by organising events with strong employee participation. These involve rallies, pinning of red ribbons, awareness and lectures. Posters and are prominently displayed. In FY 2021, HIV/AIDS awareness was included in safety messages of a week. The toolbox talks conducted during these weeks with emphasise on HIV/AIDS training.

CEO WATER MANDATE: UNGC'S INITIATIVE

The Company monitors the amount of water used across its construction project sites and encourages water conservation measures. HCC is the first Indian Company to endorse United Nations Global Compact's 'The CEO Water Mandate' and makes it a point to embed the principles of water resources management in all its activities. As a responsible corporate citizen, it has focused on sharing best practices of water stewardship. In doing so, it has adopted various methodologies at the sites to reduce freshwater consumption.

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

Rejuvenation of Diversion Based Irrigation System on river Mhalungi at Sinnar (District Nashik, Maharashtra) conserved the water more than the water consumption at HCC Sites.

SUSTAINABILITY REPORTING

HCC believes in environmental transparency and disclosing the economic, environmental and social impacts of its activities through sustainability reports. It had published six sustainability reports, each of which had been accredited by the Global Reporting Initiative guidelines with an A+ grade. For the seventh and eighth Sustainability Report Company adopted GRI's latest version, G4. For FY2018, 2019, 2020, we have adopted GRI standards and published them as per "in accordance with Core" option. The Company engages a third-party assurance provider to review the contents and accuracy of our sustainability reporting.

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

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

INTERNAL CONTROLS AND THEIR ADEQUACY

HCC has an adequate system of internal control to ensure that the resources are used efficiently and effectively so that:

- assets are safeguarded and protected against loss from unauthorised use or disposition;
- all significant transactions are authorised, recorded and reported correctly;
- financial and other data are reliable for preparing financial information;
- other data are appropriate for maintaining accountability of assets.

The internal control is supplemented by an extensive internal audits programme, review by management, documented policies, guidelines and procedures.

CAUTIONARY STATEMENT

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

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY

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

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

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

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

I. BOARD OF DIRECTORS

a) Composition of the Board

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

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

Composition of the Board as of March 31, 2021:

Category	No. of Directors
Chairman & Managing Director (Promoter Director)	1
Group CEO & Whole-time Director	1
Independent Directors, including Independent Woman Director	4
Non-Executive Director	1
Nominee Director	1

The Board of Directors has, based on the recommendation of the Nomination and Remuneration Committee, appointed Mr. N. R. Acharyulu, Non-Executive-Non-Independent Director as an Independent Director of the Company to hold office w.e.f. June 23, 2021 for a term of 3 consecutive years, up to the conclusion of the 98th Annual General Meeting of the Company, subject to approval of the members.

The Board of Directors has, based on the recommendation of the Nomination and Remuneration Committee, also appointed Mr. Arun Karambelkar as an Additional Director of the Company with effect from June 23, 2021 in the category of Non-Executive-Non-Independent Director, liable to retire by rotation in accordance with Section 161 of the Companies Act, 2013 read with Article 88 of the Articles of Association of the Company.

All the Directors possess the requisite qualifications and experience in general corporate management, finance, banking, insurance and other allied fields enabling them to contribute effectively in their capacity as Directors of the Company.

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

b) Number of Board Meetings

The Board of Directors of your Company met 7 times during the financial year 2020-21. The meetings were held on April 3, 2020, July 9, 2020, August 27, 2020, October 16, 2020, November 12, 2020, November 24, 2020 and February 09, 2021. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days.

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

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

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

d) Information to the Board

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

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

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

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

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

Table 1: Details of the Directors as of March 31, 2021:

Name of the Director(s)	Category	No. of Board meetings held during FY 2020 -21	No. of Board meetings attended during FY 2020-21	Whether attended last AGM	No. of Directorships of other public companies*	Committee positions #		Whether having any pecuniary or business relation with the Company
						Chairman	Member	
Ajit Gulabchand **	Promoter, Chairman & Managing Director	7	7	Yes	3	-	1	None
Sharad M. Kulkarni***	Independent Director	7	6	Yes	-	-	-	None
Anil C. Singhvi	Independent Director	7	7	Yes	4	-	3	None
N.R. Acharyulu$$	Non-Executive Non Interdependent Director	7	7	Yes	1	-	-	None
Arjun Dhawan**	Group CEO & Whole-time Director	7	7	Yes	3	-	-	None
Santosh Janakiram Iyer	Independent Director	7	7	Yes	1	1	1	None
Mahendra Singh Mehta	Independent Director	7	7	Yes	2	-	1	None
Mukul Sarkar	Non-Executive Nominee Director	7	6	Yes	2	-	-	Nominee of Exim Bank (lender)
Dr. Mita Dixit$	Independent Woman Director	7	7	Yes	1	-	-	None

* Excludes private limited companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013.

Chairmanship/Membership of Audit Committee and Stakeholders Relationship Committee in other public companies excluding private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013, has been considered.

** Mr. Arjun Dhawan is the son in law of Mr. Ajit Gulabchand, Chairman & Managing Director of the Company.

$ Appointment of Dr. Mita Dixit as Woman Independent Director was regularized in the Annual General Meeting held on December 24, 2020.

*** Mr. Sharad M. Kulkarni retired as Independent Director upon expiry of his second term on December 24, 2020.

$$ Appointed as Independent Director by the Board of Directors with effect from June 23, 2021, subject to approval of the members.

Additional Information related to Directorship in other listed entities as of March 31, 2021 as per the SEBI Listing Regulations:

Name of the Director(s)	Name of other Listed entities	Category of Directorship
Ajit Gulabchand	-	-
Anil C. Singhvi	Subex Ltd Shree Digvijay Cement Co Ltd	Independent Director Executive Director- Chairperson
N.R. Acharyulu	-	-
Arjun Dhawan	-	-
Santosh Janakiram Iyer	Ador Fontech Ltd	Independent Director
Mahendra Singh Mehta	-	-
Mukul Sarkar	Jain Irrigation Systems Limited	Nominee Director
Dr. Mita Dixit	Anuh Pharma Ltd	Independent Director

f) Remuneration to Directors

Remuneration was payable to Mr. Ajit Gulabchand, Chairman & Managing Director and Mr. Arjun Dhawan, Group CEO & Whole-time Director, pursuant to approval of the Nomination and Remuneration Committee, the Board of Directors and Shareholders. However, the lenders' approval is still awaited for the payment of remuneration to them.

Table 2 gives the details of remuneration paid/payable to Directors for the financial year ended March 31, 2021.

The Company did not advance loans to any of its Directors during the financial year ended March 31, 2021.

Table 2: Remuneration paid/payable to Directors during the financial year ended March 31, 2021

Name of the Director(s)	Salaries, Perquisites & Allowances+ (₹)	Sitting fees** (₹)	Total (₹)
Ajit Gulabchand* (Chairman & Managing Director)	7,00,00,000	-	7,00,00,000
Sharad M. Kulkarni	-	11,00,000	11,00,000
Anil C. Singhvi	-	16,00,000	16,00,000
N.R. Acharyulu	-	19,00,000	19,00,000
Arjun Dhawan * (Group CEO & Whole-time Director)	6,50,00,000	-	6,50,00,000
Santosh Janakiram Iyer	-	11,00,000	11,00,000
Mahendra Singh Mehta	-	16,00,000	16,00,000
Mukul Sarkar ^	-	6,00,000	6,00,000
Dr. Mita Dixit	-	7,00,000	7,00,000
Total	**13,50,00,000**	**86,00,000**	**14,36,00,000**

*The remuneration payable to Mr. Ajit Gulabchand and Mr. Arjun Dhawan for the FY 2020-21 is in accordance with the approval granted by the Nomination and Remuneration Committee, the Board of Directors and Shareholders subject to lenders' approval. However, same is not yet paid to them pending lenders' approval.

**Sitting fees comprises payment made to Non-Executive Directors for attending Board meetings and/or Board Committee meetings.

^In case of Mr. Mukul Sarkar, the sitting fees for attending Board meetings were paid to EXIM Bank.

+Perquisites include Company's contribution to Provident Fund and Superannuation Fund.

Note: There are no outstanding stock options held by the Directors.

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

There were no outstanding stock options held by Non-Executive Directors and the details of the Equity Shares held by the Non-Executive Directors as of March 31, 2021 are given in Table 3 below.

Table 3: Details of Equity Shares held by the Non-Executive Directors as of March 31, 2021:

Name of the Director(s)	No. of Equity Shares
Anil C. Singhvi	Nil
N.R. Acharyulu	4,100
Santosh Janakiram Iyer	Nil
Mahendra Singh Mehta	Nil
Mukul Sarkar	Nil
Dr. Mita Dixit	Nil

h) Code of Conduct

The Board of Directors has laid down two separate Codes of Conduct ('Code(s)')- one for the Non-Executive Directors including Independent Directors and the other for Executive Directors and Senior Managers (Senior Management). These Codes have been placed on the website of the Company at www.hccindia.com. The Codes lay down the standard of conduct which is expected to be followed by the Directors and the Senior Management in their business dealings and in particular on matters relating to integrity at the workplace in business practices and in dealing with stakeholders. A declaration that the members of the Board of Directors and Senior Management have affirmed compliance under the Code during the financial year 2020-21 has been signed by Mr. Arjun Dhawan, Group CEO & Whole-time Director and is annexed to this Report.

i) Familiarisation Programme for Board Members

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

The details of the familiarisation programme for Independent Directors are available on the website of the Company at https://hccindia.com/uploads/Investors/Policy for Familiarisation Program for Independent Directors.pdf.

j) Nomination and Remuneration Policy

The Non-Executive Directors (NEDs) are paid sitting fees for attending the meetings of the Board of Directors and the Board Committees, which are within the limits laid down by the Act read with relevant Rules thereunder. The Company pays a sitting fee of ₹1,00,000 to each NEDs for their attendance at every Board meeting or Board constituted Committee meeting. In respect of Mr. Mukul Sarkar, Nominee Director, the sitting fees are paid to Exim Bank. At the request of Mr. Mahendra Singh Mehta, sitting fees for attending CSR Committee meeting held on March 30, 2021 was not paid to him by the Company.

The Nomination and Remuneration Policy containing, inter-alia, criteria for making payment to Non-Executive Director is available on the website at https://hccindia.com/uploads/Investors/Nomination-and-Remuneration-Policy.pdf.

k) Independent Directors' Meeting

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

During the year under review, Independent Directors of the Company met separately on June 29, 2020, inter-alia, for –

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

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

During the year under review, no Independent Director of the Company has resigned. However, Mr. Sharad M. Kulkarni retired as Independent Director upon expiry of his second term on December 24, 2020.

II. BOARD COMMITTEES

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

a) Audit Committee

As of March 31, 2021, this Committee comprises four Directors viz. Mr. Mahendra Singh Mehta (Chairman), Mr. Anil C. Singhvi, Mr. N. R. Acharyulu and Dr. Mita Dixit (w.e.f February 09, 2021). Mr. Sharad M. Kulkarni ceased to be Chairman and member of the Committee consequent upon his retirement as an Independent Director upon expiry of his second term on December 24, 2020. All members of the Audit Committee possess accounting and financial management knowledge.

The terms of reference of the Audit Committee have been amended by the Board of Directors on June 23, 2021 to bring in line with the requirements of the SEBI (LODR) Second Amendment Regulations, 2021.

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

The Audit Committee met 6 times during the year, i.e., on April 3, 2020, June 29, 2020, August 27, 2020, October 16, 2020, November 12, 2020 and February 9, 2021. The details of the composition of the Committee and attendance at the meetings are given in Table 4.

Table 4: Details of the Audit Committee:

Name of the Director(s)	Category	Position	No. of meetings attended
Sharad M. Kulkarni*	Independent Director	Chairman	5
Mahendra Singh Mehta	Independent Director	Chairman#	6
Anil C. Singhvi	Independent Director	Member	6
N. R. Acharyulu	Non-Executive and Non Independent Director	Member	6
Dr. Mita Dixit	Independent Director	Member$	Nil

*Mr. Sharad M. Kulkarni ceased to be the Chairman and member of the Committee consequent upon his retirement as an Independent Director upon expiry of his second term on December 24, 2020.

#Mr. Mahendra Singh Mehta was appointed as the Chairman of the Committee w.e.f. February 09, 2021.

$ Dr. Mita Dixit was inducted as member of the Committee w.e.f. February 09, 2021.

Mr. Sharad M. Kulkarni, Chairman of Audit Committee was present in the Annual General Meeting of the Company held on December 24, 2020, to answer the members' queries.

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

- Overseeing of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Approval of payment to statutory auditors for any other services rendered by them.
- Reviewing, with the Management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of subsection 3 of Section 134 of the Act.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by the management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Modified opinion(s) in the draft audit report.
- Reviewing with the Management, quarterly financial statements before submission to the Board for approval.

- Reviewing with the Management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- Review and monitor the auditors' independence and performance, and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing with the Management, performance of the statutory and internal auditors and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with the internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussions with the statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussions to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to depositors, debenture holders, members (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower policy/ Vigil mechanism.
- Approval for appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate.
- Carrying out any other functions as specified in the terms of reference, as amended from time to time.

Review of Information by Audit Committee:

- Review of the utilization of loans and/or advances from/ investment by the holding Company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower, including existing loans/ advances/investments.

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

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

- Quarterly statements of deviation(s) including report of monitoring agency, if applicable, submitted to the stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations.
- Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(5) of the SEBI Listing Regulations.
- To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

b) Nomination and Remuneration Committee

As of March 31, 2021, this Committee comprised of four Directors viz. Mr. Mahendra Singh Mehta as Chairman and Mr. Anil Singhvi, Mr. Ajit Gulabchand and Mr. Santosh Janakiram Iyer as members of this Committee. The Group EVP- HR is invited for the meetings. The Company Secretary is the Secretary to the Committee.

The Nomination and Remuneration Committee met 3 times during the financial year i.e. on April 3, 2020, June 29, 2020 and October 16, 2020. The details of the composition of the Committee and attendance at the meetings are given in Table 5 below:

Table 5: Details of the Nomination and Remuneration Committee:

Name of the Director(s)	Category	Position	No. of meetings attended
Mahendra Singh Mehta	Independent Director	Chairman	3
Anil C. Singhvi	Independent Director	Member	3
Ajit Gulabchand	Chairman & Managing Director	Member	2
Santosh Janakiram Iyer	Independent Director	Member	3

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

  – Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

- Formulation of criteria for evaluation of Independent Directors and the Board.
- Formulation of the criteria for determining qualifications, positive attributes and Independence of a Director and recommend to the Board a Policy, relating to the remuneration of the Directors, key managerial personnel and other employees.
- Devising a Policy on Board diversity.
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- Recommendation for appointment of senior management and remuneration payable to them.

c) Stakeholders Relationship Committee

As of March 31, 2021, this Committee comprised of three Directors viz. Mr. Santosh Janakiram Iyer (Chairman) Independent Director, Mr. Ajit Gulabchand, Chairman & Managing Director and Mr. Arjun Dhawan, Group CEO & Whole-time Director, Mr. Vithal P. Kulkarni, Company Secretary is the Compliance Officer of the Company.

The Stakeholders Relationship Committee met once during the year i.e., on February 9, 2021.The details of the composition of the Committee and attendance at the meeting are given in Table 6 below:

Table 6: Details of the Stakeholders Relationship Committee:

Name of the Director(s)	Category	Position	No. of meeting attended
Santosh Janakiram Iyer	Independent Director	Chairman	1
Ajit Gulabchand	Chairman & Managing Director	Member	1
Arjun Dhawan	Group CEO & Whole-time Director	Member	1

During the year under review, queries/complaints were received by the Company from members/investors/authorities, majority of which have been redressed/resolved to date, satisfactorily as shown in Table 7 below:

Table 7: Details of Investor queries/complaints received and attended during the financial year 2020-21

Sr. No	Nature of Query/Complaint	Pending as of 01-APR-2020	Received during the above period	Redressed during the above period	Pending as of 31-MAR-2021
1.	Transfer/ Transmission/Duplicate	0	15	15	0
2.	Non-receipt of warrants	1	17	18	0
3.	Dematerialisation/ Rematerialisation of Securities	0	4	4	0
4.	Complaints Received Through:				
	a. Consumer Forum/ Court Case / Legal Notice	0	0	0	0
	b. Advocate	0	0	0	0
	c. SEBI	0	1	1	0
	d. Stock Exchanges	0	1	1	0
	e. NSDL, CDSL, MOCA	0	0	0	0
	f. Any Other Governing Body	0	0	0	0
5.	Other Queries	1	19	19	1
	TOTAL	**2**	**57**	**58**	**1**

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

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

d) Corporate Social Responsibility (CSR) Committee

As of March 31, 2021, this Committee comprised of three Directors viz. Mr. Ajit Gulabchand (Chairman), Mr. Mahendra Singh Mehta (Independent Director) and Mr. N. R. Acharyulu (Non-Executive Director Appointed as Independent Director with effect from June 23, 2021 subject to approval of members]) and the role of the Committee, inter-alia, revised on June 23, 2021 is as under:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy in compliance with Section 135 of the Companies Act, 2013.
- Formulate and recommend to the Board, an annual action plan in pursuance of the CSR Policy, which shall include the following, namely:-
  - (i) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
  - (ii) the manner of execution of such projects or programmes as specified in the Act and Rules made thereunder;
  - (iii) the modalities of utilization of funds and implementation schedules for the projects or programmes;
  - (iv) monitoring and reporting mechanism for the projects or programmes; and
  - (v) details of need and impact assessment, if any, for the projects undertaken by the Company.
- Recommending the CSR expenditure to be incurred by the Company to the Board for its approval.
- Any other functions as may be assigned by the Board.

The CSR Committee met once during the year i.e., on March 30, 2021 and the same was attended by all the Members. The Minutes of meeting of the CSR Committee are noted by the Board.

The CSR Policy was revised by the Board to align the same with the provisions of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 and same is available on the website of the Company at https://hccindia.com/uploads/Investors/Corporate_Social_Responsibility_Policy.pdf

e) Risk Management Committee

As the Company is falling under top 1000 listed companies based on the market capitalization as of March 31, 2021, the Board of Directors, in its meeting held on June 23, 2021, has reconstituted the existing voluntarily constituted Risk Management Committee to comply with the provisions of the SEBI LODR Second Amendment Regulations, 2021. This Committee comprises of four members viz. Mr. Mahendra Singh Mehta, Independent Director as Chairman, Mr. Arjun Dhawan, Group CEO & Whole-time Director, Mr. N. R. Acharyulu, Independent Director and Mr. U V Phani Kumar, CEO – HCC (E&C) as members of this Committee.

The terms of reference of the Risk Management Committee have been revised in accordance with Schedule II of the SEBI LODR Regulations as amended.

Risk Management Framework

The Company has established a well-documented and robust risk management framework under the provisions of the Act.

Under this framework, risks are identified across all business processes of the Company on a continuous basis. Once identified, these risks are managed systematically by categorizing them into Enterprise Level Risk & Project Level Risk. These risks are further broken down into various subcategories of risks such as operational, financial, contractual, order book, project cost and time overrun etc. and proper documentation is maintained in the form of activity log registers, mitigation, reports; and monitored by respective functional heads. Review of these risk and documentation is undertaken by Risk Management Committee regularly at agreed intervals.

III. COMPLIANCE

a) Performance Evaluation criteria for Board of Directors

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

b) Accounting treatment in preparation of financial statements

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

c) Subsidiary Companies

In accordance with Regulation 24 of the SEBI Listing Regulations, Steiner AG, Switzerland falls under the category of unlisted material subsidiary of the Company.

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

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

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

The Policy for determining "Material Subsidiaries" is available on the website of the Company at https://hccindia.com/uploads/Investors/Policy for Determining Material Subsidiaries.pdf

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

In accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

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

e) CEO/CFO Certification

The CFO has resigned, and the Company is in the process of appointing a new CFO. Therefore, Compliance Certificate for the financial year ended March 31, 2021 as required under the SEBI Listing Regulations is signed by Group CEO and Whole-time Director of the Company only and same is annexed to this Report.

f) Pledge of Equity Shares

The aggregate shareholding of the Promoters and members of the Promoter Group as of March 31, 2021 was 52,52,14,871 equity shares of ₹1 each representing 34.71% of the paid-up equity share capital of the Company.

In aggregate, pledge has been created on 48,39,32,677 equity shares held by Promoter Companies, representing 31.98% of the paid-up equity share capital of the Company.

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

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

The Company has duly constituted an Internal Complaints Committee in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

During the financial year 2020-21, no case of Sexual Harassment was reported.

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

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

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

The Directors appointed on the Board are from diverse backgrounds and possess core skills/expertise/ competencies with regard to the industries/fields from where they have come.

i) Credit Rating

Details of the credit ratings for all debt instruments issued and bank facilities availed by the Company are mentioned as below:

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

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

IV. SHAREHOLDER INFORMATION

a) Disclosures regarding the Board of Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed under the Act and the SEBI Listing Regulations. Based on the same, the Board has confirmed that in their opinion, the Independent Directors are meeting with the criteria of Independence and are Independent of the Management. Relevant details of the Directors seeking appointment at the AGM pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations"), as amended, read with Secretarial Standards-2 on General Meetings are provided in Annexure A to the Explanatory Statement to the Notice.

b) Means of Communication

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

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

c) General Body Meetings

For the financial year 2019-20, AGM was held on December 24, 2020.

d) Postal Ballot and procedure

During the year, no resolution was passed through postal ballot. Also, no resolution is proposed to be passed through postal ballot.

e) General Shareholder Information

Forthcoming Annual General Meeting

Date:	September 23, 2021
Day:	Thursday
Time:	11.00 a.m.
Venue:	Through Video Conferencing or Other Audio -Visual Means only

Last date for Receipt of Proxies

Not applicable as AGM will be held through Video Conferencing

Financial Year

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

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

1st Quarter Results:	:	August 27, 2020
2nd Quarter Results:	:	November 12, 2020
3rd Quarter Results:	:	February 09, 2021
4th Quarter & Annual Results:	:	June 23, 2021

The tentative dates of the Board meetings for consideration of financial results for the financial year ending March 31, 2022 are as follows:

1st Quarter Results:	:	August 12, 2021
2nd Quarter Results:	:	November 11, 2021
3rd Quarter Results:	:	February 03, 2022
4th Quarter & Annual Results:	:	May 05, 2022

Date of Book Closure

Friday, September 17, 2021 to Thursday, September 23, 2021 (both days inclusive)

Listing

Presently, the equity shares of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company has paid the annual listing fees for the financial year 2021-22 to BSE and NSE.

Stock Codes

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

Corporate Identification Number:

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

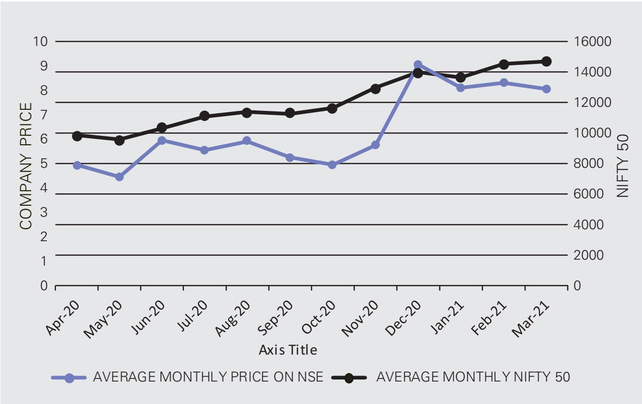
Details of the AGM/EGM held in the last three years along with special resolutions passed thereat:

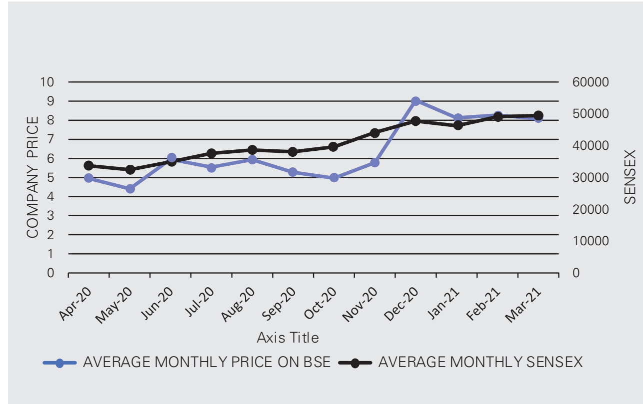
Financial Year	Day, Date & Time	Particulars of Special Resolution passed
2017-18 (AGM)	Thursday, July 12, 2018 at 11.00 am at Walchand Hirachand Hall, Indian Merchants' Chamber, Indian Merchants' Chamber Marg, Churchgate, Mumbai-400 020	1. Appointment of Mr. N.R. Acharyulu (DIN 02010249) who retires by rotation and being eligible, offers himself for re-appointment as Director 2. Continuance of Directorship of Mr. Sharad M Kulkarni (DIN 00003640), Independent Director of the Company 3. Re-appointment of Mr. Ajit Gulabchand (DIN 00010827) as Chairman & Managing Director of the Company for a period of five years effective from April 1, 2018 (including terms of remuneration for FY 2018-19) 4. Amendment to the existing HCC Employees Stock Option Scheme, to bring the Scheme in conformity with the SEBI (Share Based Employee Benefits) Regulations, 2014 5. Extension of the period of conversion of the Optionally Convertible Debentures (OCDs) of face value ₹1000/- each issued by the Company. 6. Issue of Securities of the Company
2018-19 (AGM)	Thursday September 26,2019 at 11.00 a.m. at Walchand Hirachand Hall, Indian Merchants' Chamber, Indian Merchants' Chamber Marg, Churchgate, Mumbai-400 020	1. Appointment of Mr. N.R. Acharyulu (DIN 02010249) who retires by rotation and being eligible, offers himself for re-appointment as Director 2. Re-appointment of Mr. Anil C. Singhvi (DIN:00239589) as an Independent Director of the Company. 3. Payment of Remuneration to Mr. Ajit Gulabchand, Chairman and Managing Director for 3 years with effect from April 1, 2019 upto March 31, 2022. 4. Payment of Remuneration to Ms. Shalaka Gulabchand Dhawan for the period from April 30, 2019 upto July 31,2019 as Whole-time Director 5. Revision in Remuneration of Mr. Arjun Dhawan, CEO & Whole-time Director for 3 years with effect from April 1,2019 upto March 31, 2022 6. Issue of Securities of the Company
2019-20 (AGM)	Thursday, December 24, 2020 at 11.00 a.m. through Video Conferencing	1. Re-appointment of Mr. N.R. Acharyulu (DIN 02010249) who retires by rotation and being eligible, offers himself for re-appointment as Director 2. Issue of Securities of the Company

Share Price Data: High/Low and Volume during each month of 2020-21 at BSE and NSE

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April 2020	5.72	3.87	96,95,431	5.60	3.85	3,39,50,431
May 2020	5.09	4.20	48,93,351	5.00	4.20	2,16,57,870
June 2020	6.70	4.54	1,67,45,519	6.75	4.50	8,58,99,085
July 2020	6.47	5.45	3,25,88,125	6.40	5.45	12,53,47,105
August 2020	7.41	5.51	2,75,87,490	7.10	5.50	14,26,91,378
September 2020	6.40	4.92	1,08,83,820	6.40	4.90	6,19,88,248
October 2020	5.47	4.64	65,97,795	5.50	4.60	3,61,86,333
November 2020	6.30	4.78	1,55,22,419	6.30	4.75	10,63,77,169
December 2020	10.87	5.90	6,79,07,298	10.95	5.90	35,24,57,711
January 2021	9.65	7.70	1,84,15,087	9.65	7.70	9,33,56,009
February 2021	8.84	8.01	1,10,45,712	8.85	8.00	5,60,03,873
March 2021	9.90	7.32	2,66,73,794	9.90	7.35	11,24,69,274

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





Distribution of shareholding as on March 31, 2021

Distribution range of Shares	No. of Shares	Percentage of Shares	No. of Shareholders	Percentage of Shareholders
1 to 500	3,05,11,819	2.02	1,63,079	63.00
501 to 1000	3,26,93,954	2.16	38,011	14.68
1001 to 2000	4,05,29,537	2.68	24,983	9.65
2001 to 3000	2,71,70,878	1.80	10,236	3.95
3001 to 4000	1,79,97,030	1.19	4,879	1.88
4001 to 5000	2,22,63,996	1.47	4,637	1.79
5001 to 10000	5,31,93,246	3.52	7,002	2.70
Greater than 10000	1,28,86,67,784	85.17	6,044	2.33
Total	**1,51,30,28,244**	**100**	**2,58,871**	**100**

Shareholding Pattern

Categories	As on March 31, 2021		As on March 31, 2020	
	No. of Shares	Percentage	No. of Shares	Percentage
Promoter and Promoter Group	52,52,14,871	34.71	52,52,14,871	34.71
Foreign Institutional Investors/FPIs –Corporation	16,95,50,572	11.21	19,16,36,561	12.67
Public Financial Institutions/State Financial Corporation/Insurance Companies	1,06,91,122	0.71	1,06,91,122	0.71
Mutual Funds (Indian) and UTI	8,80,29,596	5.82	8,89,94,219	5.88
Nationalised and other Banks	18,64,19,915	12.32	21,32,75,982	14.10
NRI/OCBs	1,55,52,964	1.03	1,85,74,978	1.23
GDSs	0.00	0.00	0	0.00
Directors and Relatives	4,100	0.00	24,100	0.00
Investor Education And Protection Fund Authority Ministry Of Corporate Affairs	33,91,729	0.22	33,91,729	0.22
Public	51,41,73,375	33.98	46,12,24,682	30.48
Total	**1,51,30,28,244**	**100.00**	**1,51,30,28,244**	**100.00**

List of Top 20 Shareholders of the Company as on March 31, 2021:

Sr. No.	Name of the Shareholder	Category	No. of Shares	% to Total Capital
1	Arya Capital Management Pvt Ltd	Member of the Promoter Group	24,40,13,391	16.13
2	Hincon Holdings Ltd	Promoter Company	21,60,23,600	14.28
3	Asia Opportunities Iv (Mauritius) Ltd	Foreign Portfolio Investors (Corporate)	11,54,62,961	7.63
4	Hdfc Trustee Company Limited-Hdfc Equity Fund	Mutual Funds	8,80,27,596	5.82
5	Hincon Finance Ltd	Promoter Company	6,22,61,186	4.12
6	Punjab National Bank	Nationalized Banks	3,89,05,060	2.57
7	State Bank of India	Nationalized Banks	2,95,00,105	1.95
8	Canara Bank-Mumbai	Nationalized Banks	2,92,97,546	1.94
9	Export- Import Bank of India	Other Banks	2,42,51,091	1.60
10	Axis Bank Ltd	Other Banks	1,58,61,886	1.05
11	ICICI Bank Ltd	Other Banks	1,39,90,410	0.92
12	Chetan Jayantilal Shah	Resident Individual	1,20,00,000	0.79
13	Bank of Baroda	Nationalized Banks	1,12,24,651	0.74
14	Vanguard Total International Stock Index Fund	Foreign Portfolio Investors (Corporate)	1,05,41,092	0.70
15	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	Foreign Portfolio Investors (Corporate)	94,20,683	0.62
16	Sonal Rajeev Sangoi	Resident Individual	87,18,000	0.58
17	India Insight Value Fund	Foreign Portfolio Investors (Corporate)	85,50,000	0.57
18	India Opportunities Growth Fund Ltd- Pin-ewood Strategy	Foreign Portfolio Investors (Corporate)	74,50,000	0.49
19	Chetan Gopaldas Cholera	Resident Individual	67,00,711	0.44
20	Union Bank of India	Nationalized Banks	62,86,803	0.42

Dematerialization of Shares and Liquidity

As on March 31, 2021, 1,50,86,67,992 equity shares representing 99.71 % of the total equity share capital of the Company, were held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited. The break-up of equity shares held in Physical and Dematerialised form as on March 31, 2021, is given below:

Particulars	No. of Equity shares	Percentage
Physical Segment	43,60,252	0.29
Demat Segment:-		
NSDL	1,29,14,62,424	85.36
CDSL	21,72,05,568	14.35
Total	**1,51,30,28,244**	**100.00**

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

Employees Stock Options (ESOPs)

a. As of March 31, 2021, 3,47,450 Options were available for grant to the eligible employees.

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

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

d. During the year under review, no Options were due for exercise by the eligible employees during the year.

e. During the year under review, 3,00,000 Options were lapsed.

Details regarding Listing and redemption of Debt Securities

Non-Convertible Debentures issued to LIC and Axis Bank were revived w.e.f July 07, 2017 in the F Group-Debt Instruments of BSE and the Company has been carrying out the necessary compliances as required under the SEBI Listing Regulations.

Further, the Company has not issued any fresh debentures and debentures worth ₹16.21 crore have been redeemed during the year.

As of March 31, 2021, an amount of ₹15.28 crore was outstanding as regards NCD's held by Axis Bank and an amount of ₹48.84 crore was outstanding for NCD's held by LIC., the payments are made under the approved S4A Scheme.

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

Debenture Trustees details

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

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

Share Transfer system

With effect from April 1, 2019, except in case of transmission or transposition of securities, requests for effecting transfer of physical securities are not processed by the Company/ Registrar except to the extent permitted by SEBI. Requests for dematerialisation of shares are processed and confirmation is given to the respective depositories i.e., NSDL and CDSL within 21 days.

Address for members' correspondence

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

Registrar and Share Transfer Agents:

Contact Officer: Ms. Mary George,
TSR Darashaw Consultants Private Limited
Unit: Hindustan Construction Company Ltd.
C-101, 1st Floor, 247, Park
L.B.S. Marg, Vikhroli (West)
Mumbai – 400083
Telephone: +91-22-66568484 | Fax: +91-22-66568494
Email: csg-unit@tcplindia.co.in
Website: https://www.tcplindia.co.in

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

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

Compliance Officer:

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

Investor Relations Officer:

Mr. Santosh Kadam
Hindustan Construction Company Ltd.
Hincon House, Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai-400 083, India
Tel: +91-22-2575 1000 Fax: +91-22-2577 7568
Website: www.hccindia.com
Email: secretarial@hccindia.com

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

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

g) Investor safeguards and other information:

i. Dematerialisation of shares

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

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

Pursuant to Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund Rules), 2016 ('the IEPF Rules'), during the year under review, no amount of unclaimed dividend and corresponding equity shares were due to be transferred to IEPF account.

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

iii. Update Address/E-Mail Address/Bank Details

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

iv. Electronic Service of Documents to Members at the Registered Email Address

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

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

V. OTHER DISCLOSURES

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

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

   The Company was levied a fine of ₹3,65,800 by both National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) for non-compliance with Regulation 17 (1) of SEBI (LODR) Regulations, 2015, for the period ended 31st December 2019. The Company deposited the amount of fine with both the Stock Exchanges on 14th February 2020. The Company also complied with the requirement under Regulation 17 (1) of SEBI LODR Regulations, 2015 w.e.f. 06.02.2020 by appointing a Woman Independent Director on its Board of Directors.

   During the Financial Year 2020-21, the Company was levied a fine of ₹2,12,400 by both NSE and BSE for non-compliance with Regulation 17 (1) of SEBI (LODR) Regulations, 2015 for the period commencing from 01st January 2020 to 05th February 2020. The Company paid the fine to both the Stock Exchanges on 26th October 2020.

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

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

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

6. Adoption of discretionary requirements of the SEBI Listing Regulations is being reviewed by the Company from time to time and the Company has adopted the discretionary requirements with respect to Internal Audit.

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

8. The Policy for determining material subsidiaries is available on the website of the Company at www.hccindia.com

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

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

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

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

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

13. There were no instances during the year where Board has not accepted recommendation given by the Committees.

14. There are no outstanding global depository receipts or American depository receipts or warrants.

Auditors' Certificate on compliance with the conditions of Corporate Governance

The Company has obtained a Certificate from its statutory auditors regarding compliance of the conditions of Corporate Governance, as stipulated in the SEBI Listing Regulations, which together with this Report is annexed to this Report.

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

The Board of Directors of Hindustan Construction Company Ltd.

I have reviewed the financial statements and the cash flow statement of Hindustan Construction Company Ltd. for the year ended March 31, 2021 and that to the best of my knowledge and belief:

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

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

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

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

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

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

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

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

Arjun Dhawan
Group CEO & Whole-time Director

Place: Mumbai
Date: July 23, 2021

*As on the date of this Certificate, the vacancy of Chief Financial Officer of the Company is yet to be filled. Hence, the Certificate is signed by Group CEO & Whole-time Director only.

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

To,

The Members
Hindustan Construction Company Ltd.

I hereby declare that all the Directors and the designated employees in the Senior Management of the Company have affirmed compliance with their respective Codes for the financial year ended March 31, 2021.

For Hindustan Construction Company Ltd

Arjun Dhawan
Group CEO & Whole-time Director

Place: Mumbai
Date: July 23, 2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To
The Members of
Hindustan Construction Company Ltd.
Hincon House,
Lal Bahadur Shastri Marg,
Vikhroli (West),
Mumbai-400083

We have examined the relevant books, papers, minutes books, forms, returns and notices received from the Directors of **Hindustan Construction Company Ltd.** (CIN: L45200MH1926PLC001228) (hereinafter referred to as 'the Company') having its registered office at Hincon House, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai-400083 for the Financial Year 2020-21 and other records maintained by the Company and also the information provided by the officers, agents and authorised representatives of the Company for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para-C sub clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Director Identification Number (DIN) status at the portal of Ministry of Corporate Affairs (MCA) i.e. www.mca.gov.in] as considered necessary and explanations furnished to us by the Company and its Officers, we hereby certify that none of the Directors on the Board of the Company, as stated below, as on March 31, 2021, has been debarred or disqualified from being appointed or continuing to act as Director of the Company by the SEBI or the Ministry of Corporate Affairs, Government of India or any such other statutory authority.

Sr. No.	DIN	Name of the Director	Designation	Date of Appointment*
1	00010827	Ajit Gulabchand	Chairman and Managing Director	03/03/1983
2	00239589	Anil Chandanmal Singhvi	Independent Director	27/07/2007
3	02010249	N R Acharyulu	Non-Executive Non-Independent Director	02/05/2016
4	01778379	Arjun Dhawan	Group CEO and Whole-time Director	01/04/2017
5	06801226	Santosh Janakiram Iyer	Independent Director	17/06/2019
6	00019566	Mahendra Singh Mehta	Independent Director	17/06/2019
7	00893700	Mukul Sarkar	Nominee Director	06/02/2020
8	08198165	Dr. (Ms.) Mita Dixit	Independent Women Director	06/02/2020

* Dates of appointment of Directors as stated above are based on information taken as appearing on the MCA Portal.

Ensuing the eligibility of / for the appointment / continuity of every Director on the Board of the Company is the responsibility of the management of the Company. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Venkataraman Krishnan
Associate Partner
ACS No.:-8897/ COP No.:- 12459
Peer Review No. 637/2019
For **BNP & Associates**
Company Secretaries
[Firm Registration No.P2014MH037400]
[PR No.:-637 / 2019]
UDIN: F005578B000433401

Place: Mumbai
Date : June 23, 2021

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Hindustan Construction Company Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 05 October 2020.

2. We have examined the compliance of conditions of corporate governance by **Hindustan Construction Company Limited** ('the Company') for the year ended on 31 March 2021, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Opinion

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2021.

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

Restriction on use

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

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

Rakesh R. Agarwal
Partner
Membership No: 109632

UDIN: **21109632AAAAGI9980**

Place: Mumbai
Date : 23 June, 2021

BOARD'S REPORT

To,
The Members of Hindustan Construction Company Ltd.

1. Report

Your Directors are pleased to present the 95th Annual Report together with the Audited Financial Statements for the year ended March 31, 2021.

2. Financial Highlights (As per IND AS)

Standalone (₹ in crore)

		Year ended March 31, 2021		Year ended March 31, 2020
Income from Operations		2589.74		3646.63
Profit before Interest, Depreciation, Exceptional Items, Other Income and Tax		299.62		465.09
Less: Finance Costs	829.89		746.15	
Depreciation	91.06		109.37	
Exceptional Item	274.03		(319.95)	
		(1194.98)		(535.57)
Add: Other Income		52.64		29.51
Profit /(Loss) before Tax		(842.72)		(40.97)
Less: Tax Expense		(276.27)		127.75
Profit/(Loss) after Tax		(566.45)		(168.72)
Add: Other Comprehensive Income / Loss		6.89		(13.87)
Total Comprehensive income carried to Other Equity		**(559.56)**		**(182.59)**

3. Dividend

In view of the losses incurred by the Company, your Directors have not recommended any dividend for the financial year ended March 31, 2021.

4. Strategic Development

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

NHAI Conciliations & Realisation of BOT Asset Sale

The Company initiated a material conciliation process with NHAI in December 2019 to settle certain awards & claims. Besides generating upfront liquidity, the intention was to reduce litigation costs and release BGs provided to Court or the Client under CCEA directive, thereby reducing bank's exposure and lightening the balance sheet. The Company has been successful in closing five conciliations within its BOT arm, HCC Concessions, and one conciliation of HCC through the Conciliation Committee of Independent Experts (CCIE) of NHAI. As per the aforementioned settlement agreements, HCC Group has received a total sum of ₹1,849 crore and the return of ₹100 crore of its BGs.

As part of its fundraising initiatives, HCC Concessions Ltd (HCON) completed the sale of Farakka-Raiganj Highways Ltd (FRHL) to Cube Highways and Infrastructure II Pte Ltd (Cube Highways) on September 22, 2020, with an enterprise valuation of ₹1,508 crore, comprising debt of ₹905 crore and an equity valuation of ₹603 crore.

In Q4 FY2021, the HCC Group concluded its conciliation with NHAI for all disputes concerning Baharampore-Farakka Highways Ltd (BFHL) and Farakka-Raiganj Highways Ltd (FRHL). The SPVs entered into settlement agreements with NHAI for a comprehensive closure of all outstanding disputes and claims between the parties for a total amount of ₹1,259 crore. BFHL settled the disputes for ₹405.53 crore and FRHL settled it for ₹853.54 crore. The amounts have been received by the respective SPVs. FRHL will release the settlement proceeds to HCC Group per the existing contractual understanding with FRHL.

These initiatives will help provide immediate liquidity to the HCC Group to be utilized for operations and growth.

An exit will also be provided to HCC's equity partner, The Xander Group, in HCON from the proceeds of FRHL sale and conciliation with NHAI. Further, with the renewed impetus on BOT/HAM projects by the central government through NHAI and other agencies, HCON will look to bid selectively for BOT/HAM projects in partnership with financial investors and provide end-to-end construction services for these projects.

Lender Resolution Plan

HCC has embarked on a comprehensive debt resolution plan (RP) with its lenders. The Company proposes transferring the economic/beneficial interest in specified awards and claims as per following details:

a. Lenders' liability not exceeding ₹4,000 crore

b. Economic /beneficial interest in (i) awards of up to ₹2,749 crore and (ii) claims of up to ₹2,136 crore, both accounted by the Company as per method of accounting regularly employed.

c. Economic/beneficial interest in awards & claims of up to ₹4,315 crore made by the Company, however, yet to be accounted.

The amount identified above will be initially novated/assigned by the Company to the Prolific Resolution Pvt Ltd, a wholly owned subsidiary of the Company. The final amount of debt along with the economic/beneficial interest in awards and claims to be assigned will depend on when precisely the Resolution Plan will close, as the debt amount to be carved out will include all over dues till the date of implementation of Resolution Plan.

The Company will subsequently sell/transfer/dilute or otherwise dispose of up to 51% of its equity shareholding to the investor.

The ratio of assigned awards and claims to total debt will be up to 2.3 times depending on the total debt and mix of awards and claims as agreed with the lenders. The debt transferred would be repaid over a period of time from the claims & awards realization proceeds through concentrated efforts by the SPV. The carved-out debt will be restructured as a 10-year instrument, payable from the 6th year onwards, with equity upside shared between the investor and lenders as agreed in the waterfall mechanism. HCC share (~49%) remaining after repayment of debt and capped IRR to investor, will fold back to HCC. HCC's Corporate Guarantee will be limited to 20% of debt (principal amount) transferred to SPV.

The investor will hold a majority stake in this entity with a planned investment of upfront equity of ₹25 crore and priority debt of ₹75 crore, which will be utilized towards arbitration and litigation expenses. The return on investment to the identified investor entity will be limited and capped to a maximum of 35% and Board is authorized to negotiate and finalize the same.

The plan also entails divestment of identified non-core assets in HCC and conciliation/realization of identified Awards and Claims (remaining in HCC after carve out) to the tune of ₹1,247 crore, which will be utilized for operations. On the RP closure, Lenders will continue to issue/re-issue Bank Guarantees (BGs) for operations and growth from existing sanctioned operational NFB limits.

This plan received in-principle approval at the Senior Level Consortium meeting held on January 10, 2020. Due to the ongoing COVID19 pandemic, there was a need to alter the proposed RP which was presented and approved in-principle by Lenders on August 18, 2020. The RP has received full support of HCC's lenders and the Inter Creditor Agreement (ICA), inter se the lenders, has been signed by 99% of the lender consortium, with one lender having committed to do so along with their final board approval. The plan was submitted in March to the Overseeing Committee (OC) for its approval. However, it was subsequently clarified by the Indian Banks' Association (IBA) that there was no requirement of OC, and the Lenders are currently in the process of granting their final approvals.

The Company's Board has approved the Resolution Plan subject to approval of the shareholders at the Extra-ordinary General Meeting of the Company to be held on June 29, 2021. Certain disruptions due to COVID19 have led to delay and the plan is expected to get implemented in Q2 FY2022.

On the implementation of this RP, HCC will stand substantially deleveraged, which will help address its current asset-liability mismatch which the Company has suffered on account of delayed realization of its awards and claims from Government Agencies. The Company will be able to focus on the working capital requirements for normalizing its operations and securing new orders for business growth.

Execution of Arbitration Awards

Consequent to the Supreme Court of India setting aside Section 87 of the Arbitration and Conciliation Act, there would henceforth not be any automatic stay on the execution of Arbitration Awards. A stay, which in the past, was granted at the mere filing of a challenge to an Award, would sometimes continue for years until the Court had time to hear the matter. Today, as a result of HCC's efforts in the Supreme Court, all Awards may be executed resulted in the deposit/collection of monies.

The Company has filed several Execution Petitions for deposit and collection of monies in various Courts for the Arbitration Award(s) passed in its favour.

The Company has collected ₹253 crore in FY2021 through execution petitions filed. Besides, ₹101 crore has been collected in last three months and ₹366 crore has already been deposited in the Courts, which will be released against the bank guarantees.

Furthermore, and in recognition of the mechanical challenging of Arbitration Awards that has caused stress to the sector, the Government of India order dated November 28, 2019, the Cabinet Committee on Economic Affairs (CCEA) has approved the following:

a. For challenging the Arbitral Awards gone in favour of the Contractors/Concessioners, the governmental entity will take the opinion of Law Officer – Attorney General of India/ Solicitor General of India/Additional Solicitor General of India in consultation with Department of Legal Affairs at the Ministry of Law & Justice as per the procedure laid down in this respect.

b. For the arbitral awards challenged in the Court, the Government Entity will pay 75% of such awards to the contractor/concessionaire against a bank guarantee only for 75% amount and not for its interest component.

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

Consequently, the Company expects Arbitration Awards' realization to be swifter, leading to more efficient dispute resolution in the long run. As a result of the order, HCC has recovered Bank Guarantees of ₹586 crore and is expected to receive a further release of BGs worth ₹161 crore.

To avoid litigations, the GOI in the Union Budget has proposed a conciliation mechanism for resolving disputes in the construction industry. Para 135 of Budget provides as under:

> *135. To have ease of doing business for those who deal with Government or CPSEs and carry out Contracts, I propose to set up a Conciliation Mechanism and mandate its use for quick resolution of Contractual disputes. This will instil confidence in private sector investors and contractors.*

This mechanism is likely to spur private investment in the Infrastructure sector, which is greatly problematic due to mechanical challenging of awards and long delays in dispute resolution. The above mechanism-specific mandate to the CPSEs will go a long way in helping the contractors and the government agencies to ensure the infrastructure projects are completed with minimum delays as the disputes would be settled and the money would be available during the performance of the Contracts.

5. COVID-19-Impact on Business Operations

During the year, project performance was sorely affected due to the imposition of lockdown and various restrictions post lockdown by Government authorities. Disruptions in supply chain management and non-availability of workmen at projects resulted in low turnover and affected the working capital cycle. Despite the above challenges, projects have made additional efforts to remobilize the required workmen and made the transportation arrangements to bring the manpower required to execute works and strengthen the supply chain management with the improved vendor management. Though clients have agreed to sanction the extension of time as per Government guidelines, most of the clients are yet to sanction payment for compensation towards lockdown period costs. While projects have reached the required level of resources and are expected to deliver performance as per the normal operating level, any future lockdowns or restrictions will disrupt the construction cycle.

6. Share Capital of the Company

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

7. Operations

The turnover of the Company in the year is ₹ 2589.74 crore as compared to ₹ 3646.63 crore.

During the year under review, the Company has secured five contracts aggregating ₹ 7639 crore (The Company's Share ₹ 3467 crore) in joint venture.

The total balance value of works on hand as on March 31, 2021 is ₹ 17,914 crore.

Operations of Subsidiaries:

i) HCC Infrastructure Company Limited

HCC Infrastructure Company Limited is a wholly-owned subsidiary of HCC Limited. HCC Concessions Limited (HCON) is an 85.5%-owned subsidiary of HCC Infrastructure Company Ltd. HCON has developed a premium portfolio of DBFOT (Design, Build, Finance, Operate and Transfer) assets that generated stable, diversified and sizeable cash flow streams with a high return on equity. HCON has developed a portfolio of ~₹7,000 crore of road assets under India's National Highway Development Program, being executed through the National Highways Authority of India (NHAI).

Despite the substantial impact of COVID19 in FY2021, the turnover of Baharampore Farakka Highways Ltd. (BFHL) grew to ₹168 crore (an increase of 16%), with the average daily collection being ₹46 lakh.

On September 22, 2020, HCON completed its 100% sale of FRHL to Cube Highways and Infrastructure II Pte Ltd (Cube Highways), with an enterprise valuation of ₹1,508 crore, comprising debt of ₹905 crore and an equity valuation of ₹603 crore. The total expected payout of ₹603 crore to HCC Group includes (i) cash payout of ₹270 crore, which combines equity consideration and contractor payments; (ii) ₹233 crore of holdbacks to be released on the completion of dispute resolution with NHAI; (iii) up to ₹100 crore of earnout is payable in 2023, contingent on traffic projections.

In Q4 FY2021, the Company concluded its conciliation with NHAI for all disputes concerning Baharampore-Farakka Highways Ltd (BFHL) and Farakka-Raiganj Highways Ltd (FRHL). The SPVs entered into settlement agreements with NHAI for a comprehensive closure of all outstanding disputes and claims between the parties for a total amount of ₹1,259 crore. BFHL has received ₹405 crore while FRHL has received ₹854 crore from the NHAI. FRHL will release the settlement proceeds to HCC Group per the existing contractual understanding with Cube Highways. As a further consequence of this conciliation, Cube Highways will release ₹233 crore withheld as part of HCON's sale of FRHL.

In FY2021, NHAI awarded 141 projects (4,788 km) worth ₹1.71 lakh crore. The share of engineering procurement and construction (EPC) in the awards was 50%, followed by the hybrid annuity model (HAM) at 49%. Two projects were awarded on the build, operate and transfer (BOT) basis after a gap of 2 years. In FY2022, NHAI plans to award projects close to 5,000 km worth around ₹2.25 lakh crore, and HAM is expected to have the largest share of awards followed by EPC. BOT is likely to gain momentum to constitute between 5-10% of the award basket. HCC Infrastructure will look to bid for a few selected BOT/HAM projects in equity partnership with a financial player and provide end-to-end construction services for these projects.

ii) Steiner AG, Switzerland

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

The business is primarily divided into three offerings.

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

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

- Construction of Glasi-quarter, a new urban district in Bülach with 500-plus apartments, a residential and care centre, a hotel and over 20,000 m² of light-industrial and service-sector units, worth approx. CHF 350 million.
- The new Horizont hospital building at Frauenfeld Cantonal Hospital includes an interdisciplinary outpatient clinic, an ultra-modern operating theatre area and much more, worth CHF 160 million.
- Gloggeguet residential development in Schaffhausen, worth CHF 40 million and includes the construction of five new blocks containing 27 rental and 71 privately owned apartments.
- Manegg Mitte development in Zurich worth approx. CHF 140 million, comprising two residential buildings with 151 owner-occupied apartments and a third new-build with 101 cooperative apartments and light-industrial units.

Steiner AG reported revenues of CHF 705 million (₹5,655 crore) in the financial year 2020-21 as compared to CHF 802 million (₹5,779 crore) in the previous year (restated) and a profit of CHF 3.6 million (₹30 crore) as compared to a net profit of CHF 28.0 million (₹201 crore) in the previous year (restated). The Company secured fresh orders worth CHF 575 million (₹4,454 crore). The order book stood at CHF 1.32 billion (₹10,225 crore) at the end of the financial year. In addition to this, the Company has secured orders for CHF 13 million (₹101 crore), where contracts are yet to be signed.

The World Health Organization officially declared the spread of COVID19 as a pandemic as of March 12, 2020. Various lockdowns, construction site closures, illness-related absences of skilled site workers and bottlenecks at its suppliers have not left the Steiner Group unscathed. Throughout the COVID19 pandemic, the Company's top priority was to ensure the health and safety of its employees and partners. Steiner has therefore been swift in deploying strict hygiene and safety measures for all its construction sites as well as its office spaces.

In February 2021, Steiner Group's Board of Directors decided to adapt the Company's business model so that Steiner can emerge from the COVID19 crisis with renewed strength. In the future, the Company will focus on developing its own projects to transform Steiner AG into a leading developer with supporting construction expertise.

Steiner AG's subsidiary Steiner India Ltd. has achieved strong initial traction in India, having successfully completed design-build /turnkey GC/TC key high rise residential, hospitality and industrial projects in Mumbai, NCR and Kolkata. Recently has been awarded a five-star category project, "The Park" in Pune

8. Subsidiaries and Associate Companies

During the year, Farakka–Raiganj Highways Ltd ceased to be Subsidiary of HCC Concessions Ltd. as well as of the Company w.e.f. September 22, 2020. Also, Prolific Resolution Pvt. Ltd. (previously known as Prolific Claims Management Pvt. Ltd.) has become the wholly owned subsidiary of the Company w.e.f. March 08, 2021.

The details as required under Rule 8 of the Companies (Accounts) Rules, 2014 regarding the performance and financial position of the Subsidiaries, Associates and Joint Ventures of the Company are provided in Form AOC-1, which form part of the Consolidated Financial Statements of the Company for the financial year ended March 31, 2021.

The Company has formulated a Policy for determining material subsidiaries and the said Policy is available on the Company's website and can be accessed by weblink https://hccindia.com/uploads/Investors/Policyfor Determining Material Subsidiaries.pdf.

Pursuant to initiation of the Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code, 2016 ('IBC') against Lavasa Corporation Limited (LCL), effective 30 August 2018, the Holding Company has lost control / significant influence over LCL and its subsidiaries, associates and joint ventures. Accordingly, the above entities cease to be subsidiaries, associates and joint ventures of the Holding Company effective 30 August 2018.

9. Public Deposits

Your Company has not accepted any deposit falling under Chapter V of the Companies Act, 2013 during the year under review.

10. Particulars of Loans, Guarantees or Investments

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

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

11. Employee Stock Option Scheme (ESOP)

As on March 31, 2021, 3,47,450 Options were available for grant to the eligible employees. Each Option, when exercised, would entitle the holder to subscribe for one equity share of the Company of face value ₹ 1 each.

During the year under review, 3,00,000 Options are lapsed on May 15, 2020. The particulars with regard to Options as on March 31, 2021, as required to be disclosed pursuant to the provisions of Companies (Share Capital and Debentures) Rules, 2014 read with the applicable SEBI Regulations, are set out at **Annexure I** to this Annual Report.

12. Consolidated Financial Statements

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

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

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

13. Corporate Governance

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

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

14. Directors

Dr. Mita Dixit, who was appointed as an Additional Director of the Company in the category of Independent Woman Director with effect from February 6, 2020 by the Board of Directors in terms of terms of Section 161(1) of the Act read with Article 88 of the Articles of Association of the Company, was regularized as a Woman Independent Director in the Annual General Meeting held on December 24, 2020 for a term of 3 consecutive years, up to the conclusion of the 97th Annual General Meeting of the Company to be held in the calendar year 2023, not liable to retire by rotation.

Mr. Sharad M Kulkarni retired as an Independent Director of the Company on December 24, 2020 upon completion of his 2nd term. The Board places on record its appreciation for the services rendered by him during his tenure as an Independent Director of the Company.

The Board has, based on the recommendation of the Nomination and Remuneration Committee, appointed Mr. N. R. Acharyulu, Non-Executive-Non-Independent Director as an Independent Director of the Company to hold office w.e.f. June 23, 2021 for a term of 3 consecutive years, up to the conclusion of the 98th Annual General Meeting of the Company, subject to approval of the Members of the Company in the ensuing Annual General Meeting (AGM).

The Board has, based on the recommendation of the Nomination and Remuneration Committee, also appointed Mr. Arun Karambelkar as an Additional Director of the Company with effect from June 23, 2021 in the category of Non-Executive-Non-Independent Director, liable to retire by rotation in accordance with Section 161 of the Companies Act, 2013 read with Article 88 of the Articles of Association of the Company.

Mr. Arun Karambelkar is holding office up to the date of the ensuing 95th Annual General Meeting (AGM) of the Company. The Company has received a Notice under Section 160 of the Companies Act, 2013 from a Member signifying his intention to propose Mr. Arun Karambelkar as a candidate for the office of Director at the ensuing AGM.

Brief profiles of the Directors seeking appointment have been given as an annexure to the Notice of the ensuing AGM.

The Independent Directors of the Company viz. Mr. Anil C. Singhvi, Mr. Santosh Janakiram Iyer , Mr. Mahendra Singh Mehta, Dr. Mita Dixit and Mr. N. R. Acharyulu (appointed as an Independent Director with effect from June 23,2021) have furnished the declarations to the Company confirming that they meet the criteria of Independence as prescribed under Section 149 of the Act and Regulation 16 (1)(b) read with Regulation 25(8) of the SEBI Listing Regulations and the Board has taken on record the said declarations after undertaking due assessment of the veracity of the same.

The Company has also received Form DIR-8 from all the Directors of the Compnay pursuant to Section 164(2) and Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014.

15. Key Managerial Personnel

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

i. Mr. Ajit Gulabchand, Chairman & Managing Director

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

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

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

v. Mr. Anil Kumar Chandani, Chief Financial Officer (from November 9, 2020 to January 15, 2021)

vi. Mr. Vithal P. Kulkarni, Company Secretary.

The Board places on record its appreciation for the services rendered by Mr. Shailesh Sawa and Mr. Anil Kumar Chandani during their respective tenure as KMP of the Company.

16. Board Committees

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

As the Company is falling under top 1000 listed companies based on the market capitalization as on March 31, 2021, the Board, in its Meeting held on June 23, 2021 has reconstituted the existing Risk Management Committee to comply with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (second amendment) Regulations, 2021.

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

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

17. Meetings

A calendar of Board Meetings, Annual General Meeting and Committee Meetings is prepared and circulated in advance to the Directors of your Company. The Board of Directors of your Company met 7 times during the financial year 2020-21. The Meetings were held on April 3, 2020, July 9, 2020, August 27, 2020, October 16, 2020, November 12, 2020, November 24, 2020 and February 9, 2021.The maximum time gap between any two consecutive Meetings did not exceed one hundred and twenty days.

18. Familiarization Program of Independent Directors

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

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

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

20. Independent Directors' Meeting

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

During the year under review, Independent Directors met separately on June 29, 2020, *inter-alia*, for

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

21. Performance Evaluation

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

The Board's functioning was evaluated on various aspects, including, *inter-alia*, the structure of the Board, Meetings of the Board, functions of the Board, degree of fulfilment of key responsibilities, establishment and delineation of responsibilities to various Committees and effectiveness of Board processes, information and functioning.

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

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

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

The Nomination and Remuneration Committee has laid down a well-defined criterion for selection of candidates for appointment as Directors, Key Managerial Personnel and Senior Management Personnel in the Nomination and Remuneration Policy. The said Policy was recommended by the Nomination and Remuneration Committee and approved by the Board of Directors in May 2014.

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

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

The Nomination and Remuneration Committee has laid down the framework for remuneration of Directors, Key Managerial Personnel and Senior Management Personnel in the Nomination and Remuneration Policy recommended by them and approved by the Board of Directors. The Policy, *inter-alia*, defines Key Managerial Personnel and Senior Management Personnel of the Company and prescribes the role of the Nomination and Remuneration Committee. The Policy lays down the criteria for identification, appointment and retirement of Directors and Senior Management. The Policy broadly lays down the framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management Personnel. The Policy also provides for the criteria for determining qualifications, positive attributes and independence of Director and lays down the framework on Board diversity.

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

24. Corporate Social Responsibility Policy

A brief outline of the revised Corporate Social Responsibility (CSR) Policy as recommended by the CSR Committee and approved by the Board of Directors of the Company in its Meeting held on June 23, 2021 and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure II** of this Report in the prescribed format.

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

25. Related Party Transactions

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

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

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

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

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

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

26. Business Responsibility Statement

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

27. Directors' Responsibility Statement

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

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

(b) the selected accounting policies were applied consistently, and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the loss of the Company for the year ended on that date;

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

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

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

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

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

28. Industrial Relations

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

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

Pursuant to Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund Rules), 2016 ('the IEPF Rules'), during the year under review, no amount of unclaimed dividend and corresponding equity shares were due to be transferred to IEPF account.

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

30. Particulars of Employees and other additional information

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to the Report as **Annexure-III**. In terms of proviso to Section 136(1) of the Act, the Report and Accounts are being sent to the Members, excluding statement containing particulars of top 10 employees and the employees drawing remuneration in excess of limits prescribed under Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The said Statement is also open for inspection. Any Member interested in obtaining a copy of the same may write to the Company Secretary.

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

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

32. Secretarial Standards

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

33. Statutory Auditors

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

34. Statutory Auditors' Qualifications:

The explanations on the qualifications/observations/matter of emphasis given by the Statutory Auditors in their Audit Reports have been provided in the respective Notes to the Standalone and Consolidated Financial Statements.

35. Secretarial Audit

Secretarial Audit for the financial year 2020-21 was conducted by M/s. BNP & Associates, Company Secretaries in Practice in accordance with the provisions of Section 204 of the Act. The Secretarial Auditors' Report is attached to this Report at **Annexure V**.

36. Cost Audit

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

In compliance with the provisions of Section 148 of the Act, the Board of Directors of the Company had, at its Meeting held on August 27, 2020, appointed M/s. Joshi Apte & Associates, Cost Accountants as Cost Auditors of the Company for the financial year 2020-21.

In terms of the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors is required to be ratified by the Members. Accordingly, necessary resolution is proposed at the 95th Annual General Meeting for ratification of the remuneration payable to the Cost Auditors for financial year 2020-21.

37. Risk Management Framework

As the Company is falling under top 1000 listed companies based on the market capitalization as on March 31, 2021, the Board, in its Meeting held on June 23, 2021 has reconstituted the existing Risk Management Committee to comply with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (second amendment) Regulations, 2021. The terms of reference of the Risk Management Committee have been revised in accordance with Schedule II of the SEBI Listing Regulations.

The Company has established a well-documented and robust risk management framework under the provisions of the Act. Under this framework, risks are identified across all business processes of the Company on a continuous basis. Once identified, these risks are managed systematically by categorizing them into Enterprise Level Risk & Project Level Risk. These risks are further broken down into various subcategories of risks such as operational, financial, contractual, order book, project cost & time overrun etc. and proper documentation is maintained in the form of activity log registers, mitigation reports; and monitored by respective functional heads. Review of these risk and documentation is undertaken by Risk Management Committee regularly at agreed intervals.

38. Internal Control Systems and their adequacy

The Company has an adequate system of internal control to ensure that the resources are used efficiently and effectively so that:

- assets are safeguarded and protected against loss from unauthorized use or disposition.
- all significant transactions are authorised, recorded and reported correctly.
- financial and other data are reliable for preparing financial information.
- other data are appropriate for maintaining accountability of assets.

The internal control system is supplemented by an extensive internal audits programme, review by management, documented policies, guidelines and procedures.

39. Internal Financial Controls and their adequacy

The Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information. The Company has adopted accounting policies, which are in line with the Accounting Standards and the Act.

40. Whistle Blower Policy/Vigil Mechanism

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

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

41. Sexual Harassment

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

The Company has duly constituted an Internal Complaints Committee in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

During the financial year 2020-21, no case of Sexual Harassment was reported.

42. Reporting of Frauds

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

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

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

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

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

45. Annual Return

The Company has uploaded Annual Return on its website i.e., www.hccindia.com.

46. Green Initiatives

In line with the Green Initiatives, electronic copy of the Notice of 95th Annual General Meeting of the Company and the Annual Report for the financial year ended March 31, 2021 is being sent to all Members whose email addresses are registered with the Company/Depository Participant(s). For Members who have not registered their e-mail addresses, are requested to register their e-mail IDs with Company's Registrar and Share Transfer Agents, TSR Darashaw Consultants Private Limited at C-101, 1st Floor, 247, Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083.

47. Dividend Distribution Policy

Dividend Distribution Policy of the Company ('the Policy"), approved by the Board on February 2, 2017, endeavors for fairness, consistency and sustainability while distributing profits to the Members and same is attached to this Report as **Annexure VI**.

48. Acknowledgement

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

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

For and on behalf of Board of Directors,

Ajit Gulabchand
Chairman & Managing Director

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

Place: Mumbai
Date: June 23, 2021

ANNEXURE I TO THE BOARD'S REPORT

DISCLOSURE PURSUANT TO THE COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014 AND SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 AS AT MARCH 31, 2021:

No.	Particulars	Details
a)	No. of Options outstanding at the beginning of the year	3,00,000
b)	No. of Options granted during the year	Nil
c)	Pricing formula	The closing market price on the Stock Exchange, which recorded the highest trading volume in the Company's share prior to the date of the Meeting of ESOP Compensation Committee in which Options were granted.
d)	Vesting Requirements	Refer Paragraph 9 of the ESOP Scheme uploaded at www.hccindia.com with respect to vesting requirements
e)	Maximum term/exercise period of the Options granted	Refer Paragraph 11 of the ESOP Scheme uploaded at www.hccindia.com regarding exercise of Options
f)	No. of Options vested	Nil
g)	No. of Options exercised	Nil
h)	No. of shares arising as a result of exercise of Options	Nil
i)	Money realized by exercise of Options	Nil
j)	No. of Options lapsed	3,00,000
k)	Variation in the terms of Options	Nil
l)	No. of Options in force at the end of the year	Nil
m)	No. of Options exercisable at the end of the year	Nil
n)	Balance Options available for grant	3,47,450
o)	Employee wise details of Options granted, during the financial year ended March 31, 2021, to:	
	(i) senior managerial personnel	Nil
	(ii) any other employee to whom 5% or more of Option granted	Nil
	(iii) identified employees who were granted Option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil

For and on behalf of Board of Directors,

Ajit Gulabchand
Chairman & Managing Director

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

Place : Mumbai
Date: June 23, 2021

ANNEXURE II TO THE BOARD'S REPORT

REPORTING ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

1. A brief outline of the CSR Policy of the Company:

The revised Corporate Social Responsibility (CSR) Policy as recommended by the CSR Committee and approved by the Board of Directors of the Company is available on the Company's website and can be accessed by weblink: https://hccindia.com/uploads/Investors/Corporate_Social_Responsibility_Policy.pdf.

HCC is aware of the social responsibilities that accompany its leadership status. The Company remains steadfast in pursuing holistic growth with responsibility towards the people and the environment. The Company's CSR philosophy is 'Do Good to Do Well and Do Well to Do Good'.

2. Composition of CSR Committee:

Sr. No.	Name and Nature of Directorship	Designation	Number of Meeting of CSR Committee held during the year	Number of Meeting of CSR Committee attended during the year
1	Ajit Gulabchand (Chairman & Managing Director)	Chairman	1	1
2	N. R. Acharyulu* (Non-Executive Non-Independent Director)	Member	1	1
3	Mahendra Singh Mehta (Independent Director)	Member	1	1

*Appointed as Independent Director by the Board of Directors with effect from June 23, 2021 subject to approval of the Members.

3. Provide the web link where the Composition of the CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the Company's website:

CSR Committee:
https://www.hccindia.com/investors/board-committees

CSR Policy:
https://www.hccindia.com/investors/list-of-corporate-policies

CSR Projects:
https://www.hccindia.com/about-us/beyond-bread/disaster-relief

4. Provide the details of the impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sr. No.	Financial Year	The amount available for set-off from preceding financial years (in ₹)	The amount required to be set-off for the financial year, if any (in ₹)
1		Nil	
2			
	Total		

6. Average net profit of the Company as per section 135(5): ₹ Nil

7. (a) Two per cent of average net profit of the Company as per section 135(5) - Not Applicable

(b) Surplus arises from the CSR projects or programmes or activities of the previous financial years - Nil

(c) Amount required to be set off for the financial year- Nil

(d) Total CSR obligation for the financial year (7a+7b-7c)- Nil

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. 2020-21 (in ₹)	Amount Unspent (in ₹)				
	The total amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per the second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
3,55,055	NA	NA	NA	NA	NA

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation- Through Implementing Agency	
				State	Dist.						Name	CSR Registration number
1												
2						N/A						
3												
	Total											

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project.		Amount spent for the project (in ₹)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	Dist.			Name	CSR Registration no.
1	Provided food to communities during Covid-19 Lockdown in Tapovan Vishnugad HEP	Disaster relief / Health	Yes	Uttarakhand	Chamoli	43,000	Yes	NA	NA
2	Food Provided to communities during Covid-19 Lockdown in Rajasthan Atomic Power Project 7&8	Disaster relief	Yes	Rajasthan	Chittorgarh	1,91,100	Yes	NA	NA
3	Supplied food to communities during Covid-19 Lockdown in near Tara Workshop	Disaster relief	Yes	Maharashtra	Raigad	10,555	Yes	NA	NA

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project.		Amount spent for the project (in ₹)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	Dist.			Name	CSR Registration no.
4	Contribution to Homi Bhabha Cancer Hospital & Research Centre for development of patient amenity	Health	Yes	Andhra Pradesh	Visakhapatnam	1,00,000	Yes	NA	NA
5	Provided food and necessary facility to promote sports to Tara village	Sports	Yes	Maharashtra	Raigad	10,555	Yes	NA	NA
	Total					**3,55,055**			

(d) Amount spent in Administrative Overheads- Nil

(e) Amount spent on Impact Assessment, If applicable – Not Applicable

(f) Total amount spent for the financial year (8b+8c+8d+8e): ₹ 3,55,055

(g) Excess amount for set off, if any:

Sr. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	Nil
(ii)	Total amount spent for the Financial Year	3,55,055
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3,55,055
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9 (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer	
1							
2				N/A			
3							
	Total						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the Reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the Project Completed /Ongoing.
1								
2					N/A			
3								
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).- Not Applicable

    a. Date of creation or acquisition of the capital asset(s). **–** Not Applicable

    b. Amount of CSR spent for creation or acquisition of capital asset. **-** Not applicable

    c. Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - Not applicable

    d. Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
    – Not applicable

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5).
    – Not applicable

Arjun Dhawan
Group CEO & Whole-time Director

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

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

Place: Mumbai
Date: June 23, 2021

ANNEXURE III TO THE BOARD'S REPORT

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

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

Mr. Ajit Gulabchand *	**1:77**
Mr. Arjun Dhawan *	**1:72**

* The above ratios are with reference to the remuneration approved by the shareholders in FY 2019-20 for Mr. Ajit Gulabchand and Mr. Arjun Dhawan. However, approved remuneration has not been implemented pending the lenders approval; Accordingly, the above ratios depict the scenario as and when approved remuneration is implemented.

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

Mr. Ajit Gulabchand **	**0%**
Mr. Arjun Dhawan	**8%**

**The above increase is with reference to the remuneration approved by the Shareholders in FY 2019-20 for Mr. Ajit Gulabchand. However, approved remuneration has not been implemented pending the lenders approval; Accordingly, the above increase depicts the scenario as and when the approved remuneration is implemented.

Key Managerial Personnel:

Mr. U. V. Phani Kumar, CEO – E&C (w.e.f. April 3, 2020)	**0%**
Mr. Shailesh Sawa, CFO (up to July 9, 2020)	**0%**
Mr. Anil Chandani, CFO (From November 09, 2020 up to January 15, 2021);	**0%**
Mr. Vithal P. Kulkarni, CS	**0%**

iii. The percentage increase in the median remuneration of employees in the financial year – **0% approx.**

iv. The number of permanent employees on rolls of the Company: **1163 employees as on March 31, 2021.**

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

Average Salary Increase for KMPs (other than CMD and WTD):	**0%**
Average Salary Increase for non KMPs:	**0%**

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

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

For and on behalf of Board of Directors,

Ajit Gulabchand
Chairman & Managing Director

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

Place: Mumbai
Date: June 23, 2021

ANNEXURE IV TO THE BOARD'S REPORT

INFORMATION AS PER SECTION 134 (3)(m) READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014 FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

A. Conservation of Energy:

1. In IGCAR project:

    a. Diesel compressor of cement feeding pump replaced with electric compressors.

    b. Water feeding system of batching plant upgraded as automated one and run only during feed command.

    c. Use of APFC (Automatic Power Factor Controller) panels in substations and use of capacitor near heavy loads in batching plant and crushing plants.

    d. Use of welding inverter in place of welding transformer.

2. Use of FCMA (Flux Compensated Magnetic Amplifier) starter for main crusher motors.

3. Variable Frequency Drive (VFD) starting system for ventilation fans & EOT/Gantry Cranes.

4. Use of energy efficient motors in Gantry Cranes.

5. Use of load sharing system in D.G. sets.

6. Use of LED fixtures at all the new projects and replacing the old one.

7. Creating awareness for energy saving and switching off the lights and electrical equipment when not required.

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

9. Use of fly ash in concrete improves plasticity, decrease permeability, increase sulphate resistance, and enhance durability of concrete. Fly ash replaces Portland cement resulting in lower levels of extraction of silica, limestone as well as reducing GHG (Green House Gas) emissions. Projects like BARC Tarapur, IGCAR FRFCF, RAPP 7&8, Mumbai Metro, HCC-HDC Coastal Road and Tehri PSP utilized fly ash in concrete production as per the Indian standard specifications.

B. Technology Absorption and initiatives:

1. Successful fabrication and installation of 65 numbers of Stainless Steel (SS) tanks ranged from 1 m to massive 10 m diameter with volume capacity of 1 cum to 300 cum at Integrated Nuclear Recycle Plant (INRP) BARC Tarapur project. The materials used are SS304L grade of stainless steel, 14mm thick and welding process used is GTAW (Gas Tungsten Arc Welding) with argon purity of 99.999%). Welding is being carried out in dust free environment to avoid the contamination of dust/foreign particles during welding. Maintaining the minimum tolerance limit of
± 4 mm for tank ID and ± 1mm for the ground surface level on which these are installed. Helium leak test by vacuum method, intergranular corrosion (IGC) test, pneumatic test, hydrostatic test etc. were done.

2. Use of light weight concrete in machine hall at Vishnugad Pipalkoti Hydro Electric Project due to the formation of overhead cavity. Light weight concrete is carried out to fill the cavity portion. Around 4200 cum. concrete was successfully placed and found cost effective in terms of materials, operational safety, and efficiency.

3. Use of roller bits in place of traditional drag bits to achieve required depth of drilling of pile in planned time cycle and achieved reduced noise pollution, increased drilling rate with less damage to surrounding strata in Mumbai Coastal Road Project.

4. Inner Containment dome (RB-8) concreting was successfully completed at Rajasthan Atomic Power Project (RAPP 7&8) after the erection, alignment and final welding of dome liner with allowable tolerances. Suitable life liners are established over the IC dome liner for safe working conditions. Placing of temperature-controlled concrete not exceeding 19 degree C of grade N45/A20 done.

5. The successful completion of major milestone at the RAPP 7&8 by lifting and erecting the massive dome of the reactor building with a remarkable precision. The single piece tori spherical dish-shaped dome weighs 346 metric tons, 49m in diameter and about 8m tall at the center. The dome was assembled using 53 panels joined seamlessly by welding. The total length of the weld carried out in the fabrication and assembly of the dome was around 5 km.

6. Online reporting system: This year, initiative adopted in co-ordination with the Company's IT team for online preparation & uploading the monthly & quarterly HSE performance & legal compliance report to create online HSE database. Online Quality Observation Training (QOT) roll out to capture all non-conformities with respect to quality practices & records the finding in online system.

Performance analysis of each project is presented in management review Meeting and way forward suggested for continual improvement.

7. IMS dept. initiated online programme and quiz to propagate and enhance awareness among the staff on HSE & quality requirements during the lockdown period.

8. Safety triangle tree & well-equipped safety induction / training center is developed with modular safety protection system at Mumbai coastal road project.

9. In the critical situation of pandemic COVID-19, HCC projects & HO installed the economical and durable handsfree sanitizer dispensing unit and thermal temperature scanner to restrict the spread of Coronavirus.

C. Foreign Exchange earnings and outgo:

Total Foreign Exchange used and Earned:

Earnings in Foreign Currency	₹ 63.52 crore (P.Y. ₹ 187.00 crore)
Expenditure in Foreign Currency	₹ 12.91 crore (P.Y. ₹ 49.21 crore)

For and on behalf of Board of Directors,

Ajit Gulabchand
Chairman & Managing Director

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

Place : Mumbai
Date: June 23, 2021

ANNEXURE V TO THE BOARD'S REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the year ended 31st March 2021

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial personnel) Rules,2014]

To
The Members of,
Hindustan Construction Company Ltd.
Hincon House,
Lal Bahadur Shastri Marg,
Vikhroli (West),
Mumbai- 400083

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Hindustan Construction Company Ltd. having CIN:- L45200MH1926PLC001228 (hereinafter called the 'Company') during the financial year from 1st April 2020 to 31st March 2021 ('the year'/ 'Audit period'/ 'Period under Review').

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

We are issuing this report based on:

I. Our verification of the Company's books, papers, minutes books, soft copies of various records, scanned copies of minutes of the Meetings of the Board of Directors of the Company (the Board) and Committees thereof, forms and returns filed, and other records maintained by the Company.

II. Compliance Certificates confirming Compliance with all laws applicable to the Company given by Key Managerial Personnel / Senior Managerial Personnel of the Company and taken on record by the Audit Committee / Board of Directors of the Company, and

III. Representations made, documents produced, and information provided by the Company, its officers, agents, and authorised representatives during our conduct of the Secretarial Audit of the Company.

We hereby report that in our opinion, during the audit period covering the financial year ended on 31st March 2021, the Company has:

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

(ii) Board-processes and compliance mechanisms are in place

to the extent, in the manner and subject to the reporting made hereinafter.

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

1. Compliance with specific statutory provisions

We further report that:

1.1 (A) We have examined soft copies of the various records sent by e-mail by the Company and other records maintained by the Company and furnished to us, forms/ returns filed, and compliance related action taken by the company during the year, according to the applicable provisions / clauses of:

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

(ii) The Securities Contracts (Regulation) Act, 1956 and the Rules made there under.

(iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder.

(iv) The Foreign Exchange Management Act, 1999 (FEMA) and the Rules/ Regulations made thereunder to the extent of External Commercial Borrowings and Overseas Direct Investments.

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

i. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; (LODR)

ii. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

iii. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

iv. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008

v. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, and

vi. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 to the extent applicable

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

(vii) Following laws are specifically applicable to the Company:-

a. Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996

b. Explosives Act 1984 and Rules 2008 framed thereunder

c. Gas Cylinder Rules, 2004

d. Mines Act, 1954 and Rules framed thereunder

e. The Air (Prevention & Control of Pollution) Act, 1981 and Rules framed thereunder.

f. The Water (Prevention & Control of Pollution) Act, 1974 and Rules 1975 framed thereunder (amended up to 1988)

g. The Hazardous and Other Waste (Management, Handling & Transboundary Movement) Rules, 2016

h. The Environment (Protection) Act, 1986 and Rules framed thereunder

i. Petroleum Act 1934 and Rules framed thereunder

j. The Indian Electricity Act, 2003

k. The Factories Act, 1948

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

(a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

(b) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(c) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013, and

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

1.2 During the period under review, the Company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us:

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

(ii) Complied with the applicable provisions/ clauses of:

(a) The Act and rules mentioned under paragraph 1.1

(b) FEMA to extent of External Commercial Borrowings and Overseas Direct Investments mentioned under paragraph 1.1(iv) subject to point no. 7 as appearing under the heading "Specific events/ actions", and

(c) The Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) mentioned under paragraph 1.1 (vi) above to the extent applicable to the Meetings of the Board and its Committees held during the year and the 94th Annual General Meeting held on 24th December 2020. The compliance with the provisions of the Rules made under the Act with regard to the Meetings of the Board and its Committees held through video conferencing was verified based on the minutes of the Meetings provided by the Company.

1.3 We have also examined on test-check basis the relevant documents and records maintained by the Company in respect of the specific law applicable to the Company as mentioned in paragraph 1.1 (vii) . We are further informed that as an on-going process, the Company is regularly taking steps for complying with the applicable provisions as necessary.

2. The Board processes:

We further report that:

2.1 The Board of Directors of Company as on 31st March 2021 comprised of:

I. A Chairman & Managing Director.

II. A Whole Time Director.

III. Two Non-Executive Non-Independent Directors including a Nominee Director, and

IV. Four Non- Executive Independent Directors, including a woman Independent Director.

2.2 The processes relating to the following changes in the composition of the Board of Directors and Key Managerial Personnel during the year were carried out in compliance with the provisions of the Act and LODR:

a. Appointment of Mr. U V Phani Kumar as the Chief Executive Officer (CEO) of the Company w.e.f. 3rd April 2020 in place of Mr. Amit Uplenchwar, CEO of the Company pursuant to his resignation w.e.f. 27th March 2020.

b. Re-appointment of Mr. N. R. Acharyulu (DIN: -02010249) as Non-Executive Non-Independent Director of the Company, liable to retire by rotation, at the 94th Annual General Meeting held on 24th December 2020 by Special Resolution passed by the Shareholders.

c. Pursuant to resignation of Mr. Shailesh Sawa as the Chief Financial Officer (CFO) w.e.f. 9th July 2020, the Company appointed Mr. Anil Kumar Chandani as CFO w.e.f. 9th November 2020. Subsequently, Mr. Anil Kumar Chandani also tendered his resignation w.e.f. 15th January 2021.

d. Retirement of Mr. Sharad Kulkarni (DIN:- 00003640) as an Independent Director of the Company, upon expiry of his second term at the conclusion of the 94th Annual General Meeting held on 24th December 2020.

e. Appointment of Dr. (Ms.) Mita Dixit (DIN:-08198165) as an Independent Woman Director of the Company for a term of 3 consecutive years, not liable to retire by rotation, w.e.f. 06th February 2020 at 94th Annual General Meeting held on 24th December 2020

2.3 Adequate notices were given to all the Directors to enable them to plan their schedule for the Meetings of the Board and its Committees.

2.4 Notices of the Meetings of the Board and its Committees were sent to the Directors at least seven days in advance and compliance under Section 173 (3) of the Act and SS-1 were also ensured, as applicable.

2.5 Agenda and detailed notes on agenda were sent to the Directors at least seven days before the Meetings of the Board and its committees and compliance under Section 173 (3) of the Act and SS-1, were also in place, as applicable.

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

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

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

2.7 An adequate system exists for Directors to seek and obtain further information and clarifications on the agenda items before the Meetings and for their meaningful participation at the Meetings.

2.8 We note from the minutes verified that, at the Meetings of the Board and its committees, held during the year that:

(i) Decisions were carried through the majority; and

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

3. Compliance mechanism

There are reasonably adequate systems and processes prevalent in the Company, which are commensurate with the Company's size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

4. Specific events/ actions

4.1 We further report that during the Audit Period, the following specific events / actions having a major bearing on the Company's affairs took place:-

1) The Shareholders of the Company at the 94th Annual General Meeting held on 24th December 2020 passed a Special Resolution enabling the Company to issue Securities of the Company for an aggregate amount not exceeding ₹ 1,000 Crore (Rupees One Thousand Crores Only).

2) The Company has carried out renewal of the existing Inter-Corporate Deposits (ICDs) given to HCC Mauritius Enterprises Ltd, a Wholly Owned Subsidiary of the Company, for a period of one year from their respective due dates aggregating to USD 1,50,76,533.01

3) The Company has carried out renewal of the existing Inter-Corporate Deposits (ICDs) given to its Indian subsidiary companies aggregating to ₹ 1592.19 crores, for a period of one year from April 1, 2020.

4) TSR Darashaw Consultants Private Limited, Registrar and Transfer Agent (RTA) of the Company, became a wholly owned subsidiary of Link Intime India Private Limited and the Registered Office of RTA was shifted to address given below w.e.f. 01st March 2021:-

TSR Darashaw Consultants Private Limited
C-101, 1st Floor, 247 Park,
Lal Bahadur Shastri Marg,
Vikhroli West, Mumbai-400083

5) The Company was levied a fine of ₹ 3,65,800 by both National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) for non-compliance with Regulation

17 (1) of SEBI (LODR) Regulations, 2015, for the period ended 31st December 2019. The Company deposited the amount of fine with both the Stock Exchanges on 14th February 2020. The Company also complied with the requirement under Regulation 17 (1) of SEBI LODR Regulations, 2015 w.e.f. 06.02.2020 by appointing a Woman Independent Director on its Board of Directors.

During the Financial Year 2020-21, the Company was levied a fine of ₹ 2,12,400 by both NSE and BSE for non-compliance with Regulation 17 (1) of SEBI (LODR) Regulations, 2015 for the period commencing from 01st January 2020 to 05th February 2020. The Company paid the fine to both the Stock Exchanges on 26th October 2020.

6) The Company has accounted for managerial remuneration paid/ payable to the Chairman and Managing Director and Whole Time Director of the Company aggregating to ₹ 27.07 crores for the financial years ended 31st March 2021 and 31st March 2020. The remuneration paid was in excess of the limits prescribed under Section 197 of the Companies Act, 2013, in respect of which approvals of its shareholders was obtained. However, the formality of prior approval from the lenders of the Company as required under Section 197 was to be completed.

7) We observe that the Company has taken steps for compliance with the relevant provisions of FEMA, 1999 and we are informed that in relation to two subsidiaries which are incorporated outside India filing of relevant returns with Reserve Bank of India is in the process.

Venkataraman Krishnan
Associate Partner
ACS No.:-8897/ COP No.:- 12459

For **BNP & Associates**
Company Secretaries
[Firm Regn. No. P2014MH037400]
[PR No.:-637 / 2019]
UDIN:- A008897C000500113

Place: Mumbai
Date: June 23, 2021

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

Annexure A to the Secretarial Audit Report for the financial year ended 31st March 2021

To,
The Members
Hindustan Construction Company Ltd.

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

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

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

3. While forming an opinion on compliance and issuing this report, we have also considered compliance related actions taken by the company after 31st March 2021 but before the issue of this report.

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

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

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

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

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

Venkataraman Krishnan
Associate Partner
ACS No.:-8897/ COP No.:- 12459

For BNP & Associates
Company Secretaries
[Firm Regn. No. P2014MH037400]
[PR No.:-637 / 2019]
UDIN:- A008897C000500113

Place: Mumbai
Date: June 23, 2021

ANNEXURE VI TO THE BOARD'S REPORT

DIVIDEND DISTRIBUTION POLICY

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

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

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

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

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

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

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

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

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

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

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

ANNEXURE VII TO THE BOARD'S REPORT

BUSINESS RESPONSIBILITY REPORT (BRR)

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Disclosures	Information / Reference sections	
Corporate Identity Number (CIN) of the Company	L45200MH1926PLC001228	
Name of the Company	Hindustan Construction Company Ltd	
Registered Address	Hincon House, LBS Road, Vikhroli (W), Mumbai 400 083, India	
Website	www.hccindia.com	
E-mail id	secretarial@hccindia.com	
Financial Year Reported	2020-21	
Sector(s) that the Company is engaged in (industrial activity code-wise)	The Company is engaged in business of Engineering, Procurement and Construction EPC segment.	
	Description	Industrial Group
	Engineering and Construction Activities	42101, 42201, 42204
List three key products/services that the Company manufactures/provides (as in balance sheet)	Engineering and Construction Activities	
Total number of locations where business activity is undertaken by the Company	i. Number of International Locations (Provide details of major 5): Company's Projects at Bhutan and Bangladesh are at various stages of operations ii. Number of National Locations: Presently the Company executes various Projects across 17 states.	
Markets served by the Company – Local/State/National/International	Projects across various States in the Country and at Bhutan and Bangladesh (Outside India)	

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Disclosures		Information / Reference sections
1	Paid up Capital (₹)	₹ 1,51,30,28,244
2	Total Turnover (₹ Crore) :	₹ 2,642.38
3	Total profit after taxes (₹ Crore):	(₹ 566.45)
4	Total Spending on Corporate Social Responsibility (CSR)	
	a. In terms of Section 135 of the Companies Act, 2013:	As the average net profit of last three preceding years is negative under Section 198 of the Companies Act, 2013, the Company is not required to allocate any amount towards CSR expenditure.
	b. As percentage of profit after tax (%):	Not Applicable
5	List the activities as per Schedule VII of Company's Act, 2013 in which expenditure in 4 above has been incurred:	The Company has voluntarily spent on initiatives in disaster relief work and provided necessary support during COVID-19 lockdown to near communities. 1. During National COVID-19 lockdown in April, May and June 2020, the Company provided necessary support like ambulance facility, food and drinking water to local communities in Vishugad Pipalkoti Hydroelectric Project, Tapovan Vishnugad Hydro Electric Project, Uttarakhand, Rajasthan Atomic Power Project 7&8, Rajasthan and in tribal area of Tara village, Dist. Raigad, Maharashtra. 2. Contribution to Homi Bhabha Cancer Hospital & Research Centre, Vishkhapatnam, Andhra Pradesh for development of patient amenity in November 2020.

Disclosures	Information / Reference sections
	3. Glacier break disaster in Uttarakhand February 2021, HCC offered essential support to the Police, NDRF, Military local administration. This support was provided in terms of food, first aid facility with two ambulance, manpower, heavy earth moving machines and materials, lighting and ventilation duct, Diesel generator, transport vehicles and technical support and guidance to disaster management team.

SECTION C: OTHER DETAILS

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

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

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

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

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

No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for:	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes, the policies confirm to statutory provisions as well as ILO and UN Mandate.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director? Yes: MD	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	On companies internal public folder								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, to all relevant stakeholders.								

No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes, Internal Audits and IMS Audits.								

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

3. Governance related to BR

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

SECTION E : PRINCIPLE-WISE PERFORMANCE

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

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

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

1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	i. Engineering Designs ii. Integrated Management System
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?	**Steps taken during Engineering Design:** **Raw Material Optimum use** • **Cut-to-length plates & structural Steel -** Instead of using the readily available standard size plates and standard-length Structural Steel, Steel with customized sizes was procured to avoid wastages at Bogibeel Rail-cum-Road Bridge Project, Anji khad project, and Nikachu HEP. A. **Coupler use for savings -** Reinforcement couplers used at BARC Tarapur, IGCAR FRFCF Project, Rajasthan Atomic Project, and Mumbai Metro Projects helped us to achieve a huge reduction in the cost due to overlapping length of TMT **Energy Conservation:** A. Usage of Load Sharing System in D.G. sets. B. APFC (Automatic Power Factor Controller) panels. C. FCMA (Flux Compensated Magnetic Amplifier) Starter for Main Crusher Motors.

		D. In addition to using APFC in Substation, using Capacitor near heavy loads. E. Variable Frequency Drive (VFD) Starting System for Ventilation Fans & EOT/ Gantry Cranes. F. Use of Energy Efficient Motors in Gantry Cranes . G. Replacing the diesel equipment's by Electric equipment's. H. Changing the process from manual to automatic. I. Using the Welding inverter in place of welding transformer. J. Use of LED fixtures at all the new projects and replacing the old. K. Creating awareness for energy saving and switching off the lights and Electrical equipment when not required. **Water Conservation:** At every project site, IMS procedure for 4R (Reduce, Reuse, Recycle, Recharge) is followed. Sedimentation tanks are provided at each batching plant where the supernatant water is reused for dust suppression. Desalination plant and wastewater treatment plants are also provided wherever appropriate.
	ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Not Applicable. The Company is not in business of manufacturing goods or consumable products. Hence, savings during the usage by the consumer/ end user is not applicable.
3	Does the Company have procedures in place for sustainable sourcing (including transportation)?	Yes
	i. If yes, what percentage of your inputs was sourced sustainably?	Approximately 75%
4	Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	Yes. Apart from 75% of major raw materials, remaining items like Aggregates, Sand, etc are procured locally. Also, the general stores material required for workmen and officers camps is procured locally which impacts the local market in positive way.
	If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	At the project sites, steps are undertaken to award small / petty contracts to locals pertaining to job work, equipment (including vehicle) supply, supplies, manpower etc., thereby building the capacity / capability at the local level.
5	Does the Company have a mechanism to recycle products and waste?	Yes. Recycling the product is not applicable as the Company is not in business of manufacturing goods or consumable products and hence, the associated packaging material is also not applicable. Hazardous Waste is recycled or disposed as per Statutory provisions. Used oil disposed through authorized recycler & Batteries are being sent back to supplier under buy back option. Scrap and general recyclable materials are disposed through authorized vendors for recycling. Reusing of the Product or packaging material is not applicable for the Company.
	If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).	**Material** — **Qty disposed in FY 2020-21** Scrap Steel — 4876 Metric Ton Waste Oil — 19.46 KL Cement Bags — 86400 Nos. MS Drums (used) — 1240 Nos

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

1	Please indicate the Total number of employees	1074 Officers
2	Please indicate the Total number of employees hired on temporary/contractual/casual basis	6 Officers
3	Please indicate the Number of permanent women employees	31 Officers
4	Please indicate the Number of permanent employees with disabilities	4 Officers
5	Do you have an employee association that is recognized by management.	Yes, for workmen
6	What percentage of your permanent employees is Members of this recognized employee association?	100% of the permanent workmen

7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	Nil

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

8	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	
	Permanent Employees	7% (Officers)
	Permanent Women Employees	6% (Officers)
	Casual/Temporary/Contractual Employees	6% (Officers)
	Employees with Disabilities	Nil

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

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

Principle 5: Businesses should respect and promote human rights :

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

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

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

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

1	Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with	Yes 1. Member of Governor's Steering Board of the Infrastructure and Urban Development (IU) Community at the World Economic Forum (WEF) 2. Member of Disaster Resource Partnership Board, IU, WEF 3. Member of Steering Board, Future of Urban Development Services, IU, WEF 4. Member of Steering Board, Future of Construction, WEF 5. Member of UK India Business Council (UKIBC) Advisory Council 6. Member, CII National Council 7. Member of the Private Sector Alliance for Disaster Resilient Societies (ARISE), United Nations International Strategy for Disaster Risk Reduction (UNISDR) 8. Member of Board of Trustees – New Cities Foundation
2	Have you advocated/lobbied through above associations for the advancement or improvement of public good?	Yes. Indian Construction Industry Scenario – present and future: Keynote Speaker for Builders' Association of India – 16 Sept 2020 (online)

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

1	Does the Company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes. The Company has a well crafted CSR Policy in tune with Section 135/Schedule VII of Companies Act, 2013. On the basis of needs of the community around the Projects, either observed or on the basis of requests, the initiatives for the benefit of society are chosen and implemented.
2	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?	In house team and external Agencies.
3	Have you done any impact assessment of your initiative?	No
4	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	CSR expenditure not applicable. However, the Company intervene in Disaster Relief work during FY 2020-21.
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	Yes

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

1	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	Nil
2	Does the company display product information on the product label, over and above what is mandated as per local laws?	Not Applicable
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.	No
4	Did your company carry out any consumer survey/ consumer satisfaction trends?	Yes. Customer Satisfaction surveys being carried out as the compliance of QMS (ISO 9001- IMS).

INDEPENDENT AUDITOR'S REPORT

To the Members of Hindustan Construction Company Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

1. We have audited the accompanying standalone financial statements of Hindustan Construction Company Limited and its joint operations (together referred to as 'the Company'), as listed in Annexure I, which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of other auditors on the separate financial statements/ financial information of the joint operations as referred to in paragraph 20 below, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. As stated in:

   (i) Note 27.1 to the standalone financial statements, the Company has accounted for managerial remuneration paid/ payable to Whole Time Directors (including Chairman and Managing Director) of the Company aggregating ₹ 27.07 crore for the financial years ended 31 March 2021 and 31 March 2020, in excess of the limits prescribed under Section 197 of the Act, in respect of which approvals from the shareholders have been obtained as prescribed, however prior approval from the lenders of the Company in accordance with Section 197 has not been obtained by the Company.

   Our audit report dated 9 July 2020 on the standalone financial statements for the year ended 31 March 2020 was also qualified in respect of this matter.

   (ii) Note 17.4 to the standalone financial statements, the Company's current borrowings and other current financial liabilities as at 31 March 2021 include balances amounting to ₹ 2.10 crore and ₹ 500.72 crore, respectively, in respect of which direct confirmations from the respective banks/ lenders have not been received. Further, in respect of certain loans, while the principal balances have been confirmed from the direct confirmations issued by the banks/ lenders, the interest accrued amounting to ₹ 115.37 crore has not been confirmed by the banks/ lenders. Further, direct confirmations from banks have not been received for balances with banks included under cash and cash equivalents and earmarked balances/ deposits with banks included under bank balances other than cash and cash equivalents, as at 31 March 2021 amounting to ₹ 2.10 crore and ₹ 10.91 crore, respectively. In the absence of such direct confirmations from the banks/ lenders or sufficient and appropriate alternate audit evidence, we are unable to comment on the adjustments and changes in classification of balances in accordance with the principles of Ind AS 1, Presentation of financial statements, if any, that may be required to the carrying value of the aforementioned balances in the accompanying standalone financial statements.

   Our audit report dated 9 July 2020 on the standalone financial statements for the year ended 31 March 2020 was also qualified in respect of this matter.

   (iii) Note 9.1 to the standalone financial statements, the Company has recognised net deferred tax assets amounting to ₹ 715.99 crore outstanding as at 31 March 2021, on account of carried forward unused tax losses, unused tax credits and other taxable temporary differences which are continued to be recognised by the Company on the basis of expected availability of future taxable profits for utilization of such deferred tax assets. However, in view of the continued losses incurred by the Company, uncertainty with respect to outcome of the resolution plan and the impact of COVID-19 on business operations, we are unable to obtain sufficient appropriate audit evidence with respect to the current projections prepared by the management and therefore, are unable to comment on any adjustments that may be required to the carrying value of aforesaid deferred tax assets as at 31 March 2021.

   Our audit report dated 9 July 2020 on the standalone financial statements for the year ended 31 March 2020 was also qualified in respect of this matter.

   (iv) Note 31.2 to the standalone financial statements, the Company had written back a loss provision aggregating ₹ 331.40 crore during the year ended 31 March 2020, which was earlier recognised by the Company during the year ended 31 March 2019 in cognizance of the assignment of beneficial interests/ rights in a portfolio of identified arbitration awards and claims based on a non-binding term sheet with a consortium of investors along with a letter of commitment, due to cancellation of the said proposed transaction. However, such write-back is inconsistent with the continued intent of the Company to sell/ assign the arbitration awards and claims of the Company to other potential investors as evidenced in the proposed resolution plan with lenders. Pending the finalization of the proposed resolution plan with lenders, we are unable to comment on the extent of loss provision required to be provided for in the financial statements as at 31 March 2021.

Our audit report dated 9 July 2020 on the standalone financial statements for the year ended 31 March 2020 was also qualified in respect of this matter.

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 and that obtained by other auditors, in terms of their reports referred to in paragraph 20 of the Other Matters section below is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

5. We draw attention to Note 2(v) to the standalone financial statements, which indicates that the Company has incurred a net loss of ₹ 566.45 crore during the year ended 31 March 2021 and, as of that date, the Company's accumulated losses amounts to ₹ 2,332.73 crore, which have resulted in substantial erosion of net worth of the Company. As further disclosed in aforesaid note, the Company has defaulted in repayment of principal and interest in respect of its borrowings and has overdue operational creditors outstanding as at 31 March 2021. Certain operational creditors have also applied to the National Company Law Tribunal ('NCLT') for the debt resolution under the Insolvency and Bankruptcy Code, 2016, which have not been admitted by the NCLT for further proceedings as of the date of this report. The above factors, together with uncertainties relating to the impact of the ongoing COVID-19 pandemic on the operations of the Company as described in Note 2(iv)(a) to the standalone financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, based on ongoing discussion/ negotiations with the lenders, including lenders of an erstwhile subsidiary, for restructuring of loans which are subject to their internal approvals, revised business plans and other mitigating factors as mentioned in the Note 2(v) to the standalone financial statements, management is of the view that going concern basis of accounting is appropriate for preparation of the accompanying standalone financial statements.

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

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

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

   c) Obtaining from the management, its projected cash flows for the next twelve months basis their future business plans;

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

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

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

   Our opinion is not modified in respect of this matter.

Emphasis of Matters

7. We draw attention to Note 2(iv)(a) to the standalone financial statements, which describes the effects of uncertainties relating to COVID-19 pandemic outbreak on the Company's operations and management's evaluation of its impact on the accompanying standalone financial statements as at the reporting date, the extent of which is significantly dependent on future developments.

8. Note 21.2 to the standalone financial statements regarding delays in payment of foreign currency trade payables against the supply of goods and payment of foreign currency capital vendors against the supply of equipment aggregating ₹ 38.22

crore and ₹ 3.19 crore, respectively, that are outstanding as at 31 March 2021 for a period beyond the timelines stipulated in FED Master Direction No. 17/2016-17, under the Foreign Exchange Management Act, 1999. The management of the Company is in the process of regularising these defaults by filing necessary applications with the appropriate authority for condonation of such delays. The management is of the view that the penalties, if any, which may be levied for these contraventions is currently unascertainable and is not expected to be material to the accompanying standalone financial statements. Accordingly, the accompanying standalone financial statements does not carry any consequential adjustments with respect to such delays/ defaults.

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

Key Audit Matters

9. Key audit matters are those matters that, in our professional judgment, and based on the consideration of the reports of the other auditors as referred to in paragraph 20 below, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Key audit matter	How our audit addressed the key audit matter
(a) Assessment of impairment of investment in subsidiary (Refer note 34 of the standalone financial statements)	
The Company, as at 31 March 2021, has non-current investment of ₹ 1,571.65 crore in HCC Infrastructure Company Limited ('HICL'), its wholly owned subsidiary. HICL has an investment of 85.45% in HCC Concessions Limited ('HCL') which has further interests in several Build, Operate and Transfer (BOT) Special Purpose Vehicle's ('SPV'). The consolidated net worth of HICL as at 31 March 2021 has fully eroded. Given the losses incurred by HCL, the management was required to assess its investment for impairment. The management based on certain estimates and other factors, including subsidiary's future business plans, growth prospects, valuation report from an independent valuer, future considerations from an entity disposed-off during the year, expected outcome of the arbitration/ litigations and legal advice in respect of certain claims, as described in the said note, management believes that the realizable amount is higher than the carrying value of the non-current investment due to which this is considered as good and recoverable. Due to the significance of the carrying amounts of the investment and the significant management judgement involved in carrying out the impairment assessment, this was considered to be a key audit matter of the standalone financial statements. Further, considering this matter is fundamental to the understanding of the users of the financial statements, we draw attention to Note 34 to the standalone financial statement, regarding the Company's non-current investment in a subsidiary company, HCC Infrastructure Company Limited.	Our audit procedures included, but were not limited to, the following: • Obtaining an understanding of the management process and evaluating the design and testing operating effectiveness of controls over identification of impairment indicators and process followed by the management for impairment testing. • Assessing the methodology used by the management to estimate the recoverability of investment and ensuring that it is consistent with applicable accounting standards; • Evaluating the appropriateness of the assumptions applied in determining key inputs such as traffic projections, operating costs, long-term growth rates and discount rates, which included assessments based on our knowledge of the Company and the industry; • Testing the mathematical accuracy of the projections and applying independent sensitivity analysis to some of the key assumptions; • Involving auditor's experts to assist in evaluating the assumptions and appropriateness of the valuation methodology used by the management; • Evaluating the legal opinion obtained by management from independent legal counsel, with respect to certain receivables which have been disputed by the customers; • Compared the carrying value of the non-current investment with the realizable value determined by the Independent valuer to ensure there is no impairment/ provision required to be recognised; and • Assessed that the disclosures made by the management are in accordance with applicable accounting standards.

Key audit matter	How our audit addressed the key audit matter
(b) Uncertainties relating to recoverability of unbilled work-in-progress (other current assets) and current trade receivables (Refer note 35 of the standalone financial statements)	
The Company, as at 31 March 2021, has unbilled work-in-progress (other current assets) and current trade receivables amounting to ₹ 833.67 crore and ₹ 295.33 crore, respectively, which represent various receivables in respect of projects closed/ substantially closed/ suspended and where the claims are currently under negotiations/ discussions/ arbitration/ litigation. Further, current trade receivables as at 31 March 2021 includes ₹ 2,748.55 crore, representing favorable arbitration awards (including interest thereon) which have subsequently been challenged by the clients in courts. Further, during the year ended 31 March 2021, the Company has settled certain favorable arbitration awards and claims with one of the customers amounting to ₹ 1,213.39 crore at a net loss of ₹ 274.03 crore, which has been considered as an exceptional item as further described in Note 31.1 to the accompanying standalone financial statements. Management, based on contractual tenability of the claims/ receivables, progress of the discussions and relying on the legal opinion obtained from independent legal counsel, has determined that no provision is required to be recognised for the aforementioned receivables. However, considering the materiality of the amounts involved, uncertainty associated with the outcome of the negotiations/ discussions/ arbitration/ litigation and significant management judgement involved in its assessment of recoverability, this was considered to be a key audit matter in the audit of the standalone financial statements. Further, considering this matter is fundamental to the understanding of the users of financial statements, we draw attention to Note 35 to the standalone financial statement, regarding uncertainties relating to recoverability of above discussed receivables.	Our audit procedures included, but were not limited to, the following: • Obtaining an understanding of the management process and evaluating the design and testing the effectiveness of key internal financial controls for assessing the recoverability of unbilled work-in-progress (other current assets) and current trade receivables • Discussing extensively with management regarding steps taken for recovering the amounts; • Assessing the reasonability of judgements exercised and estimates made by management with respect to the recoverability of these receivables and validating them with corroborating evidence; • Verifying contractual arrangements to support management's position on the tenability and recoverability of these receivables. • Obtaining an understanding of the current period developments for respective claims/ arbitration awards pending at various stages of negotiations/ discussions/ arbitration/ litigation and corroborating the updates with relevant underlying documents. • Obtaining the settlement agreements entered with a customer, assessing the impact of the settlement and ensuring the appropriate disclosures of exceptional item have been made in the standalone financial statements. • Reviewing the legal and contractual experts' report and/ or legal opinion from independent legal counsel obtained by the management with respect to certain contentious matters; and • Assessing that disclosures made by the management are in accordance with applicable accounting standards.

Key audit matter	How our audit addressed the key audit matter
(c) Recognition of contract revenue, margin and contract costs (Refer note 2(xx) to the standalone financial statements)	
The Company's revenue primarily arises from construction contracts which, by its nature, is complex given the significant judgements involved in the assessment of current and future contractual performance obligations. The Company recognizes contract revenue and the resultant profit/ loss on the basis of stage of completion determined based on the proportion of contract costs incurred at balance sheet date, relative to the total estimated costs of the contract at completion. The recognition of contract revenue and the resultant profit/ loss therefore rely on estimates in relation to forecast revenue and forecast contract costs.	Our audit procedures to address this key audit matter included, but were not limited to the following: • Evaluating the appropriateness of the Company's accounting policy for revenue recognition; • Obtaining an understanding of the Company's processes and evaluating the design and tested effectiveness of key internal financial controls, including those related to review and approval of contract estimates; • For a sample of contracts, testing the appropriateness of contract revenue recognized by evaluating key management judgements inherent in the forecasted contract revenue and costs to complete, including:

These contract estimates are reviewed by the management on a periodic basis. In doing so, the management is required to exercise judgement in its assessment of the revenue on contracts which may also include variable considerations that are recognised when the recovery of such consideration is highly probable. The judgment is also required to be exercised to assess the completeness and accuracy of forecast costs to complete. The final contract values can potentially be impacted on account of various factors and are expected to result in varied outcomes. Changes in these judgements, and the related estimates as contracts progress can result in material adjustments to revenue and margins. As a result of the above judgments, complexities involved and material impact on the related financial statement elements, this area has been considered a key audit matter in the audit of the standalone financial statements.	- verifying the underlying documents such as original contract and its amendments, if any, for the significant contract terms and conditions; - obtaining an understanding of the assumptions applied in determining the forecasted revenue and cost to complete; - testing the existence and valuation of claims and variations with respect to the contractual terms and conditions and inspection of correspondence with customers; and - reviewing legal and contracting experts' reports received on contentious matters; • For cost incurred to date, testing samples to appropriate supporting documents and performing cut-off procedures; • Testing the forecasted cost by obtaining executed purchase orders/ agreements and evaluating the reasonableness of management judgements/ estimates; • Performing analytical procedures for reasonableness of revenue recognized; and • Evaluating the appropriateness and adequacy of the disclosures related to contract revenue and costs in the standalone financial statements in accordance with the applicable accounting standards.

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

11. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board Report and Management Discussion and Analysis Report, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not 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. 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 Standalone Financial Statements

12. 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.

13. 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

15. 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.

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

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

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

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

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

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

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

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

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

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

Other Matters

20. We did not audit the financial statements/ information of seven (7) joint operations included in the standalone financial statements of the Company, whose financial statements/ financial information (before eliminating inter-company transactions and balances) reflects total assets of ₹ 153.85 crore as at 31 March 2021, and total revenues of ₹ 198.27 crore, total net loss after tax of ₹ 7.80 crore, total comprehensive loss of ₹ 7.80 crore and cash flows (net) of ₹ 5.45 crore for the year ended on that date, as considered in the accompanying standalone financial statements. These financial statements/ financial information have been audited by other auditors, whose reports have been furnished to us by the management, and our opinion, in so far as it relates to the amounts and disclosures included in respect of these joint operations, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it

relates to the aforesaid joint operations, are based solely on the reports of the other auditors.

Further, of these joint operations, financial statements/ financial information of four (4) joint operations have been prepared in accordance with accounting principles generally accepted in India, including accounting standards issued by the ICAI. The Company's management has converted the financial statements/ financial information of such joint operations in accordance with Ind AS. We have audited these conversion adjustments made by the Company's management. Our opinion on the accompanying standalone financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint operations are solely based on report of the other auditors and the conversion adjustments prepared by the Company's management and audited by us.

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

21. The accompanying standalone financial statements also includes the financial information of one (1) joint operation, which have not been reviewed/ audited by its auditor, whose financial information (before eliminating inter-company transactions and balances) reflects total assets of ₹ 2.83 crore as at 31 March 2021, total revenues of ₹ 1.55 crore, total net loss after tax of ₹ 7.28 crore, total comprehensive loss of ₹ 7.28 crore, and cash flows (net) of ₹ 0.07 crore for the year then ended as considered in the accompanying standalone financial statements. This financial information has been furnished to us by the Company's management. Our opinion, in so far as it relates to the amounts and disclosures included in respect of aforesaid joint operation, is based solely on such unreviewed/ unaudited financial information. In our opinion, and according to the information and explanations given to us by the management, these financial information are not material to the Company.

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

Report on Other Legal and Regulatory Requirements

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

23. 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 II a statement on the matters specified in paragraphs 3 and 4 of the Order.

24. Further to our comments in Annexure II, 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 matters described in the Basis for Qualified Opinion section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

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

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

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

    e) the matters described in paragraph 3(iii), 5, 7, 10(a) and 10(b) under the Basis for Qualified Opinion section / Material uncertainty related to Going concern section/ Emphasis of Matters / Key Audit Matters section in our opinion, may have an adverse effect on the functioning of the Company;

    f) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 23 June 2021 as per Annexure III expressed modified opinion; and

    i) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors as referred to in paragraph 20 above:

    i. except for the possible effects of the matters described in Basis for Qualified Opinion section, the standalone financial statements disclose the impact of pending litigations on the standalone financial position of the Company as at 31 March 2021, as detailed in Notes 18.1, 33A(i), (ii), (iii) and (vii), 33B(ii), 34 and 35 to the standalone financial statements;

ii. except for the possible effects of the matters described in the Basis for Qualified Opinion section, the Company, as detailed in Note 19.1 to the standalone financial statements, has made provision as at 31 March 2021, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and

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

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

Rakesh R. Agarwal
Partner
Membership No.: 109632
UDIN: 21109632AAAAGG1114

Place: Mumbai
Date: 23 June 2021

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT

List of joint operations included in the Standalone financial statements

Sr. No.	Name of the entity
1.	Kumagai-Skanska-HCC-Itochu Group
2.	HCC-L & T Purulia Joint Venture
3.	Alpine- Samsung- HCC Joint Venture
4.	Alpine- HCC Joint Venture
5.	HCC Samsung Joint Venture CC 34
6.	HCC- VCCL Joint Venture (w.e.f. 29 January 2020)
7.	Nathpa Jhakri Joint Venture
8.	HCC- HDC Joint Venture

ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT

Annexure II to the Independent Auditor's Report of even date to the members of Hindustan Construction Company Limited, on the standalone financial statements as at and for the year ended 31 March 2021

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

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

(b) The Company has a regular program of physical verification of its Property, plant and equipment under which fixed assets are verified in a phased manner over a period of three (3) years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) The Company has granted unsecured loans to six (6) companies covered in the register maintained under Section 189 of the Act; and with respect to the same:

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

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

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

(iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act, to the extent applicable, in respect of loans, investments, guarantees and security.

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

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products / services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues, as applicable, have not been regularly deposited to the appropriate authorities and there have been significant delays in a large number of cases. 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.

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

Statement of Disputed Dues

(₹ in Crore)

Name of the statute	Nature of dues	Amount	Amount paid under protest	Period to which the amount relates to	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	15.54	15.54	AY 2008-09 to AY 2010-11	High Court, Bombay
		2.45	2.45	AY 2015-16	Commissioner of Income Tax (Appeals)
		36.46	-	AY 2011-12 and AY 2015-16	Revisional Authority
The Central Sales Tax Act, 1956	Entry Tax	5.55	1.71	Multiple Years from AY 2006-07 to AY 2011-12	Assessment Officer upto Commissioner Level
		2.17	0.10	Multiple Years from AY 2006-07 to AY 2017-18	Appellate Tax Tribunal
	Sales Tax	4.29	-	AY 1996-97 to AY 2000-01	Appellate Tax Tribunal
		0.86	-	AY 1997-98	High Court

(₹ in Crore)

Name of the statute	Nature of dues	Amount	Amount paid under protest	Period to which the amount relates to	Forum where dispute is pending
	Value Added Tax	77.20	2.22	Multiple Years from AY 2004-05 to AY 2017-18	Assessment Officer upto Commissioner Level
		73.30	1.29	Multiple Years from AY 2005-06 to AY 2016-17	Appellate Tax Tribunal
		3.84	-	AY 2012-13	High Court
The Finance Act 1994	Service Tax	4.74	0.07	Multiple Years from AY 2013-14 to AY 2017-18	Assessment Officer upto Commissioner Level
		39.48	-	Multiple Years from AY 2008-09 to AY 2014-15	CESTAT
		13.36	0.95	Multiple Years from AY 2008-09 to AY 2016-17	Appellate Tax Tribunal
		44.18	1.66	2011-12 & 2012-13	Supreme Court

(viii) There are no loans or borrowings payable to government. The Company has defaulted in repayment of following dues to the financial institutions, banks and debenture holders:

(₹ in Crore)

Particulars	Period	Principal	Interest
Debentures			
Axis Bank-Debentures	0 to 90 days	3.20	0.75
	91 to 180 days	3.20	0.50
	181 to 365 days	3.20	1.20
LIC- Debentures	0 to 90 days	2.51	0.56
	91 to 180 days	2.51	0.42
	181 to 365 days	2.51	1.01
Banks			
Axis Bank	0 to 90 days	7.04	1.61
	91 to 180 days	5.60	1.06
	181 to 365 days	14.09	0.51
Bank of Maharashtra	0 to 90 days	1.00	0.30

(₹ in Crore)

Particulars	Period	Principal	Interest
	91 to 180 days	0.81	0.23
	181 to 365 days	2.00	0.64
	> 365 days	14.61	3.44
Canara Bank	0 to 90 days	9.23	8.90
	91 to 180 days	12.50	2.83
	181 to 365 days	24.18	8.09
	> 365 days	102.68	22.94
Central Bank of India	0 to 90 days	1.75	1.35
	91 to 180 days	1.33	0.35
	181 to 365 days	3.50	1.01
	> 365 days	6.37	1.77
IDBI Bank	0 to 90 days	155.18	3.22
	91 to 180 days	-	1.49
	181 to 365 days	-	1.44
Indian Overseas Bank	0 to 90 days	2.54	0.81
	91 to 180 days	2.54	0.67
	181 to 365 days	5.09	1.93
	> 365 days	10.18	3.69
Punjab National Bank	0 to 90 days	1.21	0.37
	91 to 180 days	1.21	0.21
	181 to 365 days	2.43	0.63
	> 365 days	320.91	2.45
State Bank of India	0 to 90 days	5.13	4.08
	91 to 180 days	4.83	1.04
	181 to 365 days	10.06	2.98
	> 365 days	178.56	66.55
Syndicate Bank	0 to 90 days	6.39	5.01

(₹ in Crore)

Particulars	Period	Principal	Interest
	91 to 180 days	5.17	1.59
	181 to 365 days	12.79	4.54
	> 365 days	23.74	10.12
Union Bank of India	0 to 90 days	1.30	1.73
	91 to 180 days	1.30	0.30
	181 to 365 days	17.84	2.13
	> 365 days	47.01	9.79
United Bank of India	0 to 90 days	9.48	6.07
	91 to 180 days	7.99	2.38
	181 to 365 days	18.95	6.81
	> 365 days	35.68	8.60
Federal Bank	0 to 90 days	0.66	0.15
	91 to 180 days	0.66	0.10
	181 to 365 days	1.33	0.28
	> 365 days	20.87	0.37
ICICI Bank	0 to 90 days	-	-
	91 to 180 days	9.10	0.68
	181 to 365 days	41.39	4.99
	> 365 days	139.09	1.46
Oriental Bank Of Commerce	> 365 days	116.35	-
Indian Bank	> 365 days	40.90	10.99
Jammu & Kashmir Bank	> 365 days	103.39	-
Standard Chartered Bank	> 365 days	32.87	7.24
DBS Bank	> 365 days	-	2.84
Bank of Baroda	181 to 365 days	13.81	-
	> 365 days	2.10	0.47

(₹ in Crore)

Particulars	Period	Principal	Interest
Financial Institutions			
EXIM Bank	0 to 90 days	-	0.01
SREI	0 to 90 days	3.75	2.18
	91 to 180 days	3.05	1.44
	181 to 365 days	7.49	4.05
	> 365 days	25.22	16.69
Asia Credit Opportunities (Mauritius) Limited	0 to 90 days	-	0.63
	91 to 180 days	-	0.43
	181 to 365 days	34.63	2.66
	> 365 days	34.63	2.59
EXIM US	0 to 90 days	-	0.32
	91 to 180 days	-	0.21
	181 to 365 days	-	0.64
	> 365 days	50.79	1.76
IFCI	0 to 90 days	5.00	1.02
	91 to 180 days	4.06	1.19
	181 to 365 days	9.64	3.17
	> 365 days	17.38	7.98
NABARD	0 to 90 days	1.51	0.33
	91 to 180 days	1.26	0.22
	181 to 365 days	2.83	0.63
	> 365 days	4.16	0.82

(₹ in Crore)

Particulars	Period	Principal	Interest
LIC	0 to 90 days	0.61	0.16
	91 to 180 days	0.38	0.11
	181 to 365 days	0.38	0.33
	> 365 days	-	0.72

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.

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

(xi) The Company has provided/ paid managerial remuneration which is not in accordance with the requisite approval mandated by the provisions of Section 197 of the Act read with Schedule V to the Act. The details of the same are as follows:

(₹ in Crore)

Payment made to	Amount provided in excess of limits prescribed	Amount due for Recovery as at 31 March 2021	Steps taken to secure the recovery of the amount/ Remarks
Chairman & Managing Director			
- Year ended 31 March 2014	8.74	-	Excess managerial remuneration for the year ended 31 March 2014 recovered by adjusting against the remuneration accrued but not paid for the year ended 31 March 2015 (Refer note 27.1)
- Year ended 31 March 2015	8.71	-	
- Year ended 31 March 2016	8.69	-	Excess managerial remuneration stands approved by lenders (Refer note 27.1)

(₹ in Crore)

Payment made to	Amount provided in excess of limits prescribed	Amount due for Recovery as at 31 March 2021	Steps taken to secure the recovery of the amount/ Remarks
Chairman & Managing Director and Whole-time Directors			
- Year ended 31 March 2020	13.57	3.75	Confirmation for amount held in trust by the CMD and WTD's has been obtained. Further, approvals from lenders is also awaited.
- Year ended 31 March 2021	13.50	1.44	

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

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

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

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

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Rakesh R. Agarwal
Partner
Membership No.: 109632
UDIN: 21109632AAAAGG1114

Place: Mumbai
Date: 23 June 2021

ANNEXURE III TO THE INDEPENDENT AUDITOR'S REPORT

Annexure III to the Independent Auditor's Report of even date to the members of Hindustan Construction Company Limited, on the standalone financial statements for the year ended March 31, 2021

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

1. In conjunction with our audit of the standalone financial statements of Hindustan Construction Company Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

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

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

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

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Qualified opinion

8. According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31 March 2021:

a) The Company did not have an appropriate internal control system with respect to compliance with the provisions of section 197 of the Companies Act, 2013 relating to obtaining prior approval from lenders for payment/ accrual of remuneration exceeding the specified limits, as explained in Note 27.1 to the standalone financial statements, which has resulted in a material misstatement in the value of Company's employee benefit expenses, financial assets and resultant impact on the loss after tax and the reserves and surplus including levy of fine, if any, on account of such non-compliance.

b) The Company's internal financial controls system with respect to assessment of recoverability of deferred tax assets, as explained in Note 9.1 to the standalone financial statements, as per the applicable accounting standards, were not operating effectively, which could lead to a material misstatement in the carrying value of deferred tax assets and its resultant impact on loss, reserves and surplus and related disclosures in respect thereof as at and for the year ended 31 March 2021.

c) The Company's internal financial controls system with respect to the assessment of recoverability of specified financial assets, as explained in Note 31.2 to the standalone financial statements, as per the applicable accounting standards, were not operating effectively, which has resulted in material misstatement in the carrying value of the specified financial assets and its resultant impact on loss, reserves and surplus and related disclosures in respect thereof as at and for the year ended 31 March 2021.

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

10. In our opinion except for the possible effects of the material weakness described in paragraph 8(a) above on the achievement of the objectives of the control criteria, the Company in all material respects, has adequate internal financial controls with reference to standalone financial statements as at 31 March 2021 and except for the effects/ possible effects of the material weaknesses described in paragraph 8(b) and 8(c) above on the achievement of the objectives of the control criteria, such controls were operating effectively as at 31 March 2021, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

11. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company as at and for the year ended 31 March 2021, and these material weaknesses have affected our opinion on the standalone financial statements of the Company and we have issued a modified opinion on the standalone financial statements.

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

Rakesh R. Agarwal
Partner
Membership No.: 109632
UDIN: 21109632AAAAGG1114

Place: Mumbai
Date: 23 June 2021

STANDALONE BALANCE SHEET AS AT MARCH 31, 2021

₹ crore

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3A	478.45	342.22
Right-of-use assets	3B	1.33	2.17
Capital work-in-progress	3A	1.61	178.41
Intangible assets	4	0.64	1.08
Investments in subsidiaries	5	1,669.03	1,622.26
Financial assets			
Investments	5A	12.54	6.94
Trade receivables	6	-	2,719.72
Loans	7	180.76	187.51
Other financial assets	8	56.14	55.66
Deferred tax assets (net)	9	715.99	437.08
Income tax assets (net)	9	90.26	233.24
Other non-current assets	10	74.50	88.81
Total non-current assets		**3,281.25**	**5,875.10**
Current assets			
Inventories	11	187.75	191.83
Financial assets			
Investments	12	3.00	3.00
Trade receivables	6	4,398.21	1,821.97
Cash and cash equivalents	13	228.17	85.92
Bank balances other than cash and cash equivalents	14	94.16	82.76
Loans	7	20.60	19.57
Other financial assets	8	102.80	88.61
Other current assets	10	2,447.48	2,695.63
		7,482.17	**4,989.29**
Assets classified as held for sale	15	6.49	64.78
Total current assets		**7,488.66**	**5,054.07**
TOTAL ASSETS		**10,769.91**	**10,929.17**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	151.31	151.31
Other equity		460.55	1,027.43
Total equity		**611.86**	**1,178.74**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17	1,197.33	1,357.37
Other financial liabilities	18	1,457.89	1,187.18
Provisions	19	42.02	43.83
Total non-current liabilities		**2,697.24**	**2,588.38**
Current liabilities			
Financial liabilities			
Borrowings	20	1,995.94	1,368.01
Trade payables	21		
- Total outstanding dues of Micro Enterprises and Small Enterprises		48.00	23.27
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		1,601.90	1,757.34
Lease liabilities		1.36	2.33
Other financial liabilities	18	1,750.40	1,416.11
Other current liabilities	22	1,923.36	2,474.70
Provisions	19	139.85	120.29
Total current liabilities		**7,460.81**	**7,162.05**
TOTAL EQUITY AND LIABILITIES		**10,769.91**	**10,929.17**

The accompanying notes form an integral part of the standalone financial statements
This is the Balance Sheet referred to in our audit report of even date

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

Rakesh R. Agarwal
Partner
Membership No.: 109632

Vithal P. Kulkarni
Company Secretary
ACS No. 6707

Place: Mumbai
Date : June 23, 2021

For and on behalf of the Board of Directors

Ajit Gulabchand	DIN: 00010827	*Chairman & Managing Director*
Arjun Dhawan	DIN: 01778379	*Group Chief Executive Officer & Whole-Time Director*
Anil C. Singhvi	DIN : 00239589	*Directors*
N. R. Acharyulu	DIN : 02010249	
Santosh Jankiram Iyer	DIN : 06801226	
Mahendra Singh Mehta	DIN : 00019566	
Mukul Sarkar	DIN : 00893700	
Mita Dixit	DIN : 08198165	

Place: Mumbai / Raigad
Date : June 23, 2021

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

₹ crore

Particulars	Note No.	**Year ended 31 March 2021**	Year ended 31 March 2020
Income			
Income from operations	23	2,589.74	3,646.63
Other income	24	52.64	29.51
Total income		**2,642.38**	**3,676.14**
Expenses			
Cost of materials consumed	25	525.56	690.76
Subcontracting expenses	-	1,054.05	1,664.80
Construction expenses	26	244.94	279.80
Employee benefits expense	27	323.74	413.67
Finance costs	28	829.89	746.15
Depreciation and amortisation expense	29	91.06	109.37
Other expenses	30	141.83	132.51
Total expenses		**3,211.07**	**4,037.06**
Loss before exceptional items and tax		(568.69)	(360.92)
Exceptional items- Gain / (loss)	31	(274.03)	319.95
Loss before tax		**(842.72)**	**(40.97)**
Tax expense	9		
Current tax		3.34	0.09
Deferred tax		(279.61)	127.66
		(276.27)	**127.75**
Loss for the year (A)		**(566.45)**	**(168.72)**
Other comprehensive Income /(loss)			
(a) Items not to be reclassified subsequently to profit or loss (net of tax)			
- Gain/ (loss) on fair value of defined benefit plans as per actuarial valuation		1.29	(3.16)
- Gain/ (loss) on fair value of equity instruments		5.60	(10.71)
(b) Items to be reclassified subsequently to profit or loss		-	-
Other comprehensive income / (loss) for the year, net of tax (B)		**6.89**	**(13.87)**
Total comprehensive loss for the year, net of tax (A+B)		**(559.56)**	**(182.59)**
Earnings per equity share of nominal value ₹ 1 each			
Basic and diluted (in ₹)	32	(3.74)	(1.12)

The accompanying notes form an integral part of the standalone financial statements
This is the statement of profit and loss referred to in our audit report of even date

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

Rakesh R. Agarwal
Partner
Membership No.: 109632

Place: Mumbai
Date : June 23, 2021

For and on behalf of the Board of Directors

Ajit Gulabchand	DIN: 00010827	*Chairman & Managing Director*
Arjun Dhawan	DIN: 01778379	*Group Chief Executive Officer & Whole-Time Director*
Anil C. Singhvi	DIN : 00239589	*Directors*
N. R. Acharyulu	DIN : 02010249	
Santosh Jankiram Iyer	DIN : 06801226	
Mahendra Singh Mehta	DIN : 00019566	
Mukul Sarkar	DIN : 00893700	
Mita Dixit	DIN : 08198165	

Vithal P. Kulkarni
Company Secretary
ACS No. 6707

Place: Mumbai / Raigad
Date : June 23, 2021

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

₹ crore

	Particulars	Year ended 31 March 2021	Year ended 31 March 2020
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net loss before tax	(842.72)	(40.97)
	Adjustments for		
	Depreciation and amortisation expense	91.06	109.37
	Finance costs	829.89	746.15
	Interest income	(29.10)	(20.77)
	Loss provision/ (reversal of loss provision) towards arbitration awards and claims	274.03	(331.40)
	Reversal of gain on settlement of debt	-	11.45
	Dividend income	(0.03)	(0.03)
	Unrealised foreign exchange gain (net)	(0.81)	(0.72)
	Profit on disposal of property, plant and equipment (net)	(12.93)	(1.53)
	Excess provision no longer required written back	(22.70)	(2.99)
		1,129.41	**509.53**
	Operating profit before working capital changes	286.69	468.56
	Adjustments for changes in working capital:		
	Decrease in inventories	4.08	5.33
	Increase in trade receivables	(106.46)	(416.44)
	Decrease in current / non-current financial and other assets	253.45	297.36
	Decrease in trade payables, other financial liabilities and other liabilites	(692.35)	(38.46)
	Increase in provisions	17.75	51.52
	Cash generated from/ (used in) operations	**(236.84)**	**367.87**
	Net direct taxes refund/ (paid)	139.64	(53.82)
	Net cash generated from/ (used in) operating activities	**(97.20)**	**314.05**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment (including capital work-in-progress and capital advances/ payables)	(67.74)	(74.00)
	Proceeds from disposal of property, plant and equipment and assets held for sale (including advance received)	12.19	40.53
	Inter corporate deposits given (including deemed investments)	-	(22.15)
	Proceeds from repayment of Inter corporate deposits	3.25	6.53
	Net proceeds from / (investments in) bank deposits	(11.88)	11.02
	Interest received	22.12	1.96
	Dividend received	0.03	0.03
	Net cash used in investing activities	**(42.03)**	**(36.08)**

₹ crore

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayments of long-term borrowings	(46.35)	(228.97)
Proceeds from short-term borrowings (net)	627.93	288.54
Inter-corporate deposits repaid	-	(0.51)
Interest and other finance charges	(296.99)	(381.07)
Repayment of finance lease obligations	(2.96)	(3.54)
Net cash generated from/ (used in) financing activities	**281.63**	**(325.55)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**142.40**	**(47.58)**
Cash and cash equivalents at the beginning of the year	85.92	132.97
Unrealised foreign exchange gain/ (loss)	(0.15)	0.53
Cash and cash equivalents at the end of the year (Refer note 13)	**228.17**	**85.92**

Note:- The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.
The accompanying notes form an integral part of the standalone financial statements
This is the Cash Flow Statement referred to in our audit report of even date

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

Rakesh R. Agarwal
Partner
Membership No.: 109632

Vithal P. Kulkarni
Company Secretary
ACS No. 6707

Place: Mumbai
Date : June 23, 2021

For and on behalf of the Board of Directors

Ajit Gulabchand DIN: 00010827 *Chairman & Managing Director*
Arjun Dhawan DIN: 01778379 *Group Chief Executive Officer & Whole-Time Director*

Anil C. Singhvi DIN : 00239589
N. R. Acharyulu DIN : 02010249
Santosh Jankiram Iyer DIN : 06801226
Mahendra Singh Mehta DIN : 00019566
Mukul Sarkar DIN : 00893700
Mita Dixit DIN : 08198165
Directors

Place: Mumbai / Raigad
Date : June 23, 2021

STANDALONE STATEMENT OF CHANGES IN EQUITY AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

a) Equity share capital (equity shares of ₹ 1 each)

Particulars	Issued, subscribed and paid		Forfeited equity shares		Total	
	Number	₹ crore	Number	₹ crore	Number	₹ crore
As at 1 April 2019	**1,513,028,244**	**151.30**	**13,225**	**0.01**	**1,513,041,469**	**151.31**
Issue of equity shares	-	-	-	-	-	-
As at 31 March 2020	**1,513,028,244**	**151.30**	**13,225**	**0.01**	**1,513,041,469**	**151.31**
Issue of equity shares	-	-	-	-	-	-
As at 31 March 2021	**1,513,028,244**	**151.30**	**13,225**	**0.01**	**1,513,041,469**	**151.31**

b) Other equity

₹ in crore

Particulars	Reserves and surplus							Equity instruments at fair value through other comprehensive income	Total equity attributable to equity holders
	Capital reserve	Forfeited debentures account	Securities premium	Debenture redemption reserve	Foreign currency monetary translation reserve	General reserve	Retained earnings		
As at 1 April 2019	**15.19**	**0.02**	**2,568.76**	**54.99**	**(0.61)**	**174.38**	**(1,595.69)**	**(14.72)**	**1,202.32**
Loss for the year	-	-	-	-	-	-	(168.72)	-	(168.72)
Other comprehensive loss for the year	-	-	-	-	-	-	(3.16)	(10.71)	(13.87)
Restatement of foreign currency monetary translation items	-	-	-	-	10.72	-	-	-	10.72
Amortization of foreign currency monetary translation items	-	-	-	-	(3.02)	-	-	-	(3.02)
As at 31 March 2020	**15.19**	**0.02**	**2,568.76**	**54.99**	**7.09**	**174.38**	**(1,767.57)**	**(25.43)**	**1,027.43**
Loss for the year	-	-	-	-	-	-	(566.45)	-	(566.45)
Other comprehensive income for the year	-	-	-	-	-	-	1.29	5.60	6.89
Restatement of foreign currency monetary translation items	-	-	-	-	(4.60)	-	-	-	(4.60)
Amortization of foreign currency monetary translation items	-	-	-	-	(2.72)	-	-	-	(2.72)
As at 31 March 2021	**15.19**	**0.02**	**2,568.76**	**54.99**	**(0.23)**	**174.38**	**(2,332.73)**	**(19.83)**	**460.55**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

NATURE AND PURPOSE OF RESERVES

i. Capital reserve

The Company recognizes profit or loss on purchase or cancellation (including forfeiture) of its own equity instruments to capital reserve.

ii. Forfeited debentures account

The Company recognizes profit or loss on purchase or cancellation (including forfeiture) of its own debentures to forfeited debentures account.

iii. Securities premium

Securities premium is used to record the premium received on issue of shares or debentures. This account is utilised in accordance with the provisions of the Companies Act, 2013.

iv. Debenture redemption reserve

The Companies Act, 2013 requires that where a Company issues debentures, it shall create a debenture redemption reserve out of profits of the Company available for payment of dividend. The Company is required to maintain a Debenture Redemption Reserve of 25% of the value of the debentures issued, either by a public issue or a private placement basis. The amounts credited to the debenture redemption reserve cannot be utilised by the Company except to redeem debentures.

v. Foreign currency monetary translation reserve

Exchange difference arising on translation of the long term monetary item is accumulated in separate reserve within equity. The cumulative amount is reclassified to the Statement of Profit and Loss over the life of the monetary asset / liability on a straight line basis.

vi. General reserve

Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of net profit to general reserve has been withdrawn.

vii. Retained earnings

Retained earnings represents the profits/losses that the Company has earned / incurred till date inlcuding gain / (loss) on fair value of defined benefits plans as adjusted for distirbutions to owners, transfer to other reserves, etc.

viii. Other comprehensive income

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within FVTOCI reserve within equity. The Company transfers amount from this reserve to retained earnings when the relevant equity securities are derecognised.

The accompanying notes form an integral part of the standalone financial statements
This is the statement of changes in equity referred to in our audit report of even date

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

Rakesh R. Agarwal
Partner
Membership No.: 109632

Vithal P. Kulkarni
Company Secretary
ACS No. 6707

Place: Mumbai
Date : June 23, 2021

For and on behalf of the Board of Directors

Ajit Gulabchand	DIN: 00010827	*Chairman & Managing Director*
Arjun Dhawan	DIN: 01778379	*Group Chief Executive Officer & Whole-Time Director*
Anil C. Singhvi	DIN : 00239589	*Directors*
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Mahendra Singh Mehta	DIN : 00019566	
Mukul Sarkar	DIN : 00893700	
Mita Dixit	DIN : 08198165	

Place: Mumbai / Raigad
Date : June 23, 2021

NOTE 1 CORPORATE INFORMATION

Hindustan Construction Company Limited ('the Company' or 'HCC') is a public limited company incorporated and domiciled in India. The Company having CIN L45200MH1926PLC001228, is principally engaged in the business of providing engineering and construction services. Its shares are listed on two recognised stock exchanges in India- the Bombay Stock Exchange and the National Stock Exchange. The registered office of the Company is located at Hincon House, LBS Marg, Vikhroli (West), Mumbai- 400 083, India.

The standalone financial statements ('the financial statements') of the Company for the year ended 31 March 2021 were authorised for issue in accordance with resolution of the Board of Directors on 23 June 2021.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

i Basis of preparation

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

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

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest crores (₹ 0,000,000), except when otherwise indicated. Amount presented as '0.00* ' are non zero numbers rounded off in crore.

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

ii Operating cycle for current and non-current classification:

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

iii Accounting estimates

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

iv Key accounting estimates and assumptions

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

a. Estimation uncertainty related to the global health pandemic on COVID-19

The outbreak of COVID-19 had disrupted regular business operations of the Company due to the lock down restrictions and other emergency measures imposed by the Government from time to time. The operations of the Company have started recovering from the economic slowdown caused by COVID-19 pandemic and reaching normalcy. The management has taken into account the possible impacts of known events, upto the date of the approval of these financial statements, arising from COVID-19 pandemic on the carrying value of the assets and liabilities as at 31 March 2021. While the Company continues to closely monitor the impact of COVID-19 pandemic, there exists uncertainty in estimating the future impact of COVID-19 pandemic on the Company and, accordingly, the actual impact in the future may be different from those presently estimated.

b. Contract estimates

Refer note 2(xx) below

c. Variable consideration (claims)

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

d. Valuation of investment in / loans to subsidiaries / joint ventures

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

e. Deferred tax assets

The realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

f. Defined benefit plans

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

g. Useful lives of property, plant and equipment and intangible assets

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of assets are determined by the management at the time of acquisition of asset and reviewed periodically, including at each financial year. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

h. Provisions and contingent liabilities

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

v Going concern

The Company has incurred net loss of ₹ 566.45 crore during the year ended 31 March 2021 and as of that date, has accumulated losses aggregating ₹ 2,332.73 crore which has resulted in substantial erosion of its net worth. The Company also continues to default on payment to lenders along with overdue to operational creditors. Further, the COVID-19 pandemic has also disrupted business operations of the Company during the period and there continues to exist uncertainty with respect to the pandemic on Company's operations. The above factors indicate that events or conditions exist, which may cast significant doubt on the entity's ability to continue as a going concern.

As at 31 March 2021, the Company has received and accounted favorable arbitration awards (including interest thereon) aggregating ₹ 2,748.55 crore (net of advance ₹ 2,738.80 crore). Further, the Company has also lodged claims aggregating ₹ 9,776 crore on its customers which are presently at various stages of negotiation/

discussion/ arbitration/ litigation. The Company is in advanced stages of completing a resolution plan with lenders of the Company, including resolution of debts of an erstwhile subsidiary, whose liabilities were taken over by the Company in earlier years at settlement value basis the settlement terms entered between the Company and lenders. Pursuant to the resolution plan, economic and beneficial interest of a portion of the aforesaid arbitration awards and claims of the Company along with liabilities, represented by debt and accrued interest, will be transferred to a wholly owned subsidiary of the Company. The resolution plan has received an in-principal approval from majority lenders and is subject to final approval by their respective Board/ Committees. Also, the Board of Directors of the Company, have approved the aforementioned resolution plan on 27 May 2021 and will be put up for approval with the shareholders in the ensuing extra-ordinary general meeting. The Company is confident of concluding the resolution plan under guidelines issued by Reserve Bank of India and accordingly trade receivables as at 31 March 2021 aggregating ₹ 2,748.55 crore expected to be transferred to the wholly owned subsidiary has been classified as current as at 31 March 2021.

Accordingly, based on the expectation of the implementation of the resolution plan with lenders, as well as the underlying strength of the Company's business plans and the future growth outlook as assessed, the management is confident of improving the credit profile of the Company, including through time-bound monetisation of assets including arbitration awards, claims and other assets which would result in it being able to meet its obligations in due course of time. Accordingly, the management considers it appropriate to prepare these financial statements on a going concern basis.

vi Fair value measurement

The Company measures financial instruments, at fair value at each balance sheet date. (Refer note 38)

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

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

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

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

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

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

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

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

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

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

vii Property, plant and equipment (Tangible assets)

Property, plant and equipment are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition / installation of the assets less accumulated depreciation and accumulated impairment losses, if any.

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

viii Capital work-in-progress

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

ix Intangible assets

Intangible assets are stated at cost, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably, less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets mainly comprise of license fees and implementation cost for software and other application software acquired / developed for in-house use.

x Asset classified as held for sale

Assets that are available for immediate sale and where the sale is highly probable of being completed within one year from the date of classification are considered and classified as assets held for sale. Assets classified as held for sale are measured at the lower of carrying amount or fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of asset held for sale has been estimated using observable inputs such as price quotations.

xi Depreciation and amortisation

Depreciation is provided for property, plant and equipment so as to expense the cost less residual value over their estimated useful lives on a straight line basis, except Building and sheds which is depreciated using WDV method. Intangible assets are amortised from the date they are available for use, over their estimated useful lives.

The estimated useful lives are as mentioned below:

Asset category	Useful life (in years)	Basis of determination of useful lives^
Building and sheds	3 to 60	Based on technical evaluation by management's expert.
Plant and equipment	2 to 14	Based on technical evaluation by management's expert.
Furniture and fixtures	10	Assessed to be in line with Schedule II to the Act.
Heavy Vehicles	3 to 12	Based on technical evaluation by management's expert.
Light Vehicles	8 to 10	Assessed to be in line with Schedule II to the Act.
Office equipment	5	Assessed to be in line with Schedule II to the Act.
Helicopter / Aircraft	12 to18	Based on technical evaluation by management's expert.
Speed boat	13	Assessed to be in line with Schedule II to the Act.
Computers	3	Assessed to be in line with Schedule II to the Act.
Intangible (Computer software)	3 to 5	Assessed to be in line with Schedule II to the Act.

^ Useful lives of asset classes determined by management estimate, which are generally lower than those prescribed under Schedule II to the Act are supported by internal technical assessment of useful lives.

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

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

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are accounted in the Statement of Profit and Loss under Other income and Other expenses.

xii Investments in subsidiaries, joint ventures and associates

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

xiii Financial instruments

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

a Financial assets

i) Initial recognition

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

ii) Subsequent measurement

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

- **Financial assets at amortised cost**

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

- **Financial assets measured at fair value**

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

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

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

iii) Impairment of financial assets

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

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

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

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

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

iv) De-recognition of financial assets

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

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

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

b Equity instruments and financial liabilities

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

I. Equity instruments

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

II. Financial liabilities

i) 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.

ii) Subsequent measurement

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

- **Financial liabilities at FVPL**

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

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

- **Financial liabilities at amortised cost**

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

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

Where the Company issues optionally convertible debenture, the fair value of the liability portion of such debentures is determined using a market interest rate for an equivalent non-convertible debenture. This value is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the debentures.

The remainder of the proceeds is attributable to the equity portion of the instrument. This is recognised and included in shareholders' equity (net of income tax) and are not subsequently re-measured.

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

iii) De-recognition of financial liabilities

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

c Offsetting financial instruments

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

xiv Employee benefits

a Defined contribution plan

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

b Defined benefit plan

In respect of certain employees, provident fund contributions are made to a trust administered by the Company. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. Accordingly, the contribution paid or payable and the interest shortfall, if any, is recognised as an expense in the period in which services are rendered by the employee.

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

c Leave entitlement and compensated absences

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

d Short-term benefits

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

xv Inventories

The stock of construction materials, stores, spares and embedded goods and fuel is valued at cost or net realisable value, whichever is lower. Cost is determined on weighted average basis and includes all applicable cost of bringing the goods to their present location and condition. Net realisable value is estimated selling price in ordinary course of business less the estimated cost necessary to make the sale.

xvi Cash and cash equivalents

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

xvii Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole Company as one segment of "Engineering and Construction". Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment and hence the necessary information has already been disclosed in the Balance Sheet and the Statement of Profit and Loss.

xviii Borrowing costs

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

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

xix Foreign exchange translation of foreign projects and accounting of foreign exchange transaction

a Initial recognition

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

b Conversion

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

c Treatment of exchange difference

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

Exchange differences arising on long-term foreign currency monetary items related to acquisition of a Property, plant and equipment are adjusted to the carrying value of the assets and depreciated over the remaining useful life of the Property, Plant and Equipment and exchange differences arising on all other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Translation Reserve" and amortised over the remaining life of the concerned monetary item.

xx Revenue recognition

a Contract Revenue

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. The Company derives revenues primarily from providing engineering and construction services.

Revenue from engineering and construction services, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method.

During the previous year, the Company changed the method of measuring progress i.e. from output method to input method as specified in Ind-AS 115 – 'Revenue from Contract with Customers' consequent to change in the circumstances including change in the nature of contracts secured by the Company during recent years. Consequently, the percentage-of-completion of a contract is now determined by the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring good or service to a customer excluding amounts collected on behalf of a third party and is adjusted for variable considerations.

Contract revenue earned in excess of certification are classified as contract assets (which we refer as unbilled work-in-progress) while certification in excess of contract revenue are classified as contract liabilities (which we refer to as due to customer). Advance payments received from contractee for which no services are rendered are presented as 'Advance from contractee'.

Due to the nature of the work required to be performed on many of the performance obligations, the estimation of total revenue and cost of completion is complex, subject to many variables and requires significant judgment. Variability in the transaction price arises primarily due to liquidated damages, price variation clauses, changes in scope, incentives, if any. The Company considers its experience with similar transactions and expectations regarding the contract in estimating the amount of variable consideration to which it will be entitled and determining whether the estimated variable consideration should be constrained. The Company includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.The estimates of variable consideration are based largely on an assessment of anticipated performance and all information (historical, current and forecasted) that is reasonably available.

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

The Company presents revenues net of indirect taxes in its Statement of Profit and Loss.

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

Interest on arbitration awards

Interest awarded, being in the nature of additional compensation under the terms of the contract, is accounted as other operating revenue on receipt of favourable arbitration award.

xxi Other income

a. Interest income

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

b. Dividend income

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

c. Other non-operating income

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

xxii Interest in joint arrangements

As per Ind AS 111 - Joint Arrangements, investment in joint arrangement is classified as either Joint Operation or Joint Venture. The classification depends on the contractual rights and obligations of each investor rather than legal structure of the joint arrangement. The Company classifies its joint arrangements as Joint Operations.

The Company recognises its direct right to assets, liabilities, revenue and expenses of Joint Operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

xxiii Income tax

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

a. Current tax

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

b. Deferred tax

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

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

xxiv Leases

Effective 1 April 2019, the Company has adopted Ind AS 116- Leases using the modified retrospective approach, as a result of which the comparative information is not required to be restated. Comparatives as at and for the year ended 31 March 2020 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended 31 March 2021.

The Company's lease asset classes primarily consist of leases for vehicles and building and shed. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange of the consideration.

At the date of the commencement of the lease, the Company recognises a right-of-use asset representing its right to use the underlying asset for the lease term and a corresponding lease liability for all the lease arrangements in which it is a lease, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the period of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease. They are subsequenty measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The estimated useful life of the assets are determined on the same basis as those of property, plant and equipment.

Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Carrying amount of right-of-use asset is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The future lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. For a lease with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

Right-of-use assets and Lease liabilities have been separately presented in the Balance Sheet. Further, lease payments have been classified as financing cash flows.

xxv Impairment of non-financial assets

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

Recoverable amount is determined:

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

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

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

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

xxvi 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).

xxvii Provisions, contingent liabilities, contingent assets and commitments

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

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

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

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

xxviii Share based payments

Certain employees of the Company are entitled to remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants. The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest using fair value in accordance with Ind-AS 102, Share based payment.

xxix Exceptional items

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

xxx Recent accounting pronouncements

Ministry of Corporate Affairs notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable to the Company effective 1 April 2021.

NOTE 3A PROPERTY, PLANT AND EQUIPMENT

₹ crore

Particulars	Freehold land	Building and sheds	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Helicopter / Aircraft	Speed boat	Computers	Total
Gross carrying value (at deemed cost)										
As at 1 April 2019	8.68	22.12	773.61	16.67	58.71	4.00	14.26	1.04	5.63	904.72
Additions	-	-	43.27	0.30	5.52	0.05	-	-	1.38	50.52
Disposals	-	-	(23.42)	-	(0.93)	-	-	-	-	(24.35)
Adjustments [Refer sub note (iii)]	-	-	6.73	-	-	-	-	-	-	6.73
Transferred to assets classified as held for sale (Refer note 15)	(6.49)	-	-	-	-	-	(14.26)	-	-	(20.75)
As at 31 March 2020	**2.19**	**22.12**	**800.19**	**16.97**	**63.30**	**4.05**	**-**	**1.04**	**7.01**	**916.87**
		-								
Additions	-	-	232.71	0.26	8.44	0.26	-	-	0.32	241.99
Disposals	-	-	(57.38)	-	(1.91)	(0.01)	-	-	-	(59.30)
Adjustments [Refer sub note (iii)]	-	-	(2.88)	-	-	-	-	-	-	(2.88)
As at 31 March 2021	**2.19**	**22.12**	**972.64**	**17.23**	**69.83**	**4.30**	**-**	**1.04**	**7.33**	**1,096.68**
Accumulated depreciation										
As at 1 April 2019	-	5.86	424.29	11.34	34.31	1.78	4.79	0.43	3.92	486.72
Depreciation charge	-	1.98	94.67	2.48	3.27	0.72	1.20	0.11	0.90	105.33
Accumulated depreciation on disposals	-	-	(10.80)	-	(0.61)	-	-	-	-	(11.41)
Transferred to assets classified as held for sale (Refer note 15)	-	-	-	-	-	-	(5.99)	-	-	(5.99)
As at 31 March 2020	**-**	**7.84**	**508.16**	**13.82**	**36.97**	**2.50**	**-**	**0.54**	**4.82**	**574.65**
Depreciation charge	-	1.19	80.14	1.67	3.03	0.78	-	0.11	0.87	87.79
Accumulated depreciation on disposals	-	-	(42.92)	-	(1.29)	(0.00)*	-	-	-	(44.21)
As at 31 March 2021	**-**	**9.03**	**545.38**	**15.49**	**38.71**	**3.28**	**-**	**0.65**	**5.69**	**618.23**
Net carrying value										
As at 31 March 2020	2.19	14.28	292.03	3.15	26.33	1.55	-	0.50	2.19	342.22
As at 31 March 2021	**2.19**	**13.09**	**427.26**	**1.74**	**31.12**	**1.02**	**-**	**0.39**	**1.64**	**478.45**

Net carrying value	**As at 31 March 2021**	As at 31 March 2020
Property, plant and equipment	478.45	342.22
Capital work-in-progress	1.61	178.41

Notes:

((i) Refer notes 17.1 and 20.1 for information on Property, plant and equipment pledged as security against borrowings of the Company

(ii) Refer note 33(B)(i) for disclosure of contractual commitments for acquisition of Property, plant and equipment

(iii) Adjustments represent exchange loss/ (gain) arising on long-term foreign currency monetary items.

* represents amount less than ₹ 1 lakh.

NOTE 3B RIGHT-OF-USE ASSETS

₹ crore

Particulars	Building	Vehicles	Total
Gross carrying value			
Impact of adoption of Ind AS 116 as at 1 April 2019	4.93	0.94	5.87
Additions	-	-	-
Disposals	-	-	-
As at 31 March 2020	**4.93**	**0.94**	**5.87**

NOTE 3B RIGHT-OF-USE ASSETS.....Contd.

₹ crore

Particulars	Building	Vehicles	Total
Additions	1.99	-	1.99
Disposals	-	-	-
As at 31 March 2021	6.92	0.94	7.86
Accumulated depreciation			
As at 1 April 2019	-	-	-
Depreciation charge	3.13	0.57	3.70
Accumulated depreciation on disposals	-	-	-
As at 31 March 2020	**3.13**	**0.57**	**3.70**
Depreciation charge	2.53	0.30	2.83
Accumulated depreciation on disposals	-	-	-
As at 31 March 2021	**5.66**	**0.87**	**6.53**
Net carrying value			
As at 31 March 2020	1.80	0.37	2.17
As at 31 March 2021	**1.26**	**0.07**	**1.33**

Note: Also refer note 42 pertaining to Ind AS 116- Leases and the related disclosures.

NOTE 4 INTANGIBLE ASSETS -COMPUTER SOFTWARE

₹ crore

Particulars	Total
Gross carrying value (at deemed cost)	
As at 1 April 2019	2.65
Additions	1.33
Disposals	-
As at 31 March 2020	**3.98**
Additions	-
Disposals	-
As at 31 March 2021	**3.98**
Accumulated amortisation	
As at 1 April 2019	2.56
Amortisation charge	0.34
As at 31 March 2020	**2.90**
Amortisation charge	0.44
As at 31 March 2021	**3.34**
Net carrying value	
As at 31 March 2020	1.08
As at 31 March 2021	**0.64**

NOTE 5 INVESTMENTS IN SUBSIDIARIES

₹ crore

		As at 31 March 2021	As at 31 March 2020
I.	**Investments in equity shares at deemed cost**		
	a) In subsidiary companies in India	62.15	12.13
	b) In subsidiary companies outside India	28.29	28.29
		90.44	**40.42**
II.	**Investments in preference shares at amortised cost**		
	In subsidiary company in India ^	-	-
III.	**Deemed investment in subsidiary companies**		
	(a) Deemed investment on inter-corporate deposits in India	1,573.20	1,576.45
	(b) Deemed investment on fair valuation of corporate guarantee		
	- in India	1.99	1.99
	- outside India	3.40	3.40
		1,578.59	**1,581.84**
Total Investments in Subsidiaries (I + II + III)		**1,669.03**	**1,622.26**

NOTE 5 INVESTMENTS IN SUBSIDIARIES....Contd.

Detailed list of Investments in Subsidiaries

₹ crore

	As at 31 March 2021	As at 31 March 2020
I. Investments in equity shares at deemed cost		
a) In subsidiary companies in India, unquoted, traded		
- HREL Real Estate Limited (erstwhile HCC Real Estate Limited) 66,193,185 (31 March 2020: 66,193,185) equity shares of ₹ 10 each, fully paid	474.36	474.36
Less: impairment (Refer note 5.1)	(474.36)	(474.36)
	-	-
- Lavasa Corporation Limited 2,387 (31 March 2020: 2,387) equity shares of ₹ 10 each, fully paid ^	0.01	0.01
Less: impairment (Refer note 5.1)	(0.01)	(0.01)
	-	-
- Panchkutir Developers Limited (Refer note 15.1)	50.02	-
1,400,000 (31 March 2020: 1,400,000) equity shares of ₹ 10 each, fully paid		
- Highbar Technologies Limited (Refer notes 5.2 and 5.3)	6.25	6.25
6,250,000 (31 March 2020: 6,250,000) equity shares of ₹ 10 each, fully paid		
- Western Securities Limited	5.38	5.38
1,957,500 (31 March 2020: 1,957,500) equity shares of ₹ 10 each, fully paid		
- HCC Infrastructure Company Limited (Refer note 34)	0.25	0.25
250,000 (31 March 2020: 250,000) equity shares of ₹ 10 each, fully paid		
- HCC Construction Limited	0.05	0.05
50,000 (31 March 2020: 50,000) equity shares of ₹ 10 each, fully paid		
- MAAN Township Developers Limited	0.10	0.10
100,000 (31 March 2020: 100,000) equity shares of ₹ 10 each, fully paid		
- HRL Township Developers Limited	0.10	0.10
100,000 (31 March 2020: 100,000) equity shares of ₹ 10 each, fully paid		
- Prolific Resolution Private Limited (acquired w.e.f. 8 March 2021)	0.00*	-
100 (31 March 2020: Nil) equity shares of ₹ 10 each, fully paid		
	62.15	**12.13**

b) In subsidiary companies outside India, unquoted, traded

₹ crore

	As at 31 March 2021	As at 31 March 2020
- HCC Mauritius Enterprises Limited (Refer note 5.2)	22.23	22.23
5,005,000 (31March 2020: 5,005,000) equity shares of USD 1 each, fully paid	-	-
- HCC Mauritius Investments Limited (Refer note 5.2)	6.06	6.06
1,000,000 (31 March 2020: 1,000,000) equity shares of USD 1 each, fully paid		
	28.29	**28.29**
II. Investments in preference shares at amortised cost, unquoted, traded		
In subsidiary company in India		
- Lavasa Corporation Limited 28 (31 March 2020: 28) 6% Cumulative Redeemable Preference Shares of ₹ 10 each, fully paid^	0.00*	0.00*
Less: impairment (Refer note 5.1)	(0.00)*	(0.00)*
	-	-

NOTE 5 INVESTMENTS IN SUBSIDIARIES....Contd.

₹ crore

			As at 31 March 2021	As at 31 March 2020
III.	Deemed investment in subsidiary companies			
	(a)	**Deemed investment on Inter-corporate deposits in India**		
	-	HREL Real Estate Limited (erstwhile HCC Real Estate Limited)	138.04	138.04
		Less: impairment (Refer note 5.1)	(138.04)	(138.04)
			-	-
	-	HCC Infrastructure Company Limited (Refer note 34)	1,569.41	1,572.66
	-	MAAN Township Developers Limited	3.71	3.71
	-	HRL Township Developers Limited	0.08	0.08
			1,573.20	**1,576.45**
	(b)	**Deemed investment on fair valuation of corporate guarantee**		
		In India		
		- Lavasa Corporation Limited ^	764.36	764.36
		Less: impairment (Refer note 5.1)	(764.36)	(764.36)
			-	-
		- HCC Infrastructure Company Limited (Refer note 34)	1.99	1.99
			1.99	**1.99**
		Outside India		
		- HCC Mauritius Enterprises Limited	0.86	0.86
		- HCC Mauritius Investments Limited	2.54	2.54
			3.40	**3.40**

^ Pursuant to initiation of Corporate Insolvency Resolution Process in respect of Lavasa Corporation Limited (‘LCL’), effective 30 August 2018 the Company has lost control over LCL and accordingly LCL ceases to be a subsidiary under Ind AS. However LCL continues to remain a subsidiary under the Act.

* represents amount less than ₹ 1 lakh.

Note 5.1 The National Company Law Tribunal, Mumbai (NCLT) vide Order dated 30 August 2018, has admitted an application filed against LCL by an operational creditor and initiated the Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code 2016 (‘IBC’). In accordance with the provisions of IBC, the powers of the Board of Directors of LCL shall stand suspended and the management of LCL presently vests with the Resolution Professional (‘RP’) appointed under the provisions of IBC. HREL Real Estate Limited (‘HREL’) (erstwhile HCC Real Estate Limited), a wholly owned subsidiary of the Company, is presently holding 68.70% equity stake in LCL. In view of uncertainties associated with the outcome of CIRP and as a matter of prudence, the Company had impaired its investment in both these entities:

Note 5.2 The Company has pledged the following shares in favour of the lenders as a part of the financing agreements for facilities taken by subsidiary companies as indicated below.

Name of the Company	No. of equity shares pledged	
	31 March 2021	31 March 2020
Highbar Technologies Limited	1,875,000	1,875,000
HCC Mauritius Enterprise Limited	5,005,000	5,005,000
HCC Mauritius Investments Limited	1,000,000	1,000,000

Note 5.3 The Company has given a “Non Disposal Undertaking” to the lenders of Highbar Technologies Limited to the extent of 3,074,940 (31 March 2020: 3,074,940) equity shares.

NOTE 5A INVESTMENTS

₹ crore

		As at 31 March 2021	As at 31 March 2020
Other Investments in equity shares at fair value through other comprehensive income (OCI) (Non-traded)			
-	Housing Development Finance Corporation Limited	3.81	2.48
	15,220 (31 March 2020: 15,220) equity shares of ₹ 2 each, fully paid- quoted		
-	HDFC Bank Limited	0.75	0.43
	5,000 (31 March 2020: 5,000) equity shares of ₹ 1 each, fully paid- quoted		
-	Khandwala Securities Limited	0.00*	0.00*
	3,332 (31 March 2020: 3,332) equity shares of ₹ 10 each, fully paid- quoted		
-	Shushrusha Citizens Co-Op. Hospitals Limited	0.00*	0.00*
	100 (31 March 2020: 100) equity shares of ₹ 100 each, fully paid- unquoted		
-	Hincon Finance Limited	7.98	4.03
	120,000 (31 March 2020: 120,000) equity shares of ₹ 10 each, fully paid- unquoted		
		12.54	**6.94**
Total non-current investments [5 + 5A]		**1,681.57**	**1,629.20**
* represents amount less than ₹ 1 lakh.			
Aggregate market value of quoted investments		4.56	2.91
Aggregate carrying value of unquoted investments			
-	in subsidiaries	1,669.03	1,622.26
-	in others	7.98	4.03
Aggregate amount of impairment in value of investments		**1,376.77**	**1,376.77**

NOTE 6 TRADE RECEIVABLES

₹ crore

	As at 31 March 2021	As at 31 March 2020
Non-current		
Trade receivables ^ (Refer notes 6.1 and 35)	-	2,719.72
Total non-current trade receivables	**-**	**2,719.72**
Current		
Trade receivables ^^ (Refer notes 2(v), 6.1, 35 and 39)	4,398.21	1,821.97
[Including retention ₹ 788.64 crore (31 March 2020: ₹ 763.35 crore)]		
Total current trade receivables	**4,398.21**	**1,821.97**
Total trade receivables	**4,398.21**	**4,541.69**

^ Net off advance received against arbitration awards Nil (31 March 2020: ₹ 448.10 crore)

^^ Net off advance received against work bill / arbitration awards / claim of ₹ 2,738.80 crore (31 March 2020: ₹ 2,405.40 crore)

NOTE 6 TRADE RECEIVABLES ...Contd.

₹ crore

	As at 31 March 2021	As at 31 March 2020
Break-up of security details		
Trade receivables considered good- secured	-	-
Trade receivables considered good- unsecured	4,398.21	4,541.69
Trade receivables which have significant increase in credit risk	-	-
Trade receivables- credit impaired	-	-
Total	**4,398.21**	**4,541.69**
Loss allowance	-	-
Total trade receivables	**4,398.21**	**4,541.69**

Note 6.1 Non-current trade receivables and current trade receivables as at 31 March 2021 include Nil and ₹ 2,748.56 crore (net of advances ₹ 2,738.80 crore), respectively [31 March 2020: ₹ 2,719.72 crore (net of advances ₹ 448.10 crore) and ₹ 652.59 crore (net of advance ₹ 2,139.17 crore) respectively)] representing claims awarded in arbitration in favour of the Company and which have been challenged by the customers in High Courts/ Supreme Court.

Note 6.2 There are no trade receivables due from any director or any officer of the Company, either severally or jointly with any other person, or from any firms or private companies in which any director is a partner, a director or a member.

Note 6.3 Trade receivables (other than receivables on account of claims awarded in arbitration in favour of the Company) are non-interest bearing and are generally on terms of 30 to 90 days except retention deposits, which are due after completion of the defect liability period of the respective projects.

NOTE 7 LOANS

₹ crore

	As at 31 March 2021	As at 31 March 2020
Non-current		
a) Inter-corporate deposits to subsidiaries (Refer note 39)	178.97	185.56
b) Security and other deposits	1.79	1.95
Total non-current loans	**180.76**	**187.51**
Current		
Security and other deposits	20.60	19.57
Total current loans	**20.60**	**19.57**
Total loans	**201.36**	**207.08**
Break-up of security details		
Loans considered good- secured	-	-
Loans considered good- unsecured	201.36	207.08
Loans which have significant increase in credit risk	-	-
Loans- credit impaired	-	-
Total	**201.36**	**207.08**
Loss allowance	-	-
Total loans	**201.36**	**207.08**

NOTE 7 LOANS....Contd.

Note 7.1 In compliance of Regulation 34 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 the required information is given as under:

Loans and advance in the nature of loans given to subsidiaries (as defined under the Act) for business purposes.

₹ crore

Name of the entity	Outstanding balance		Maximum balance outstanding during	
	As at 31 March 2021	As at 31 March 2020	**Year ended 31 March 2021**	Year ended 31 March 2020
i) HCC Infrastructure Company Limited [Refer note (i)]	-	-	-	-
ii) HCC Mauritius Enterprises Limited [Refer note (ii)]	119.01	124.00	124.00	124.00
iii) Highbar Technologies Limited	2.39	2.39	2.39	2.39
iv) HCC Mauritius Investments Limited [Refer note (ii)]	38.04	39.64	39.64	39.63
v) HRL Township Developers Limited	0.41	0.41	0.41	0.45
vi) Maan Township Developers Limited	19.12	19.12	19.12	20.72
Total	**178.97**	**185.56**	**185.56**	**187.19**

Notes:
(i) excludes inter-corporate deposit of ₹ 1,569.41 crore (31 March 2020: ₹ 1,572.66 crore) given to HCC Infrastructure Company Limited, which has been classified as deemed investment under Ind AS. (ii) movement is on account of exchange rate fluctuations.

Note 7.2 Investment by the loanee in the Company's / subsidiary companies shares [Refer note (i) below]

HCC Infrastructure Company Limited has invested in following subsidiary companies:

₹ crore

Name of the entity	**As at 31 March 2021**	As at 31 March 2020
Equity shares		
HCC Concessions Limited ^	573.48	573.48
HCC Power Limited	0.50	0.50
Dhule Palesnar Operations & Maintenance Limited	0.50	0.50
HCC Operations & Maintenance Limited	0.05	0.05
Preference Shares		
HCC Concessions Limited ^	285.99	285.99
Total	**860.52**	**860.52**

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

HCC Mauritius Enterprise Limited has invested in following subsidiary company:

₹ crore

Name of the entity	**As at 31 March 2021**	As at 31 March 2020
Equity shares		
Steiner AG [Refer note (ii) below]	235.65	244.64
Total	**235.65**	**244.64**

HCC Mauritius Investment Limited has invested in following subsidiary company:

₹ crore

Name of the entity	**As at 31 March 2021**	As at 31 March 2020
Equity shares		
Steiner AG [Refer note (ii) below]	32.52	33.76
Total	**32.52**	**33.76**

Notes:
(i) Investments include adjustments carried out under Ind AS
(ii) Includes increase / decrease in investments on account of exchange rate fluctuations

NOTE 8 OTHER FINANCIAL ASSETS

₹ crore

	As at 31 March 2021	As at 31 March 2020
Non-current		
a) Receivables from related parties (Refer note 39)	54.98	54.98
b) Margin money deposits	1.16	0.68
Total non-current financial assets	**56.14**	**55.66**
Current		
a) Receivables from related parties (net) (Refer note 39)	66.95	66.18
b) Interest accrued on deposits/ advances	7.45	4.68
c) Others	28.40	17.75
Total current financial assets	**102.80**	**88.61**
Total other financial assets	**158.94**	**144.27**

NOTE 9 INCOME TAX ASSETS (NET)

i. The following table provides the details of income tax assets and liabilities:

₹ crore

	As at 31 March 2021	As at 31 March 2020
a) Income tax assets	289.56	429.22
b) Current income tax liabilities	199.30	195.98
Net balance	**90.26**	**233.24**

ii. The gross movement in the current tax asset is as follows:

₹ crore

	Year ended 31 March 2021	Year ended 31 March 2020
Net current income tax asset at the beginning	233.24	179.51
Income tax (refund) / paid	(139.64)	53.82
Current income tax expense	(3.34)	(0.09)
Net current income tax asset at the end	**90.26**	**233.24**

iii. Income tax expense comprises:

₹ crore

	Year ended 31 March 2021	Year ended 31 March 2020
Current tax	3.34	0.09
Deferred tax (credit) / expense	(279.61)	127.66
Tax expenses (net) in Statement of Profit and Loss	**(276.27)**	**127.75**
Deferred tax expense/ (credit) in other comprehensive income	0.70	(1.69)
Tax (credit) / expenses (net)	**(275.57)**	**126.06**

NOTE 9 INCOME TAX ASSETS (NET)...Contd.

iv. A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the loss before income taxes is as below:

₹ crore

	Year ended 31 March 2021	Year ended 31 March 2020
Loss before income tax	(842.72)	(40.97)
Applicable income tax rate	34.944%	34.944%
Computed expected tax credit	(294.48)	(14.32)
Effect of expenses not allowed for tax purpose	17.76	1.32
Effect of income not considered for tax purpose	(1.21)	(1.42)
Impact of DTA written off (Refer note 9.1)	-	151.30
Others (including impact of tax of joint operations)	1.66	(9.13)
Tax expense (credit) / charge [net] to the Statement of Profit and Loss	**(276.27)**	**127.75**

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

₹ crore

	As at 31 March 2021	As at 31 March 2020
(a) Deferred tax assets (Refer note 9.1)		
- Business loss / unabsorbed depreciation / MAT credit entitlements	2,189.51	2,252.93
- Impairment allowance for receivables / other assets	0.65	0.65
- Timing difference on tangible and intangible assets depreciation and amortisation	41.21	60.89
- Expense allowable on payment basis	164.12	121.01
	2,395.49	**2,435.48**
(b) Deferred tax liabilities		
- Claims/ arbitration awards	(1,679.50)	(1,998.40)
Total deferred tax assets (net) [a-b]	**715.99**	**437.08**

vi. Movement in deferred tax assets/(liabilities)

₹ crore

	Business loss / unabsorbed depreciation / MAT credit entitlements	Impairment allowance for receivables / other assets	Timing difference on tangible and intangible assets depreciation and amortisation	Claims / arbitration awards	Expense allowable on payment basis	Total
At 1 April 2019	2,090.10	118.77	53.15	(1,777.12)	78.14	563.04
(Charged) / credited						
- to profit or loss	162.83	(118.12)	7.74	(221.28)	41.18	(127.65)
- to other comprehensive income	-	-	-	-	1.69	1.69
At 31 March 2020	**2,252.93**	**0.65**	**60.89**	**(1,998.40)**	**121.01**	**437.08**
(Charged) / credited						
- to profit or loss	(63.42)	-	(19.68)	318.90	43.81	279.61
- to other comprehensive income	-	-	-	-	(0.70)	(0.70)
At 31 March 2021	**2,189.51**	**0.65**	**41.21**	**(1,679.50)**	**164.12**	**715.99**

NOTE 9 INCOME TAX ASSETS (NET)...Contd.

Note 9.1 On 20 September 2019, vide the Taxation Laws (Amendment) Ordinance 2019, the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective 1 April 2019 subject to certain conditions. However, the Company having significant brought forward tax losses and unabsorbed depreciation on which deferred tax asset has been recognised, is still evaluating and has not yet elected to exercise the option permitted under section 115BAA. In view of the above, there is no impact of the new tax rate on the standalone financial statements for the current period.

During the previous year, the Company had written off deferred tax assets aggregating ₹ 151.30 crore due to expiry of statutory period for setting off underlying losses. As at 31 March 2021, the Company continues to recognize net deferred tax assets amounting to ₹ 715.99 crore (31 March 2020: ₹ 437.08 crore) on account of carried forward unused tax losses, unused tax credits and other taxable temporary differences. Based on the expected profits from the unexecuted orders on hand, outcome of the ongoing discussion with lenders for restructuring of loans and expected settlement of arbitration awards, the Company's management is confident that sufficient future taxable income will be available against which such deferred tax assets will be realized.

NOTE 10 OTHER ASSETS

₹ crore

	As at 31 March 2021	As at 31 March 2020
Non-current		
a) Capital advances	0.97	1.18
b) Balances with government authorities	70.42	84.59
c) Prepaid expenses	3.11	3.04
Total other non-current assets	**74.50**	**88.81**
Current		
a) Advance to suppliers and sub-contractors	84.55	85.59
b) Unbilled work-in-progress^ (Refer note 35)	2,269.24	2,478.11
c) Balances with government authorities	82.61	118.91
d) Prepaid expenses	6.45	9.29
e) Other current assets	4.63	3.73
Total other current assets	**2,447.48**	**2,695.63**
Total other assets	**2,521.98**	**2,784.44**

^ Net off advance received against work bill of ₹ 152.82 crore (31 March 2020: ₹ 195.60 crore)

NOTE 11 INVENTORIES

₹ crore

	As at 31 March 2021	As at 31 March 2020
a) Construction materials, stores and spares	182.15	187.52
b) Fuel	5.60	4.31
Total inventories	**187.75**	**191.83**

NOTE 12 INVESTMENTS

₹ crore

	As at 31 March 2021	As at 31 March 2020
Investments in unquoted equity shares in joint ventures valued at deemed cost, fully paid up	3.00	3.00
Total investments	**3.00**	**3.00**

NOTE 12 INVESTMENTS...Contd.

Detailed list of investments

		As at 31 March 2021	As at 31 March 2020
Investments in unquoted equity shares in joint ventures valued at deemed cost, fully paid up			
-	Raiganj Dalkhola Highways Limited ('RDHL') (Refer notes 12.1 and 12.2)	3.00	3.00
	3,000,000 (31 March 2020: 3,000,000) equity shares of ₹ 10 each		
-	Baharampore Farakka Highways Limited ('BFHL') (Refer note 12.2)	0.00*	0.00*
	100 (31 March 2020: 100) equity shares of ₹ 10 each		
		3.00	**3.00**
Total investments		**3.00**	**3.00**

Note 12.1 The Company has pledged the following shares in favour of the lenders as a part of the financing agreements for facilities taken by joint ventures as indicated below:

Name of the Company	No. of equity shares pledged	
	As at 31 March 2021	As at 31 March 2020
Raiganj Dalkhola Highways Limited	510,000	510,000

Note 12.2 - Pursuant to Shareholders Agreement (SHA) executed on 9 August 2011, the Company is required to hold 100% equity stake in HCC Infrastructure Company Limited ('HICL') until Private Equity Investor gets an exit from HCC Concessions Limited (HCL) through means as specified in the SHA and there are certain other customary restrictions on pledging / creation of any encumbrance over shares / assets of HICL/ BOT SPVs. The Company has given inter alia an undertaking in respect of investment in RDHL and BFHL to National Highways Authority of India (NHAI) that it will not transfer its shareholding till the commercial operation date. The Company has entered into sale agreement with HCL to sell these shares at book value at future dates on fulfilment of that obligation as per undertaking given to NHAI.

In respect of RDHL, the Company has received full consideration of ₹ 3.00 crore (31 March 2020: ₹ 3.00 crore) from HCL for transfer of the shares at book value, subject to necessary approvals and consents to the extent required. (Refer note 18)

Name of the BOT SPV	**As at 31 March 2021**		As at 31 March 2020	
	No. of shares	**₹ crore**	No. of shares	₹ crore
Baharampore Farakka Highways Limited	100	0.00*	100	0.00*
Raiganj Dalkhola Highways Limited	3,000,000	3.00	3,000,000	3.00
Total	**3,000,100**	**3.00**	**3,000,100**	**3.00**

* represents amount less than ₹ 1 lakh.

NOTE 13 CASH AND CASH EQUIVALENTS

₹ crore

		As at 31 March 2021	As at 31 March 2020
a) Balances with banks (Refer note 17.4)			
-	in current accounts	54.75	85.10
-	in deposit account (with original maturity upto 3 months)	172.92	-
b) Cash on hand		0.50	0.82
Total cash and cash equivalents		**228.17**	**85.92**

NOTE 14 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ crore

		As at 31 March 2021	As at 31 March 2020
a)	Deposits with maturity of more than 3 months and less than 12 months	58.76	25.90
b)	Earmarked balances with banks for: (Refer note 17.4)		
-	Margin money deposits with original maturity of more than 3 months and remaining maturities of less than 12 months	35.40	56.86
-	Balances with bank for unpaid dividend ^	0.00*	0.00*
Total bank balances other than cash and cash equivalents		**94.16**	**82.76**

^ Includes ₹ 7,600 (31 March 2020: ₹ 7,600) which is held in abeyance due to legal cases pending

Note 14.1 -There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31 March 2021.

NOTE 15 ASSETS CLASSIFIED AS HELD FOR SALE

₹ crore

	As at 31 March 2021	As at 31 March 2020
(a) Investments in equity shares of Panchkutir Developers Limited, unquoted (Refer note 15.1)		
- 1,400,000 equity shares of ₹ 10 each, fully paid	50.02	50.02
Less: Asset classified as Non-current investment	(50.02)	-
	-	**50.02**
(b) Freehold land (Refer note 15.2)	6.49	6.49
(c) Helicopter (Refer note 15.3)	-	8.27
Total assets classified as held for sale	**6.49**	**64.78**

Note 15.1 In earlier years, the Company had signed a definitive agreement for sale of Panchkutir Developers Limited ('PDL'), a subsidiary of the Company, for an aggregate consideration of ₹ 105 crore, which was subject to completion of certain condition precedents as specified in the agreement. Further, an advance of ₹12 crore was also received towards the sale of shares in PDL. As a result, this was classified as an 'Assets classified as held for sale'.

However, considering the present market conditions, the Company does not foresee to complete the transaction in the next twelve months and the sale no longer classifes as 'highly probable' in accordance with Ind AS 105- Non-current Assets Held for Sale and Discontinued Operations. Accordingly, as at 31 March 2021, the same has been re-classified as "Investments in subsidiaries" under "Non-current assets".

Note 15.2 During the previous year, the Company had entered into an agreement with a subsidiary company to develop the land parcel admeasuring 21,208.65 sq. mtrs. or thereaabouts and having a built-up area of 98,491 sq. mtrs. situated at Vikhroli under the registration district of Mumbai suburban city. An advance of ₹ 20.20 crore has been received as per the terms of the agreement and presently the feasibility study and due diligence are in progress. The completion of the sale transaction has been significantly delayed due to COVID-19 but the management remains committed to the sale. Accordingly, as at 31 March 2021, the sale of land continues to be highly probable and hence classified as 'Assets classified as held for sale'.

Note 15.3 During the previous year, the Company had entered into an agreement for sale of a Helicopter including all its related parts and ancillary items for a consideration of ₹ 8.75 crore. As a result, this was classified as an "Assets classified as held for sale" and measured at lower of its carrying amount and fair value less costs to sell. During the current year, the requisite approval from Director General of Civil Aviation has been obtained and consequently the asset has been disposed off and sale consideration has been realised.

NOTE 16 EQUITY SHARE CAPITAL

₹ crore

		As at 31 March 2021	As at 31 March 2020
Authorised share capital			
2,000,000,000	Equity shares of ₹ 1 each (31 March 2020: 2,000,000,000 equity shares of ₹ 1 each)	200.00	200.00
10,000,000	Redeemable cumulative preference shares of ₹ 10 each (31 March 2020: 10,000,000 preference shares of ₹ 10 each)	10.00	10.00
Total authorised share capital		**210.00**	**210.00**
Issued, subscribed and paid-up equity share capital:			
1,513,028,244	Equity shares of ₹ 1 each fully paid up (31 March 2020: 1,513,028,244 equity shares of ₹ 1 each)	151.30	151.30
	Add : 13,225 Forfeited equity shares (31 March 2020: 13,225 equity shares)	0.01	0.01
Total issued, subscribed and paid-up equity share capital		**151.31**	**151.31**

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

	Number	₹ crore
As at 1 April 2019	**1,513,028,244**	**151.30**
Issued during the year	-	-
As at 31 March 2020	**1,513,028,244**	**151.30**
Issued during the year	-	-
As at 31 March 2021	**1,513,028,244**	**151.30**

b. Terms /rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend, if any.

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

c. Shares held by subsidiary company:

Western Securities Limited, a subsidiary company, holds 52,000 (31 March 2020: 52,000) equity shares in the Company.

d. Shareholding of more than 5%:

Name of the Shareholder	As at 31 March 2021		As at 31 March 2020	
	No. of shares	% held	No. of shares	% held
Promoter:				
Arya Capital Management Private Limited	244,013,391	16.13%	244,013,391	16.13%
Hincon Holdings Limited	216,023,600	14.28%	216,023,600	14.28%
Non-promoter:				
Asia Opportunities IV (Mauritius) Limited	115,462,961	7.63%	115,462,961	7.63%
HDFC Trustee Company Limited	88,027,596	5.82%	88,992,219	5.88%

e. Shares reserved for issue under Employee Stock Options Scheme (ESOP):

During the current year there are Nil (31 March 2020: Nil) stock options granted by the Company. As at 31 March 2021, there are Nil (31 March 2020: Nil) stock options outstanding. Further, during the current year, there are no options to be exercised / converted into equity shares and Nil (31 March 2020: 300,000) stock options got lapsed.

NOTE 16 EQUITY SHARE CAPITAL...Contd.

f. Bonus shares / buy back / shares for consideration other than cash issued during past five years:

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

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

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

g. Pursuant to the approval of the shareholders at the Extra Ordinary General Meeting/ Annual General Meeting held in earlier years, the allotment committee of the Board of Directors at its meetings held on various dates allotted collectively to the lenders 236,304,020 equity shares of face value of ₹ 1 each aggregating ₹ 828.35 crore and 14,671,590 optionally convertible debentures (OCDs) of face value of ₹ 1,000 each at par (carrying coupon rate of 0.01% p.a.) aggregating ₹ 1,467.16 crore on preferential basis as part of the Scheme for Sustainable Structuring of Stressed Assets (S4A Scheme).

The implementation of the S4A Scheme and the consequent allotment of equity shares/ OCDs have been made in respect of all the lenders except for few lenders who will be allotted equity shares and OCDs once they exercise their option. Number of equity shares/OCDs to be allotted will be determined based on the share price prevailing at the time of such allotment.

NOTE 17 BORROWINGS

₹ crore

	As at 31 March 2021	As at 31 March 2020
Non-current portion:		
Secured		
(A) Non-Convertible Debentures (RTL-1)	-	15.95
(B) Rupee Term Loans (RTL-A)		
(i) From Banks	-	20.70
(ii) From Others	1.71	10.79
(C) Rupee Term Loans (RTL-1)		
(i) From Banks	-	24.85
(ii) From Others	-	7.20
(D) Rupee Term Loans (RTL-2)		
(i) From Banks	-	69.17
(ii) From Others	-	9.99
(E) Working Capital Term Loans (WCTL-2)		
(i) From Bank	-	0.86
(ii) From Others	-	2.24
(F) 0.01% Optionally Convertible Debentures (OCDs) [Refer note 16 (g)]		
(i) From Bank	1,084.24	1,084.24
(ii) From Others	111.38	111.38
Total non-current borrowings (A+B+C+D+E+F)	**1,197.33**	**1,357.37**
Current maturities of long-term borrowings		
I. Secured		
(A) Non-Convertible Debentures (RTL-1)	63.37	66.64
(B) Rupee Term Loans (RTL-A)		
(i) From Bank	67.32	50.17
(ii) From Others	25.35	17.28
(C) Rupee Term Loans (RTL-1)		
(i) From Banks	66.87	58.34
(ii) From Others	44.80	28.79

NOTE 17 BORROWINGS...Contd.

₹ crore

	As at 31 March 2021	As at 31 March 2020
(D) Rupee Term Loans (RTL-2)		
(i) From Banks	316.09	255.75
(ii) From Others	38.35	32.23
(E) Working Capital Term Loans (WCTL-2)		
(i) From Bank	4.91	4.05
(ii) From Others	11.06	8.82
(F) Foreign Currency Term Loan - from Others	69.63	72.51
Total current maturities of long-term borrowings (Secured) - (A+B+C+D+E+F)	**707.75**	**594.58**
II. Unsecured		
- Foreign Currency Term Loan from Bank	50.79	50.27
Total current maturities of long-term borrowings (I+II) (Refer note 18)	**758.54**	**644.85**
Total borrowings	**1,955.87**	**2,002.22**

Notes:

(i) For security details and terms of repayment, refer note 17.1 below.

(ii) Also refer note 17.4 below

17.1 Details of security and terms of repayment

I. Secured

(A) Non-Convertible Debentures (RTL-1)

i) Axis

These debentures are classified as RTL-1. These debentures carry an interest yield of 11.50% p.a. and are repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. These are secured by way of registered mortgage over 231.66 acres of land of an erstwhile subsidiary i.e. Lavasa Corporation Limited, situated in 5 villages namely Village Admal, Bhode, Gadle, Padalghar and Ugavali in taluka Mulshi, District Pune, Maharashtra.

ii) LIC

These debentures are classified as RTL-1. These debentures carry an interest yield of 11.50% p.a. and are repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. Refer note 17.1.1 for security details.

(B) Rupee Term Loans (RTL-A)

RTL-A carries interest rate of 11.75% p.a., payable monthly, to be reset annually with a two years moratorium and repayment terms of five years commencing 25 May 2017. The said facility is having same security as RTL-1 lenders under the Corporate Debt Restructuring Scheme. Refer note 17.1.1 for security details.

(C) Rupee Term Loans 1 (RTL-1) and Rupee Term Loans 2 (RTL-2)

RTL- 1 and RTL- 2 carry an interest yield of 11.50% p.a. and are repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. Refer note 17.1.1 for security details.

(D) Working Capital Term Loan (WCTL-2)

Working Capital Term Loan (WCTL-2) carries an interest rate ranging from 11.10% p.a. to 11.75% p.a. (floating) linked to Monitoring Institution's base rate. These are repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. Refer note 17.1.1 for security details.

(E) Foreign Currency Term Loans

Asia Opportunities (IV) Mauritius Limited - External Commercial Borrowing ('ECB')

The ECB loan carries a floating interest rate equal to 3 month LIBOR plus 350 basis points and was repayable in three quarterly instalments commencing from 31 December 2019. The facility is secured by first charge by way of hypothecation of plant and machinery acquired under the facility described in the first schedule to the memorandum of hypothecation.

NOTE 17 BORROWINGS...Contd.

(F) Optionally Convertible Debentures (OCDs)

OCDs have been issued to the lenders as part of the S4A Scheme with a tenor of 10 years and a coupon of 0.01% with an interest yield of 11.50% p.a. in yield equalization compounded on a quarterly basis. After the expiry of eighteen months from the issuance, the OCDs were to be converted into non-convertible debentures in case of non-occurrence of event of default as per the guidelines of the S4A Scheme. Pursuant to the exemption provided by the Securities and Exchange Board of India ('SEBI') from the application of Regulation 75 of SEBI ICDR regulations to the Company, the tenure of OCDs has been extended for a further 8.5 years beyond the statutorily prescribed period of 18 months. The lenders have an option to convert the OCDs into equity shares of the Company, in accordance with the terms thereof including in case of any event of default or default in payment during the 10 years from the date of issuance of respective OCDs. The repayment of the OCD commences from the 6th anniversary of the allotment date. Details of principal maturity have been provided below. Also refer note 17.1.2 for security details.

Date of Repayment	₹ in crores
30 September 2022	269.74
30 September 2023	250.16
30 September 2024	231.25
30 September 2025	224.16
30 September 2026	220.31

Note 17.1.1: RTL-A, RTL-1, RTL-2 and WCTL-2 are secured in the form of:

1. The parcel of land (immovable non-residential property) admeasuring 22 acres and 24 gunthas at Tara Village, Panvel Taluka described as the First Mortgaged Properties.
2. All the present and future movable assets of the Borrower (excluding 'Current Assets' and 'Specified Assets') as the Second Mortgaged Properties.
3. All the present and future current assets of the Borrower (other than those forming part of 'Additional Assets') as the Third Mortgaged Properties.
4. All of the 'Additional Assets' collectively referred to as the Fourth Mortgaged Properties.
5. All of the 'Specified Assets' collectively referred to as the Fifth Mortgaged Properties.

The terms 'Current Assets', 'Specified Assets' and 'Additional Assets' have been defined in the Master Restructuring Agreement (MRA).

The above security having ranking in respect to RTL1 and RTL-A are as below:

1. A first ranking and pari passu security interest by way of legal mortgage over the First Mortgaged Properties and Second Mortgaged Properties.
2. A second ranking and pari passu security interest by way of legal mortgage over the Third Mortgaged Properties, Fourth Mortgaged Properties and the Fifth Mortgaged Properties.

The above security having ranking in respect to RTL2 and WCTL2 are as below:

A second ranking and pari passu security interest by way of legal mortgage over all the Mortgaged Properties.

Collateral security pari-passu with lenders defined in MRA:

1. HREL Real Estate Limited (erstwhile HCC Real Estate Limited) has provided Corporate guarantee for the above outstanding facilities of the Company.
2. First pari-passu charge on 154,151,669 shares of the Company and second charge on 85,767,617 equity shares of the Company held by Hincon Holdings Limited and Hincon Finance Limited.
3. Personal guarantee of the Chairman and Managing Director of the Company.

Note 17.1.2 Optionally Convertible Debentures (OCDs) are secured in the form of:

1. First ranking pari passu charge on all of the Company's Property, plant and equipment (immovable and movable) [excluding the Specified Assets and Excluded Assets]; and

NOTE 17 BORROWINGS...Contd.

2. Second ranking and pari passu security interest by way of a legal mortgage over the First, Second and the Fifth Mortgaged Properties as specified in the mortgage deed. The security perfection has been completed on the OCD facilities issued as part of the S4A scheme.

Collateral security pari-passu with all S4A lenders:

1. HREL Real Estate Limited (erstwhile HCC Real Estate Limited) has provided Corporate guarantee for the above outstanding facilities of the Company.

2. First par-passu charge on Pledge of 85,767,617 equity shares of the Company and second charge on 154,151,669 equity shares of the Company held by Hincon Holdings Limited and Hincon Finance Limited.

3. Personal guarantee of the Chairman and Managing Director of the Company.

II. Unsecured

Foreign Currency Term Loan from Bank

During the year ended 31 March 2019, the Company had entered into settlement terms with lender wherein the parties agreed to settle the outstanding amounts for USD 6.20 Million which was repayable in 26 monthly instalments commencing from 31 May 2019 and ending on 30 June 2021. Under terms of Settlement Agreement, there would be no interest accruing on the facility going forward.

However, the Company was unable to pay the instalments as per schedule of settlement agreement and consequently the loan was restated from the settled value of USD 6.20 Million back to original value of USD 7.60 Million along with penal interest per annum at the rate equal to the sum of LIBOR plus the interest rate of 2.20% for the period from and including the date such amount was due to the lender. The facility was secured by first priority mortgage and security interest to and in favour of Wilmington Trust Company (the security trustee) on Hawker aircraft. During the previous year, the said aircraft has been sold and proceeds thereof have been adjusted towards the dues of this loan. Consequently, the loan was reclassified as unsecured in the previous year.

Note 17.2 Right to Recompense:

In accordance with the provisions of Master Restructuring Agreement (MRA) dated 29 June 2012 executed between the Company and its lenders, as amended from time to time and pursuant to deliberations between the parties, lenders have agreed for the recompense amount to be settled by the Company in the form of equity shares to be issued at a future date, which is inter-alia dependent upon various factors including improved financial performance of the Company and other conditions, and which would be restricted to a maximum of 2.87% of equity share capital of the Company on the date of issue of such equity shares.

Note 17.3 Net debt reconciliation

An analysis of net debts and the movement in net debts are as follows:

₹ crore

	As at 31 March 2021	As at 31 March 2020
(A) Non-current borrowings (including interest accrued)	2,950.94	2,668.03
(B) Current borrowings (including interest accrued)	2,139.48	1,391.36
(C) Cash and cash equivalents	228.17	85.92
Net debts (D) = (A)+(B)-(C)	**4,862.25**	**3,973.47**

Note: Excludes ₹ 1,001.95 crore (31 March 2020: ₹ 889.85 crore) representing financial liabilities (including interest) of an erstwhile subsidiary taken over by the Company.

NOTE 17 BORROWINGS...Contd.

	Other assets	Liabilities from financing activities		Total
	Non-current borrowings (A)	Current borrowings (B)	Cash and cash equivalents (C)	(D) = (A)+(B)-(C)
Net debt as at 1 April 2019	**2,731.91**	**1,082.00**	**132.97**	**3,680.94**
Cash flows	(228.97)	288.54	(47.58)	107.15
Exchange gain	-	-	0.53	(0.53)
Interest expense	307.17	131.13	-	438.30
Interest paid	(142.09)	(110.31)	-	(252.40)
Net debt as at 31 March 2020	**2,668.03**	**1,391.36**	**85.92**	**3,973.47**
Net debt as at 1 April 2020	**2,668.03**	**1,391.36**	**85.92**	**3,973.47**
Cash flows	(46.35)	627.93	142.40	439.18
Exchange loss	-	-	(0.15)	0.15
Interest expense	338.95	186.08	-	525.03
Interest paid	(9.69)	(65.89)	-	(75.58)
Net debt as at 31 March 2021	**2,950.94**	**2,139.48**	**228.17**	**4,862.25**

Note 17.4 Non-current borrowings, current borrowings, other non-current financial liabilities and other current financial liabilities as at 31 March 2021 include balances amounting to Nil (31 March 2020: ₹ 165.55 crore), ₹ 2.10 crore (31 March 2020: Nil), Nil (31 March 2020: ₹ 591.04 crore) and ₹ 500.72 crore (31 March 2020: ₹ 336.82 crore) respectively, in respect of which confirmations/ statements from the respective banks/ lenders have not been received. Further, in respect of non-current borrowings and current borrowings aggregating ₹ 871.75 crore (31 March 2020: ₹ 864.23 crore), while the lenders have confirmed the principal outstanding, the accrued interest aggregating ₹ 115.37 crore (31 March 2020: ₹ 42.76 crore) have not been confirmed. In the absence of confirmations/ statements from the lenders, the Company has provided for interest and other penal charges on these borrowings based on the latest communication available from the respective lenders at the interest rate specified in the agreement.

The Company's management believes that amount payable on settlement will not exceed the liability provided in books in respect of these borrowings. Further, balances with banks (included under cash and cash equivalents), earmarked balances/ fixed deposits (included under bank balances other than cash and cash equivalents) and guarantees issued by banks on behalf of the Company as at 31 March 2021 include balances amounting to ₹ 2.10 crore (31 March 2020: Nil), ₹ 10.91 crore (31 March 2020: ₹ 5.46 crore) and Nil (31 March 2020: ₹ 76.93 crore), respectively, in respect of which confirmation/ statements from banks have not been received inspite of incessant efforts by Company's management.

Note 17.5: Default in repayment of Borrowings

As at 31 March 2021, the Company has defaulted in repayment of borrowings (non-current and currrent) including interest thereon. The item-wised breakup is as under:

₹ crore

Sr. No.	Category	Period	Principal	Interest
1	Non-Convertible Debentures	31 to 90 days	5.71	1.30
		91 to 180 days	5.71	0.92
		181 to 365 days	5.71	2.22
2	Term Loans from Banks	31 to 90 days	45.08	32.01
		91 to 180 days	43.29	12.25
		181 to 365 days	95.67	29.72
		> 365 days	139.57	47.99
3	Term Loans from Financial Institutions	31 to 90 days	11.53	4.64
		91 to 180 days	9.41	3.60
		181 to 365 days	56.30	11.47
		> 365 days	133.51	30.56
4	Working Capital Demand Loans	> 365 days	529.75	31.63

NOTE 17 BORROWINGS...Contd.

₹ crore

Sr. No.	Category	Period	Principal	Interest
5	Cash Credit Facilities	31 to 90 days	155.18	1.58
		181 to 365 days	13.81	-
		> 365 days	436.49	58.79
6	Other Bank Loans	31 to 90 days	-	-
		91 to 180 days	9.10	0.68
		181 to 365 days	56.63	6.25
		> 365 days	88.17	14.32

As at 31 March 2020, in relation to term loans and non-convertible debentures, contractual loan principal amounting to ₹ 282.30 crore and contractual interest amounting to ₹ 74.49 crore were due and outstanding.

NOTE 18 OTHER FINANCIAL LIABILITIES

₹ crore

		As at 31 March 2021	As at 31 March 2020
Non-current			
a)	Financial liabilities of erstwhile subsidiary assumed (Refer note 18.1)	513.73	513.73
b)	Interest accrued but not due (Refer note 18.2)	944.16	673.45
Total non-current financial liabilities		**1,457.89**	**1,187.18**
Current			
a)	Current maturities of long-term borrowings (Refer notes 17, 17.4 and 17.5)	758.54	644.85
b)	Interest accrued but not due (Refer notes 17.4 and 18.2)	147.06	143.20
c)	Interest accrued and due (Refer notes17.4 and 17.5)	317.73	74.49
d)	Unpaid dividends ^	0.00*	0.00*
e)	Advance towards sale of investments (Refer notes 12.2, 15.1 and 39)	15.00	15.00
f)	Financial liabilities of erstwhile subsidiary assumed (Refer notes 18.1 and 17.4)	232.20	232.20
g)	Others		
	i) Due to employees	91.43	129.95
	ii) Interest payable on contractee advances	178.80	163.71
	iii) Due to related parties (Refer note 39)	-	0.04
	iv) Liability for capital goods (Refer note 21.2)	7.42	10.18
	v) Other liabilities	2.22	2.49
Total current financial liabilities		**1,750.40**	**1,416.11**
Total other financial liabilities		**3,208.29**	**2,603.29**

^ Includes ₹ 7,600 (31 March 2020: ₹ 7,600) which is held in abeyance due to legal cases pending
* represents amount less than ₹ 1 lakh.

Other financial liabilities carried at amortised cost	**3,208.29**	2,603.29
Other financial liabilities carried at FVPL	-	-

Note 18.1 Details of security and terms of repayment

Liability towards invocation of put options and corporate guarantees by lenders of Lavasa Corporation Limited ('LCL')

(i) In earlier years, pursuant to sanction letters entered with lenders of LCL, liabilities aggregating ₹ 865.23 crore were taken over by the Company at ₹ 513.73 crore. As per the sanction letters, these liabilities carried an interest of 9.5% p.a. compounded quarterly with effect from 1 October 2018 and were to be repaid by 31 March 2023 from realization of certain identified claims. However, as per the current resolution plan, which has received an in-principal approval from majority lenders and is subject to final approval by their respective Board/ Committees, the aforesaid lenders LCL would be paid between September 2022 to December 2028. Further, these identified claims are currently charged in favour of lenders of the Company, post the approval

NOTE 18 OTHER FINANCIAL LIABILITIES...Contd.

of the resolution plan and receipt of sanctions from the Company's lenders for release of charge in favour of lenders of LCL, the security on such identified claims will be created in favor of certain lenders of LCL. Also in the previous year, one of the LCL lenders issued a letter to the Company for revocation of the settlement. However, based on the negotiations and discussion by the management, the lender has agreed to participate in the Company's resolution plan.

Pending the final approvals, the differential between the liability pursuant to the put option agreement and the liability as per the sanction letter/ proposed terms under the Resolution Plan, has been reported as Contingent Liability in the financial statements [Refer note 33(B)(ii)]

(ii) In addition to the above, lenders of LCL had invoked corporate guarantees of the Company during the financial year ended 31 March 2019. Accordingly, the liability of ₹ 232.20 crore has been recognised by the Company. Pursuant to the ongoing discussion with the consortium lenders on the proposed resolution plan, the Company is re-negotiating its liability towards the lenders of LCL. Pending outcome of the negotiations, the liabilities continue to be accounted at the full value along with interest accrued thereon.

Note: 18.2 Includes ₹ 135.83 crore (31 March 2020: ₹ 77.62 crore) and ₹ 120.19 crore (31 March 2020: ₹ 66.30 crore) in respect of non-current interest accrued but not due and current interest accrued but not due respectively, towards financial liabilities of LCL assumed as mentioned in Note 18.1 above.

NOTE 19 PROVISIONS

₹ crore

	As at 31 March 2021	As at 31 March 2020
Non-current		
Provision for employee benefits (Refer note 37)		
- Gratuity	28.95	30.61
- Leave entitlement and compensated absences	13.07	13.22
Total non-current provisions	**42.02**	**43.83**
Current		
a) Provision for employee benefits (Refer note 37)		
- Gratuity	7.38	10.96
- Leave entitlement and compensated absences	4.40	4.14
b) Provision for foreseeable losses (Refer note 19.1 below)	128.07	105.19
Total current provisions	**139.85**	**120.29**
Total provisions	**181.87**	**164.12**

Note 19.1 The Company has adequately recognized expected losses on projects wherever it was probable that total contract costs will exceed total contract revenue.

NOTE 20 CURRENT BORROWINGS

₹ crore

	As at 31 March 2021	As at 31 March 2020
I. Secured (Refer notes 17.4 and 20.1)		
Cash credit facilities (Repayable on demand)	1,123.09	716.73
Working capital loans from banks	718.56	544.46
II. Unsecured		
Loans from related parties (Repayable on demand) (Refer note 39)	0.41	0.41
Other bank loans (Also refer note 20.2)	153.88	106.41
Total current borrowings (I+II)	**1,995.94**	**1,368.01**

NOTE 20 CURRENT BORROWINGS...Contd.

Note 20.1 Security and terms for Cash Credit Facilities, Working Capital Demand Loan and Other bank loan:

Security details:

1. The parcel of land (immovable non-residential property) admeasuring 22 acres and 24 gunthas at Tara Village, Panvel Taluka described as the First Mortgaged Properties.

2. All the present and future movable assets of the Borrower (excluding 'Current Assets' and 'Specified Assets') as the Second Mortgaged Properties.

3. All the present and future current assets of the Borrower (other than those forming part of 'Additional Assets') as the Third Mortgaged Properties.

4. All of the 'Additional Assets' collectively referred to as the Fourth Mortgaged Properties.

5. All of the 'Specified Assets' collectively referred to as the Fifth Mortgaged Properties.

The above security having ranking as below:

1. A first ranking and pari passu security interest by way of legal mortgage over the Third and Fourth Mortgaged Properties.

2. In the form of a second ranking and pari passu security interest by way of a legal mortgage over the First, Second and the Fifth Mortgaged Properties.

Collateral security pari-passu with lenders defined in MRA are same as indicated in note 17.1.1.

The securities towards working capital facilities also extend to guarantees given by the banks on behalf of the Company.

The terms 'Current Assets', 'Specified Assets' and 'Additional Assets' have been defined in the MRA.

Terms including repayment terms

- Cash credit facilities carry a floating interest rate equal to 6 month ICICI MCLR plus 285 basis points and are repayable on demand.

- Working Capital Loans carry a floating interest rate equal to 6 month ICICI MCLR plus 285 basis points. These includes a loan of ₹ 188.81 crore, which is repayable on 31 December 2021. Further, Working Capital Loans includes loans aggregating ₹ 529.75 crore, which were contractually repayable between 30 April 2019 and 29 February 2020 and the Company has defaulted in the repayment thereof.

- Loans from related parties carry an interest rate of 12.50% p.a. (31 March 2020: 12.50% p.a.) which are repayable on demand

Note 20.2 As at 31 March 2021, bank guarantees aggregating ₹ 153.88 crore (31 March 2020: ₹ 106.41 crore) have been encashed by customers/ suppliers of the Company. Pursuant to the encashment of guarantees, these amounts were demanded by the respective banks and the Company has defaulted in the repayment thereof. Consequently, these dues have been presented as "other bank loans" under current borrowings. These loans carry a floating interest rate equal to 6 month ICICI MCLR plus 285 basis points.

Note 20.3 Refer note 17.5 for details of period and amount of default as on the Balance Sheet date in repayment of current borrowings including interest thereon.

NOTE 21: TRADE PAYABLES

₹ crore

	As at 31 March 2021	As at 31 March 2020
Total outstanding dues of micro enterprises and small enterprises (Refer note 21.1 below)	48.00	23.27
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,601.90	1,757.34
Total Trade Payables	**1,649.90**	**1,780.61**

NOTE 21: TRADE PAYABLES ...Contd.

Note 21.1 Dues to Micro and Small Enterprise

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

₹ crore

		As at 31 March 2021	As at 31 March 2020
(a)	The principal amount and the interest due thereon remaining unpaid to supplier as at the end of year:		
	- Principal amount due to micro and small enterprises	48.00	23.27
	- Interest due	5.56	5.12
(b)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	1.38	0.59
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	1.82	0.59
(e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	7.38	5.71

Note 21.2 The outstanding balances as at 31 March 2021 include trade payables aggregating ₹ 38.22 crore and capital vendors payable aggregating ₹ 3.19 crore to parties situated outside India. These balances are pending for settlement due to financial difficulties presently being faced by the Company and have resulted in delay in remittance of payments beyond the timeline stipulated by the FED Master Direction No. 17/2016-17, under the Foreign Exchange Management Act, 1999. The Company is in the process of regularising these defaults by filing necessary applications with the appropriate authority for condonation of delay. Pending conclusion of the aforesaid matters, the amount of penalty, if any, that may be levied, is not ascertainable but expected not to be material to the standalone financial statements, and accordingly, the standalone financial statements do not include any adjustments that may arise due to such delay/ default.

Note 21.3 Trade payables are non-interest bearing and are normally settled as per the payment terms stated in the contract.

NOTE 22 OTHER CURRENT LIABILITIES

₹ crore

	As at 31 March 2021	As at 31 March 2020
a) Advance from contractees (Refer note 39)	1,742.16	1,857.36
b) Statutory dues payable	27.27	78.66
c) Due to customers (Refer note 39)	112.20	494.53
d) Advance towards sale of freehold land (Refer notes 15.2 and 39)	20.20	20.20
e) Other liabilities	21.53	23.95
Total other current liabilities	**1,923.36**	**2,474.70**

NOTE 23 INCOME FROM OPERATIONS

₹ crore

		Year ended 31 March 2021	Year ended 31 March 2020
a)	Contract revenue	2,135.67	3,180.49
	Add: Company's share of turnover in integrated joint ventures	203.99	84.73
		2,339.66	**3,265.22**

NOTE 23 INCOME FROM OPERATIONS...Contd.

₹ crore

		Year ended 31 March 2021	Year ended 31 March 2020
b)	Other operating revenue		
	- Interest on arbitration awards	227.38	378.42
	- Provision no longer required written back	22.70	2.99
		250.08	**381.41**
Total revenue from operations		**2,589.74**	**3,646.63**

Notes

Disclosure on revenue pursuant to Ind AS 115 - Revenue from Contracts with Customers

(a) Disaggregation of revenue

Company's entire business falls under one operational segment of 'Engineering and Construction'. Contract revenue represents revenue from Engineering and Construction contracts wherein the performance obligation is satisfied over a period of time. Further, the management believes that the nature, amount, timing and uncertainty of revenue and cash flows from all its contracts are similar. Accordingly, disclosure of revenue recognised from contracts disaggregated into categories has not been made.

(b) Unsatisfied performance obligations

The aggregate amount of transaction price allocated to performance obligations that are unsatisfied as at the end of reporting period is ₹ 17,914 crore (31 March 2020: ₹16,857 crore). Most of Company's contracts have a life cycle of four to five years. Management expects that around 15%-20% of the transaction price allocated to unsatisfied contracts as of 31 March 2021 will be recognised as revenue during next reporting period depending upon the progress on each contracts. The remaining amounts are expected to be recognised over the next three to four years. The amount disclosed above does not include variable consideration.

(c) Contract balances

(i) Movement in contract balances during the year:

₹ crore

Particulars	Contract Assets (unbilled work-in-progress)	Contract Liabilities (due to customers)	Net Contract balances
Balance as at 1 April 2019	2,357.37	541.29	1,816.08
Net Increase / (decrease)	120.74	(46.76)	167.50
Balance as at 31 March 2020	2,478.11	494.53	1,983.58
Net Increase / (decrease)	(208.87)	(382.33)	173.46
Balance as at 31 March 2021	2,269.24	112.20	2,157.04

Note: Decrease in contract assets is primarily due to higher certification of progress bills as compared to revenue recognised during the year. Further, contract liability has decreased due to higher recognition of revenue as compared to progress bills raised during the year.

(ii) Revenue recognised during the year from opening balance of contract liability (i.e. due to customer) amounts to ₹ 130.44 crore (31 March 2020: ₹ 147.87 crore)

(iii) Revenue recognised during the year from the performance obligation satisfied upto previous year amounts to ₹ 4.63 crore (31 March 2020: ₹ 225.10 crore)

(d) Out of the total revenue recognised during the year, ₹ 2,567.04 crore (31 March 2020: ₹ 3,643.64 crore) is recognised over a period of time and ₹ 22.70 crore (31 March 2020: ₹ 2.99 crore) is recognised at a point in time.

(e) There are no reconciliation items between revenue from contracts with customers and revenue recognised with contract price.

NOTE 23 INCOME FROM OPERATIONS...Contd.

(f) Cost to obtain or fulfil the contract:

i. Amount of amortisation recognised in Statement of Profit and Loss during the year : Nil

ii. Amount recognised as contract assets as at 31 March 2021 : Nil

NOTE 24 OTHER INCOME

₹ crore

	Year ended 31 March 2021	Year ended 31 March 2020
a) Interest income	29.10	20.77
b) Dividend from long-term investments	0.03	0.03
c) Other non-operating income		
- Profit on disposal of property, plant and equipment (net)	12.93	1.53
- Exchange gain (net)	2.66	2.08
- Miscellaneous	7.92	5.10
Total other income	**52.64**	**29.51**

NOTE 25 COST OF MATERIALS CONSUMED

₹ crore

	Year ended 31 March 2021	Year ended 31 March 2020
Stock at beginning of the year	187.52	192.24
Add: Purchases	537.00	700.62
	724.52	**892.86**
Less: Sale of scrap and unserviceable material	(16.81)	(14.58)
	707.71	**878.28**
Less: Stock at the end of the year	(182.15)	(187.52)
Total cost of construction materials consumed	**525.56**	**690.76**

NOTE 26 CONSTRUCTION EXPENSES

₹ crore

	Year ended 31 March 2021	Year ended 31 March 2020
a) Power, fuel and water	129.47	126.23
b) Insurance	24.78	24.68
c) Rent (Refer note 42)	54.06	79.56
d) Transportation	18.33	28.96
e) Others	18.30	20.37
Total construction expenses	**244.94**	**279.80**

NOTE 27 EMPLOYEE BENEFITS EXPENSE

₹ crore

	Year ended 31 March 2021	Year ended 31 March 2020
a) Salaries and wages	287.99	368.75
b) Contribution to provident and other funds [Refer note 37(B)(a)]	19.27	21.87
c) Staff welfare	16.48	23.05
Total employee benefits expense	**323.74**	**413.67**

Note 27.1 Pursuant to notification of the Companies (Amendment) Act, 2017 amending Section 197 of the Companies Act, 2013 ('the Act'), with effect from 12 September 2018, the Company's application to the Ministry of Corporate Affairs ('MCA') for approval in respect of remuneration of Chairman and Managing Director (CMD) accrued/ paid in excess of the prescribed limit for the financials years 2014-15 and 2015-16 stood abated. The Company, vide resolution dated 10 September 2019, had obtained approval from the shareholders for the payment of remuneration in respect of the aforesaid years, to be only given effect to, post receipt of the approval of the lenders which was pending. Further, the excess managerial remuneration for financial year 2013-14 aggregating ₹ 8.74 crore was proposed to be recovered.

NOTE 27 EMPLOYEE BENEFITS EXPENSE ...Contd.

During the current year, the Company has been advised by a senior legal counsel that the requisite approval from lenders for payment of remuneration in earlier years through Monitoring Committee of lenders is still valid and persisting and there is no need to obtain fresh approvals from lenders under Section 197 of the Act. Accordingly, based on the legal advice, the Company adjusted the excess remuneration paid to the CMD, held in trust, for the financial year 2013-14 with the unpaid remuneration for the financial year 2014-15 and also the excess managerial remuneration for the financial year 2015-16 stood regularized. Subsequent to 31 March 2021, an external agency appointed by lenders vide its report has also confirmed the compliance of the conditions laid out by Monitoring Committee of lenders in earlier years. Pursuant to the confirmation from external agency, accrual/ payment of excess managerial remuneration for the year 2014-15 and 2015-16 stands approved by the lenders and the excess remuneration of financial year 2013-14 stands recovered.

Further, on 26 September 2019, the Company in its shareholder's meeting had also obtained approvals vide special resolutions for remuneration of CMD and Whole Time Director for the period 1 April 2019 to 31 March 2022, to be given effect to, only post receipt of the approval of lenders. The Company expects requisite approvals from lenders to be obtained along side implementation of the resolution plan. Pending receipt of lenders approvals, managerial remuneration continue to be accrued/ paid by the Company as detailed below:

₹ crore

Financial Year	Designation	Remuneration accrued	Remuneration paid	Remuneration as per prescribed limit	Excess remuneration accrued / paid	Excess remuneration paid held in trust
		(a)	(b)	(c)	(d = a- c)	(e = b- c)
2019-20	CMD & Whole Time Director	13.57	3.75	-	13.57	3.75
2020-21		13.50	1.44	-	13.50	1.44
Total		**27.07**	**5.19**	**-**	**27.07**	**5.19**

NOTE 28 FINANCE COSTS

₹ crore

		Year ended 31 March 2021	Year ended 31 March 2020
a)	**Interest expense on:**		
	- debentures	223.79	206.25
	- term loans and cash credit from banks and financial institutions	301.24	232.05
	- Lease liabilities	0.24	0.50
	- others	260.28	256.11
b)	**Other borrowing costs**		
	- guarantee commission	37.82	46.92
	- other finance charges	6.52	4.32
Total finance costs		**829.89**	**746.15**

NOTE 29 DEPRECIATION AND AMORTISATION EXPENSE (REFER NOTES 3A, 3B AND 4)

₹ crore

		Year ended 31 March 2021	Year ended 31 March 2020
a)	Depreciation of tangible assets	87.79	105.33
b)	Depreciation of right-of-use assets	2.83	3.70
c)	Amortisation of intangible assets	0.44	0.34
Total depreciation and amortisation expense		**91.06**	**109.37**

NOTE 30 OTHER EXPENSES

₹ crore

			Year ended 31 March 2021	Year ended 31 March 2020
a)	Stationery, postage, telephone and advertisement		2.93	4.55
b)	Travelling and conveyance		4.05	11.04
c)	Professional fees		18.80	41.96
d)	Rates and taxes		75.10	32.40
e)	Repairs and maintenance- building		3.56	3.98
f)	Repairs and maintenance- others		4.47	7.79
g)	Computer maintenance and development		9.08	10.21
h)	Directors' sitting fees (Refer note 39)		0.86	0.68
i)	Auditors' remuneration :			
	i) Audit fees	1.35		1.35
	ii) Tax audit fees	0.20		0.20
	iii) Limited review fees	1.00		1.00
	iv) Certification fees	0.80		0.30
	v) Reimbursement of out of pocket expenses	0.02		0.02
			3.37	**2.87**
j)	Miscellaneous expenses		19.61	17.03
Total other expenses			**141.83**	**132.51**

Note 30.1 - The Company is not liable to incur any expenses on Corporate Social Responsibility as per section 135 of the Companies Act, 2013.

NOTE 31 EXCEPTIONAL ITEMS - GAIN / (LOSS)

₹ crore

		Year ended 31 March 2021	Year ended 31 March 2020
a)	Loss on settlements with a customer (net) [Refer note 31.1 below]	(274.03)	-
b)	Reversal of loss provision in respect of arbitration awards and claims (Refer note 31.2 below)	-	331.40
c)	Reversal of gain on settlement of debt [Refer note 17.1 (II)]	-	(11.45)
Total exceptional items - (Gains) / Loss		**(274.03)**	**319.95**

Note 31.1 Loss on settlements with a customer (net)

During the current year, Baharampore Farakka Highways Limited ('BFHL'), a joint venture, and Farakka Raiganj Highways Limited ('FRHL'), an erstwhile joint venture, have entered into settlement agreements with one its customer for a comprehensive closure of all outstanding disputes in respect of claims of BFHL and FRHL ('Concessionaire') and the Company (EPC contractor of Concessionaire), for an aggregate amount of ₹ 1,259 crore. Pursuant to the above settlements, the Company's receivables, representing a favorable arbitration award and claims as EPC contractor, with carrying value of ₹ 635.27 crore (net of advances ₹ 433.20 crore) in the books of account have been settled for ₹ 682.55 crore. The resultant profit of ₹ 47.28 crore (net) has been recognized by the Company as an exceptional item in the standalone financial statements for the year ended 31 March 2021. Further, during the year, the Company also entered into similar settlement agreement to conciliate long pending dispute in respect of arbitration awards published in the Company's favour, for two completed projects, which were being contested by the customer in Courts. Pursuant to the above, the Company settled receivables aggregating ₹ 578.12 crore for a consideration of ₹ 256.81 crore as full and final settlement with an understanding that all pending disputes stand resolved. Accordingly, the Company recognised the resultant loss aggregating ₹ 321.31 crore as an exceptional item.

Though the Company had a fair chance to recover entire money over the period, however, considering the time involved in the litigation and urgent need to realize monies urgently to tie up its cashflow deficit for its operations, the Company has opted for these conciliations, as per the scheme provided u/s 73 of Arbitration and Conciliation Act, 2015 by Ministry of Road Transport Highways.

NOTE 31 EXCEPTIONAL ITEMS - GAIN / (LOSS)...Contd.

Note 31.2 During the year ended 31 March 2019, the Company had recognized a provision of ₹ 331.40 crore pursuant to the signing of an non-binding term sheet with a consortium of investors along with a letter of commitment, for an assignment of the beneficial interest in portfolio of identified arbitration awards and claims ('specified assets') for an aggregate consideration of ₹ 1,750 crore. The said provision continued thereafter in view of mutual extension of the said transaction till 31 December 2019. In the absence of any further extension, the Company decided to cancel this proposed transaction. Pursuant to the cancellation of the aforesaid transaction, the provision of ₹ 331.40 crore, related to specified assets, recognized earlier has been written back during the year ended 31 March 2020.

NOTE 32 EARNINGS PER SHARE (EPS)

			Year ended 31 March 2021	Year ended 31 March 2020
Basic and diluted EPS				
A.	Loss computation for basic earnings per share of ₹ 1 each			
	Net loss as per the Statement of Profit and Loss available for equity shareholders	(₹ crore)	(566.45)	(168.72)
B.	Weighted average number of equity shares for EPS computation	(Nos.)	1,513,028,244	1,513,028,244
C.	EPS- Basic and Diluted EPS	(₹)	(3.74)	(1.12)

Notes:

Equity shares to be issued to certain lenders pursuant to implementation of S4A Scheme [refer note 16(g)] and to lenders pursuant to Right to Recompense (Refer note 17.2) do not presently qualify as potential equity shares and and hence have not been considered in the determination of diluted earnings per share.

NOTE 33 CONTINGENT LIABILITIES AND COMMITMENTS

A. Contingent liabilities

₹ crore

		As at 31 March 2021	As at 31 March 2020
(i)	Claims not acknowledged as debts by the Company	14.93	11.83
(ii)	Income tax liability that may arise in respect of which the Company is in appeals	67.73	31.27
(iii)	Sales tax liability / Works Contract Tax liability / Service Tax / Customs liability that may arise in respect of matters in appeal	213.89	202.91
(iv)	Corporate Guarantees issued to lenders of subsidiaries	226.93	225.25
(v)	Counter indemnities given to banks in respect of contracts executed by subsidiaries and joint ventures	-	15.39
(vi)	The Company is a confirming party to a debenture purchase and sale agreement entered into by a subsidiary for purchase of non-convertible debentures (NCDs) of an erstwhile subsidiary, for an amount of ₹ 138 crore along with an Internal Rate of Return (IRR) of 10.27% p.a. aggregating ₹ 85.76 crore as at 31 March 2021. As part of the purchase agreement, the Company has agreed not to create encumbrance by way of first charge on certain identified claims/ awards and also agreed to make available 25% of realised amount from these identified claims/ awards to facilitate purchase of these NCDs. These identified claims/ awards are currently charged in favour of the consortium lenders.		
(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.		
	It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above contingent liabilities except in respect of matters stated in (iv) and (vi) above. Future cash outflows in respect of the above are determinable only on receipt of judgments / decisions pending with various forums / authorities. The Company does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof.		

NOTE 33 CONTINGENT LIABILITIES AND COMMITMENTS...Contd.

B. Commitments

₹ crore

		As at 31 March 2021	As at 31 March 2020
(i)	Capital commitment (net of advances)	38.48	40.86
(ii)	Put option given to lenders of Lavasa Corporation Limited to sell debentures to the Company in the event of default (including interest and penal charges thereon) [Also refer note 18.1]	782.06	643.45

Note 34 The Company, as at 31 March 2021, has non-current investments amounting to ₹ 1,571.65 crore (31 March 2020: ₹ 1,574.90 crore) in its subsidiary, HCC Infrastructure Company Limited ('HICL') which is holding 85.45% in HCC Concessions Limited ('HCL') having Build, Operate and Transfer (BOT) SPVs under its fold. HICL has incurred significant losses and the consolidated net-worth as at 31 March 2021 has been fully eroded. However, the net-worth of HICL does not represent its true market value as the value of the underlying investments/assets, based on valuation report of an independent valuer, is higher. Further, pursuant to the share purchase agreement for sale of a BOT SPV by HCL during the year, HCL continues to remain entitled to an earn-out consideration and royalty representing revenue share from the BOT SPV over concessions period, which are estimated to be significantly material. Also, one of its entity has claims against its customer mainly in respect of cost-overrun arising due to client caused delays and termination of contracts which are under arbitration/ litigation wherein management has been legally advised that it has good case on merits. Therefore, based on certain estimates of future business plans, growth prospects, future consideration from the entity sold as well as considering the contractual tenability and expected outcome of arbitration/ litigations, the management believes that the realizable amount of HICL is higher than the carrying value of the non-current investments due to which these are considered as good and fully recoverable.

Note 35 'Unbilled work-in-progress (Other current assets), non-current trade receivables and current trade receivables include ₹ 833.67 crore (31 March 2020: ₹ 805.60 crore), Nil (31 March 2020: ₹ 293.08 crore) and ₹ 295.33 crore (31 March 2020: ₹ 395.91 crore), respectively, outstanding as at 31 March 2021 representing receivables from customers based on the terms and conditions implicit in the contracts mainly in respect of closed/ suspended projects. Further, current trade receivables as at 31 March 2021 also include ₹ 2,748.55 crore (net of advances of ₹ 2,738.80 crore), representing claims awarded in arbitration, including interest thereon, in favour of the Company which have been challenged by the customers in higher courts. These aforementioned receivables are mainly in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design, recoveries made and change in scope of work; for which Company is at various stages of negotiation/ discussion with the clients or under arbitration/ litigation. Considering the contractual tenability, progress of negotiations/ discussions/ arbitration/ litigations and as legally advised in certain contentious matters, the management is confident of recovery of these receivables.

NOTE 36 INTERESTS IN OTHER ENTITIES

a) Joint operations (unincorporated entities)

The Company's share of interest in joint operations is set out below.

Name of the entity	% of ownership interest held by the Company as at		Name of the ventures' partner	Principal place of Business / Principal activities
	31 March 2021	31 March 2020		
HCC- L&T Purulia Joint Venture	57.00	57.00	Larsen and Toubro Limited	India/ Construction
Nathpa Jhakri Joint venture	40.00	40.00	Impregilio-Spa, Italy	India/ Construction
Kumagai- Skanska- HCC- Itochu Joint Venture	19.60	19.60	Skanska, Kumagai	India/ Construction
Alpine- Samsung Joint Venture	33.00	33.00	Itochu, Alpine Meyreder Bau Samsung Corporation	India/ Construction
Alpine- HCC Joint Venture	49.00	49.00	Alpine Meyreder Bau	India/ Construction
HCC- Samsung Joint Venture CC-34	50.00	50.00	Samsung C&T Corporation	India/ Construction
HCC- HDC Joint Venture	55.00	55.00	Hyundai Development Company	India/ Construction
HCC- VCCL Joint Venture	50.00	50.00	Vensar Constructions Company Limited	India/ Construction

NOTE 36 INTERESTS IN OTHER ENTITIES..Contd.

i) Classification of joint arrangements

The joint venture agreements in relation to the above mentioned joint operations require unanimous consent from all the parties for all relevant activities. All co-venturers have direct rights to the assets of the joint venture and are also jointly and severally liable for the liabilities incurred by the joint venture. These joint ventures are therefore classified as a joint operation and the Company recognises its direct right to the jointly held assets, liabilities, revenue and expenses. In respect of these contracts (assessed as AOP under the Income tax laws), the services rendered to the joint ventures are accounted as income on accrual basis.

₹ crore

		As at 31 March 2021	As at 31 March 2020
ii)	**Summarised balance sheet**		
	Total assets	156.68	97.29
	Total liabilities	225.81	151.34
iii)	**Contingent liability/ capital commitment as at reporting date**		
	Contingent liability	13.28	13.28
	Capital and other commitment	-	0.25

₹ crore

		Year ended 31 March 2021	Year ended 31 March 2020
iv)	**Summarised statement of profit and loss**		
	Revenue from operations	199.82	84.73
	Other income	0.40	1.13
	Total expenses (including taxes)	215.30	87.45

b) Joint operations on work sharing basis

Contracts executed in joint venture under work sharing arrangement (consortium) is set out below. The principal place of business of all these joint operations is in India and they are engaged in construction business.

i)	HCC Van Oord ACZ Joint Venture	xv)	HCC- MEIL- NCC- WPIL Joint Venture
ii)	Samsung- HCC Joint Venture	xvi)	HCC- DSD- VNR Joint Venture
iii)	L & T- HCC Joint Venture	xvii)	MEIL- IVRCL- HCC- WPIL Joint Venture
iv)	HCC- KBL Joint Venture	xviii)	Alstom Hydro France- HCC Joint Venture
v)	HCC- NCC Joint Venture	xix)	GVPR Engineers- HCC Joint Venture
vi)	HCC- CEC Joint Venture	xx)	HCC- CP PL Joint Venture (Manipur)
vii)	HCC- NOVA Joint Venture	xxi)	HCC- VCCL Joint Venture
viii)	HCC- CPPL Joint Venture (Veligonda)	xxii)	HCC- MMS (MMRCL) Joint Venture
ix)	HCC- MEIL- CBE Joint Venture	xxiii)	HCC- LCESPL (Bistan Lift) Joint venture
x)	HCC- MEIL- BHEL Joint Venture	xxiv)	HCC- HSEPL Joint Venture
xi)	HCC- MEIL- SEW- AAG Joint Venture	xxv)	HCC- URCC Joint Venture
xii)	HCC- MEIL- SEW Joint Venture	xxvi)	HCC- AL FARA'A Joint Venture
xiii)	HCC- Halcrow Joint Venture	xxvii)	DBL- HCC Joint Venture
xiv)	HCC- Laing- Sadbhav		

Classification of work executed on sharing basis

Contracts executed in joint venture under work sharing arrangement (consortium) is accounted to the extent work executed by the Company as that of an independent contract.

NOTE 37 DISCLOSURE RELATING TO EMPLOYEE BENEFITS AS PER IND AS 19 'EMPLOYEE BENEFITS'

A Defined benefit obligations

I Gratuity (unfunded)

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

₹ crore

		Year ended 31 March 2021	Year ended 31 March 2020
a)	**Changes in defined benefit obligations**		
	Present value of obligation as at the beginning of the year	37.97	28.65
	Interest cost	2.59	2.16
	Current service cost	2.69	2.40
	Remeasurements- Net actuarial loss/ (gain)	(1.99)	4.85
	Benefits paid	(6.73)	(0.09)
		34.53	**37.97**
	Add: Provision for separated employees ^	1.80	3.60
	Present value of obligation as at the end of the year	**36.33**	**41.57**
	^ represents provisions not valued by an actuary		
b)	**Expenses recognised in the Statement of Profit and Loss**		
	Interest cost	2.59	2.16
	Current service cost	2.69	2.40
	Total	**5.28**	**4.56**
c)	**Remeasurement losses recognised in OCI**		
	Actuarial changes arising from changes in financial assumptions	(0.40)	(0.98)
	Experience adjustments	(1.59)	5.83
	Total	**(1.99)**	**4.85**

		31 March 2021	31 March 2020
d)	**Actuarial assumptions**		
	Discount rate	6.44% p.a.	6.82% p.a.
	Salary escalation rate (over a long-term)	6.00% p.a.	8.00% p.a.
	Mortality rate	Indian assured lives mortality (2006-08)	Indian assured lives mortality (2006-08)
	Average future working lifetime	10 Years	11 Years
	Attrition rate :		
	- For services 4 years and below	8% p.a.	8% p.a.
	- For services 5 years and above	4% p.a.	4% p.a.

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

e) Quantities sensitivity analysis for significant assumption is as below:

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

NOTE 37 DISCLOSURE RELATING TO EMPLOYEE BENEFITS AS PER IND AS 19 'EMPLOYEE BENEFITS'..Contd.

The methods and type of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

₹ crore

		Year ended 31 March 2021	Year ended 31 March 2020
		1% increase	
i.	Discount rate	(1.50)	(1.86)
ii.	Salary escalation rate	1.65	2.06
		1% decrease	
i.	Discount rate	1.66	2.08
ii.	Salary escalation rate	(1.52)	(1.59)

The sensitivity analysis presented above may not be representative of the actual charge in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as the assumptions may be correlated.

f) Maturity analysis of defined benefit obligation

₹ crore

	As at 31 March 2021	As at 31 March 2020
Within the next 12 months	5.62	7.35
Between 2 and 5 years	17.28	16.56
Over 5 years	26.52	35.03
Total expected payments	**49.42**	**58.94**

II Provident fund

In respect of certain employees, provident fund contributions are made to a trust administered by the Company. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. Accordingly, the contribution paid or payable and the interest shortfall, if any, is recognised as an expense in the period in which services are rendered by the employee.

In accordance with an actuarial valuation of provident fund liabilities for the financial year ended 31 March 2021, on the basis of guidance issued by Actuarial Society of India and based on the assumptions as mentioned below, there is no deficiency in the interest cost as the present value of the expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of Government administered provident fund.

The principal assumptions used in determining the present value obligation of interest guarantee under the deterministic approach are as follows:

₹ crore

	Year ended 31 March 2021	Year ended 31 March 2020
Discount rate	6.44% p.a.	6.82% p.a.
Reinvestment period on maturity	5 years	5 years
Guaranteed rate of return	**8.50% p.a.^**	**8.50% p.a.**

^ The interest rate to be applied on the provident fund contribution for the financial year ended 31 March 2021 is pending to be notified by the Ministry of Labour, Government of India.

NOTE 37 DISCLOSURE RELATING TO EMPLOYEE BENEFITS AS PER IND AS 19 'EMPLOYEE BENEFITS'..Contd.

B Defined contribution plans

a) The Company has recognised the following amounts in the Statement of Profit and Loss for the year:

₹ crore

		Year ended 31 March 2021	Year ended 31 March 2020
(i)	Contribution to provident fund	16.12	17.84
(ii)	Contribution to super annuation fund	3.15	4.03
		19.27	**21.87**

b) The expenses for leave entitlement and compensated absences is recognized in the same manner as gratuity and provision of ₹ 17.47 crore (31 March 2020: ₹ 17.36 crore) has been made as at 31 March 2021.

C Current/ non-current classification

₹ crore

	As at 31 March 2021	As at 31 March 2020
Gratuity		
Current ^	7.38	10.96
Non-current	28.95	30.61
	36.33	**41.57**
Leave entitlement (including sick leave)		
Current	4.40	4.14
Non-current	13.07	13.22
	17.47	**17.36**

^ includes liability of ₹ 1.80 crore (31 March 2020: ₹ 3.60 crore) provided in respect of separated employees which has not been valued by an actuary.

NOTE 38 FINANCIAL INSTRUMENTS

The fair value of the financial assets are included at amounts at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value:

(a) Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments

(b) Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

A Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2021 were as follows:

₹ crore

Particulars	Refer note	Amortised cost	Fair value through profit or loss	Fair value through Other Comprehensive Income	Total carrying value
Assets:					
Investments					
Investments in equity shares (unquoted)	5A, 12	3.00	-	7.98	10.98
Investments in equity shares (quoted)	5A	-	-	4.56	4.56
Trade receivables	6	4,398.21	-	-	4,398.21
Loans	7	201.36	-	-	201.36
Other financial assets	8	158.94	-	-	158.94
Cash and cash equivalents	13	228.17	-	-	228.17

NOTE 38 FINANCIAL INSTRUMENTS..Contd.

₹ crore

Particulars	Refer note	Amortised cost	Fair value through profit or loss	Fair value through Other Comprehensive Income	Total carrying value
Bank balances other than cash and cash equivalents	14		94.16		94.16
Liabilities:					
Borrowings (including current maturities of long-term borrowings)	17, 18, 20	3,951.81	-		3,951.81
Trade payables	21	1,649.90	-		1,649.90
Lease liabilities		1.36	-		1.36
Other financial liabilities	18	2,449.75	-		2,449.75

A Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2020 were as follows:

₹ crore

Particulars	Refer note	Amortised cost	Fair value through profit or loss	Fair value through Other Comprehensive Income	Total carrying value
Assets:					
Investments					
Investments in equity shares (unquoted)	5A, 12	3.00	-	4.03	7.03
Investments in equity shares (quoted)	5A	-	-	2.91	2.91
Trade receivables	6	4,541.69	-	-	4,541.69
Loans	7	207.08	-	-	207.08
Others financial assets	8	144.27	-	-	144.27
Cash and cash equivalents	13	85.92	-	-	85.92
Bank balances other than cash and cash equivalents	14	82.76	-	-	82.76
Liabilities:					
Borrowings (including current maturities of long-term borrowings)	17, 18, 20	3,370.23	-	-	3,370.23
Trade payables	21	1,780.61	-	-	1,780.61
Lease liabilities		2.33	-	-	2.33
Other financial liabilities	18	1,958.44			1,958.44

B Fair value hierarchy

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

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

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

₹ crore

Particulars	**31 March 2021**			31 March 2020		
	Level 1	**Level 2**	**Level 3**	Level 1	Level 2	Level 3
Assets						
Investments in equity shares (quoted)	**4.56**	**-**	**-**	2.91	-	-
Investments in equity shares (unquoted)	**-**	**7.98**	**-**	-	4.03	-

NOTE 39 DISCLOSURE IN ACCORDANCE WITH IND-AS 24 RELATED PARTY TRANSACTIONS

A. Names of related parties and nature of relationship

Name of the entity	Country of incorporation	Company's holding as at^		Subsidiaries of
		31 March 2021	31 March 2020	
a) Subsidiaries				
Western Securities Limited	India	97.87	97.87	Hindustan Construction Company Limited
HREL Real Estate Limited (erstwhile HCC Real Estate Limited)	India	100.00	100.00	Hindustan Construction Company Limited
Panchkutir Developers Limited	India	100.00	100.00	Hindustan Construction Company Limited
HCC Mauritius Enterprises Limited	Mauritius	100.00	100.00	Hindustan Construction Company Limited
HCC Construction Limited	India	100.00	100.00	Hindustan Construction Company Limited
Highbar Technologies Limited	India	100.00	100.00	Hindustan Construction Company Limited
HCC Infrastructure Company Limited	India	100.00	100.00	Hindustan Construction Company Limited
HCC Mauritius Investments Limited	Mauritius	100.00	100.00	Hindustan Construction Company Limited
HRL Township Developers Limited	India	100.00	100.00	Hindustan Construction Company Limited
Maan Township Developers Limited	India	100.00	100.00	Hindustan Construction Company Limited
Prolific Resolution Private Limited	India	100.00	-	Hindustan Construction Company Limited (w.e.f. 8 March 2021)
HRL (Thane) Real Estate Limited	India	100.00	100.00	HREL Real Estate Limited
Nashik Township Developers Limited	India	100.00	100.00	HREL Real Estate Limited
Powai Real Estate Developer Limited	India	100.00	100.00	HREL Real Estate Limited
HCC Realty Limited	India	100.00	100.00	HREL Real Estate Limited
HCC Aviation Limited	India	100.00	100.00	HREL Real Estate Limited
HCC Operation and Maintenance Limited	India	100.00	100.00	HCC Infrastructure Company Limited
Dhule Palesner Operations & Maintenance Limited	India	100.00	100.00	HCC Infrastructure Company Limited
HCC Power Limited	India	100.00	100.00	HCC Infrastructure Company Limited
HCC Energy Limited	India	100.00	100.00	HCC Power Limited
Steiner AG	Switzerland	100.00	100.00	HCC Mauritius Enterprises Limited 66% HCC Mauritius Investments Limited 34%
Steiner Promotions et Participations SA	Switzerland	100.00	100.00	Steiner- AG
Steiner (Deutschland) GmbH	Germany	100.00	100.00	Steiner- AG
VM + ST AG	Switzerland	100.00	100.00	Steiner- AG
Steiner Leman SAS	France	100.00	100.00	Steiner- AG
Eurohotel SA	Switzerland	-	95.00	Steiner- AG (upto 29 January 2020)
Steiner India Limited	India	100.00	100.00	Steiner- AG

NOTE 39 DISCLOSURE IN ACCORDANCE WITH IND-AS 24 RELATED PARTY TRANSACTIONS...Contd.

Name of the entity	Country of incorporation	Company's holding as at^		Subsidiaries of
		31 March 2021	31 March 2020	
Manufakt8048 AG	Switzerland	100.00	100.00	Steiner Promotions et Participations SA
Lavasa Corporation Limited ^^	India	68.70	68.70	HREL Real Estate Limited
Dasve Business Hotel Limited	India	100.00	100.00	Lavasa Corporation Limited^^
Dasve Hospitality Institutes Limited	India	100.00	100.00	Lavasa Corporation Limited^^
Dasve Convention Center Limited ^^	India	100.00	100.00	Lavasa Corporation Limited^^
Dasve Retail Limited	India	100.00	100.00	Lavasa Corporation Limited^^
Full Spectrum Adventure Limited	India	90.91	90.91	Lavasa Corporation Limited^^
Future City Multiservices SEZ Limited	India	100.00	100.00	Lavasa Corporation Limited^^
Hill City Service Apartments Limited	India	100.00	100.00	Lavasa Corporation Limited^^
Hill View Parking Services Limited	India	100.00	100.00	Lavasa Corporation Limited^^
Kart Racers Limited	India	90.00	90.00	Lavasa Corporation Limited^^
Lakeshore Watersports Company Limited	India	100.00	100.00	Lavasa Corporation Limited^^
Lakeview Clubs Limited	India	100.00	100.00	Lavasa Corporation Limited^^
Lavasa Bamboocrafts Limited	India	100.00	100.00	Lavasa Corporation Limited^^
Lavasa Hotel Limited	India	100.00	100.00	Lavasa Corporation Limited^^
Mugaon Luxury Hotels Limited	India	100.00	100.00	Lavasa Corporation Limited^^
My City Technology Limited	India	63.00	63.00	Lavasa Corporation Limited^^
Nature Lovers Retail Limited	India	100.00	100.00	Lavasa Corporation Limited^^
Our Home Service Apartments Limited	India	100.00	100.00	Lavasa Corporation Limited^^
Reasonable Housing Limited	India	100.00	100.00	Lavasa Corporation Limited^^
Rhapsody Commercial Space Limited	India	100.00	100.00	Lavasa Corporation Limited^^
Rosebay Hotels Limited	India	100.00	100.00	Lavasa Corporation Limited^^
Sahyadri City Management Limited	India	100.00	100.00	Lavasa Corporation Limited^^
Valley View Entertainment Limited	India	100.00	100.00	Lavasa Corporation Limited^^
Verzon Hospitality Limited	India	100.00	100.00	Lavasa Corporation Limited^^

NOTE 39 DISCLOSURE IN ACCORDANCE WITH IND-AS 24 RELATED PARTY TRANSACTIONS...Contd.

Name of the entity	Country of incorporation	Company's holding as at^		Subsidiaries of
		31 March 2021	31 March 2020	
Warasgaon Assets Maintenance Limited ^^	India	100.00	100.00	Lavasa Corporation Limited^^
Warasgaon Infrastructure Providers Limited	India	100.00	100.00	Lavasa Corporation Limited^^
Warasgaon Power Supply Limited	India	100.00	100.00	Lavasa Corporation Limited^^
Warasgaon Tourism Limited	India	100.00	100.00	Lavasa Corporation Limited^^
Warasgaon Valley Hotels Limited	India	100.00	100.00	Lavasa Corporation Limited^^
Green Hills Residences Limited	India	100.00	100.00	Lavasa Corporation Limited^^

^ including through subsidiary companies

		Country of incorporation	Company's holding as at (%) ^	
			31 March 2021	31 March 2020
b)	**Joint Venture**			
	HCC Concessions Limited	India	85.45	85.45
	Narmada Bridge Tollways Limited	India	85.45	85.45
	Badarpur Faridabad Tollways Limited	India	85.45	85.45
	Baharampore-Farakka Highways Limited	India	85.45	85.45
	Farakka Raiganj Highways Limited (upto 22 September 2020)	India	85.45	85.45
	Raiganj Dalkhola Highways Limited	India	86.91	86.91
	Werkarena Basel AG (w.e.f 30 September 2019)	Switzerland	50.00	50.00
	Ecomotel Hotel Limited	India	40.00 ^^	40.00 ^^
	Spotless Laundry Services Limited	India	76.02 ^^	76.02 ^^
	Whistling Thrush Facilities Services Limited	India	51.00 ^^	51.00 ^^
	Apollo Lavasa Health Corporation Limited	India	49.00 ^^	49.00 ^^
	Andromeda Hotels Limited	India	40.03 ^^	40.03 ^^
	Bona Sera Hotels Limited	India	26.00 ^^	26.00 ^^
	Starlit Resort Limited	India	26.00 ^^	26.00 ^^
c)	**Associates**			
	Evostate AG	Switzerland	30.00	30.00
	MCR Managing Corp. Real Estate	Switzerland	30.00	30.00
	Projektentwicklungsges. Parking Kunstmuseum AG	Switzerland	38.64	38.64
	Evostate Immobilien AG (Subsidiary of Evostate AG)	Switzerland	30.00	30.00
	Highbar Technocrat Limited	India	49.00	49.00
	Warasgaon Lake View Hotels Limited	India	24.56 ^^	24.56 ^^
	Knowledge Vistas Limited	India	49.00 ^^	49.00 ^^

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

Pursuant to the initiation of the CIRP and in accordance with the provisions of IBC, the powers of the Board of Directors of these entities stand suspended and the management of these subsidiaries presently vests with the Resolution Professional (RP) appointed under the provisions of IBC. Accordingly, effective date of the admission by NCLT, the Company no longer has any control or significant influence on these entities and they cease to be subsidiaries of the Company. Further, effective date of admission by NCLT, the Company also no longer has control or significant influence on the aforementioned 29 subsidiaries, 2 associates and 7 joint venture of these entities. While the aforementioned entities cease to be subsidiaries/ joint ventures/ associates under Ind AS, they continue to be subsidiaries/ joint ventures/ associates under the Act.

NOTE 39 DISCLOSURE IN ACCORDANCE WITH IND-AS 24 RELATED PARTY TRANSACTIONS...Contd.

d)	Other Related Parties	Relationship
	Gulabchand Foundation (formed under section 25 of the erstwhile Companies Act, 1956)	Other related party
	Hincon Holdings Limited	Other related party
	Hincon Finance Limited	Other related party
	Shalaka Investment Private Limited	Other related party
	Aarya Capital Management Private Limited	Other related party
	HCC Employee's Provident Fund (refer note below)	Post-employment contribution plan

Note: Refer note 37B(a) for information on transaction related to post-employment contribution plan

B. Key Management Personnel and Relative of Key Management Personnel

Mr. Ajit Gulabchand	Chairman and Managing Director
Mr. Arjun Dhawan	Group Chief Executive Officer and Whole Time Director
Ms. Shalaka Gulabchand Dhawan	Whole Time Director (upto 31 July 2019)
Mr. Sharad M. Kulkarni	Independent Director (upto 24 December 2020)
Mr. Ram P. Gandhi	Independent Director (upto 27 September 2019)
Mr. Rajas R. Doshi	Independent Director (upto 26 September 2019)
Mr. Omkar Goswami	Independent Director (upto 26 September 2019)
Mr. Anil C. Singhvi	Independent Director
Mr. N. R. Acharyulu	Non-Executive Director
Mr. Santosh Janakiram Iyer	Independent Director (w.e.f. 17 June 2019)
Mr. Mahendra Singh Mehta	Independent Director (w.e.f. 17 June 2019)
Mr. Mukul Sarkar	Nominee Director (w.e.f. 6 February 2020)
Mr. Samuel Joseph	Nominee Director (upto 6 February 2020)
Dr. Mita Dixit	Independent Director (w.e.f. 6 February 2020)
Mr. U.V. Phani Kumar	Chief Executive Officer- E&C (w.e.f. 3 April 2020)
Mr. Amit Uplenchwar	Chief Executive Officer- E&C (upto 27 March 2020)
Mr. Shailesh Sawa	Chief Financial Officer (upto 9 July 2020)
Mr. Anil Chandani	Chief Financial Officer (w.e.f. 9 November 2020 upto 15 January 2021)
Mr. Vithal P. Kulkarni	Company Secretary (w.e.f. 6 February 2020)
Mr. Ajay Singh	Company Secretary (upto 6 February 2020)

C. Transactions with related parties:

₹ crore

	Year ended 31 March 2021	Year ended 31 March 2020
Revenue from operations		
- Joint Venture		
- Baharampore Farakka Highways Limited	-	54.46
- Farakka Raiganj Highways Limited	2.28	41.31
	2.28	**95.77**
Interest income on financial assets carried at amortised cost (Inter corporate deposits)		
- Subsidiaries		
- Highbar Technologies Limited	0.30	0.30
- HCC Mauritius Enterprise Limited	4.15	6.50
- HCC Mauritius Investment Limited	1.64	2.37
- Maan Township Developers Limited	-	2.13
- HRL Township Developers Limited	-	0.05
	6.09	**11.35**

NOTE 39 DISCLOSURE IN ACCORDANCE WITH IND-AS 24 RELATED PARTY TRANSACTIONS...Contd.

₹ crore

	Year ended 31 March 2021	Year ended 31 March 2020
Finance income on corporate guarantees		
- Subsidiaries		
- HCC Mauritius Investment Limited	0.91	0.90
- HCC Mauritius Enterprise Limited	0.22	0.22
	1.13	**1.12**
Reimbursement of expenses		
- Subsidiaries		
- Steiner India Limited	0.27	0.27
- Highbar Technologies Limited	0.22	0.22
- Western Securities Limited	0.42	0.32
	0.91	**0.81**
- Joint Venture		
- HCC Concessions Limited	0.54	0.54
- Associates		
- Highbar Technocrat Limited	0.45	0.68
- Other related parties		
- Hincon Finance Limited	0.52	0.52
	2.42	**2.55**
Interest expense on Inter corporate deposit taken		
- Subsidiaries		
- Western Securities Limited	0.05	0.11
Services received		
- Subsidiaries		
- Highbar Technologies Limited	1.89	3.05
- Western Securities Limited	0.51	0.45
- HCC Operation & Maintainance Limited	-	17.87
	2.40	**21.37**
- Associates		
- Highbar Technocrat Limited	2.36	2.29
- Other Related Party		
- Hincon Holdings Limited	0.48	0.48
	5.24	**24.14**
Inter corporate deposits given during the year		
- Subsidiaries		
- HCC Infrastructure Company Limited	-	22.15 ^
	-	**22.15**
^ Classified as deemed investment		
Inter corporate deposits recovered / adjusted		
- Subsidiaries		
- HCC Infrastructure Company Limited	3.25 ^	6.53 ^
^ Classified as deemed investment		
Inter corporate deposits converted into deemed investment		
- Subsidiaries		
- HCC Infrastructure Company Limited	-	15.62
Inter corporate deposits repaid		
- Subsidiaries		
- Western Securities Limited	**-**	**0.51**
	-	**0.51**

NOTE 39 DISCLOSURE IN ACCORDANCE WITH IND-AS 24 RELATED PARTY TRANSACTIONS...Contd.

₹ crore

	Year ended 31 March 2021	Year ended 31 March 2020
Security deposits taken against sale of old equipment		
- Subsidiaries		
- Steiner India Limited	0.20	-
Advance taken towards disposal of Property, Plant and Equipment		
- Subsidiaries		
- Steiner India Limited	-	20.20
Reversal of impairment allowance		
- Subsidiaries		
- Charosa Wineries Limited	-	(0.61)
	-	**(0.61)**
Remuneration paid / accrued		
- Key Management Personnel		
- Mr. Ajit Gulabchand	7.00	7.00
- Mr. Arjun Dhawan	6.50	6.00
- Ms. Shalaka Gulabchand Dhawan	-	0.57
- Mr. Shailesh Sawa	0.41	3.41
- Mr Amit Uplenchwar	-	4.17
- Mr. Vithal P. Kulkarni	0.80	0.16
- Mr. U. V. Phani Kumar	2.64	-
- Mr. Anil Chandani	0.36	-
- Mr. Ajay Singh	-	0.52
	17.71	**21.83**
Directors' sitting fees paid / accrued		
- Key Management Personnel		
- Mr. Rajas R. Doshi	-	0.10
- Mr. Ram P. Gandhi	-	0.03
- Mr. Sharad M. Kulkarni	0.11	0.09
- Mr. Anil C. Singhvi	0.16	0.15
- Mr. Omkar Goswami	-	0.04
- Mr. N. R. Acharyulu	0.19	0.11
- Mr. Samuel Joseph	-	0.02
- Mr. Santosh Jankiram Iyer	0.11	0.06
- Mr. Mahendra Singh Mehta	0.16	0.07
- Mr. Mukul Sarkar	0.06	0.01
- Dr. Mita Dixit	0.07	-
	0.86	**0.68**

D. Balances outstanding

₹ crore

	As at 31 March 2021	As at 31 March 2020
Outstanding receivables		
Inter-corporate deposits given		
- Subsidiaries		
- HCC Infrastructure Company Limited ^	1,569.41	1,572.66
- Highbar Technologies Limited	2.39	2.39
- HCC Mauritius Enterprise Limited *	119.01	124.00
- HCC Mauritius Investment Limited *	38.04	39.64
- Maan Township Developers Limited	19.12	19.12
- HRL Township Developers Limited	0.41	0.41
	1,748.38	**1,758.22**

NOTE 39 DISCLOSURE IN ACCORDANCE WITH IND-AS 24 RELATED PARTY TRANSACTIONS...Contd.

₹ crore

	As at 31 March 2021	As at 31 March 2020
* Movement is on account of exchange fluctuation		
^ classified as deemed investment under Ind AS		
Receivables from related parties		
- Subsidiaries		
- Panchkutir Developers Limited	54.98	54.98
- HCC Infrastructure Company Limited	0.00*	-
- HCC Mauritius Enterprise Limited	38.06	35.10
- HCC Contract Solutions Limited	0.03	0.02
- Highbar Technologies Limited	15.62	16.31
- Lakeview Club Limited	-	0.05
- HCC Mauritius Investment Limited	7.97	5.62
- Steiner AG	1.97	1.85
- Steiner India Limited	2.29	1.97
- HCC Operation and Maintenance Limited	0.06	-
	120.98	**115.90**
- Joint Venture		
- Badarpur Faridabad Tollways Limited	0.21	0.21
- HCC Concessions Limited	1.53	0.83
	1.74	**1.04**
- Other related parties		
- Hincon Finance Limited	1.00	0.99
- Hincon Holdings Limited	0.03	-
	1.03	**0.99**
	123.75	**117.93**
Trade receivable (net of advances)		
- Joint Venture		
- Baharampore-Farakka Highways Limited	-	222.37
- Farakka-Raiganj Highways Limited	- ^	18.06
- Raiganj-Dalkhola Highways Limited	-	1.91
- Badarpur Faridabad Tollways Limited	-	6.69
	-	**249.03**
Unbilled work-in-progress (contract assets)		
- Joint Venture		
- Farakka-Raiganj Highways Limited	- ^	430.66
- Raiganj-Dalkhola Highways Limited	42.30	42.03
	42.30	**472.69**

^ On 22 September 2020, HCC Concessions Limited ('HCL') a joint venture of the Company, completed the 100% stake sale of its subsidiary i.e. Farakka-Raiganj Highways Limited ('FRHL') to Cube Highways II Pte. Limited. Pursuant to the above, FRHL ceases to be a related party subsquent to 22 September 2020 and consequently transactions subsequent to 22 September 2020 to 31 March 2021 as well as balances outstanding as at 31 March 2021 have not been disclosed above.

₹ crore

	As at 31 March 2021	As at 31 March 2020
Outstanding payables		
Inter corporate deposits taken		
- Subsidiaries		
- Western Securities Limited	0.41	0.41
	0.41	**0.41**

NOTE 39 DISCLOSURE IN ACCORDANCE WITH IND-AS 24 RELATED PARTY TRANSACTIONS...Contd.

₹ crore

	As at 31 March 2021	As at 31 March 2020
Security deposits taken against sale of old equipment		
- Subsidiaries		
- Steiner India Limited	1.10	0.90
Advance taken towards disposal of Property, Plant and Equipment		
- Subsidiaries		
- Steiner India Limited	20.20	20.20
Advance taken towards sale of investment		
- Joint Venture		
- HCC Concessions Limited	3.00	3.00
Payable to related parties		
- Other related parties		
- Hincon Holdings Limited	-	0.04
Advance from contractees		
- Joint Venture		
- Baharampore-Farakka Highway Limited	58.55	53.26
- Farakka-Raiganj Highway Limited	- ^	36.36
- Raiganj-Dalkhola Highways Limited	89.98	65.52
	148.53	**155.14**
Due to customers (contract liability)		
- Joint Venture		
- Baharampore-Farakka Highway Limited	61.49	292.88
- Farakka-Raiganj Highway Limited	- ^	142.74
	61.49	**435.62**
^ ceases to be a related party w.e.f. 22 September 2020, hence balances as at 31 March 2021 have not been reported.		
Payable to related parties		
- Subsidiaries		
- Western Securities Limited	0.01	0.06
- Associates		
- Highbar Technocrat Limited	1.81	0.59
	1.82	**0.65**
Corporate guarantees given by Company		
- Subsidiaries		
- HCC Mauritius Enterprise Limited	44.04	43.72
- HCC Mauritius Investment Limited	182.89	181.53
	226.93	**225.25**
Corporate guarantees taken and outstanding at the end of the year		
- Subsidiaries		
- HREL Real Estate Limited	9,691.55	10,298.94
Counter indemnities given and outstanding at the end of the year		
- Joint Venture		
- Badarpur Faridabad Tollway Limited	-	14.70
- Farakka-Raiganj Highway Limited	-	0.69
	-	**15.39**

NOTE 39 DISCLOSURE IN ACCORDANCE WITH IND-AS 24 RELATED PARTY TRANSACTIONS...Contd.

₹ crore

	As at 31 March 2021	As at 31 March 2020
Remuneration payable (net)		
- Key Management Personnel		
- Mr. Ajit Gulabchand	11.52	10.63
- Mr. Arjun Dhawan	10.51	4.56
- Mr. Shailesh Sawa	-	1.39
- Mr. Amit Uplenchwar	-	2.41
- Mr. Ajay Singh	-	0.18
- Mr. U. V. Phani Kumar	0.21	-
- Mr. Vithal P. Kulkarni	0.07	0.16
	22.31	**19.33**
Directors' sitting fees payable		
- Mr. N. R. Acharyulu	0.01	-
	0.01	**-**

Notes:

(i) The above figure does not include provisional gratuity liability valued by an actuary, as separate figures are not available.

(ii) Refer notes 17.1 and 20.1 for personal guarantee provided by CMD, shares pledged and other security created in respect of borrowing by the Company or the related parties.

(iii) Refer notes 5.2, 5.3 and 12.1 for pledge of shares for facilities taken by joint venture.

(iv) Also refer note 33A(vi)

NOTE 40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

i Market risk

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

a) Interest rate risk

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

Interest rate sensitivity

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

₹ crore

	31 March 2021	31 March 2020
Increase in basis points	50 basis points	
Effect on loss before tax, increase by	10.47	7.33
Decrease in basis points	50 basis points	
Effect on loss before tax, decrease by	10.47	7.33

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

NOTE 40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES...Contd.

b) Foreign currency risk

The Company has several balances in foreign currency and consequently the Company is exposed to foreign exchange risk. The exchange rate between the rupee and foreign currencies has changed substantially in recent years, which has affected the results of the Company, and may fluctuate substantially in the future. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

The following table analyses foreign currency risk from financial instruments as at 31 March 2021:

(currency in crore)

Particulars	USD	EUR	SEK	CHF	AUD
Liabilities					
Loans from banks / financial institutions	1.63	-	-	-	-
Advance from contractee	0.01	0.62	-	-	-
Trade payables	0.25	0.28	0.03	0.00 *	0.00 *
Interest accrued	0.15	-	-	-	-
	2.04	**0.90**	**0.03**	**0.00***	**0.00***
Assets					
Inter corporate deposits and interest thereon	2.63	-	-	-	-
Advance to suppliers	0.01	0.12	0.11	-	-
Trade receivables	0.01	0.18	-	-	-
Bank balances (including deposit account)	0.00*	0.00*	-	-	-
Unbilled work-in-progress (other current assets)	-	0.15	-	-	-
	2.65	**0.45**	**0.11**	**-**	**-**
Net liabilities / (assets)	**(0.61)**	**0.45**	**(0.08)**	**0.00***	**0.00***

The following table analyses foreign currency risk from financial instruments as at 31 March 2020:

(currency in crore)

Particulars	USD	EUR	SEK	CHF
Liabilities				
Loans from banks / financial institutions	1.60	-	-	
Advance from contractee	0.09	0.62	-	
Trade payables	0.20	0.18	0.03	0.00*
Interest accrued	0.06	-	-	-
	1.95	**0.80**	**0.03**	**0.00***
Assets				
Inter corporate deposits and interest thereon	2.55	-	-	-
Advance to suppliers	0.05	0.12	0.13	-
Trade receivables	0.29	0.24	-	-
Bank balances (including deposit account)	0.01	0.00*	-	-
Unbilled work-in-progress (other current financial assets)	-	0.15	-	-
	2.90	**0.51**	**0.13**	**-**
Net liabilities	**(0.95)**	**0.29**	**(0.10)**	**0.00***

* represents amount less than ₹ 1 lakh.

Sensitivity analysis

The Company's net exposure in foreign currency is not material and hence the impact of any significant fluctuation in the exchange rates is not expected to have a material impact on the operating profits / (losses) of the Company.

c) Equity price risk

The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors review and approve all equity investment decisions.

Sensitivity analysis

As at 31 March 2021, the exposure to listed equity securities at fair value was ₹ 4.56 crore (31 March 2020: ₹ 2.91 crore). Changes in this exposure would not have a material effect on the profit or loss of the Company.

NOTE 40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES...Contd.

ii Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. The maximum exposure of the financial assets are contributed by trade receivables and other current assets.

a) Trade Receivables

Trade receivables are typically unsecured and are derived from revenue earned from two main classes of trade receivables i.e. receivables from government promoted agencies and receivables from private third parties. A substantial portion of the Group's trade receivables are from government promoted agencies having strong credit worthiness. Further the Company does not have a history of credit losses from such government promoted agencies, accordingly, provision for expected credit loss is not made in respect of trade receivables.

	As at 31 March 2021		As at 31 March 2020	
	₹ crore	%	₹ crore	%
Trade Receivables				
- from government promoted corporation	4,382.72	99.65%	4,532.59	99.80%
- from private third parties	15.49	0.35%	9.10	0.20%
Total trade receivables	**4,398.21**	**100.00%**	**4,541.69**	**100.00%**

b) Financial assets other than trade receivables

Financial assets other than trade receivables comprise of cash and cash equivalents, Bank balances other than cash and cash equivalents, loan to subsidiaries / employees and other financial assets. The Company monitors the credit exposure on these financial assets on a case-to-case basis. Based on the Company's historical experience, the credit risk on other financial assets is also extremely low.

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

₹ crore

	31 March 2021	31 March 2020
Revenue from top customer	288.07	519.37
Revenue from top five customers	1,202.21	1,771.39

For the year ended 31 March 2021, three (31 March 2020: two) customers, individually, accounted for more than 10% of the revenue.

iii Liquidity risk

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

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

₹ crore

Particulars	Less than 1 year #	1 - 5 years	More than 5 years	Total
As at 31 March 2021				
Borrowings^ (including interest accrued and current maturities of long-term borrowings)	3,086.47	1,634.70	369.25	5,090.42
Trade payables (including retention payable)	1,351.77	298.12	-	1,649.89
Other financial liabilities	662.24	649.06	-	1,311.30
Total	**5,100.48**	**2,581.88**	**369.25**	**8,051.61**
As at 31 March 2020				
Borrowings^ (including interest accrued and current maturities of long-term borrowings)	2,600.50	1,090.32	665.97	4,356.79
Trade payables (including retention payable)	1,551.74	228.87	-	1,780.61
Other financial liabilities	553.72	513.73	-	1,067.30
Total	**4,705.96**	**1,832.92**	**665.97**	**7,204.70**

^ excluding financial liabilities of erstwhile subsidiary taken over by the Company

Includes loans repayable on demand

* Refer note 17.5 for details of continuing default as at reporting dates.

NOTE 41 CAPITAL MANAGEMENT

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or adjust the dividend payment to shareholders (if permitted). Consistent with others in the industry, the Company monitors its capital using the gearing ratio which is total debt (excluding interest accrued and due and interest accrued but not due) divided by total capital (equity).

₹ crore

	As at 31 March 2021	As at 31 March 2020
Total debt^ (₹ crore)	3,951.81	3,370.23
Total equity (₹ crore)	611.86	1,178.74
Total debt to equity ratio (Gearing ratio)	**6.46**	**2.86**

Notes:

(i) excludes ₹ 1,001.95 crore (31 March 2020: ₹ 889.85 crore) representing financial liabilities (including interest) of an erstwhile subsidiary taken over by the Company.

(ii) excludes interest accrued aggregatig ₹ 1,408.95 crore (31 March 2020: ₹ 891.14 crore) on total debt of the Company.

In the long run, the Company's strategy is to maintain a gearing ratio of less than 1.25.

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

NOTE 42 LEASES - IND AS 116

1. Impact on transition to Ind AS 116

Effective 1 April 2019, the Company has adopted Ind AS 116, Leases, which, applied to all lease contracts outstanding as at 1 April 2019, using modified retrospective at the date of initial application, at an amount equal to lease lability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

The Company has made use of the following practical expedients available in its transition to Ind AS 116 .

(a) The Company will not reassess whether a contract is or contains a lease. Accordingly, the definition of lease in accordance with Ind AS 17 will continue to be applied to lease contracts entered by the Company or modified by the Company before 1 April 2019.

(b) The Company has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment. Consequently, the Company has recorded its lease liability using the present value of remaining lease payments, discounted using the incremental borrowing rate at the date of initial application and the right-of- use asset at its carrying amount as if the standard had been applied since the commencement date of the lease but discounted using the incremental borrowing rate at the date of initial application.

(c) The Company excluded the initial direct costs from measurement of the Right-of-use (RoU) asset at the date of initial application.

The weighted average incremental borrowing rate applied to lease liabilities is 12.50 %.

Right-of-use Assets:

(i) On transition, the Company has recognised right-of-use assets aggregating ₹ 5.87 crore.

(ii) The net carrying value of right-of-use assets as at 31 March 2021 amounts to ₹ 1.33 crore (31 March 2020 amounts to ₹ 2.17 crore) have been disclosed on the face of the balance sheet (Refer Note 3B).

NOTE 42 LEASES - IND AS 116...Contd.

Lease liabilities:

(i) On transition, the Company has recognised lease liabilities amounting to ₹ 5.87 crore.

(ii) As at 31 March 2021, the obligations under finance leases amounts to ₹ 1.36 crore (31 March 2020 amounts to ₹ 2.33 crore) [non-current and current obligation amounting Nil and ₹ 1.36 crore respectively] which have been disclosed as lease liabilities on the face of the balance sheet

(iii) The following is the movement in lease liabilities:

₹ crore

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	2.33	5.87
Additions during the year	1.99	-
Finance cost accrued during the year	0.23	0.50
Payment of lease liabilities	(3.19)	(4.04)
Balance at the end of the year	**1.36**	**2.33**

(iv) The table below provides details regarding the contractual maturities of lease liabilties as at 31 March 2021:

₹ crore

Lease Liabilities		**Contractual cash flows**			
	Carrying amount	**Total**	**0-1 year**	**1-5 years**	**5 years and above**
31 March 2021	1.36	1.51	1.51	-	-
31 March 2020	2.33	2.48	2.48	-	-

2. During the year ended 31 March 2021, the Company recognised the following in the statement of profit and loss:

(i) Depreciation expense from right-of-use assets of ₹ 2.83 crore (31 March 2020: ₹ 3.70 crore) (Refer note 29).

(ii) Finance cost on lease liabilities of ₹ 0.24 crore (31 March 2020: ₹ 0.50 crore) (Refer note 28).

(iii) Rent expense amounting to Nil pertaining to leases of low-value assets and ₹ 54.06 crore (31 March 2020: ₹ 79.56 crore) pertaining to leases with less than twelve months of lease term has been included under rent expenses (Refer note 26).

Note 43 The Company is principally engaged in a single business segment viz. "Engineering and Construction". Also, refer note 40(ii) b for information on revenue from major customers.

NOTE 44 DISCLOSURE OF UNHEDGED FOREIGN CURRENCY EXPOSURE AS AT 31 MARCH 2021 AND 31 MARCH 2020.

Particulars	Currency	**31 March 2021**		31 March 2020	
		Foreign currency in crore	**₹ crore**	Foreign currency in crore	₹ crore
Assets					
Inter corporate deposits and interest thereon					
- Non-current	USD	2.16	157.05	2.16	163.63
- Current	USD	0.47	34.00	0.39	29.39
Advance to suppliers	USD	0.01	0.41	0.05	3.63
	EUR	0.12	10.21	0.12	9.85
	SEK	0.11	0.92	0.13	0.98
Trade receivables	EUR	0.18	14.94	0.24	19.68
	USD	0.01	0.81	0.29	21.87

Particulars	Currency	31 March 2021		31 March 2020	
		Foreign currency in crore	**₹ crore**	Foreign currency in crore	₹ crore
Bank balances	USD	0.00*	0.18	0.01	0.52
	EUR	0.00*	0.14	0.00*	0.37
Unbilled work-in-progress	EUR	0.15	13.11	0.15	11.93
			231.77		**261.85**
Liabilities					
Loans from banks / financial institutions					
- Current	USD	1.63	120.42	1.60	122.78
Advance from contractee	USD	0.01	0.85	0.09	7.18
	EUR	0.62	54.33	0.62	52.57
Trade payables	USD	0.25	18.28	0.20	15.18
	EUR	0.28	24.19	0.18	15.10
	SEK	0.03	0.29	0.03	0.26
	CHF	0.00*	0.21	0.00*	0.20
	AUD	0.00*	0.26	-	-
Interest accrued on loans	USD	0.15	11.23	0.06	5.37
			230.06		**218.64**
Net Assets			**1.71**		**43.21**

Note 45 Subsequent to the resignation of Mr. Anil Chandani as the Chief Financial Officer of the Company effective 15 January 2021, the Company is yet to appoint a Chief Financial Officer in accordance with Section 203(1) of the Companies Act, 2013 (the 'Act') and rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Company is in the process of appointing a Chief Financial Officer as required under the Act

NOTE 46 * represents amount less than ₹ 1 lakh.

Note 47 Figures for the previous year have been regrouped/ rearranged, wherever considered necessary.

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

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

Rakesh R. Agarwal
Partner
Membership No.: 109632

Place: Mumbai
Date : June 23, 2021

For and on behalf of the Board of Directors

Ajit Gulabchand DIN: 00010827 *Chairman & Managing Director*
Arjun Dhawan DIN: 01778379 *Group Chief Executive Officer & Whole-Time Director*

Vithal P. Kulkarni
Company Secretary
ACS No. 6707

Anil C. Singhvi DIN : 00239589
N. R. Acharyulu DIN : 02010249
Santosh Jankiram Iyer DIN : 06801226
Mahendra Singh Mehta DIN : 00019566
Mukul Sarkar DIN : 00893700
Mita Dixit DIN : 08198165
Directors

Place: Mumbai / Raigad
Date : June 23, 2021

ANNEXURE I

Statement of Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results (Standalone)

Statement on Implication of Audit Qualifications for the Financial Year ended 31 March 2021

[See Regulation 33/52 of the SEBI (LODR) Amendment Regulations, 2016)]

(Amount in ₹ Crore)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover/Total Income	2,642.38	Not ascertainable [Refer notes II (a) (i) to (iv) below]
	2	Total Expenditure	3,211.07	Not ascertainable [Refer notes II (a) (i) to (iv) below]
	3	Exceptional items- gain / (loss)	(274.03)	Not ascertainable [Refer notes II (a) (i) to (iv) below]
	4	Net Profit/(Loss) for the year after tax	(566.45)	Not ascertainable [Refer notes II (a) (i) to (iv) below]
	5	Earnings/(Loss) per Share	(3.74)	Not ascertainable [Refer notes II (a) (i) to (iv) below]
	6	Total Assets	10,769.91	Not ascertainable [Refer notes II (a) (i) to (iv) below]
	7	Total Liabilities	10,158.05	Not ascertainable [Refer notes II (a) (i) to (iv) below]
	8	Net Worth	611.86	Not ascertainable [Refer notes II (a) (i) to (iv) below]
	9	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	**Audit Qualification**			
	a.	**Details of Audit Qualification:**	Auditor's Qualification	
			(i) Note 6 to the accompanying Statement, the Company has accounted for managerial remuneration paid / payable to Whole Time Directors (including Chairman and Managing Director) of the Company aggregating ₹ 27.07 crore for the financial years ended 31 March 2021 and 31 March 2020, in excess of the limits prescribed under Section 197 of the Act, in respect of which approvals from the shareholders have been obtained as prescribed, however prior approval from the lenders of the Company in accordance with Section 197 has not been obtained by the Company.	
			(ii) Note 7 to the accompanying Statement, the Company's, current borrowings and other current financial liabilities as at 31 March 2021 include balances amounting to ₹ 2.10 crore and ₹ 500.72 crore, respectively, in respect of which direct confirmations from the respective banks/ lenders have not been provided to us by the management of the Company. Further, in respect of certain loans while the principal balances have been confirmed from the direct confirmations issued by banks / lenders, the interest accrued amounting to ₹ 115.37 crore has not been confirmed by the banks/ lenders. Further, direct confirmations from banks have not been received for balances with banks (included under cash and cash equivalents) and earmarked balances/ deposits with banks included under bank balances other than cash and cash equivalents, as at 31 March 2021 amounting to ₹ 2.10 and ₹ 10.91 crore respectively. In the absence of such direct confirmations from the banks/ lenders or sufficient and appropriate alternate audit evidence, we are unable to comment on the adjustments and changes in classification of balances in accordance with the principles of Ind AS 1, Presentation of financial statements, if any, that may be required to the carrying value of the aforementioned balances in the accompanying Statement.	

		(iii) Note 10 to the accompanying Statement, the Company has recognised net deferred tax assets amounting to ₹ 715.99 crore outstanding as at 31 March 2021, on account of carried forward unused tax losses, unused tax credits and other taxable temporary differences which are continued to be recognised by the Company on the basis of expected availability of future taxable profits for utilization of such deferred tax assets. However, in view of the continued losses incurred by the Company, uncertainty with respect to outcome of the resolution plan and the impact of COVID-19 on business operations, we are unable to obtain sufficient appropriate audit evidence with respect to the current projections prepared by the management and therefore, are unable to comment on any adjustments that may be required to the carrying value of aforesaid net deferred tax assets as at 31 March 2021.
		(iv) Note 11(b) to the accompanying Statement, the Company had written back a loss provision aggregating ₹ 331.40 crore during the year ended 31 March 2020, which was earlier recognised by the Company during the year ended 31 March 2019 in cognizance of the assignment of beneficial interests/ rights in a portfolio of identified arbitration awards and claims based on a non-binding term sheet with a consortium of investors along with a letter of commitment, due to cancellation of the said proposed transaction. However, such write-back is inconsistent with the continued intent of the Company to sell / assign the arbitration awards and claims of the Company to other potential investors as evidenced in the proposed resolution plan with lenders. Pending the finalization of the proposed resolution plan with lenders, we are unable to comment on the extent of loss provision required to be provided for in the financial results as at 31 March 2021.
b.	**Type of Audit Qualification:**	Qualified Opinion
c.	**Frequency of Qualification:**	Qualification II (a) (i) and II a) (iv)- Incuded since review report for the quarter/ period ended 31 December 2019; Qualification II (a) (ii) and II a) (iii)- Included since audit report for the quarter and year ended 31 March 2020.
d.	**For Audit Qualifications where the impact is quantified by the auditor, Management views:**	Not Applicable
e.	**For Audit Qualifications where the impact is not quantified by the auditor:**	
	i) Management's estimation on the impact of audit qualification:	Not ascertainable
	ii) If management is unable to estimate the impact, reasons for the same:	II a) (i) Pursuant to notification of the Companies (Amendment) Act, 2017 amending Section 197 of the Companies Act, 2013 ('the Act'), with effect from 12 September 2018, the Company's application to the Ministry of Corporate Affairs ('MCA') for approval in respect of remuneration of Chairman and Managing Director (CMD) accrued/ paid in excess of the prescribed limit for the financials years 2014-15 and 2015-16 stood abated. The Company, vide resolution dated 10 September 2019, had obtained approval from the shareholders for the payment of remuneration in respect of the aforesaid years, to be only given effect to, post receipt of the approval of the lenders which was pending. Further, the excess managerial remuneration for financial year 2013-14 aggregating ₹ 8.74 crore was proposed to be recovered. During the previous quarter, the Company was advised by a senior legal counsel that the requisite approval from lenders for payment of remuneration in earlier years through Monitoring Committee of lenders is still valid and persisting and there was no need to obtain fresh approvals from lenders under Section 197 of the Act. Accordingly, based on the legal advice, the Company adjusted the excess remuneration paid to the CMD, held in trust, for the financial year 2013-14 with the unpaid remuneration for the financial year 2014-2015 and also the excess managerial remuneration for the financial year 2015-16 has been regularized. Subsequent to 31 March 2021, an external agency appointed by lenders vide its report has confirmed the compliance of the conditions laid out by Monitoring Committee of lenders in earlier years. Pursuant to the confirmation from external agency, accrual/ payment of excess managerial remuneration for the year 2014-15 and 2015-16 stands approved by the lenders.

Further, on 26 September 2019, the Company in its shareholder's meeting had also obtained approvals vide special resolutions for remuneration of CMD and Whole Time Director for the period 1 April 2019 to 31 March 2022, to be given effect to, only post receipt of the approval of lenders. The Company expects requisite approvals from lenders to be obtained along side implementation of the resolution plan. Pending receipt of lenders approvals, managerial remuneration continue to be accrued/ paid by the Company as detailed below:

(₹ in crore)

Financial Year	Designation	Remuneration accrued	Remuneration paid	Remuneration as per prescribed limit	Excess remuneration accrued/paid	Excess remuneration paid held in trust
		(a)	(b)	(c)	(d=a-c)	(e=b-c)
2019-20	CMD and Whole Time Director	13.57	3.75	-	13.57	3.75
2020-21		13.50	1.44	-	13.50	1.44
Total		**27.07**	**5.19**	**-**	**27.07**	**5.19**

II a) (ii) Non-current borrowings, current borrowings, other non-current financial liabilities and other current financial liabilities as at 31 March 2021 include balances amounting to Nil (31 December 2020: ₹ 273.56 crore and 31 March 2020: ₹ 165.55 crore), ₹ 2.10 crore (31 December 2020: ₹ 9.57 crore and 31 March 2020: Nil), Nil (31 December 2020: Nil and 31 March 2020: ₹ 591.04 crore) and ₹ 500.72 crore (31 December 2020: ₹ 399.68 crore and 31 March 2020: ₹ 336.82 crore) respectively, in respect of which confirmations/ statements from the respective banks/ lenders have not been received. Further, in respect of non-current borrowings and current borrowings aggregating ₹ 871.75 crore (31 December 2020: ₹ 1,396.01 crore and 31 March 2020: ₹ 864.23 crore), while the lenders have confirmed the principal outstanding, the accrued interest aggregating ₹ 115.37 crore (31 December 2020: ₹ 87.50 crore and 31 March 2020: ₹ 42.76 crore) have not been confirmed. In the absence of confirmations/ statements from the lenders, the Company has provided for interest and other penal charges on these borrowings based on the latest communication available from the respective lenders at the interest rate specified in the agreement. The Company's management believes that amount payable on settlement will not exceed the liability provided in books in respect of these borrowings. Further, for balances with banks (included under cash and cash equivalents), earmarked balances/ fixed deposits, included under bank balances other than cash and cash equivalents and guarantees issued by banks on behalf of the Company as at 31 March 2021 include balances amounting to ₹ 2.10 crore (31 December 2020: Nil and 31 March 2020: Nil), ₹ 10.91 crore (31 December 2020: ₹ 20.97 crore and 31 March 2020: ₹ 5.46 crore) and Nil (31 December 2020: Nil and 31 March 2020: ₹ 76.93 crore), respectively, in respect of which confirmation/ statements from banks have not been received inspite of incessant efforts by Company's management.

II a) (iii) On 20 September 2019, vide the Taxation Laws (Amendment) Ordinance 2019, the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective 1 April 2019 subject to certain conditions. However, the Company having significant amount of brought forward tax losses and unabsorbed depreciation on which deferred tax asset has been recognised, is still evaluating and has not yet elected to exercise the option permitted under section 115BAA. In view of the above, there is no impact of the new tax rate on the standalone financial results for the current period.

As at 31 March 2021, the Company continues to recognize net deferred tax assets amounting to ₹ 715.99 crore (31 March 2020: ₹ 437.08 crore) on account of carried forward unused tax losses, unused tax credits and other taxable temporary differences. Based on the expected profits from the unexecuted orders on hand, outcome of the ongoing discussion with

		lenders for restructuring of loans and expected settlement of arbitration awards, the Company management is confident that sufficient future taxable income will be available against which such deferred tax assets will be realized.
	II a) (iv)	During the year ended 31 March 2019, the Company had recognized a provision of ₹ 331.40 crore pursuant to the signing of a non-binding term sheet with a consortium of investors along with a letter of commitment, for an assignment of the beneficial interest in portfolio of identified arbitration awards and claims ('specified assets') for an aggregate consideration of ₹ 1,750 crore. The said provision continued thereafter in view of mutual extension of the said transaction till 31 December 2019. In the absence of any further extension, the Company decided to cancel this proposed transaction, which had been reported to and confirmed by statutory auditors. Pursuant to the cancellation of the aforesaid transaction, the provision of ₹ 331.40 crore, related to specified assets, recognized earlier has been written back during the year ended 31 March 2020.
iii) Auditors' comments on (i) or (ii) above	Included in details of auditor's qualifications stated above	

III. Signatories:

	For **Hindustan Construction Company Limited**
For **Walker Chandiok & Co LLP** Chartered Accountants Firm Registration No. 001076N / N500013 **Rakesh R. Agarwal** Partner Membership No.: 109632	**Ajit Gulabchand** Chairman & Managing Director **Mahendra Singh Mehta** Audit Committee Chairman
Place: Mumbai Date : 23 June 2021	Place: Mumbai / Raigad Date: 23 June 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of Hindustan Construction Company Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

1. We have audited the accompanying consolidated financial statements of **Hindustan Construction Company Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates, joint ventures and joint operations as listed in Annexure I, which comprise the Consolidated Balance Sheet as at 31 March 2021, 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/ financial information and on the other financial information of the subsidiaries, associates, joint ventures and joint operations, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group, its associates, joint ventures and joint operations, as at 31 March 2021, and their consolidated loss (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. **As stated in:**

(i) Note 29.1 to the accompanying consolidated financial statements, the Holding Company has accounted for managerial remuneration paid/ payable to Whole Time Directors (including Chairman and Managing Director) of the Holding Company aggregating ₹ 27.07 crore for the financial years ended 31 March 2021 and 31 March 2020, in excess of the limits prescribed under Section 197 of the Act, in respect of which approvals from the shareholders have been obtained, however prior approval from the lenders of the Holding Company in accordance with Section 197 has not been obtained by the Holding Company.

Our audit report dated 9 July 2020 on the consolidated financial statements for the year ended 31 March 2020 was also qualified in respect of this matter.

(ii) Note 10.1 to the accompanying consolidated financial statements, the Holding Company has recognised net deferred tax assets amounting to ₹ 715.99 crore outstanding as at 31 March 2021, on account of carried forward unused tax losses, unused tax credits and other taxable temporary differences, which are continued to be recognised by the Holding Company on the basis of expected availability of future taxable profits for utilization of such deferred tax assets. However, in view of the continued losses incurred by the Holding Company, uncertainty with respect to the outcome of resolution plan and the impact of COVID-19 on business operations, we are unable to obtain sufficient appropriate audit evidence with respect to the current projections prepared by the management and therefore, are unable to comment on any adjustments that may be required to the carrying value of aforesaid deferred tax assets as at 31 March 2021.

Our audit report dated 9 July 2020 on the consolidated financial statements for the year ended 31 March 2020 was also qualified in respect of this matter.

(iii) Note 18.6 to the accompanying consolidated financial statements, the Group's current borrowings and other current financial liabilities as at 31 March 2021 include balances amounting to ₹ 2.10 crore and ₹ 500.72 crore, respectively, in respect of which direct confirmations from the respective banks/ lenders have not been received. Further, in respect of certain loans while the principal balances have been confirmed from the direct confirmations issued by banks/ lenders, the interest accrued amounting to ₹ 115.37 crore has not been confirmed by the banks/ lenders. Further, direct confirmation from banks have not been received for balances with banks included under cash and cash equivalents and earmarked balances/ deposits with banks included under bank balances other than cash and cash equivalents as at 31 March 2021 amounting to ₹ 2.10 crore and ₹ 10.91 crore, respectively. In the absence of such direct confirmations from the banks / lenders or sufficient and appropriate alternate audit evidence, we are unable to comment on the adjustments and changes in classification of balances in accordance with the principles of Ind AS 1, Presentation of financial statements, if any, that may be required to the carrying value of the aforementioned balances in the accompanying consolidated financial statements.

Our audit report dated 9 July 2020 on the consolidated financial statements for the year ended 31 March 2020 was also qualified in respect of this matter.

(iv) Note 33.2 to the accompanying consolidated financial statements, the Holding Company had written back a loss provision aggregating ₹ 331.40 crore during the year ended 31 March 2020, which was earlier recognised by the Holding Company during the year ended 31 March 2019 in cognizance of the assignment of beneficial interests / rights in a portfolio of identified arbitration awards and claims based on a non-binding term sheet with a consortium of investors along with a letter of commitment, due to cancellation of the said proposed transaction. However, such write-back is inconsistent with the continued intent of the Holding Company to sell / assign the arbitration awards and claims of the Holding Company to other potential investors as evidenced in the proposed resolution plan with lenders. Pending the finalization of the proposed resolution plan with lenders, we are unable to comment on the extent of loss provision required to be provided for in the consolidated financial statements as at 31 March 2021.

Our audit report dated 9 July 2020 on the consolidated financial statements for the year ended 31 March 2020 was also qualified in respect of this matter.

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 Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraphs 19 and 20 of the Other Matters section below, is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

5. We draw attention to Note 2.1(vi) to the accompanying consolidated financial statements which indicates that the Group has incurred a net loss of ₹ 610.02 crore during the year ended 31 March 2021 and, as of that date, that the Group has accumulated losses amounting to ₹ 4,219.36 crore as at 31 March 2021, which has resulted in full erosion of net worth of the Group and its current liabilities exceeded its current assets by ₹ 370.41 crore as on that date. As further disclosed in aforesaid note, the Holding Company has defaulted in repayment of principal and interest in respect of borrowings and has overdue operational creditors outstanding as at 31 March 2021. Certain operational creditors of the Holding Company have also applied to the National Company Law Tribunal ('NCLT') for the debt resolution under the Insolvency and Bankruptcy Code, 2016 which have not been admitted by the NCLT for further proceedings as of the date of this report. The above factors, together with the uncertainties relating to impact of the ongoing COVID-19 pandemic on the operations of the Group as described in Note 2.1(v)(a) to the accompanying consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. However, based on ongoing discussion with the lenders of Holding Company and lenders of an erstwhile subsidiary of the Group, for restructuring of loans which are subject to their internal approvals, revised business plans and other mitigating factors as mentioned in the Note 2.1(vi), the management is of the view that going concern basis of accounting is appropriate for preparation of the accompanying consolidated financial statements.

The component auditors of twelve (12) subsidiaries, one (1) foreign subsidiary group {comprising of six (6) step-down subsidiaries, four (4) associates and two (2) joint ventures} and two (2) joint ventures have also reported material uncertainty relating to going concern in their auditor's report on the respective standalone / consolidated financial statements of such companies / group as at and for the year ended 31 March 2021. Further, the component auditor of one (1) subsidiary has issued an adverse opinion with respect to use of the going concern basis of accounting in the financial statements.

Our opinion is not modified in respect of this matter.

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

a) Obtaining an understanding of the management's process for identifying all events or conditions that may cast significant doubt over the Group's ability to continue as a going concern and a process to assess the corresponding mitigating factors existing against each such event or condition. Also, obtaining an understanding around the methodology adopted by the Holding Company and twelve (12) subsidiaries, one (1) foreign subsidiary group {comprising of six (6) step-down subsidiaries, four (4) associates and two (2) joint ventures} and two (2) joint ventures; to assess their future business performance including the preparation of a cash flow forecast for the respective business;

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

c) Obtaining from the management, its projected cash flows for the next twelve months, basis their future business plans;

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

e) Testing mathematical accuracy of the projections of the respective entities and applying independent sensitivity analysis to the key assumptions to determine and ensure that there was sufficient headroom with respect to the estimation uncertainty impact of such assumptions on the calculations; and

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

Our opinion is not modified in respect of this matter.

Emphasis of Matters

7. We draw attention to:

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

(b) Note 23.2 to the accompanying consolidated financial statements, regarding delays in payment of foreign currency trade payables against the supply of goods and payment of foreign currency capital vendors against the supply of equipment aggregating ₹ 38.22 crore and ₹ 3.19 crore respectively, that are outstanding as at 31 March 2021, for a period beyond the timelines stipulated in FED Master Direction No. 17/2016-17, under the Foreign Exchange Management Act, 1999. The management of the Holding Company is in the process of regularising these defaults by filing necessary applications with the appropriate authority for condonation of such delays. The management is of the view that the penalties, if any, which may be levied for these contraventions is currently unascertainable and is not expected to be material to the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements does not include any consequential adjustments with respect to such delays/ defaults.

(c) Note 37 to the accompanying consolidated financial statements, pertaining to matter on which following emphasis of matter has been included in the audit report dated 24 May 2021 on the financial statements of HREL Real Estate Limited, a subsidiary of the Holding Company, issued by an independent firm of Chartered Accountants, which is relevant to our opinion on the consolidated financial statements of the Group, and reproduced by us as under:

"Note XX to the accompanying financial statements of the Company, the Company had provided corporate guarantees and put options aggregating ₹ 5,764.70 crore (Previous Year ₹ 4,547.72 crore) to the lenders of its erstwhile subsidiaries, Lavasa Corporation Limited (LCL) and Warasgaon Assets Maintenance Limited (WAML) in respect of amounts borrowed by these entities. LCL and WAML were admitted under the Corporate Insolvency and Resolution Process (CIRP) in accordance with the Insolvency and Bankruptcy Code, 2016 (IBC) dated 30 August 2018 and 20 December 2018, respectively and Resolution Professionals (RP) were been appointed by the Committee of Creditors (CoC) of the lenders of respective companies. The lenders, to whom these corporate guarantees and put options were furnished, have filed their claims with Resolution Professional and have also invoked the corporate guarantee/ put options issued by the Company. The National Company Law Tribunal, Mumbai Bench vide its order dated 26 February 2020, have approved the request of lenders of LCL and WAML to consolidate LCL, WAML and Dasve Convention Centre Limited (a subsidiary of LCL) and thereby get better valuation on liquidation. The Resolution Professional is in the process of formulating a resolution plan including identifying potential resolution applicant. The liability of the Company shall be determined once the debts due to these lenders are settled by Resolution Professional upon completion of the IBC process. Pending the outcome of the resolution process, no provision has been made in the financial statements by the management stating that the impact, if any is currently unascertainable."

(d) Notes 39 and 41 to the accompanying consolidated financial statements on following emphasis of matters included in the audit report on the financial statements of Raiganj Dalkhola Highways Limited, a subsidiary of the joint venture of the Holding Company, issued by an independent firm of Chartered Accountants, vide their report dated 21 June 2021, on matters which are relevant to our opinion on the consolidated financial statements of the Group, and reproduced by us as under:

"Note XX and XX to the financial statements, the Company had taken term loans from consortium of banks and financial institution. The Company borrowings have been classified as non-performing assets by the lenders due to defaults in payment of related dues. Balances of outstanding borrowings from the lenders (except Yes Bank) including interest thereon as recorded in books of accounts of Company are unconfirmed."

"Note XX of notes to accounts, National Highways Authority of India (NHAI) has served notice of termination of contract to the Company vide letter dated 31 March 2017 due to delay in re-start of work at project. For the reasons mentioned in the note, as the Company is confident of full recovery of its claims of ₹ 367 crore made before the arbitration for wrong full termination of the project. In view of this the cost incurred by the Company till 31 March 2017 appearing under receivable from NHAI amounting to ₹ 177.42 crore is considered fully recoverable by the management."

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

Key Audit Matters

8. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associates, joint ventures and joint operations, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Key audit matter	How our audit addressed the key audit matter
(a) Assessment of impairment of investment in joint venture (Refer Note 36 of the consolidated financial statements)	
The Group, as at 31 March 2021, has non-current investments of ₹ 385.86 crore in HCC Concessions Limited ('HCL'), a joint venture of HCC Infrastructure Company Limited ('HICL'), a wholly owned subsidiary, which has further interests in several Build, Operate and Transfer (BOT) Special Purpose Vehicle's ('SPV'). The consolidated net worth of HCL as at 31 March 2021 has been partially eroded. Given the losses incurred by HCL, the management was required to assess its investment for impairment. The management based on certain estimates and other factors, including joint venture's future business plans, growth prospects, valuation report from an independent valuer, future considerations from an entity disposed-off during the year, expected outcome of the arbitration/ litigations and legal advice in respect of certain claims, as described in the said note, management believes that the realizable amount is higher than the carrying value of the non-current investment due to which this is considered as good and recoverable. Due to the significance of the carrying amounts of the investment and the significant management judgement involved in carrying out the impairment assessment, this was considered to be a key audit matter of the consolidated financial statements. Further, considering this matter is fundamental to the understanding of the user of consolidated financial statement, we draw attention to Note 36 to the accompanying consolidated financial statements, regarding the Group's non-current investment in HCL.	Our audit procedures to address this key audit matter included, but were not limited to the following: • Obtaining an understanding of the managements processes, evaluating the design and testing operating effectiveness of controls over identification of impairment indicators and process followed by the management for impairment testing; • Assessing the methodology used by the management to estimate the recoverability of investment and ensuring that it is consistent with applicable accounting standards; • Evaluating the appropriateness of the assumptions applied in determining key inputs such as traffic projections, operating costs, long-term growth rates and discount rates, which included assessments based on our knowledge of the Company and the industry; • Testing the mathematical accuracy of the projections applying independent sensitivity analysis to the key assumptions mentioned above; • Involving auditor's expert to assist in evaluating assumptions and appropriateness of the valuation methodology used by the management; • Evaluating the legal opinion obtained by management from independent legal counsel, with respect to certain receivables, which have been disputed by the customers; • Compared the carrying value of non-current investments with the realizable value determined by the Independent valuer to ensure there is no impairment / provision required to be recognised; and • Assessed that the disclosures made by the management are in accordance with applicable accounting standards.

Key audit matter	How our audit addressed the key audit matter
(b) Uncertainties relating to recoverability of unbilled work-in-progress (other current assets), non-current trade receivables and current trade receivables (Refer Note 38 of the consolidated financial statements)	
The Holding Company, as at 31 March 2021, has unbilled work-in-progress (other current assets) and current trade receivables amounting to ₹ 833.67 crore and ₹ 295.33 crore, respectively, which represent various claims raised in the earlier years in respect of projects substantially closed or suspended and where the claims are currently under negotiations/ discussions/ arbitration/ litigation. Management, based on contractual tenability of the claims, progress of the discussions and relying on the legal opinion obtained from independent legal counsel, has determined that no provision is required to be recognised for these receivables.	Our audit procedures to address this key audit matter included, but were not limited to the following: • Obtaining an understanding of the management processes, evaluating the design and testing the effectiveness of key internal financial controls over assessing the recoverability of unbilled work-in-progress (other current assets) and current trade receivables; • Discussing extensively with management regarding steps taken for recovering the amounts;

Considering the materiality of the amounts involved, uncertainty associated with the outcome of the negotiations/ discussions/ arbitration/ litigation and significant management judgement involved in assessing the recoverability, this was considered to be a key audit matter in the audit of the consolidated financial statements. Further, considering this matter is fundamental to the understanding of the user of financial statement, we draw attention to Note 38 to the accompanying consolidated financial statements, regarding uncertainties relating to recoverability of above discussed receivables.	• Assessing the reasonability of judgements exercised and estimates made by management with respect to the recoverability of these receivables and validating them with corroborating evidence; • Verifying the contractual arrangements to support management's position on the tenability and recoverability of these receivables; • Obtaining an understanding of the current period developments for respective claims pending at various stages of negotiations/ discussions/ arbitration/ litigation and corroborating the updates with relevant underlying documents; • Obtaining the settlement agreements entered with a customer, assessing the impact of the settlement and ensuring the appropriate disclosures of exceptional item have been made in the consolidated financial statements; • Reviewing the legal and contractual experts' report and/ or legal opinion from independent legal counsel obtained by the management with respect to certain contentious matters; and • Assessing that the disclosures made by the management are in accordance with applicable accounting standards.

Key audit matter	**How our audit addressed the key audit matter**
(c) Recognition of contract revenue, margin and contract costs (Refer note 2.1 (xxii) to the consolidated financial statements)	
The Group's revenue primarily arises from construction contracts which, by its nature, is complex given the significant judgements involved in the assessment of current and future contractual performance obligations. The Group recognizes contract revenue and the resultant profit/ loss on the basis of stage of completion determined based on the proportion of contract costs incurred at balance sheet date, relative to the total estimated costs of the contract at completion. The recognition of contract revenue and the resultant profit/ loss therefore rely on estimates in relation to forecast revenue and forecast contract costs. These contract estimates are reviewed by the management on a periodic basis. In doing so, the management is required to exercise judgement in its assessment of the revenue on contracts which may also include variable considerations that are recognised when the recovery of such consideration is highly probable. The judgment is also required to be exercised to assess the completeness and accuracy of forecast costs to complete. The final contract values can potentially be impacted on account of various factors and are expected to result in varied outcomes. Changes in these judgements, and the related estimates as contracts progress can result in material adjustments to revenue and margins. As a result of the above judgments, complexities involved and material impact on the related financial statement elements, this area has been considered a key audit matter in the audit of the consolidated financial statements.	Our audit procedures to address this key audit matter included, but were not limited to the following: • Evaluating the appropriateness of the Group's accounting policy for revenue recognition; • Obtaining an understanding of the Group's processes and evaluating the design and tested effectiveness of key internal financial controls, including those related to review and approval of contract estimates; • For a sample of contracts, testing the appropriateness of contract revenue recognized by evaluating key management judgements inherent in the forecasted contract revenue and costs to complete, including: - verifying the underlying documents such as original contract and its amendments, if any, for the significant contract terms and conditions; - obtaining an understanding of the assumptions applied in determining the forecasted revenue and cost to complete; - testing the existence and valuation of claims and variations with respect to the contractual terms and conditions and inspection of correspondence with customers; and

	- reviewing legal and contracting experts' reports received on contentious matters. • For cost incurred to date, testing samples to appropriate supporting documents and performing cut-off procedures; • Testing the forecasted cost by obtaining executed purchase orders/ agreements and evaluating the reasonableness of management judgements/ estimates; • Performing analytical procedures for reasonableness of revenue recognized; and • Evaluating the appropriateness and adequacy of the disclosures related to contract revenue and costs in the consolidated financial statements in accordance with the applicable accounting standards.

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

10. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in Directors Report, Management Discussion and Analysis Report and Report on Corporate Governance but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

    In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

13. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies/entities included in the Group and of its associates, joint ventures and joint operations.

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

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

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

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

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

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

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

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

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

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

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

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

Other Matters

19. We did not audit the financial statements / financial information of twenty four (24) subsidiaries included in the accompanying consolidated financial statements, whose financial information (before eliminating inter-company transaction and balances) reflects total assets of ₹ 4,380.87 crore as at 31 March 2021, total revenues of ₹ 5,658 crore, total net profit after tax of ₹ 25.79 crore, total comprehensive income of ₹ 79.96 crore, and cash flows (net) of ₹ 233.63 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss after tax (including other comprehensive income) of ₹ 17.89 crore for the year ended 31 March 2021, as considered in the consolidated financial statements, in respect of five (5) associates and seven (7) joint ventures, whose financial statements / financial information have not been audited by us. These financial statements/ financial

information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, associates and joint ventures, are based solely on the reports of the other auditors.

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

20. We did not audit the financial statements/ financial information of seven (7) joint operations included in the accompanying consolidated financial statements whose financial statements / financial information reflects total assets of ₹ 153.85 crore as at 31 March 2021 and total revenues, total net loss after tax and net cash inflows of ₹ 198.27 crore, ₹ 7.80 crore and ₹ 5.45 crore, respectively, for the year ended on that date, as considered in the accompanying consolidated financial statements. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint operations, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint operations, is based solely on the audit reports of such other auditors.

    Further, of these joint operations, financial statements / financial information of four (4) joint operations have been prepared in accordance with accounting principles generally accepted in India, including accounting standards issued by the ICAI. The Holding Company's management has converted the financial statements / financial information of such joint operations in accordance with Ind AS. We have audited these conversion adjustments made by the Holding Company's management. Our opinion on the accompanying consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint operations are solely based on report of the other auditors and the conversion adjustments prepared by the Holding Company's management and audited by us.

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

21. We did not audit the financial information of one (1) joint operation included in the accompanying consolidated financial statements whose financial information reflects total assets of ₹ 2.83 crore as at 31 March 2021 and total revenues, total net loss after tax and net cash inflows of ₹ 1.55 crore, ₹ 7.28 crore and ₹ 0.07 crore, respectively, for the year ended on that date, as considered in the accompanying consolidated financial statements. This financial information is unaudited and has 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 this joint operation, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint operation, is based solely on such unaudited financial information. In our opinion, and according to the information and explanations given to us by the management, this financial information is not material to the Group.

    Our opinion above on the consolidated financial statements, and our report on the other legal and regulatory requirements below, is not modified in respect of this matter with respect to our reliance on the financial information certified by the Holding Company management.

Report on Other Legal and Regulatory Requirements

22. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraphs 19 and 20, on separate financial statements of the subsidiaries, associate, joint ventures and joint operations, we report that the Holding Company covered under the Act has not paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that nineteen (19) subsidiary companies, one (1) associate company and six (6) joint venture companies covered under the Act have not paid or provided for any managerial remuneration during the year. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to eight (8) subsidiary companies, four (4) associate companies, two (2) joint venture companies and eight (8) joint operations, since none of such entities is a public company as defined under section 2(71) of the Act.

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

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

b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except for the possible effects of the matters described in paragraph 3 of the Basis for Qualified

Opinion section with respect to the financial statements of the Holding Company.

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

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

e) the matters described in paragraphs 3(ii) of the Basis for Qualified Opinion section may have an adverse effect on the functioning of the Holding Company; paragraph 5 of the Material uncertainty related to Going concern section may have an adverse effect on the functioning of Holding Company, twelve (12) subsidiaries, one (1) foreign subsidiary group {comprising of six (6) step-down subsidiaries, four (4) associates and two (2) joint ventures} and two (2) joint ventures; paragraphs 7 (a), 7(c) and 7(d) of the Emphasis of Matters section may have an adverse effect on the functioning of Group, HREL Real Estate Limited (a subsidiary of the Holding Company) and Raiganj Dalkhola Highways Limited (subsidiary of the joint venture of the Holding Company), respectively and paragraphs 9(a) and 9(b) of Key Audit Matters section may have an adverse effect on the functioning of the Holding Company.

f) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint ventures companies covered under the Act, none of the directors of the Group companies, its associate companies and joint venture companies covered under the Act, are disqualified as on 31 March 2021 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 paragraphs 3(i) to 3(iv) of the Basis for Qualified Opinion section with respect to the financial statements of the Holding Company.

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

i) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates, joint ventures and joint operations as referred to in paragraphs 19 and 20 above:

   i. except for the possible effects of the matters described in the Basis for Qualified Opinion section, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates, joint ventures and joint operations as at 31 March 2021, as detailed in Notes 7.1, 19.1, 35, 36, 37, 38, 39, 40, 41, 42, and 43 to the consolidated financial statements;

   ii. except for the possible effects of the matters described in the Basis for Qualified Opinion section, provision has been made in these consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts, as detailed in Note 20.2 to the consolidated financial statements;

   iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and joint venture companies covered under the Act, during the year ended 31 March 2021; and

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

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

Rakesh R. Agarwal
Partner
Membership No.: 109632
UDIN: 21109632AAAAGH6912

Place: Mumbai
Date: 23 June 2021

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT

List of Entitites included in the consolidated financial statements

Subsidiary Companies	
HCC Construction Limited	HCC Aviation Limited
Western Securities Limited	Steiner AG
HREL Real Estate Limited *(formerly known as HCC Real Estate Limited)*	Dhule Palesner Operations & Maintenance Limited
Panchkutir Developers Limited	HCC Power Limited
HCC Mauritius Enterprises Limited	HCC Realty Limited
Highbar Technologies Limited	HCC Operation and Maintenance Limited
HCC Infrastructure Company Limited	HCC Energy Limited
HCC Mauritius Investments Limited	Steiner Promotions et Participations SA
HRL Township Developers Limited	Steiner (Deutschland) GmbH
HRL (Thane) Real Estate Limited	VM + ST AG
Nashik Township Developers Limited	Steiner Leman SAS
Maan Township Developers Limited	Steiner India Limited
Manufakt8048 AG	Prolific Resolution Private Limited (w.e.f. 8 March 2021)
Powai Real Estate Developer Limited	
Associates	
Highbar Technocrat Limited	Projektentwicklungsges. Parking Kunstmuseum AG
Evostate AG	Evostate Immobillen AG
MCR Managing Corp. Real Estate	
Joint Venture / Joint Operations	
HCC Concessions Limited	Kumagai-Skanska-HCC-Itochu Group
Narmada Bridge Tollways Limited	HCC-L & T Purulia Joint Venture
Badarpur Faridabad Tollways Limited	Alpine- Samsung- HCC Joint Venture
Farakka-Raiganj Highways Limited (upto 22 September 2020)	Alpine- HCC Joint Venture
Baharampore-Farakka Highways Limited	HCC Samsung Joint Venture CC 34
Raiganj-Dalkhola Highways Limited	ARGE Prime Tower, Zürich
Nathpa Jhakri Joint Venture	HCC- HDC Joint Venture
Werkarena Basel AG (w.e.f. 19 September 2019)	HCC- VCCL Joint Venture (w.e.f. 29 January 2020)

ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT

Annexure II to the Independent Auditor's Report of even date to the members of Hindustan Construction Company Limited on the consolidated financial statements for the year ended 31 March 2021

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 **Hindustan Construction Company Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates, joint ventures and joint operations as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its associate companies and its joint venture companies, which are companies covered under the Act, as at that date.

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

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

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

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its associate companies and its joint venture companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with

reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

8. According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31 March 2021:

    a) The Holding Company did not have an appropriate internal control system with respect to compliance with the provisions of section 197 of the Companies Act, 2013 relating to obtaining prior approval from lenders for payment/accrual of remuneration exceeding the specified limits, as explained in Note 29.1 to the consolidated financial statements, which has resulted in a material misstatement in the value of Holding Company's employee benefit expenses, financial assets and resultant impact on the loss after tax and the reserves and surplus including levy of fine, if any, on account of such non-compliance.

    b) The Holding Company's internal financial system with respect to assessment of recoverability of deferred tax assets, as explained in Note 10.1 to the consolidated financial statements, as per the applicable accounting standards, were not operating effectively, which could lead to a material misstatement in the carrying value of deferred tax assets and its resultant impact on loss, reserves and surplus and related disclosures in respect thereof as at and for the year ended 31 March 2021.

    c) The Holding Company's internal financial system with respect to the assessment of recoverability of specified assets, as explained in Note 33.2 to the consolidated financial statements, as per the applicable accounting standards, were not operating effectively, which has resulted in material misstatement in the carrying value of the specified assets and its resultant impact on the reserves and surplus and related disclosures in respect thereof as at and for the year ended 31 March 2021.

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 and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, associate companies, and its joint venture companies; except for the possible effects of the material weakness described in paragraph 8(a) above on the achievement of the objectives of the control criteria, the Holding Company, subsidiary companies, associate companies and joint venture companies which are companies covered under the Act, in all material respects, has adequate internal financial controls with reference to consolidated financial statements and except for the possible effects of the material weaknesses described in paragraph 8(b) and 8(c) above on the achievement of the objectives of the control criteria, such controls were operating effectively as at 31 March 2021, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

11. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Group and its associate company and its joint venture companies, which are companies covered under the Act, as at and for the year ended 31 March 2021, and these material weaknesses have affected our opinion on the consolidated financial statements of the Group, its associate companies and its joint venture companies and we have issued a modified opinion on the consolidated financial statements.

Other Matter

12. We did not audit the internal financial controls with reference to financial statements in so far as it relates to fifteen (15) subsidiary companies, which are companies covered under the Act, whose financial statements / financial information reflect total assets of ₹ 486.58 crore and net liabilities of ₹ 634.63 crore as at 31 March 2021, total revenues of ₹ 42.86 crore and net cash flow amounting to ₹ 2.03 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹ 16.80 crore for the year ended 31 March 2021, in respect of one (1) associate company and five (5) joint venture companies, which are companies covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies, associate companies and joint venture companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary companies, its associate companies and joint venture companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies, associate companies and joint venture companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

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

Rakesh R. Agarwal
Partner
Membership No.: 109632
UDIN: 21109632AAAAGH6912

Place: Mumbai
Date: 23 June 2021

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021

₹ crore

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3A	549.56	426.47
Right-of-use assets	3B	245.77	275.18
Capital work-in-progress	3A	1.61	178.41
Investment property	4	2.67	2.70
Goodwill	5	3.38	3.38
Other intangible assets	5	64.14	63.52
Investments in associates and joint ventures	6	402.91	345.11
Financial assets			
Investments	6A	15.11	9.41
Trade receivables	7	-	2,719.72
Loans	8	95.64	83.70
Other financial assets	9	24.28	22.13
Deferred tax assets (net)	10	751.36	485.77
Income tax assets (net)	10	143.77	276.85
Other non-current assets	11	74.50	88.81
Total non-current assets		**2,374.70**	**4,981.16**
Current assets			
Inventories	12	479.60	467.17
Financial assets			
Investments	13	0.15	1.50
Trade receivables	7	4,501.79	1,897.56
Cash and cash equivalents	14	642.13	276.11
Bank balances other than cash and cash equivalents	15	619.49	566.91
Loans	8	20.60	19.58
Other financial assets	9	53.89	48.91
Other current assets	11	4,080.16	3,926.62
		10,397.81	**7,204.36**
Assets classified as held for sale	16	6.49	14.76
Total current assets		**10,404.30**	**7,219.12**
TOTAL ASSETS		**12,779.00**	**12,200.28**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	151.31	151.31
Other equity		(1,468.90)	(910.49)
Equity attributable to owners of the parent		**(1,317.59)**	**(759.18)**
Non-controlling interest		**0.00***	**0.00***
Total equity		**(1,317.59)**	**(759.18)**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	18	1,408.28	1,586.84
Lease liabilities		215.98	249.22
Other financial liabilities	19	1,508.17	1,238.59
Provisions	20	189.45	232.71
Total non-current liabilities		**3,321.88**	**3,307.36**
Current liabilities			
Financial liabilities			
Borrowings	22	2,054.65	1,406.00
Trade payables	23		
- Total outstanding dues of Micro Enterprises and Small Enterprises		48.00	23.99
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		2,999.54	3,005.27
Lease liabilities		27.70	29.18
Other financial liabilities	19	2,378.10	1,933.52
Other current liabilities	21	3,013.21	3,021.94
Current tax liability	10	0.74	10.92
Provisions	20	252.77	221.28
Total current liabilities		**10,774.71**	**9,652.10**
TOTAL EQUITY AND LIABILITIES		**12,779.00**	**12,200.28**

* Represents amount less than ₹ 1 lakh

The accompanying notes are an integral part of the consolidated financial statements

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

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

Rakesh R. Agarwal
Partner
Membership No.: 109632

Place: Mumbai
Date : June 23, 2021

For and on behalf of the Board of Directors

Ajit Gulabchand	DIN: 00010827	*Chairman & Managing Director*
Arjun Dhawan	DIN: 01778379	*Group Chief Executive Officer & Whole-Time Director*
Anil C. Singhvi	DIN : 00239589	
N. R. Acharyulu	DIN : 02010249	
Santosh Jankiram Iyer	DIN : 06801226	
Mahendra Singh Mehta	DIN : 00019566	*Directors*
Mukul Sarkar	DIN : 00893700	
Mita Dixit	DIN : 08198165	

Vithal P. Kulkarni
Company Secretary
ACS No. 6707

Place: Mumbai / Raigad
Date : June 23, 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

₹ crore

Particulars	Note No.	Year ended 31 March 2021	Year ended 31 March 2020
Income			
Revenue from operations	24	8,248.42	9,444.30
Other income	25	86.57	77.57
Total income		**8,334.99**	**9,521.87**
Expenses			
Cost of construction materials consumed	26	525.57	690.72
Subcontracting expenses		5,834.87	6,153.71
Changes in inventories	27	(16.51)	159.20
Construction expenses	28	260.76	295.76
Employee benefits expense	29	954.85	982.95
Finance costs	30	1,001.06	816.98
Depreciation and amortisation expense	31	135.51	151.84
Other expenses	32	297.64	317.72
Total expenses		**8,993.75**	**9,568.88**
Loss before exceptional items, share of profit of associates and joint ventures and tax		(658.76)	(47.01)
Exceptional items- Gain / (Loss)	33	(274.03)	221.23
Profit / (loss) before share of profit / (loss) of associates and joint ventures and tax		**(932.79)**	**174.22**
Share of profit of associates and joint ventures (net)		65.44	187.73
Profit / (Loss) before tax		**(867.35)**	**361.95**
Tax expense / (credit)	10		
Current tax		8.96	13.16
Deferred tax		(266.29)	151.76
		(257.33)	**164.92**
Profit / (loss) for the year (A)		**(610.02)**	**197.03**
Other comprehensive income (OCI)			
(a) Items not to be reclassified subsequently to profit or loss (net of tax)			
- Gain/ (loss) on fair value of defined benefit plans as per actuarial valuation		24.96	(1.72)
- Gain/ (loss) on fair value of equity instruments		5.70	(11.31)
(b) Items to be reclassified subsequently to profit or loss			
- Translation gain/ (loss) relating to foreign operations		28.27	(32.97)
Total other comprehensive income/ (loss) for the year, net of tax (B)		**58.93**	**(46.00)**
Total comprehensive income / (loss) for the year, net of tax (A+B)		**(551.09)**	**151.03**
Net profit / (loss) for the year attributable to:			
Owners of the parent		(610.02)	197.03
Non-controlling interest		0.00*	(0.00)*
Other comprehensive loss for the year attributable to:			
Owners of the parent		58.93	(46.00)
Non-controlling interest		0.00*	(0.00)*
Total comprehensive income / (loss) for the year attributable to:			
Owners of the parent		(551.09)	151.03
Non-controlling interest		0.00*	(0.00)*
Earnings/ (loss) per equity share of nominal value ₹ 1 each			
Basic and diluted (in ₹)	34	(4.03)	1.30

* Represents amount less than ₹ 1 lakh

The accompanying notes are an integral part of the consolidated financial statements

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

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

Rakesh R. Agarwal
Partner
Membership No.: 109632

Vithal P. Kulkarni
Company Secretary
ACS No. 6707

Place: Mumbai
Date : June 23, 2021

For and on behalf of the Board of Directors

Ajit Gulabchand	DIN: 00010827	*Chairman & Managing Director*
Arjun Dhawan	DIN: 01778379	*Group Chief Executive Officer & Whole-Time Director*
Anil C. Singhvi	DIN : 00239589	*Directors*
N. R. Acharyulu	DIN : 02010249	
Santosh Jankiram Iyer	DIN : 06801226	
Mahendra Singh Mehta	DIN : 00019566	
Mukul Sarkar	DIN : 00893700	
Mita Dixit	DIN : 08198165	

Place: Mumbai / Raigad
Date : June 23, 2021

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

₹ crore

Particulars		Year ended 31 March 2021	Year ended 31 March 2020
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net profit / (loss) before tax	(867.35)	361.95
	Adjustments for:		
	Depreciation and amortisation expense	135.51	151.84
	Finance costs	1,001.06	816.98
	Interest income	(27.10)	(12.68)
	Reversal of loss provision in respect of arbitration awards and claims	-	(331.40)
	Loss on settlement with customer	274.03	-
	Impairment of financial and non-financial assets	-	98.72
	(Gain) / reversal of gain on settlement of debts	-	11.45
	Share of profit / (loss) of associates and joint ventures	(65.44)	(187.73)
	Loss allowance on financial assets	-	16.95
	Dividend income	(1.05)	(0.50)
	Unrealised foreign exchange (gain) / loss (net)	5.95	(4.01)
	Profit on disposal of property, plant and equipment (net)	(12.93)	(1.53)
	Provision no longer required written back	(23.32)	(7.24)
		1,286.71	**550.85**
	Operating profit before working capital changes	419.36	912.80
	Adjustments for changes in working capital:		
	(Increase)/ decrease in inventories	(12.43)	164.50
	Increase in trade receivables	(134.46)	(429.08)
	Increase in current / non-current financial and other assets	(161.71)	(465.58)
	Increase/ (decrease) in provisions	(11.78)	111.10
	Decrease in trade payables, other financial liabilities and other liabilities	134.99	308.26
	Cash generated from operations	**233.97**	**602.00**
	Direct taxes refund/ (paid) {net}	113.93	(64.31)
	Net cash generated from operating activities	**347.90**	**537.69**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment (including capital work-in-progress and capital advances)	(74.81)	(87.27)
	Proceeds from disposal of property, plant and equipment	14.14	20.75
	Proceeds from sale of investments	9.00	1.27
	Net proceeds from / (investments in) bank deposits	(53.06)	21.15
	Interest received	29.11	7.89
	Dividend received	1.05	0.50
	Net cash used in investing activities	**(74.57)**	**(35.71)**

₹ crore

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of non-current borrowings (net)	(89.72)	(294.25)
Proceeds from current borrowings (net)	648.65	231.60
Financial lease paid	(34.72)	(26.33)
Interest and other finance charges	(423.39)	(425.12)
Net cash generated from/ (used in) financing activities	**100.82**	**(514.10)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**374.15**	**(12.12)**
Cash and cash equivalents at the beginning of the year	276.11	270.70
Unrealised foreign exchange gain/ (loss)	(8.13)	17.53
Cash and cash equivalents at the end of the year (Refer note 14)	**642.13**	**276.11**

Note:-
The cash flow statement has been prepared under the indirect method as set out in Ind AS 7- Statement of Cash Flows.
The accompanying notes are an integral part of the consolidated financial statements
This is the Consolidated Cash Flow Statement referred to in our audit report of even date

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

Rakesh R. Agarwal
Partner
Membership No.: 109632

Vithal P. Kulkarni
Company Secretary
ACS No. 6707

Place: Mumbai
Date : June 23, 2021

For and on behalf of the Board of Directors

Ajit Gulabchand DIN: 00010827 *Chairman & Managing Director*
Arjun Dhawan DIN: 01778379 *Group Chief Executive Officer & Whole-Time Director*

Anil C. Singhvi DIN : 00239589
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Mahendra Singh Mehta DIN : 00019566
Mukul Sarkar DIN : 00893700
Mita Dixit DIN : 08198165
Directors

Place: Mumbai / Raigad
Date : June 23, 2021

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

a) Equity share capital (equity shares of ₹ 1 each)

Particulars	Issued, subscribed and paid		Forfeited equity shares		Total	
	Number	₹ crore	Number	₹ crore	Number	₹ crore
As at 1 April 2019	**1,512,976,244**	**151.30**	**13,225**	**0.01**	**1,512,989,469**	**151.31**
Issued during the year	-	-	-	-	-	-
As at 31 March 2020	**1,512,976,244**	**151.30**	**13,225**	**0.01**	**1,512,989,469**	**151.31**
Issued during the year	-	-	-	-	-	-
As at 31 March 2021	**1,512,976,244**	**151.30**	**13,225**	**0.01**	**1,512,989,469**	**151.31**

b) Other equity

₹ in crore

Particulars	Reserves and surplus							Other comprehensive income			Total equity attributable to equity holders
	Capital reserve	Forfeited debentures account	Securities premium	Debenture redemption reserve	Foreign currency monetary translation reserve	General reserve	Retained earnings	Equity instruments at fair value through other comprehensive income	Translation loss relating to foreign operation (net)	Non-controlling interest	
As at 1 April 2019	**31.49**	**0.02**	**2,568.76**	**54.99**	**(0.61)**	**180.24**	**(3,829.61)**	**(13.74)**	**(142.86)**	**0.00***	**(1,151.32)**
Profit for the year	-	-	-	-	-	-	197.03	-	-	0.00*	197.03
Other comprehensive loss for the year	-	-	-	-	-	-	(1.72)	(11.31)	(32.97)	0.00*	(46.00)
Addition / (deletion) during the year:											
- Conversion of debt into equity of a subsidiary company	-	-	82.11	-	-	-	-	-	-	-	82.11
- Restatement of foreign currency monetary translation items	-	-	-	-	10.72	-	-	-	-	-	10.72
- Amortisation of foreign currency monetary translation items	-	-	-	-	(3.03)	-	-	-	-	-	(3.03)
As at 31 March 2020	**31.49**	**0.02**	**2,650.87**	**54.99**	**7.08**	**180.24**	**(3,634.30)**	**(25.05)**	**(175.83)**	**0.00***	**(910.49)**
Loss for the year	-	-	-	-	-	-	(610.02)	-	-	-	(610.02)
Other comprehensive income for the year	-	-	-	-	-	-	24.96	5.70	28.27	-	58.93
Addition / (deletion) during the year:											
- Restatement of foreign currency monetary translation items	-	-	-	-	(4.60)	-	-	-	-	-	(4.60)
- Amortisation of foreign currency monetary translation items	-	-	-	-	(2.72)	-	-	-	-	-	(2.72)
As at 31 March 2021	**31.49**	**0.02**	**2,650.87**	**54.99**	**(0.24)**	**180.24**	**(4,219.36)**	**(19.35)**	**(147.56)**	**0.00***	**(1,468.90)**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

NATURE AND PURPOSE OF RESERVES

i. Capital reserve

The Group recognizes profit or loss on purchase or cancellation (including forfeiture) of its own equity instruments to capital reserve.

ii. Forfeited debentures account

The Group recognizes profit or loss on purchase or cancellation (including forfeiture) of its own debentures to forfeited debentures account.

iii. Securities premium

Securities premium is used to record the premium on issue of shares or debentures. This account is utilised in accordance with the provisions of the Companies Act, 2013.

iv. Debenture redemption reserve

The Act requires that where a Company issues debentures, it shall create a debenture redemption reserve out of profits of the Company available for payment of dividend. The Company is required to maintain a Debenture Redemption Reserve of 25% of the value of the debentures issued, either by a public issue or a private placement basis. The amounts credited to the debenture redemption reserve cannot be utilised by the Company except to redeem debentures.

v. Foreign currency monetary translation reserve

Exchange difference arising on translation of the long term monetary items is accumulated in separate reserve within equity. The cumulative amount is reclassified to the Statement of Profit and Loss over the life of the monetary asset / liability on a straight line basis.

vi. General reserve

Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of net profit to general reserve has been withdrawn.

vii. Retained earnings

Retained earnings represents the profits/ losses that the Group has earned / incurred till date including gain / (loss) on fair value of defined benefits plans as adjusted for distributions to owners, transfer to other reserves etc.

viii. Other comprehensive income

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated in Fair Value through Other Comprehensive Income reserve within equity. The Group transfers amount from this reserve to retained earnings when the relevant equity securities are derecognised.

ix. Translation loss relating to foreign operation (net)

The Group recognised exchange differences arising on translation of the foreign operations in other comprehensive income and accumulated in 'Translation loss relating to foreign operation (net)' in other equity.

* Represents amount less than ₹ 1 lakh
The accompanying notes are an integral part of the consolidated financial statements
This is the statement of changes in equity referred to in our audit report of even date

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

Rakesh R. Agarwal
Partner
Membership No.: 109632

Vithal P. Kulkarni
Company Secretary
ACS No. 6707

Place: Mumbai
Date : June 23, 2021

For and on behalf of the Board of Directors

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Mahendra Singh Mehta	DIN : 00019566	*Directors*
Mukul Sarkar	DIN : 00893700	
Mita Dixit	DIN : 08198165	

Place: Mumbai / Raigad
Date : June 23, 2021

NOTE 1 CORPORATE INFORMATION

Hindustan Construction Company Limited (the "Holding Company", "Parent" or "HCC") is a public limited company incorporated and domiciled in India. The Company having CIN L45200MH1926PLC001228, is principally engaged in the business of providing engineering and construction services. Its shares are listed on two recognised stock exchanges in India- the Bombay Stock Exchange and the National Stock Exchange. The registered office of the Company is located at Hincon House, LBS Marg, Vikhroli (West), Mumbai- 400 083, India.

The consolidated financial statements comprises the financial statements of the Company and its subsidiaries (the Company and its subsidiaries referred to as the "Group") and its associates and joint arrangements. The Group is principally engaged in the business of providing engineering and construction services, real estate, infrastructure and urban development and management. These consolidated financial statements ("the financial statements") of the Group for the year ended 31 March 2021 were authorised for issue in accordance with resolution of the Board of Directors on 23 June 2021

NOTE 2.1 SIGNIFICANT ACCOUNTING POLICIES

i Basis of preparation

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

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

The Group's financial statements are reported in Indian Rupees, which is also the Group's functional currency, and all values are rounded to the nearest crores (INR 0,000,000), except when otherwise indicated. Amount presented as "0.00* " are non zero numbers rounded off in crore.

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Act. The statement of cash flow has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7)- Statement of Cash Flows. The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with other notes required to be disclosed under the notified Ind AS and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

ii. Operating cycle for current and non-current classification

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

iii. Principles of consolidation

The financial statements have been prepared on the following basis:

a. Subsidiaries

- The consolidated financial statements incorporate the financial statements of the Holding Company and its subsidiaries. For this purpose, an entity which is, directly or indirectly, controlled by the Parent Company is treated as subsidiary. The Parent Company together with its subsidiaries constitute the Group. Control exists when the Parent Company, directly or indirectly, has power over the investee, is exposed to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

- Consolidation of a subsidiary begins when the Parent Company, directly or indirectly, obtains control over the subsidiary and ceases when the Parent Company, directly or indirectly, loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated Statement of Profit and Loss from the date the Parent Company, directly or indirectly, gains control until the date when the Parent Company, directly or indirectly, ceases to control the subsidiary.

- The consolidated financial statements of the Group combines financial statements of the Parent Company and its subsidiaries line-by-line by adding together the like items of assets, liabilities, income and expenses. All intra-group assets, liabilities, income, expenses and unrealised profits/losses on intra-group transactions are eliminated on consolidation. The accounting policies of subsidiaries have been harmonised to ensure the consistency with the policies adopted by the Parent Company. The consolidated financial statements have been presented to the extent possible, in the same manner as Parent Company's standalone financial statements.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests and have been shown separately in the financial statements.

- Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Company.

- The gains/losses in respect of part divestment/ dilution of stake in subsidiary companies not resulting in ceding of control, are recognised directly in other equity attributable to the owners of the Parent Company.

- The gains/losses in respect of divestment of stake resulting in ceding of control in subsidiary companies are recognised in the Statement of Profit and Loss. The investment representing the interest retained in a former subsidiary, if any, is initially recognised at its fair value with the corresponding effect recognised in the Statement of Profit and Loss as on the date the control is ceded. Such retained interest is subsequently accounted as an associate or a joint venture or a financial asset.

b. Investments in joint venture and associates

When the Group has with other parties joint control of the arrangement and rights to the net assets of the joint arrangement, it recognises its interest as joint venture. Joint control exists when the decisions about the relevant activities require unanimous consent of the parties sharing the control. When the Group has significant influence over the other entity, it recognises such interests as associates. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control over the entity.

The results, assets and liabilities of joint venture and associates are incorporated in the consolidated financial statements using equity method of accounting after making necessary adjustments to achieve uniformity in application of accounting policies, wherever applicable. An investment in associate or joint venture is initially recognised at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the joint venture or associate. Gain or loss in respect of changes in other equity of joint ventures or associates resulting in dilution of stake in the joint ventures and associates is recognised in the Statement of Profit and Loss. On acquisition of investment in a joint venture or associate, any excess of cost of investment over the fair value of the assets and liabilities of the joint venture, is recognised as goodwill and is included in the carrying value of the investment in the joint venture and associate. The excess of fair value of assets and liabilities over the investment is recognised directly in equity as capital reserve. The unrealised profits/losses on transactions with joint ventures are eliminated by reducing the carrying amount of investment.

The carrying amount of the equity accounted investments are tested for impairment in accordance with the policy.

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

c. Interests in joint operations

In accordance with Ind AS 111 - Joint Arrangements, when the Group has joint control of the arrangement based on contractually determined right to the assets and obligations for liabilities, it recognises such interests as joint operations. Joint control exists when the decisions about the relevant activities require unanimous consent of the parties sharing the control. In respect of its interests in joint operations, the Group recognises its share in assets, liabilities, income and expenses line-by-line in the standalone financial statements of the entity which is party to such joint arrangement which then becomes part of the consolidated financial statements of the Group when the financial statements of the Parent Company and its subsidiaries are combined for consolidation.

d. Business combination / Goodwill on consolidation

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

Goodwill on consolidation is allocated to cash generating units or group of cash generating units that are expected to benefit from the synergies of the acquisition.

Goodwill arising on consolidation is not amortised, however, it is tested for impairment annually. In the event of cessation of operations of a subsidiary, the unimpaired goodwill is written off fully. Business combinations arising from transfers of interests in entities that are under common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

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

iv. Accounting estimates

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

v. Key accounting estimates and assumptions

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

a. Estimation uncertainty related to the global health pandemic on COVID-19

The Group has considered certain internal and external sources of information upto date of approval of these financial statements in determining the possible effects of pandemic relating to COVID-19 on the financial statements and in particular on the contract estimates of balance project revenue and balance cost to complete. The Group has used the principal of prudence in applying judgements, estimates and assumptions and based on the current estimates, the Group believes it has taken into account all the possible impact of known events arising out of COVID-19 in the preparation of these financial statements. The eventual outcome of impact of global health pandemic may be different from those presently estimated and the Group will continue to closely monitor any material changes to future economic conditions.

b. Contract estimates

The Group, being a part of construction industry, prepares budgets in respect of each project to compute project profitability. The two major components of contract estimate are 'claims arising during construction period' (described below) and 'budgeted costs to complete the contract'. While estimating these components, there are significant assumptions considered by the management. Due to such complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

c. Recoverability of claims

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

d. Valuation of investment in and loans to joint ventures

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

e. Deferred tax assets

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

f. Defined benefit plans

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

g. Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease required significant judgement. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group revises the lease term if there is a change in non-cancellable period of a lease.

h. Useful lives of property, plant and equipment, investment property and intangible assets

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of assets are determined by the management at the time of acquisition of asset and reviewed periodically, including at each financial year. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

i. Provisions and contingent liabilities

A provision is recognised when the Group has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

vi. Going concern

The Group has incurred net loss of ₹ 610.02 crore during the year ended 31 March 2021 and as of that date has accumulated losses aggregating ₹ 4,219.36 crore which has resulted in full erosion of its net worth and its current liabilities exceeded its current assets by ₹ 370.41 crore. The Holding Company also continues to default on payment to lenders along with overdue to operational creditors. Further, the COVID-19 pandemic has also disrupted business operations of the Group during the period and there continues to exist uncertainty with respect to the pandemic on Group's operations.

Further, in respect of Steiner AG, a material foreign subsidiary group, there are uncertainties consequent to impact of COVID-19 including its impact on budget and liquidity planning as well as uncertainties related to the pending renewal of syndicate revolving guarantee facility agreement which are expiring on 31 August 2021. There are also events or conditions existing in few other group entities, casting significant doubt on the ability of these entities to continue as going concern. The above factors indicate that events or conditions exist, which may cast significant doubt on the Group's ability to continue as a going concern.

As at 31 March 2021, the Holding Company has received and accounted favorable arbitration awards (including interest thereon) aggregating ₹ 2,748.55 crore (net of advance ₹ 2,738.80 crore). Further, the Holding Company has also lodged claims aggregating ₹ 9,776 crore on its customers which are presently at various stages of negotiation/ discussion/ arbitration/ litigation. The Holding Company is in advanced stages of completing a resolution plan with its lenders, including resolution of debt of an erstwhile subsidiary, whose liabilities were taken over by the Holding Company in earlier years at settlement value basis the settlement terms entered between the Holding Company and lenders. Pursuant to the resolution plan, economic and beneficial interest of a portion of the aforesaid arbitration awards and claims of the Holding Company along with liabilities, represented by debt and accrued interest, will be transferred to a wholly owned subsidiary of the Holding Company. The resolution plan has received an in-principal approval from majority lenders and is subject to final approval by their respective Board/ Committees. The Board of Directors of the Holding Company, have approved the aforementioned resolution plan on 27 May 2021 and will be put up for approval with the shareholders in the ensuing extra-ordinary general body meeting. The Holding Company is confident of concluding the resolution plan under guidelines issued by Reserve Bank of India.

Accordingly, based on the expectation of the implementation of the resolution plan with lenders, as well as the underlying strength of the Group's business plans and future growth outlook as assessed, the management is confident of improving the credit profile of the Group, including through time-bound monetisation of assets including arbitration awards, claims and other assets which would result in it being able to meet its obligations in due course of time. Accordingly, the management considers it appropriate to prepare these financial results on a going concern basis.

vii. Fair value measurement

The Group measures financial instruments, at fair value at each balance sheet date.

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

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

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

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

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

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

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

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

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

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

viii. Property, plant and equipment (Tangible assets)

Property, plant and equipment are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and accumulated impairment losses, if any.

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

ix. Capital work-in-progress

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

x. Investment property

Investment properties are held to earn rentals or for capital appreciation, or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined on an annual evaluation based on the reckoner value with the main inputs being comparable transactions and industry data.

Depreciation on investment properties (building) is provided on the straight-line method, computed on the basis of useful lives as prescribed in Schedule II to the Act i.e. 60 years. The residual values, useful lives and method of depreciation are reviewed at the end of each financial year and the effect of any change in the estimates of useful lives/residual value is accounted on prospective basis.

xi. Intangible assets

Intangible assets are stated at cost, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably, less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets mainly comprise of computer software. Computer software represents license fees and implementation cost for software and other application software acquired / developed for in-house use.

xii. Asset classified as held for sale

Assets that are available for immediate sale and where the sale is highly probable of being completed within one year from the date of classification are considered and classified as assets held for sale. Assets classified as held for sale are measured at the lower of carrying amount or fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of asset held for sale has been estimated using observable inputs such as price quotations.

xiii. Depreciation and amortisation

Depreciation is provided for property, plant and equipment so as to expense the cost less residual value over their estimated useful lives on a straight line basis, except Building and sheds which is depreciated using WDV method. Intangible assets are amortised from the date they are available for use, over their estimated useful lives. The estimated useful lives are as mentioned below:

Asset category	Useful life (in years)	Basis of determination of useful lives^
Building and sheds	3 to 60	Based on technical evaluation by management's expert.
Leasehold improvements		As per the period of lease or estimated useful life determined by management's expert, whichever is lower.
Plant and equipment	2 to 14	Based on technical evaluation by management's expert.
Furniture fixtures and office equipment	5 to 10	Assessed to be in line with Schedule II to the Act.
Heavy Vehicles	3 to 12	Based on technical evaluation by management's expert.
Light Vehicles	8 to 10	Assessed to be in line with Schedule II to the Act.
Helicopter / Aircraft	12 to18	Based on technical evaluation by management's expert.
Speed boat	13	Assessed to be in line with Schedule II to the Act.
Computers	3	Assessed to be in line with Schedule II to the Act.
Intangible assets	3 to 5	Assessed to be in line with Schedule II to the Act.

^ Useful lives of asset classes determined by management estimate, which are generally lower than those prescribed under Schedule II to the Act are supported by internal technical assessment of useful lives.

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

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

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are accounted in the Statement of Profit and Loss under Other income or Other expenses.

xiv. Financial instruments

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

a Financial assets

i) Initial recognition

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

ii) Subsequent measurement

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

- Financial assets at amortised cost

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

- Financial assets measured at fair value

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

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

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

iii) Impairment of financial assets

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

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

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

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

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

iv) De-recognition of financial assets

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

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

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

b Equity instruments and financial liabilities

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

i) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

ii) Financial liabilities

- Initial recognition

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

- Subsequent measurement

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

- Financial liabilities at FVPL

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

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

- Financial liabilities at amortised cost

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

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

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

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

- De-recognition of financial liabilities

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

c Offsetting financial instruments

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

xv. Employee benefits

a. Defined contribution plan

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

b. Defined benefit plan

In respect of certain employees, provident fund contributions are made to a trust administered by the Group. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Group.Accordingly, the contribution paid or payable and the interest shortfall, if any, is recognised as an expense in the period in which services are rendered by the employee.

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

In case of foreign subsidiaries, the post-employment benefit plan, in the form of a pension, qualify as defined benefit plans. For the purposes of determining the defined benefit obligation at the reporting date, the total defined benefit obligations, made by an independent actuary using the projected unit credit method, are compared to the fair value of the plan assets and resultant surplus or shortfall is recognised as an asset or liability, respectively. Re-measurement, comprising of actuarial gains and losses, in respect of this pension plan are recognised in the OCI, in the period in which they occur.

c. Leave entitlement and compensated absences

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

d. Short-term benefits

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

xvi. Inventories

a. Construction materials, stores, spares and fuel

The stock of construction materials, stores, spares and fuel is valued at cost or net realisable value ('NRV'), whichever is lower. Cost is determined on weighted average basis and includes all applicable cost of bringing the goods to their present location and condition. Net realisable value is estimated selling price in ordinary course of business less the estimated cost necessary to make the sale.

b. Land and development rights

Undeveloped land (including development costs) and finished units which are held for sale are valued at the lower of construction costs and net selling price.

c. Project work in progress

Land and construction / development expenses are accumulated under "Project work-in-progress" and the same are valued at lower of cost or net realizable value. Cost of land purchased / acquired by the Group includes purchase / acquisition price plus stamp duty and registration charges. Construction / development expenditure includes cost of development rights, all direct and indirect expenditure incurred on development of land/ construction, attributable interest and financial charges and overheads relating to site management and administration less incidental revenues arising from site operations.

xvii. Cash and cash equivalents

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

xviii. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM is the Chief Executive Officer of the Group, who assesses the financial performance and position of the Group and makes strategic decisions. The CODM reviews revenue and gross profit as the performance indicators and does not review the total assets and liabilities for each reportable segment. The measurement of each segment's revenues, expenses and assets is consistent with the accounting policies that are used in preparation of the Group's consolidated financial statements. The Group's operations predominantly relate to 'Engineering and Construction', 'Infrastructure', 'Real Estate' and 'Comprehensive Urban Development and Management'. Other business segments contribute less than 10% of the total revenue and have been grouped as 'Others'. Segments have been identified taking into account the nature of activities of the parent company, its subsidiaries and joint ventures, the differing risks and returns, the organization structure and internal reporting system.

xix. Borrowing costs

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

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

xx. Foreign exchange translation of foreign projects and accounting of foreign exchange transaction

a. Initial recognition

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

b. Conversion

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

c. Treatment of exchange difference

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

Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset and exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Translation Account" and amortised over the remaining life of the concerned monetary item.

xxi. Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight line basis over the expected lives of the related assets and presented with other income.

xxii. Revenue recognition

a. Revenue from construction contracts

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. The Company derives revenues primarily from providing engineering and construction services.

Revenue from engineering and construction services, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method.

During the previous year, the Company changed the method of measuring progress i.e. from output method to input method as specified in Ind-AS 115 – 'Revenue from Contract with Customers' consequent to change in the circumstances including change in the nature of contracts secured by the Company during recent years. Consequently, the percentage-of-completion of a contract is now determined by the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring good or service to a customer excluding amounts collected on behalf of a third party and is adjusted for variable considerations.

Contract revenue earned in excess of certification are classified as contract assets (which we refer as unbilled work-in-progress) while certification in excess of contract revenue are classified as contract liabilities (which we refer to as due to customer). Advance payments received from contractee for which no services are rendered are presented as 'Advance from contractee'.

Due to the nature of the work required to be performed on many of the performance obligations, the estimation of total revenue and cost of completion is complex, subject to many variables and requires significant judgment. Variability in the transaction price arises primarily due to liquidated damages, price variation clauses, changes in scope, incentives, if any. The Company considers its experience with similar transactions and expectations regarding the contract in estimating the amount of variable consideration to which it will be entitled and determining whether the estimated variable consideration should be constrained. The Company includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.The estimates of variable consideration are based largely on an assessment of anticipated performance and all information (historical, current and forecasted) that is reasonably available.

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

The Group presents revenues net of indirect taxes in its Statement of Profit and Loss.

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

b. Software development and servicing revenue

Revenue from software development on fixed price, fixed time frame contracts, including system development and integration contracts, where there is no uncertainty as to measurement or collectability is recognized as per percentage of completion method. Revenue from last billing date to the Balance Sheet date is recognized as unbilled revenue. Stage of completion is measured by reference to the proportion that service cost incurred for work performed to date bears to the estimated total service cost. Service cost incurred to date excludes costs that relate to future activity on the contract. Such costs are recognized as an asset and are classified as unbilled revenue as due from customers.

Servicing revenue is recognized over the term of servicing contract. For sales of services, revenue is recognized in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of actual services provided as a proportion of the total services to be provided.

Time and material contracts is recognized as and when the related services are provided.

Annual maintenance service contracts are recognized proportionately over the period in which services are rendered.

Revenue from sale of user licenses for software applications is recognized on transfer of the title/product, in accordance with the sales contract. Revenue from product sales are shown as net of all applicable taxes and discounts.

c. Interest on arbitration awards

Interest awarded, being in the nature of additional compensation under the terms of the contract, is accounted as other operating revenue on receipt of favourable arbitration award.

xxiii. Other income

a. Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable EIR.

b. Dividend income

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

c. Other income

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

d. Rental income

Rent is recognised on time proportionate basis.

e. Finance and other income

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

xxiv. Income tax

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

a. Current tax

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

b. Deferred tax

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

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

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

The Group recognises deferred tax liability for all taxable temporary differences associated with investments in subsidiaries and associates, except to the extent that both of the following conditions are satisfied:

- When the Group is able to control the timing of the reversal of the temporary difference; and
- It is probable that the temporary difference will not reverse in the foreseeable future

xxv. Leases

The Group's lease asset classes primarily consist of leases for vehicles, building and shed. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange of the consideration.

At the date of the commencement of the lease, the Group recognises a right-of-use asset representing its right to use the underlying asset for the lease term and a corresponding lease liability for all the lease arrangements in which it is a lease, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease. They are 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 estimated useful life of the assets are determined on the same basis as those of property, plant and equipment.

Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Carrying amount of right-of-use asset is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The future lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. For a lease with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

Right-of-use assets have been separately presented in the Balance Sheet and the Lease liability is presented under Other financial liabilities. Further, lease payments have been classified as financing cash flows.

xxvi. Impairment of non-financial assets

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

Recoverable amount is determined:

- In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and

- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

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

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

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

xxvii. Earnings per share

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

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the parent and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

xxviii. Provisions, contingent liabilities and contingent assets

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

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

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

xxix. Commitments

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

xxx. Provision for warranty

In case of real estate projects of a subsidiary, the estimated liability for warranty is recorded on the building and its components during the construction period. These estimates are established using historical information on the nature, frequency and average cost of obligations and management estimates regarding possible future incidence based on corrective actions during the construction period under warranty phase.

xxxi. Treasury shares

Treasury shares represents own equity instruments reacquired by the Holding Company or other members of the Consolidated Group, which are deducted from the equity of the acquiring entity. Treasury shares held is disclosed separately in the financial statements.

xxxii. Share issue expenses

Share issue expenses are charged off against available balance in the Securities premium.

xxxiii. Share based payments

Certain employees of the Group are entitled to remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants. The stock compensation expense is determined based on the Group's estimate of equity instruments that will eventually vest using fair value in accordance with Ind-AS 102, Share based payment.

xxxiv. Exceptional items

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

Note 2.2 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable to the Group effective 1 April 2021.

NOTE 3A PROPERTY, PLANT AND EQUIPMENT

₹ crore

Particulars	Freehold land	Building and sheds	Leasehold improvements	Plant and equipment	Furniture, fixtures and office equipment	Vehicles	Helicopter / Aircraft	Speed boat	Computers	Total
Gross carrying value (at deemed cost)										
As at 1 April 2019	38.29	108.19	2.85	773.60	86.44	47.82	14.26	1.04	4.93	1,077.42
Adjustments [Refer sub note (iii)]	-	-	-	6.73	-	-	-	-	-	6.73
Additions	-	-	-	43.27	5.73	5.52	-	-	1.38	55.90
Disposals	-	-	-	(23.43)	(0.40)	(0.93)	-	-	-	(24.76)
Transferred to assets held for sale (Refer note 16)	(6.49)	-	-	-	-	-	(14.26)	-	-	(20.75)
As at 31 March 2020	**31.80**	**108.19**	**2.85**	**800.17**	**91.77**	**52.41**	**-**	**1.04**	**6.31**	**1,094.54**
Adjustments [Refer sub note (iii)]	-	-	-	(2.88)	-	-	-	-	-	(2.88)
Additions	-	-	-	232.71	0.52	8.44	-	-	0.43	242.10
Disposals	-	-	-	(57.38)	(1.95)	(1.89)	-	-	-	(61.22)
As at 31 March 2021	**31.80**	**108.19**	**2.85**	**972.62**	**90.34**	**58.96**	**-**	**1.04**	**6.74**	**1,272.54**
Accumulated depreciation										
As at 1 April 2019	-	83.58	0.81	424.28	29.46	23.42	4.79	0.43	1.69	568.46
Depreciation charge	-	2.13	0.30	94.67	14.06	3.27	1.20	0.11	1.27	117.01
Accumulated depreciation on disposals	-	-	-	(10.80)	-	(0.61)	-	-	-	(11.41)
Transferred to assets held for sale (Refer note 16)	-	-	-	-	-	-	(5.99)	-	-	(5.99)
As at 31 March 2020	**-**	**85.71**	**1.11**	**508.15**	**43.52**	**26.08**	**-**	**0.54**	**2.96**	**668.07**
Depreciation charge	-	1.34	0.30	80.14	12.95	3.04	-	0.11	1.23	99.11
Accumulated depreciation on disposals	-	-	-	(42.91)	-	(1.29)	-	-	-	(44.20)
As at 31 March 2021	**-**	**87.05**	**1.41**	**545.38**	**56.47**	**27.83**	**-**	**0.65**	**4.19**	**722.98**
Net carrying value										
As at 31 March 2020	31.80	22.48	1.74	292.02	48.25	26.33	-	0.50	3.35	426.47
As at 31 March 2021	**31.80**	**21.14**	**1.44**	**427.24**	**33.87**	**31.13**	**-**	**0.39**	**2.55**	**549.56**

Net carrying value	**As at 31 March 2021**	As at 31 March 2020
Property, plant and equipment	549.56	426.47
Capital work-in-progress	1.61	178.41

Notes:

(i) Refer notes 18 and 22 for information of property, plant and equipment pledged as security against borrowings of the Group

(ii) Refer note 35(B)(i) for disclosure of contractual commitments for acquisition of Property, plant and equipment

(iii) Adjustments represents exchange loss/ (gain) arising on long-term foreign currency monetary items.

NOTE 3B RIGHT-OF-USE ASSETS

₹ crore

Particulars	Buildings	Vehicles	Total
Gross carrying value			
Impact of adoption of Ind AS 116 as at 1 April 2019	304.18	0.94	305.12
Disposals	(0.40)	-	(0.40)
As at 31 March 2020	**303.78**	**0.94**	**304.72**
Additions	1.99	-	1.99
Disposals	-	-	-
As at 31 March 2021	**305.77**	**0.94**	**306.71**
Accumulated depreciation			
As at 1 April 2019	-	-	-
Depreciation Charge	28.97	0.57	29.54
Accumulated depreciation on disposals	(0.00)*	-	(0.00)*
As at 31 March 2020	**28.97**	**0.57**	**29.54**
Depreciation Charge	31.10	0.30	31.40
Accumulated depreciation on disposals	-	-	-
As at 31 March 2021	**60.07**	**0.87**	**60.94**
Net carrying value			
As at 31 March 2020	274.81	0.37	275.18
As at 31 March 2021	**245.70**	**0.07**	**245.77**

* Represents amount less than ₹ 1 lakh

Note: Also refer note 44 for the impact of transition to Ind AS 116- Leases and the related disclosures.

NOTE 4 INVESTMENT PROPERTY

₹ crore

Particulars	Land	Building	Total
Gross carrying value (at deemed cost)			
As at 1 April 2019	2.09	2.36	4.45
Additions	-	-	-
Disposals	-	-	-
As at 31 March 2020	**2.09**	**2.36**	**4.45**
Additions	-	-	-
Disposals	-	-	-
As at 31 March 2021	**2.09**	**2.36**	**4.45**
Accumulated depreciation			
As at 1 April 2019	-	1.72	1.72
Depreciation charge	-	0.03	0.03
As at 31 March 2020	**-**	**1.75**	**1.75**
Depreciation charge	**-**	**0.03**	0.03
As at 31 March 2021	**-**	**1.78**	**1.78**
Net carrying value			
As at 31 March 2020	2.09	0.61	2.70
As at 31 March 2021	**2.09**	**0.58**	**2.67**

Information regarding income and expenditure of Investment Property

₹ crore

	Year ended 31 March 2021	Year ended 31 March 2020
Rental income derived from investment property	0.54	0.14
Direct operating expenses (including repairs and maintenance) generating rental income	(0.05)	(0.40)
Gain/ (loss) arising from investment properties before depreciation and indirect expenses	0.49	(0.26)
Less : Depreciation	(0.03)	(0.03)
Gain/ (loss) arising from investment properties before indirect expenses	0.45	(0.29)

Note:

(i) The fair value of the Land situated in Switzerland as at the Balance Sheet date is ₹ 2.09 crore (CHF 300,000) [31 March 2020: ₹ 2.09 crore (CHF 300,000)].

(ii) The fair value of the Building situated in Mumbai, India as at 31 March 2021 is ₹ 13.36 crore (31 March 2020: ₹ 13.36 crore).

NOTE 5 OTHER INTANGIBLE ASSETS AND GOODWILL

₹ crore

Particulars	Other intangible assets (Computer software)	Total	Goodwill
Gross carrying value (at deemed cost)			
As at 1 April 2019	80.06	80.06	23.93
Additions	9.25	9.25	-
As at 31 March 2020	**89.31**	**89.31**	**23.93**
Additions	5.59	5.59	-
Disposals	-	-	-
As at 31 March 2021	**94.90**	**94.90**	**23.93**
Accumulated amortisation			
As at 1 April 2019	20.54	20.54	20.55
Amortisation charge	5.26	5.26	-
Adjustments	(0.01)	(0.01)	-
As at 31 March 2020	**25.79**	**25.79**	**20.55**
Amortisation charge	4.97	4.97	-
As at 31 March 2021	**30.76**	**30.76**	**20.55**
Net carrying value			
As at 31 March 2020	63.52	63.52	3.38
As at 31 March 2021	**64.14**	**64.14**	**3.38**

Note 5.1 Impairment testing for goodwill

Goodwill is tested for impairment annually in accordance with the Group's procedure for determining the recoverable amount of such assets. The recoverable amount is determined based on the fair value of the underlying net assets of the entity. The fair value measurement has been categorised as level 3 fair value based on the inputs to the valuation technique used. Based on the above, no impairment provision is considered necessary as the recoverable value exceeded the carrying value.

NOTE 6 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

₹ crore

			As at 31 March 2021	As at 31 March 2020
I.	**Investments at deemed cost**			
	i)	in associates in India	**13.34**	**10.18**
	ii)	in associates outside India	3.71	13.81
	iii)	in joint venture in India	385.86	321.12
II.	**Deemed investment in associates and joint ventures**		-	-
	Total investments in associates and joint ventures		**402.91**	**345.11**
Detailed list of investments in associates and joint ventures				
I.	**Investments at deemed cost, unquoted and fully paid up**			
	i)	**In associates in India**		
		Highbar Technocrat Limited	13.34#	10.18#
		99,940 (31 March 2020: 99,440) equity shares of ₹ 10 each		
			13.34	**10.18**
		Less: Impairment allowance	-	-
			13.34	**10.18**

net off Nil (31 March 2020: ₹ 1 crore) received as dividend during the current year.

NOTE 6 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES....Contd.

₹ crore

		As at 31 March 2021	As at 31 March 2020
ii)	**In associates outside India**		
	Evostate AG	2.42	3.52
	300 (31 March 2020: 300) equity shares of CHF 1,000 each		
	Projektentwicklungsges, Parking AG Basel	-	9.00
	850 (31 March 2020: 850) equity shares of CHF 1,000 each		
	MCR Managing Corp	1.29	1.29
	30 (31 March 2020: 30) equity shares of CHF 1,000 each		
		3.71	**13.81**
iii)	**In joint ventures in India**		
	HCC Concessions Limited (Refer note 36)		
	50,000 (31 March 2020: 50,000) equity shares of ₹ 10 each; and	573.48	573.48
	2,867,151 (31 March 2020: 2,867,151) Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each	285.98	285.98
		859.46	859.46
	Less: Share of loss from joint venture accounted under equity method	**(473.60)**	**(538.34)**
		385.86	321.12
	Werkarena Basel AG	**0.00***	**0.00***
	500 (31 March 2020: 500) equity shares of CHF 1,000 each		
		385.86	**321.12**
		402.91	**345.11**

* Represents amount less than ₹ 1 lakh

Note 6.1 The Group's share of profit / (loss) of associates and joint ventures is as follows:

₹ crore

	As at 31 March 2021	As at 31 March 2020
From joint ventures		
HCC Concessions Limited (Refer note 40)	(473.60)	(538.34)
Werkarena Basel AG	0.00*	0.00*
From associates		
Highbar Technocrat Limited	14.34	11.18
Evostate AG	(19.07)	(17.98)
MCR Managing Corp	3.13	3.13
Projektentwicklungsges, Parking AG Basel	2.70	2.70
	(472.50)	**(539.31)**

* Represents amount less than ₹ 1 lakh

NOTE 6A NON-CURRENT INVESTMENTS

₹ crore

	As at 31 March 2021	As at 31 March 2020
Other investments in equity shares at fair value through Other Comprehensive Income		
In India	12.54	6.94
Outside India	2.57	2.47
	15.11	**9.41**
Total non-current investments	**15.11**	**9.41**
Detailed list of non-current investments		
Other investments in equity shares at fair value through Other Comprehensive Income, fully paid up		
In India		
Khandwala Securities Limited	0.00*	0.00*
3,332 (31 March 2020: 3,332) equity shares of ₹ 10 each, quoted		
Housing Development Finance Corporation Limited	3.81	2.48
15,220 (31 March 2020: 15,220) equity shares of ₹ 2 each, quoted		
HDFC Bank Limited	0.75	0.43
5,000 (31 March 2020: 5,000) equity shares of ₹ 10 each, quoted		
Shushrusha Citizens Co-Op. Hospitals Limited	0.00*	0.00*
100 (31 March 2020 : 100) equity shares of ₹ 100 each, unquoted		
Hincon Finance Limited	7.98	4.03
120,000 (31 March 2020 : 120,000) equity shares of ₹ 10 each, unquoted		
	12.54	**6.94**
Outside India		
Radio- und Fernsehgenossenschaft Zürich-Schaffhausen	0.00*	0.00*
1 (31 March 2020 : 1) equity shares of CHF 50 each, unquoted		
Opernhaus Zürich AG	0.04	0.03
10 (31 March 2020 : 10) equity shares of CHF 900 each, unquoted		
Genossenschaft Theater für den Kt. Zürich	0.00*	0.00*
1 (31 March 2020 : 1) equity shares of CHF 300 each, unquoted		
Betriebsges. Kongresshaus Zürich AG	0.30	0.29
30 (31 March 2020 : 30) equity shares of CHF 1,000 each, unquoted		
AG Hallenstadion Zürich	0.00*	0.00*
10 (31 March 2020 : 10) equity shares of CHF 100 each, unquoted		
MTZ Medizinishces Therapiezentrum	0.39	0.38
50 (31 March 2020 : 50) equity shares of CHF 1,000 each, unquoted		
Mobimo Holding AG	1.58	1.54
720 (31 March 2020 : 720) equity shares of CHF 29 each, quoted		
Namenaktien Messe Zürich	0.03	-
10 (31 March 2020 : Nil) equity shares of CHF 50 each, quoted		
MCH Group AG	0.23	0.23
2,100 (31 March 2020 : 2,100) equity shares of CHF 10 each, quoted		
	2.57	**2.47**
Total non-current investments (6 + 6A)	**418.02**	**354.52**

* Represents amount less than ₹ 1 lakh

NOTE 6A NON CURRENT INVESTMENTS Contd...

₹ crore

	As at 31 March 2021	As at 31 March 2020
Details:		
Aggregate value of non-current investments is as follows:		
(i) Aggregate value of unquoted investments	1,738.95	1,677.17
(ii) Aggregate value of quoted investments and market value thereof	6.40	4.68
(iii) Aggregate value of impairment of investments	1,327.33	1,327.33
(i) Investments carried at cost	402.91	345.11
(ii) Investments carried at amortised cost	-	-
(iii) Investments carried at fair value through Other Comprehensive Income	15.12	9.41

NOTE 7 TRADE RECEIVABLES

₹ crore

	As at 31 March 2021	As at 31 March 2020
Non-current		
Trade receivables ^ (Refer notes 2.1 (vi), 7.1 and 38)	-	2,719.72
Total non-current trade receivables	**-**	**2,719.72**
Current		
Trade receivables		
- from related parties ^^ (Refer notes 2.1 (vi), 7.1 and 45)	4.65	264.72
- from others (Refer notes 2.1 (vi), 7.1 and 38) ^^	4,497.14	1,632.84
[Including retention ₹ 787.85 crore (31 March 2020: ₹ 763.35 crore)]		
Total current trade receivables	**4,501.79**	**1,897.56**
Total trade receivables	**4,501.79**	**4,617.28**

^ Net off advance received against arbitration awards of Nil (31 March 2020: ₹ 448.10 crore)

^^ Net off advance received against work bill / arbitration awards / claim of ₹ 2738.80 crore (31 March 2020: ₹ 2,405.40 crore)

₹ crore

	As at 31 March 2021	As at 31 March 2020
Break-up of security details		
Trade receivables considered good- secured	-	-
Trade receivables considered good- unsecured	4,501.79	4,617.28
Trade receivables which have significant increase in credit risk	-	-
Trade receivables- credit impaired	3.01	4.58
Total	**4,504.80**	**4,621.86**
Loss allowance	(3.01)	(4.58)
Total trade receivables	**4,501.79**	**4,617.28**

Note 7.1 Non-current trade receivables and current trade receivables as at 31 March 2021 include Nil and ₹ 2,748.56 crore (net of advances ₹ 2,738.80 crore), respectively [31 March 2020: ₹ 2,719.72 crore (net of advances ₹ 448.10 crore) and ₹ 652.59 crore (net of advance ₹ 2,139.17 crore) respectively] representing claims awarded in arbitration in favour of the Company and which have been challenged by the customers in High Courts / Supreme Court.

Note 7.2 There are no trade receivables due from any director or any officer of the Group, either severally or jointly with any other person, or from any firms or private companies in which any director is a partner, a director or a member.

NOTE 7 TRADE RECEIVABLES Contd....

Note 7.3 Trade receivables (other than receivables on account of claims awarded in arbitration in favour of the Company) are non-interest bearing and are generally on terms of 30 to 90 days except retention deposits which are due after completion of the defect liability period of the respective projects.

NOTE 8 LOANS

₹ crore

	As at 31 March 2021	As at 31 March 2020
Non-current		
Loans to related parties (Refer note 45)	67.44	54.82
Security and other deposits	43.84	44.52
	111.28	99.34
Less: loss allowance	(15.64)	(15.64)
Total non-current loans	**95.64**	**83.70**
Current		
Security and other deposits	20.62	19.59
Less: loss allowance	(0.02)	(0.01)
Total current loans	**20.60**	**19.58**
Total loans	**116.24**	**103.28**
Break-up of security details		
Loans considered good- secured	-	-
Loans considered good- unsecured	116.24	103.28
Loans- credit impaired	15.66	15.65
Total	**131.90**	**118.93**
Loss allowance	(15.66)	(15.65)
Total loans	**116.24**	**103.28**

NOTE 9 OTHER FINANCIAL ASSETS

₹ crore

	As at 31 March 2021	As at 31 March 2020
Non-current		
Margin money deposits	1.16	0.68
Compensation in lieu of termination	23.12	21.45
Total non-current financial assets	**24.28**	**22.13**
Current		
Compensation in lieu of termination	15.02	15.02
Interest accrued on deposits / advances	8.26	10.28
Others	31.74	24.95
	55.02	**50.25**
Less: Loss allowance	(1.13)	(1.34)
Total current financial assets	**53.89**	**48.91**
Total other financial assets	**78.17**	**71.04**

NOTE 10 INCOME TAX ASSETS (NET) AND CURRENT TAX LIABILITY

i. The following table provides the details of income tax assets and liabilities:

₹ crore

	As at 31 March 2021	As at 31 March 2020
a) Income tax assets	343.07	473.80
b) Current income tax liabilities	200.04	207.87
Income tax assets (net) [a-b]	**143.04**	**265.92**
Income tax assets in certain entities	143.77	276.85
Current tax liabilities in case on certain entities	0.74	10.92
Net income tax assets	**143.04**	**265.92**

ii. The gross movement in the income tax assets is as follows:

₹ crore

	Year ended 31 March 2021	Year ended 31 March 2020
Net income tax asset at the beginning	265.92	214.77
Income tax (refund)/ paid	(113.93)	64.31
Current income tax expense	(8.96)	(13.16)
Net current income tax assets at the end	**143.04**	**265.92**

iii. Income tax expense comprises:

₹ crore

	Year ended 31 March 2021	Year ended 31 March 2020
Current tax expense	8.96	13.16
Deferred tax charge / (credit)	(266.29)	151.76
Tax charge / (credit) [net] in the Statement of Profit and Loss	**(257.33)**	**164.92**
Deferred tax charge / (credit) in Other Comprehensive Income	0.70	2.10
Tax charge / (credit) [net]	**(256.63)**	**167.02**

iv. A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit/ (loss) before income taxes is as below:

₹ crore

	Year ended 31 March 2021	Year ended 31 March 2020
Profit / (loss) before income tax	(867.35)	361.95
Applicable tax rate in India	34.944%	34.944%
Computed expected tax charge / (credit)	**(303.09)**	**126.48**
Effect of difference in tax rates of overseas subsidiaries	(2.02)	(39.44)
Effect of tax on profit / loss of joint operations, associates and joint ventures	(22.87)	(65.60)
Effect of expenses not allowed for tax purpose	29.44	1.32
Effect of income not considered for tax purpose and deferred tax asset on loss not recognised	(6.16)	(19.30)
Impact of DTA written off (Refer note 10.1)	-	151.30
Impact of change in tax rate	46.58	0.00*
Others	0.79	10.16
Income tax charge / (credit) [net] in the Statement of Profit and Loss	**(257.33)**	**164.92**

* Represents amount less than ₹ 1 lakh

NOTE 10 INCOME TAX ASSETS (NET) AND CURRENT TAX LIABILITY....Contd.

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

₹ crore

	As at 31 March 2021	As at 31 March 2020
(A) Deferred tax assets (Refer note 10.1)		
(a) Business loss / unabsorbed depreciation / MAT credit entitlements	2,224.03	2,289.55
(b) Impairment allowance for receivables / other assets	0.65	0.65
(c) Timing difference on tangible and intangible assets' depreciation and amortisation	41.33	60.96
(d) Expense allowable on payment basis	164.99	139.78
	2,431.00	**2,490.94**
(B) Deferred tax liabilities		
(a) Claims / arbitration awards	(1,679.50)	(1,998.40)
(b) Others	(0.14)	(6.77)
	(1,679.64)	**(2,005.17)**
Deferred tax assets (net) (A) - (B)	**751.36**	**485.77**
Deferred tax liabilities in case of certain entities	-	-
Deferred tax assets in case of certain entities	751.36	485.77
Net deferred tax assets	**751.36**	**485.77**

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

₹ crore

	Business loss / unabsorbed depreciation / MAT credit entitlement	Impairment allowance for receivables / other assets	Timing difference on tangible and intangible assets depreciation and amortisation	Claims / arbitration awards	Expense allowable on payment basis and others	Total
At 1 April 2019	2,237.41	118.77	53.15	(1,867.14)	97.44	639.63
(Charged) / credited						
- to profit or loss	52.14	(118.12)	7.81	(131.26)	37.67	(151.76)
- to other comprehensive income	-	-	-	-	(2.10)	(2.10)
At 31 March 2020	**2,289.55**	**0.65**	**60.96**	**(1,998.40)**	**133.01**	**485.77**
(Charged) / credited						
- to profit or loss	(65.52)	-	(19.63)	318.90	32.54	266.29
- to other comprehensive income	-	-	-	-	(0.70)	(0.70)
As at 31 March 2021	**2,224.03**	**0.65**	**41.33**	**(1,679.50)**	**164.85**	**751.36**

Note 10.1: On 20 September 2019, vide the Taxation Laws (Amendment) Ordinance 2019, the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective 1 April 2019 subject to certain conditions. However, the Holding Company having significant brought forward tax losses and unabsorbed depreciation on which deferred tax asset has been recognised, is still evaluating and has not yet elected to exercise the option permitted under section 115BAA. In view of the above, there is no impact of the new tax rate on the consolidated financial results for the current period.

During the previous year, the Company had written off deferred tax assets aggregating ₹ 151.30 crore due to expiry of statutory period for setting off underlying losses.

As at 31 March 2021, the Holding Company continues to recognize net deferred tax assets amounting to ₹ 715.99 crore (31 March 2020: ₹ 437.08 crore) on account of carried forward unused tax losses, unused tax credits and other taxable temporary differences. Based on the expected profits from the unexecuted orders on hand, outcome of the ongoing discussion with lenders for restructuring of loans and expected settlement of arbitration awards, the Holding Company's management is confident that sufficient future taxable income will be available against which such deferred tax assets will be realized.

Note 10.2: Deferred tax liabilities on undistributed earnings of the Group subsidiaries have not been provided as such earnings are deemed to be reinvested in the business and the Group is able to control the timing of the reversals of temporary differences associated with these investments.

Note 10.3: There are unused tax losses in the Group companies for which no deferred tax asset has been recognised as the Group believes that availability of taxable profit against which such temporary difference can be utilised, is not probable.

NOTE 11 OTHER ASSETS

₹ crore

	As at 31 March 2021	As at 31 March 2020
Non-current		
Capital advances	0.97	1.80
Balances with government authorities	70.42	84.59
Prepaid expenses	3.11	3.04
	74.50	**89.43**
Less: Loss allowance	0.00	(0.62)
Total other non-current assets	**74.50**	**88.81**
Current		
Unbilled work-in-progress^ (Refer notes 38 and 45)	3,826.12	3,643.01
Advance to suppliers and subcontractors	167.05	156.66
Balances with government authorities	89.72	126.99
Prepaid expenses	7.45	10.20
Others	19.55	19.49
Total other current assets	**4,109.89**	**3,956.35**
Less: Loss allowance	(29.73)	(29.73)
	4,080.16	**3,926.62**
Total other assets	**4,154.66**	**4,015.43**

^ Net off advance received against work bill of ₹ 152.82 crore (31 March 2020: ₹ 195.60 crore)

NOTE 12 INVENTORIES

₹ crore

	As at 31 March 2021	As at 31 March 2020
Land and development rights	291.55	275.04
Construction material, stores and spares	182.15	187.52
Fuel and others	5.90	4.61
Total inventories	**479.60**	**467.17**

NOTE 13 CURRENT INVESTMENTS

₹ crore

		As at 31 March 2021	As at 31 March 2020
I.	**Investments in joint ventures accounted for using the equity method, unquoted and fully paid up**		
	Raiganj Dalkhola Highways Limited ('RDHL') [Refer note 13.3]	-	1.36
	3,000,000 (31 March 2020: 3,000,000) equity shares of ₹ 10 each fully paid		
	Baharampore Farakka Highways Limited ('BFHL')	0.00*	0.00*
	100 (31 March 2020: 100) equity shares of ₹ 10 each fully paid		
		0.00*	**1.36**
II.	**Investments in others carried at fair value through profit and loss**		
	Investment in mutual funds	0.15	0.14
	Total current investments	**0.15**	**1.50**

NOTE 13 CURRENT INVESTMENTS...Contd.

₹ crore

	As at 31 March 2021	As at 31 March 2020
Details:		
Aggregate value of current investments is as follows:		
(i) Aggregate value of unquoted investments	0.15	1.50
(ii) Aggregate value of quoted investments and market value thereof	-	-
(iii) Aggregate value of impairment in the value of investments	-	-
(i) Investments carried at cost	0.00*	1.36
(ii) Investments carried at amortised cost	-	-
(iii) Investments carried at fair value through profit and loss	0.15	0.14

Note 13.1 Detailed list of current investments

	As at 31 March 2021	As at 31 March 2020
I. The Group's share of loss from equity accounted investments is as follows:		
In joint venture in India		
- Raiganj Dalkhola Highways Limited (Refer notes 13.2 and 13.3)	(5.30)	(3.94)
3,000,000 (31 March 2020: 3,000,000) equity shares of ₹ 10 each fully paid		
- Baharampore Farakka Highways Limited (Refer notes 13.2 and 13.3)	(16.28)	(16.28)
100 (31 March 2020: 100) equity shares of ₹ 10 each fully paid		
Total share of loss from equity accounted investments	**(21.58)**	**(20.22)**

Note 13.2 The Holding Company has pledged the following shares in favour of the lenders as a part of the financing agreements for facilities taken by subsidiary companies and joint ventures as indicated below:

Name of the entity	No. of equity shares pledged	
	As at 31 March 2021	As at 31 March 2020
Raiganj Dalkhola Highways Limited	510,000	510,000

Note 13.3 Pursuant to Shareholders Agreement (SHA) executed on 9 August 2011, the Holding Company is required to hold 100% equity stake in HCC Infrastructure Company Limited (HICL) until Private Equity Investor gets an exit from HCC Concessions Limited (HCL) through means as specified in the SHA and there are certain other customary restrictions on pledging / creation of any encumbrance over shares / assets of HICL/ BOT SPVs. The Holding Company has given inter alia an undertaking in respect of investment in BFHL and RDHL to National Highways Authority of India (NHAI) that it will not transfer its shareholding till the commercial operation date. The Holding Company has entered into sale agreement with HCL to sell these shares at book value at future dates on fulfilment of that obligation as per undertaking given to NHAI.

In respect of RDHL, the Holding Company has received full consideration of ₹ 3.00 crore (31 March 2020: ₹ 3.00 crore) from HCL for transfer of the shares at book value, subject to necessary approvals and consents to the extent required (Refer note 19).

Name of the BOT SPV	As at 31 March 2021		As at 31 March 2020	
	No. of shares	₹ crore	No. of shares	₹ crore
Baharampore Farakka Highways Limited	100	0.00*	100	0.00*
Raiganj Dalkhola Highways Limited	3,000,000	3.00	3,000,000	3.00
Total	**3,000,100**	**3.00**	**3,000,100**	**3.00**

* represents amount less than ₹ 1 lakh.

NOTE 14 CASH AND CASH EQUIVALENTS

₹ crore

	As at 31 March 2021	As at 31 March 2020
Balances with banks (Refer note 18.7)		
- in current accounts	467.01	263.77
- in deposit account with original maturity upto 3 months	174.45	1.46
Cash on hand	0.67	0.88
Cheques on hand	-	10.00
Total cash and cash equivalents	**642.13**	**276.11**

NOTE 15 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ crore

	As at 31 March 2021	As at 31 March 2020
Bank deposits with maturity of more than 3 months and less than 12 months	63.53	34.43
Earmarked balances with bank for: (Refer note 18.3)		
- Margin money deposits with original maturity of more than 3 months and remaining maturities of less than 12 months	555.96	532.48
- Balances with bank for unpaid dividend ^	0.00*	0.00*
Total bank balances other than cash and cash equivalents	**619.49**	**566.91**

^ includes ₹ 7,600 (31 March 2020: ₹ 7,600) which is held in abeyance due to legal cases pending.

Note 15.1 There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at end of each reporting period.

NOTE 16 ASSETS CLASSIFIED AS HELD FOR SALE

₹ crore

	As at 31 March 2021	As at 31 March 2020
Freehold Land (Refer note 16.1)	6.49	6.49
Helicopter (Refer note 16.2)	-	8.27
Total assets classified as held for sale	**6.49**	**14.76**

Note 16.1 During the previous year, the Holding Company had entered into an agreement with a subsidiary company to develop the land parcel admeasuring 21,208.65 sq. mtrs. or thereabouts and having a built-up area of 98,491 sq. mtrs. situated at Vikhroli under the registration district of Mumbai suburban city. An advance of ₹ 20.20 crore has been received as per the terms of the agreement and presently the feasibility study and due diligence are in progress. The completion of the sale transaction has been significantly delayed due to COVID-19 but the management remains committed to the sale. Accordingly, as at 31 March 2021, the sale of land continues to be highly probable and hence classified as 'Assets classified as held for sale'.

Note 16.2 During the previous year, the Holding Company had entered into an agreement for sale of a Helicopter including all its related parts and ancillary items for a consideration of ₹ 8.75 crore. As a result, this was classified as an "Assets classified as held for sale" and measured at lower of its carrying amount and fair value less costs to sell. During the current year, the requisite approval from Director General of Civil Aviation has been obtained and consequently the asset has been disposed off and sale consideration has been realised.

NOTE 17 EQUITY SHARE CAPITAL

₹ crore

		As at 31 March 2021	As at 31 March 2020
Authorised share capital			
2,000,000,000	Equity shares of ₹ 1 each (31 March 2020: 2,000,000,000 equity shares of ₹ 1 each)	200.00	200.00
10,000,000	Redeemable cumulative preference shares of ₹ 10 each (31 March 2020: 10,000,000 preference shares of ₹ 10 each)	10.00	10.00
Total authorised equity share capital		**210.00**	**210.00**

NOTE 17 EQUITY SHARE CAPITAL...Contd.

₹ crore

		As at 31 March 2021	As at 31 March 2020
Issued, subscribed and paid-up equity share capital:			
1,512,976,244	Equity shares of ₹ 1 each fully paid up (31 March 2020: 1,512,976,244 equity shares of ₹ 1 each)	151.30	151.30
	Add : 13,225 Forfeited equity shares (31 March 2020: 13,225 equity shares)	0.01	0.01
Total issued, subscribed and paid-up equity share capital		**151.31**	**151.31**

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

	Number	₹ crore
As at 1 April 2019	**1,512,976,244**	**151.30**
Issued during the year	-	-
As at 31 March 2020	**1,512,976,244**	**151.30**
Issued during the year	-	-
As at 31 March 2021	**1,512,976,244**	**151.30**

b. **Terms/ rights attached to equity shares:**

The Holding Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity share is entitled to one vote per share. The Holding Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend, if any.

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

c. **Shareholding of more than 5%:**

Name of the Shareholder	As at 31 March 2021		As at 31 March 2020	
	No. of shares	% held	No. of shares	% held
Promoter				
Arya Capital Management Private Limited	244,013,391	16.13%	244,013,391	16.13%
Hincon Holdings Limited	216,023,600	14.28%	216,023,600	14.28%
Non-promoter				
Asia Opportunities IV (Mauritius) Limited	115,462,961	7.63%	115,462,961	7.63%
HDFC Trustee Company Limited	88,992,219	5.88%	88,992,219	5.88%

d. **Shares reserved for issue under Employee Stock Options Scheme (ESOP):**

As at 31 March 2021, there are Nil stock options granted and outstanding (31 March 2020: Nil).

During the current year, Nil (31 March 2020: 300,000) stock options got lapsed.

e. **Bonus shares/ buy back/shares for consideration other than cash issued during past five years:**

(i) Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash- Nil [Refer note 17(f)]

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

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

f. Pursuant to the approval of the shareholders at the Extra Ordinary General Meeting/ Annual General Meeting held in earlier years, the allotment committee of the Board of Directors at its meetings held on various dates allotted collectively to the lenders 236,304,020 equity shares of face value of ₹ 1 each aggregating ₹ 828.35 crore and 14,671,590 optionally convertible debentures (OCDs) of face value of ₹ 1,000 each at par (carrying coupon rate of 0.01% p.a.) aggregating ₹ 1,467.16 crore on preferential basis as part of the Scheme for Sustainable Structuring of Stressed Assets (S4A Scheme).

NOTE 17 EQUITY SHARE CAPITAL...Contd.

The implementation of the S4A Scheme and the consequent allotment of equity shares/ OCDs have been made in respect of all the lenders except for few lenders who will be allotted equity shares and OCDs once they exercise their option. Number of equity shares/OCDs to be allotted will be determined based on the share price prevailing at the time of such allotment.

NOTE 18 LONG TERM BORROWINGS

₹ crore

		As at 31 March 2021	As at 31 March 2020
Non-current portion:			
I.	**Secured**		
A.	**Non-Convertible Debentures (Refer note 18.1.1)**	-	15.95
B.	**0.01% Optionally Convertible Debentures (OCDs) [Refer notes 18.1.2 and 17(f)]**		
(i)	From banks	1,084.24	1,084.24
(ii)	From others	111.38	111.38
C.	**Foreign Currency Term Loans from banks (Refer note 18.1.3)**	207.08	214.98
D.	**Rupee Term Loans (RTL-A) (Refer note 18.1.4)**		
(i)	From banks	-	20.70
(ii)	From others	1.71	10.79
E. Rupee Term Loans (RTL-1) (Refer note 18.1.5)			
(i)	From banks	-	24.85
(ii)	From others	-	7.20
F.	**Rupee Term Loans (RTL-2) (Refer note 18.1.5)**		
(i)	From banks	-	69.17
(ii)	From others	-	9.99
G.	**Working Capital Term Loan from Banks (WCTL-2) (Refer note 18.1.6)**		
(i)	From banks	-	0.86
(ii)	From others	-	2.24
H.	**Other term loans**		
(i)	From banks (Refer note 18.1.8)	-	4.47
(ii)	From others (Refer note 18.1.9)	-	6.07
Subtotal (I)		**1,404.41**	**1,582.90**
II.	**Unsecured loans from others (Refer note 18.2)**	3.87	3.95
Total non-current borrowings (I+II)		**1,408.28**	**1,586.84**
Current maturities of long-term debts:			
I.	**Secured**		
A.	**Non-Convertible Debentures (Refer note 18.1.1)**	63.37	66.64
B.	**Foreign Currency Term Loans from others (Refer note 18.1.3)**	69.63	72.51
C.	**Rupee Term Loans (RTL-A) (Refer note 18.1.4)**		
	(i) From banks	67.32	50.17
	(ii) From others	25.35	17.28
D.	**Rupee Term Loans (RTL-1) (Refer note 18.1.5)**		
	(i) From banks	66.87	58.34
	(ii) From others	44.80	28.79
E.	**Rupee Term Loans (RTL-2) (Refer note 18.1.5)**		
	(i) From banks	316.09	255.75
	(ii) From others	38.35	32.23

NOTE 18 LONG TERM BORROWINGS..Contd.

₹ crore

		As at 31 March 2021	As at 31 March 2020
F.	**Working Capital Term Loan from Banks (WCTL-2) (Refer note 18.1.6)**		
	(i) From banks	4.91	4.05
	(ii) From others	11.06	8.82
G.	**Other term loans**		
	(ii) From banks (Refer note 18.1.9)	305.64	336.53
	(ii) From others (Refer note 18.1.10)	6.04	-
Subtotal (I)		**1,019.43**	**931.11**
II.	**Unsecured foreign Currency Term Loan from bank (Refer note 18.1.3)**	50.79	50.27
Total Current Maturities of long term debts (I+II)		**1,070.22**	**981.38**
Total borrowings		**2,478.50**	**2,568.22**

18.1 Details of security and terms of repayment

18.1.1 Non-Convertible Debentures (NCDs)

₹ crore

		As at 31 March 2021	As at 31 March 2020
i)	**Axis**		
	These debentures are classified as RTL-1. These debentures carry an interest yield of 11.50% p.a. and are repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. These are secured by way of registered mortgage over 231.66 acres of land of an erstwhile subsidiary i.e. Lavasa Corporation Limited ('LCL'), situated in 5 villages namely Village Admal, Bhode, Gadle, Padalghar and Ugavali in taluka Mulshi, District Pune, Maharashtra.	14.81	19.25
ii)	**LIC**		
	These debentures are classified as RTL-1. These debentures carry an interest yield of 11.50% p.a. and are repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. Refer note 18.1.7 for security details.	48.56	63.34
Less: Classified under other financial liabilities (Refer note 19)		(63.37)	(66.64)
		-	**15.95**

18.1.2 0.01% Optionally Convertible Debentures (OCDs)

OCDs have been issued to the lenders of the Holding Company as part of the S4A Scheme with a tenor of 10 years and a coupon of 0.01% with an interest yield of 11.50% p.a. in yield equalization compounded on a quarterly basis. After the expiry of eighteen months from the issuance, the OCDs were to be converted into non-convertible debentures in case of non-occurrence of event of default as per the guidelines of the S4A Scheme. Pursuant to the exemption provided by the Securities and Exchange Board of India ('SEBI') from the application of Regulation 75 of SEBI ICDR regulations to the Company, the tenure of OCD has been extended for a further 8.5 years beyond the statutorily prescribed period of 18 months. The lenders have an option to convert the OCDs into equity shares of the Company, in accordance with the terms thereof including in case of any event of default or default in payment during the 10 years from the date of issuance of respective OCDs. The repayment of the OCD commences from the 6th anniversary of the allotment date. Details of maturity have been provided below.

Date of Repayment	**₹ crores**
30 September 2022	269.74
30 September 2023	250.16
30 September 2024	231.25
30 September 2025	224.16
30 September 2026	220.31

NOTE 18 LONG TERM BORROWINGS..Contd.

Security details and terms of repayment:

1. First ranking pari passu charge on all of the Holding Company's Property, plant and equipment (immovable and movable) [excluding the Specified Assets and Excluded Assets]; and

2. Second ranking and pari passu security interest by way of a legal mortgage over the First, Second and the Fifth Mortgaged Properties as specified in the mortgage deed. The security perfection has been completed on the OCD facilities issued as part of the S4A scheme.

Collateral security pari-passu with lenders defined in MRA:

1. HREL Real Estate Limited (HREL) has provided Corporate guarantee for the outstanding facilities of the Holding Company.

2. First pari-passu charge on 154,151,669 shares of the Holding Company and second charge on 85,767,617 equity shares of the Company held by Hincon Holdings Limited and Hincon Finance Limited.

3. Personal guarantee of the Chairman and Managing Director of the Holding Company.

18.1.3 Foreign Currency Term Loans

₹ crore

		As at 31 March 2021	As at 31 March 2020
(i)	**Asia Opportunities (IV) Mauritius Limited - External Commercial Borrowings (ECB)**		
	The loan is repayable in three quarterly instalments commencing from 31 December 2019 and carries an interest rate equal to 3 month LIBOR plus 350 basis points. The facility is secured by first charge by way of hypothecation of plant and machinery acquired under the facility described in the first schedule to the memorandum of hypothecation.	69.63	72.51
(ii)	**Export-Import Bank of India**		
	The loan availed by HCC Mauritius Enterprise Limited, a subsidiary company, has been restructured with a cut-off date of 30 June 2017, bearing an interest rate of LIBOR 3M + 500 bps per annum payable quarterly. The spread over LIBOR would be subject to change in case of (a) drawal beyond availability period and / or (b) changes in market conditions. This loan is repayable in 31 quarterly instalments commencing from 30 September 2017 from the date of first drawal ending on 31 March 2025.	40.19	41.72
	This loan is secured by exclusive charge on (i) corporate guarantee by Holding Company (ii) pledge of equity shareholding of the borrower held by Holding Company (iii) a first charge over specific property, plant and equipment of Holding Company having written down value of ₹ 50 crore (at the time of original sanction in May 2010) (iv) pledge of 33% equity share holding of Steiner AG, held by HMEL, a subsidiary company (v) non disposal undertaking for non-disposal of shareholding in Steiner AG or any other SPV created for the purpose of acquisition.		
(iii)	**Export-Import Bank of India**		
	The loan availed by HCC Mauritius Investment Limited, a subsidiary company, has been restructured with a cut-off date of 30 June 2017, bearing an interest rate of LIBOR 3M + 500 bps per annum payable quarterly. The spread over LIBOR would be subject to change in case of (a) drawal beyond availability period and / or (b) changes in market conditions. This loan is repayable in 31 quarterly instalments commencing from 30 September 2017 from the date of first drawal ending on 31 March 2025. This loan is secured by exclusive charge on (i) corporate guarantee by Holding Company (ii) pari-passu first charge over specific fixed assets of Holding Company (also encumbered for term loan availed by HMEL from Exim bank for acquisition of 66% of the equity shares of Steiner AG) (iii) corporate guarantee by HMEL (iv) pledge of 66% equity share holding of Steiner AG, held by HMEL, a subsidiary company (including pari-passu pledge on 33% shares encumbered for term loan availed by HMEL from Exim bank) (v) pledge of 100% equity shares of HMIL held by Holding Company (vi) pledge of 34% equity shares of Steiner AG, held by HMIL, a subsidiary company.	166.89	173.26
	Less: Classified under other financial liabilities	(69.63)	(72.51)
		207.08	**214.98**

NOTE 18 LONG TERM BORROWINGS..Contd.

18.1.4 Rupee Term Loans (RTL-A)

RTL-A carries interest rate of 11.75% p.a., payable monthly, to be reset annually with a two years moratorium and repayment terms of five years commencing 25 May 2017. The said facility is having same security as RTL-1 lenders under the Corporate Debt Restructuring Scheme. Refer note 18.1.7 for security details.

18.1.5 Rupee Term Loans 1 (RTL-1) and Rupee Term Loans 2 (RTL-2)

RTL- 1 and RTL- 2 carry an interest yield of 11.50% p.a. and are repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. Refer note 18.1.7 for security details.

18.1.6 Working Capital Term Loan from Banks (WCTL-2)

Working Capital Term Loan (WCTL-2) carries an interest rate ranging from 11.10% p.a. to 11.75% p.a. (floating) linked to Monitoring Institution's base rate. These are repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. Refer note 18.1.7 for security details.

18.1.7 Nature of Security

RTL-A, RTL-1, RTL-2, and WCTL-2 are secured in the form of:

1. Parcel of land (immovable non-residential property) admeasuring 22 acres and 24 gunthas at Tara Village, Panvel Taluka described as the First Mortgaged Properties.
2. All the present and future movable assets of the Borrower (excluding 'Current Assets' and 'Specified Assets') as the Second Mortgaged Properties.
3. All current assets of the Borrower (other than those forming part of 'Additional Assets') as the Third Mortgaged Properties.
4. All of the 'Additional Assets' collectively referred to as the Fourth Mortgaged Properties.
5. All of the 'Specified Assets' collectively referred to as the Fifth Mortgaged Properties.

The terms 'Current Assets', 'Specified Assets' and 'Additional Assets' have been defined in the Master Restructuring Agreement (MRA).

The above security having ranking in respect to RTL1 and RTL-A are as below:

1. A first ranking and pari passu security interest by way of legal mortgage over the First Mortgaged Properties and Second Mortgaged Properties.
2. A second ranking and pari passu security interest by way of legal mortgage over the Third Mortgaged Properties, Fourth Mortgaged Properties and the Fifth Mortgaged Properties.

The above security having ranking in respect to RTL2 and WCTL2 are as below:

A second ranking and pari passu security interest by way of legal mortgage over all the Mortgaged Properties.

Collateral security pari-passu with lenders defined in MRA:

1. HREL Real Estate Limited (HREL) has provided Corporate guarantee for the outstanding facilities of the Holding Company.
2. First pari-passu charge on 154,151,669 shares of the Holding Company and second charge on 85,767,617 equity shares of the Company held by Hincon Holdings Limited and Hincon Finance Limited.
3. Personal guarantee of the Chairman and Managing Director of the Holding Company.

18.1.8 Other term loans from banks

₹ crore

		As at 31 March 2021	As at 31 March 2020
i)	Term Loan from bank carry interest rate of Base Rate (9.25% p.a.) plus 2.25% p.a. This loan is repayable within 10 years in 28 structured quarterly instalments commencing from 15 April 2016 and ending on 15 January 2023. Highbar Technologies Limited, a subsidiary of the Holding Company has agreed to prepay outstanding balance of cash credit and term loan in 3 installments and repay the entire loan on or before 31 December 2020.	8.21	7.36

NOTE 18 LONG TERM BORROWINGS..Contd.

₹ crore

		As at 31 March 2021	As at 31 March 2020
	This term loan is secured by: a) first exclusive charge on the current assets and fixed assets of the borrower b) mortgage over land situated at Kavsar, Thane, Maharashtra (32 acres) of HRL (Thane) Real Estate Limited on first pari-passu basis c) Pledge over 30% shareholding of HREL in HRL (Thane) Real Estate Limited d) Escrow over differential rent receivables from Dasve Hospitality Institutes Limited e) Pledge over 30% shareholding of HCC in Highbar Technologies Limited. f) Corporate Guarantee of HRL (Thane) Real Estate Limited. g) Non disposal undertaking for 70% shares of HRL (Thane) Real Estate Limited held by promoters h) Non disposal undertaking for 70% shares of Highbar Technologies Limited held by promoters.		
ii)	Rupee Loan from Bank availed by HCC Infrastructure Company Limited ('HICL') carries an interest of 12.5% p.a. The loans are repayable in 5 years with moratorium of 24 months followed by structured equal quarterly repayment with 20%, 30% and 50% repayment in 3rd, 4th, and 5th year respectively, commencing from 1 January 2014. The loan is secured by way of : a) Second pari-passu charge on entire assets of the HCC Infrastructure Company Limited (including moveable and immovable, fixed and current assets), excluding investments, both present and future. b) Demand Promissory Note. c) HICL has given undertaking to pay 25% of proceeds from monies raised due to liquidity events. d) HICL has given Undated cheque	-	11.86
iii)	Term loans are repayable in 16 consecutive quarterly instalments commencing from the third year of the loan, Carrying floating interest rate ranging from 10.75% to 12.25% p.a. The loans are secured by way of : a) First Pari Passu Charge on all assets of HICL b) Extension of the Charge on the pledge of HICL's share in HCC Concessions Ltd ('HCL') already charged to the bank at HICL. c) Extension of second pari passu charge over entire assets of HICL [Including moveable and movable property, plant and equipment (if any) and current assets], excluding investments, both present and future provided for the bank facility at HICL for Loan amount of ₹ 88.00 crore. d) Corporate guarantee of HICL in a form and manner acceptable to the bank	21.86	37.18
iv)	Loan carries an interest rate ranging between 10.65% to 11.25% p.a. The loan has been secured as follows: a) First Pari passu charge on all assets of the HICL b) Extension of Pledge of HICL's shares HICL in HCL already pledged with the bank for the HICL c) Unconditional and irrevocable Guarantee from HICL d) Unconditional and irrevocable Guarantee from the Holding Company e) Extension of the second pari passu charge over entire assets of HICL	236.60	246.87

NOTE 18 LONG TERM BORROWINGS..Contd.

₹ crore

	As at 31 March 2021	As at 31 March 2020
f) Pledge over 30% equity shares of HCC Power Ltd held by HICL.		
g) Trusteeship Services Ltd as Security Trustee for TL1, TL2, TL3 & TL4 sanctioned by lender to HCC Power Limited, to be reduced to 15% on repayment of 50% of the sanctioned facilities.		
h) Terms of repayment : Term loans are repayable in 20 consecutive quarterly instalments commencing from the third year of the loan.		
v) Loan carries a floating interest rate ranging from 10.75% to 11.25% p.a, repayable in 20 structured quarterly installments commencing from February 2019 and ending on December 2022	37.73	37.73
Secured by Unconditional and Irrevocable Corporate Guarantee of HREL Real Estate Limited and Undertaking from HCC Infrastructure Company Limited The HICL has entered into a novation agreement with Charosa Wineries Limited and Yes Bank Limited pursuant to the Resolution Plan of Charosa Wineries Limited whereby the loan from Yes Bank Ltd. amounting to ₹ 37.73 crore borrowed by Charosa Wineries Limited alongwith its rights and liabilities under the Loan Agreement will be transferred to Dhule Palesner Operations & Maintenance Limited.		
vi) Carrying floating interest rate ranging from 10.75% to 12.25% p.a, repayable in 7 structured quarterly instalments commencing from September 2020 and ending on March 2022	1.24	-
Term loans are repayable in 16 consecutive quarterly instalments commencing from the third year of the loan a) Extension of the Charge on the pledge of shares of HCC Infrastructure Company Limited (HICL) in HCC Concessions Ltd already charged to the bank at HCC Infrastructure Company Limited. b) Extension of second pari passu charge over entire assets of HICL(Including movable and immovable fixed assets(If any) and current assets), excluding investments, both present and future provided for the bank facility at HICL for Loan amount of ₹ 88,00,00,000 c) Corporate guarantee of HCC Infrastructure Company Limited in a form and manner acceptable to the bank First Pari Passu Charge on all assets of Borrower		
	305.64	341.00
Less: Classified under other financial liabilities (Refer note 19)	(305.64)	(336.53)
	-	**4.47**
18.1.9 Other term loans from others		
Nature of security		
Loan carries an interest rate of 12.75% p.a and is repayable in 34 structured monthly installments commencing from June 2019	6.04	6.07
The loans are secured by way of :		
a) Subservient charge (yet to create) on proceed from arbitration award in favour of an erstwhile subsidiary, Pune-Paud Toll Road Company Limited to the extent of ₹ 7 crore		
b) An subservient charge on the Claim Receivables to the extent of loan outstanding under the Deed of Hypothecation.		
Less: Classified under other financial liabilities (Refer note 19)	(6.04)	-
	-	**6.07**

NOTE 18 LONG TERM BORROWINGS..Contd.

18.2 Unsecured loans from others

₹ crore

	As at 31 March 2021	As at 31 March 2020
II. Unsecured		
i) Export Import Bank of United States ('US EXIM')		
During the year ended 31 March 2019, the Holding Company entered into settlement terms with US EXIM wherein the parties had agreed to renegotiate and settle the outstanding amounts for USD 6.20 Million. The amounts were payable in 26 monthly instalments commencing from 31 May 2019 and ending on 30 June 2021. However, the Holding Company has not been able to pay the instalments as per schedule of settlement agreement and hence as per provisions of the settlement agreement, the loan value of USD 7.60 Million, which was settled at USD 6.20 Million, is reinstated during the previous year (net of payments made before default date) along with penal interest per annum at the rate equal to the sum of LIBOR plus the interest rate of 2.20% for the period from and including the date such amount was due to US EXIM. The facility is secured by first priority mortgage and security interest to and in favour of Wilmington Trust Company (the security trustee) on Hawker aircraft. During the current year, the said aircraft has been sold and proceeds thereof have been adjusted towards the dues of this loan. Consequently, the loan was reclassified as unsecured in the previous year.	50.79	50.27
ii) Loan availed by Steiner AG from Credit Suisse, Switzerland	3.87	3.95
Less: Classified under other financial liabilities (Refer note 19)	(50.79)	(50.27)
	3.87	**3.95**

Note 18.3 Steiner AG, a wholly owned foreign subsidiary, maintains a bank facility with a syndicate mainly with the objective to provide guarantees for its construction projects expiring 31 August 2021. The facility agreement sets forth covenants related to minimum equity, minimum EBIT margin and minimum liquidity which fully complies with as of 31 March 2021. Management is in discussion with the banks in order to agree on a prolongation of the syndicated revolving guarantee facility agreement. However, as of the date of this report, a final and legally enacted agreement covering a period of 12 months following balance sheet is not in place.

Note 18.4 Right to Recompense:

In accordance with the provisions of Master Restructuring Agreement (MRA) dated 29 June 2012 executed between the Holding Company and its lenders, as amended from time to time and pursuant to deliberations between the parties, lenders have agreed for the recompense amount to be settled by the Holding Company in the form of equity shares to be issued at a future date, which is inter-alia dependent upon various factors including improved financial performance of the Holding Company and other conditions, and which would be restricted to a maximum of 2.87% of equity share capital of the Holding Company on the date of issue of such equity shares.

Note 18.5 Net debt reconciliation

An analysis of net debt and the movement in net debt for the year ended 31 March 2021 and 31 March 2020 is as follows:

₹ crore

Particulars	31 March 2021	31 March 2020
Cash and cash equivalents	642.13	276.11
Current borrowings (including interest accrued)	2,208.55	1,429.35
Non-current borrowings (including interest accrued)	3,549.42	3,274.59
Net debt	**5,115.84**	**4,427.83**

NOTE 18 LONG TERM BORROWINGS..Contd.

₹ crore

Particulars	Cash and cash equivalents	Non-current borrowings	Current borrowings	Total
	(A)	(B)	(C)	(D) = B + C- A
Net debt as at 1 April 2019	**270.70**	**3,459.09**	**1,176.42**	**4,364.81**
Cash flows (net)	(12.12)	(294.25)	231.60	(50.53)
Exchange gain	17.53	-	-	(17.53)
Conversion of debt into equity	-	(82.11)	-	(82.11)
Reversal of gain on settlement of debt	-	11.45	-	11.45
Interest expense	-	373.74	134.45	508.19
Interest paid	-	(193.33)	(113.12)	(306.45)
Net debt as at 31 March 2020	**276.11**	**3,274.59**	**1,429.35**	**4,427.83**
Cash flows (net)	374.15	(89.72)	648.65	184.78
Exchange loss	(8.13)	-	-	8.13
Interest expense	-	375.27	238.47	613.75
Interest paid	-	(10.72)	(107.92)	(118.64)
Net debt as at 31 March 2021	**642.13**	**3,549.42**	**2,208.55**	**5,115.85**

Note 18.6 Non-current borrowings, current borrowings, other non-current financial liabilities and other current financial liabilities as at 31 March 2021 include balances amounting to Nil (31 March 2020: ₹ 165.55 crore), ₹ 2.10 crore (31 March 2020: Nil), Nil (31 March 2020: ₹ 591.04 crore) and ₹ 500.72 crore (31 March 2020: ₹ 336.82 crore) respectively, in respect of which confirmations/ statements from the respective banks/ lenders have not been received. Further, in respect of non-current borrowings and current borrowings aggregating ₹ 871.75 crore (31 March 2020: ₹ 864.23 crore), while the lenders have confirmed the principal outstanding, the accrued interest aggregating ₹ 115.37 crore (31 March 2020: ₹ 42.76 crore) have not been confirmed. In the absence of confirmations/ statements from the lenders, the Group has provided for interest and other penal charges on these borrowings based on the latest communication available from the respective lenders at the interest rate specified in the agreement. The Group's management believes that amount payable on settlement will not exceed the liability provided in books in respect of these borrowings. Further, for balances with banks (included under cash and cash equivalents), earmarked balances/ deposits with banks (included under bank balances other than cash and cash equivalents) and guarantees issued by banks on behalf of the Group as at 31 March 2021 includes balances amounting to ₹ 2.10 crore (31 March 2020: Nil), ₹ 10.91 crore (31 March 2020: ₹ 5.46 crore) and Nil (31 March 2020: ₹ 76.93 crore), respectively, in respect of which confirmation/ statements from banks have not been received inspite of incessant efforts by Group's management.

Note 18.7 Default in repayment of Borrowings (Current & Non-Current) and Interest:

As at 31 March 2021, the Holding Company has defaulted in repayment of Borrowings including interest thereon. The item-wise breakup is as under:

Sr. No.	Category	Period	Principal	Interest
1	Non-Convertible Debentures	31 to 90 days	5.71	1.30
		91 to 180 days	5.71	0.92
		181 to 365 days	5.71	2.22
2	Term Loans from Banks	31 to 90 days	45.08	32.01
		91 to 180 days	43.29	12.25
		181 to 365 days	95.67	29.72
		> 365 days	139.57	47.99
3	Term Loans from Financial Institutions	31 to 90 days	11.53	4.64
		91 to 180 days	9.41	3.60
		181 to 365 days	56.30	11.47
		> 365 days	133.51	30.56
4	Working Capital Demand Loans	> 365 days	529.75	31.63

NOTE 18 LONG TERM BORROWINGS..Contd.

Sr. No.	Category	Period	Principal	Interest
5	Cash Credit Facilities	31 to 90 days	155.18	1.58
		181 to 365 days	13.81	-
		> 365 days	436.49	58.79
6	Other Bank Loans	31 to 90 days	-	-
		91 to 180 days	9.10	0.68
		181 to 365 days	56.63	6.25
		> 365 days	88.17	14.32

NOTE 19 OTHER FINANCIAL LIABILITIES

₹ crore

Particulars	As at 31 March 2021	As at 31 March 2020
Non-current		
Security deposits	0.59	1.67
Interest accrued but not due (Refer note 19.2)	944.16	673.45
Financial liabilities of erstwhile subsidiary assumed (Refer notes 19.1 and 39)	513.73	513.73
Financial guarantees	49.69	49.74
Total non-current financial liabilities	**1,508.17**	**1,238.59**
Current		
Current maturities of long-term debts (Refer note 18)	1,070.22	981.38
Interest accrued but not due (Refer note 19.2)	149.81	153.52
Interest accrued and due	400.31	104.72
Unpaid dividends	0.00*^	0.00*^
Advance towards sale of investments (Refer notes 13.3 and 19.3)	15.00	15.00
Financial liabilities of erstwhile subsidiary assumed (Refer notes 19.1 and 39)	434.97	349.20
Liability for capital goods	7.42	10.18
Others		
- Due to employees	91.63	130.51
- Interest payable on contractee advances	178.80	163.71
- Other liabilities	29.94	25.29
Total current financial liabilities	**2,378.10**	**1,933.51**
Total other financial liabilities	**3,886.27**	**3,172.09**
* Represents amount less than ₹ 1 lakh ^ Includes ₹ 7,600 (31 March 2020: ₹ 7,600) which is held in abeyance due to legal cases pending		
Other financial liabilities carried at amortised cost	3,886.27	3,172.09
Other financial liabilities carried at FVPL	-	-

Note 19.1 Liability towards invocation of put options and corporate guarantees by lenders of Lavasa Corporation Limited ('LCL')

Details of security and terms of repayment

In earlier years, pursuant to sanction letters entered with lenders of LCL, liabilities aggregating ₹ 865.23 crore were taken over by the Holding Company at ₹ 513.73 crore. As per the sanction letters, these liabilities carried an interest of 9.50% p.a. compounded quarterly with effect from 1 October 2018 and were to be repaid by 31 March 2023 from realization of certain identified claims. However, as per the current resolution plan, which has received an in-principal approval from majority lenders and is subject to final approval by their respective Board/ Committees, the aforesaid lenders LCL would be paid between September 2022 to December 2028. Further, these identified claims are currently charged in favour of lenders of the Holding Company, post the approval of the resolution plan and receipt of sanctions from the Holding Company's lenders for release of charge in favour of lenders

NOTE 19 OTHER FINANCIAL LIABILITIES...Contd.

of LCL, the security on such identified claims will be created in favor of certain lenders of LCL. Also in the previous year, one of the LCL lenders issued a letter to the Holding Company for revocation of the settlement. However, based on the negotiations and discussion by the management, the lender has agreed to participate in the Holding Company's resolution plan.

Pending the final approvals, the differential between the liability pursuant to the put option agreement and the liability as per the sanction letter/ proposed terms under the Resolution Plan, has been reported as Contingent Liability in the financial statements [Refer note 35 (B)(ii)]

In addition to the above, lenders of LCL had invoked corporate guarantees of the Company during the financial year ended 31 March 2019. Accordingly, the liability of ₹ 232.20 crore has been recognised by the Company. Pursuant to the ongoing discussion with the consortium lenders on the proposed resolution plan, the Company is re-negotiating its liability towards the lenders of LCL. Pending outcome of the negotiations, the liabilities continue to be accounted at the full value along with interest accrued thereon.

Note 19.2: Includes ₹ 135.83 crore (31 March 2020: ₹ 77.62 crore) and ₹ 120.19 crore (31 March 2020: ₹ 66.30 crore) in respect of non-current interest accrued but not due and current interest accrued but not due respectively, towards financial liabilities of LCL assumed as mentioned in Note 19.1 above.

Note 19.3: The Holding Company has signed definitive agreement for sale of Panchkutir Developers Limited, a subsidiary of the Holding Company for an aggregate consideration of ₹ 105 crore, which is subject to completion of certain conditions precedents as specified in the agreement. As at 31 March 2021, the Holding Company has received ₹ 12 crore as advance towards sale of investment.

NOTE 20 PROVISIONS

₹ crore

	As at 31 March 2021	As at 31 March 2020
Non-current		
Provision for employee benefits		
- Gratuity	127.46	148.70
- Pension fund	6.55	5.95
- Leave entitlement and compensated absences	13.28	13.59
Provision for warranty (Refer note 20.1)	42.16	64.47
Total non-current provisions	**189.45**	**232.71**
Current		
Provision for employee benefits		
- Gratuity	8.08	11.74
- Pension fund	5.70	8.23
- Leave entitlement and compensated absences	4.82	4.62
Provision for warranty (Refer note 20.1)	106.10	91.51
Provision for foreseeable losses	128.07	105.18
Total current provisions	**252.77**	**221.28**
Total provisions	**442.22**	**453.99**

Note 20.1 Detail of provision in respect of warranty is as stated below:

₹ crore

	As at 31 March 2021	As at 31 March 2020
Opening provision as at the beginning of the year	155.98	116.51
Addition during the year	37.18	119.40
Utilized during the year	(44.90)	(79.93)
Closing provision as at the end of the year	**148.26**	**155.98**
Non Current	**42.16**	**64.47**
Current	**106.10**	**91.51**
Total	**148.26**	**155.98**

NOTE 20 PROVISIONS...Contd.

This provision represent estimates made towards estimated liability arising out of contractual obligations in respect of warranties.

After the handover of the building there is a warranty liability, which lasts between 2 and 10 years, depending on the building and its components. During construction the warranty provision is recorded based on past experience and, in general, remains unchanged during construction. Actual warranty costs are recorded against the warranty provision of projects in warranty phase (pool approach). As per closing date, future warranty costs are estimated and if needed the warranty provisions are increased or released. The subsequent major cash flows of remaining provisions will take place over next five years

Note 20.2 The Group has adequately recongized expected losses on projects wherever it was probable that total contract costs will exceed total contract revenue.

NOTE 21 OTHER LIABILITIES

₹ crore

	As at 31 March 2021	As at 31 March 2020
Current		
Advance from contractee	1,765.64	1,880.83
Statutory dues payable	50.01	114.88
Due to customers (Refer note 45)	1,143.93	981.86
Other liabilities	53.63	44.37
Total other current liabilities	**3,013.21**	**3,021.94**
Total other liabilities	**3,013.21**	**3,021.94**

NOTE 22 SHORT TERM BORROWINGS

₹ crore

Particulars	**As at 31 March 2021**	As at 31 March 2020
I. Secured (Refer notes 18.6 and 22.1)		
(i) Cash credit facilities (Repayable on demand)	1,123.39	718.28
(ii) Working capital loans from banks	753.31	581.31
(iii) Other bank loans (Also refer note 22.3)	153.88	106.41
	2,030.58	**1,406.00**
II. Unsecured		
Loans from related party [Refer note 22.4 and 45]	24.07	-
Total short term borrowings (I+II)	**2,054.65**	**1,406.00**

Note 22.1 Details of security and terms of repayment:

Terms of repayment:

i) Cash credit facilities carry a floating interest rate equal to 6 month ICICI MCLR plus 285 basis points and are repayable on demand.

ii) Working Capital Loans carry a floating interest rate equal to 6 month ICICI MCLR plus 285 basis points. These includes a loan of ₹ 188.81 crore, which is repayable on 31 December 2021. Further, Working Capital Loans includes loans aggregating ₹ 529.75 crore, which were contractually repayable between 30 April 2019 and 29 February 2020 and the Holding Company has defaulted in the repayment thereof.

Security details:

1. The parcel of land (immovable non-residential property) of the Holding Company admeasuring 22 acres and 24 gunthas at Tara Village, Panvel Taluka described as the First Mortgaged Properties.

NOTE 22 SHORT TERM BORROWINGS...Contd.

2. All the present and future movable assets of the Holding Company (excluding 'Current Assets' and 'Specified Assets') as the Second Mortgaged Properties.
3. All the present and future current assets of the Holding Company (other than those forming part of 'Additional Assets') as the Third Mortgaged Properties.
4. All of the 'Additional Assets' collectively referred to as the Fourth Mortgaged Properties.
5. All of the 'Specified Assets' collectively referred to as the Fifth Mortgaged Properties.

The terms 'Current Assets', 'Specified Assets' and 'Additional Assets' have been defined in the MRA.

The above security having ranking as below:

1. A first ranking and pari passu security interest by way of legal mortgage over the Third and Fourth Mortgaged Properties.
2. In the form of a second ranking and pari passu security interest by way of a legal mortgage over the First, Second and the Fifth Mortgaged Properties.

Collateral security pari-passu with all CDR lenders are same as indicated in note 18.1.1.

The Holding Company has provided first charge over specific property, plant and equipment of the Holding Company for the loan extended by Export Import Bank of India (EXIM Bank) to HCC Mauritius Enterprise Limited through Loan Agreement dated 27 September 2010. The same security has also been extended for the loan of USD 25 million given by EXIM Bank to HCC Mauritius Investment Limited.

The securities towards working capital facilities also extend to guarantees given by the banks on behalf of the Holding Company.

Note 22.2 Details of security and terms of repayment in respect of loans availed by Steiner AG:

Working Capital Demand Loan from bank include loan facilities availed by Steiner AG, a subsidiary company, aggregating ₹ 34.75 crore (31 March 2020: ₹ 36.85 crore) secured by first charge by way of a (i) mortgage on land in favour of a foreign bank (Project: Vista Nobile) (ii) mortgage on a land in favour of a foreign bank (Project: BASF Wandenswil)

Note 22.3 As at 31 March 2021, bank guarantees aggregating ₹ 153.88 crore (31 March 2020: ₹ 106.41 crore) have been encashed by customers/ suppliers of the Holding Company. Pursuant to the encashment of guarantees, these amounts were demanded by the respective banks and the Holding Company has defaulted in the repayment thereof. Consequently, these dues have been presented as "other bank loans" under current borrowings. These loans carry a floating interest rate equal to 6 month ICICI MCLR plus 285 basis points.

Note 22.4 Details of security and terms of repayment in respect of loans availed by HCC Operation and Maintenance Limited (HOML)

Unsecured loan availed by HCC Operation and Maintenance Limited (HOML) carries an interest rate of 11% and is repayable within 365 days.

NOTE 23 TRADE PAYABLES

₹ crore

Particulars	**As at 31 March 2021**	As at 31 March 2020
- Total outstanding dues of micro enterprises and small enterprises	48.00	23.99
- Total outstanding dues of creditors other than micro enterprises and small enterprises	2,999.54	3,005.27
Total trade payables	**3,047.54**	**3,029.26**

Note 23.1 Trade payables are non-interest bearing and are normally settled as per the payment terms stated in the contract.

Note 23.2 The outstanding balances of Holding Company, as at 31 March 2021, include trade payables aggregating ₹ 38.22 crore and capital vendors payable aggregating ₹ 3.19 crore to companies situated outside India. These balances are pending for settlement due to financial difficulties presently being faced by the Holding Company and have resulted in delay in remittance of payments

NOTE 23 TRADE PAYABLES...Contd.

beyond the timeline stipulated by the FED Master Direction No. 17/2016-17, under the Foreign Exchange Management Act, 1999. The Holding Company is in the process of regularising these defaults by filing necessary applications with the appropriate authority for condonation of delay. Pending conclusion of the aforesaid matters, the amount of penalty, if any, that may be levied, is not ascertainable but expected not to be material to the standalone financial results, and accordingly, the consolidated financial results do not include any adjustments that may arise due to such delay/ default.

NOTE 24 REVENUE FROM OPERATIONS

₹ crore

	Year ended 31 March 2021	Year ended 31 March 2020
Sale of products and services:		
a) Construction revenue	7,954.80	8,988.11
b) Operation and maintenance fees	34.99	60.32
c) Sale of software products and licenses	7.63	9.51
	7,997.42	**9,057.94**
Other operating revenue:		
a) Interest on arbitration awards	227.68	378.42
b) Provision no longer required written back	23.32	7.24
c) Others	-	0.70
	251.00	**386.36**
Total revenue from operations	**8,248.42**	**9,444.30**

Disclosure in accordance with Ind AS 115 Revenue from Contracts with Customers

(a) Disaggregated revenue information

Revenue disaggregation as per industry vertical has been included in segment information (Refer note 51)

(b) Unsatisfied performance obligations

The aggregate amount of transaction price allocated to performance obligations that are unsatisfied as at the end of reporting period is ₹ 23,631 crore (31 March 2020: ₹ 26,441 crore). Most of the Group's contracts have a life cycle of four to five years. Management expects that around 35%-40% of the transaction price allocated to unsatisfied contracts as of 31 March 2021 will be recognised as revenue during next reporting period depending upon the progress on each contracts. The remaining amounts are expected to be recognised over the next three to four years.

The amount disclosed above does not include variable consideration.

(c) Contract balances

(i) Movement in contract balances during the year:

₹ crore

Particulars	Contract assets (unbilled work-in-progress)	Contract liabilities (due to customers)	Net contract balance
Balance as at 1 April 2019	**2,921.72**	**973.69**	**1,948.03**
Net increase	721.29	8.17	713.12
Balance as at 31 March 2020	**3,643.01**	**981.86**	**2,661.15**
Net increase	183.11	162.07	21.04
Balance as at 31 March 2021	**3,826.12**	**1,143.93**	**2,682.19**

Note: Increase in contract assets is primarily due to lower certification of progress bills as compared to revenue recognised during the year. Further, contract liability has increased due to lower recognition of revenue as compared to progress bills raised during the year.

(ii) Revenue recognised during the year from opening balance of contract liability amounts to ₹ 5,852.31 crore (31 March 2020: ₹ 519.63 crore)

(iii) Revenue recognised during the year from the performance obligation satisfied upto previous year amounts to ₹ 4.63 crore (31 March 2020: ₹ 225.10 crore)

NOTE 24 REVENUE FROM OPERATIONS..Contd.

(d) Out of the total revenue recognised during the year, ₹ 8,190.11 crore (31 March 2020: ₹ 9,376.04 crore) is recognised over a period of time and ₹ 58.31 crore (31 March 2020: ₹ 68.26 crore) is recognised at a point in time.

(e) There are no reconciliation items between revenue from contracts with customers and revenue recognised with contract price.

(f) **Cost to obtain or fulfill the contract:**

i. Amount of amortisation recognised in Statement of Profit and Loss during the year : Nil

ii. Amount recognised as contract assets as at 31 March 2021 : Nil

NOTE 25 OTHER INCOME

₹ crore

		Year ended 31 March 2021	Year ended 31 March 2020
a)	Interest income:	27.10	12.68
b)	Dividend from non-current investments	1.05	0.50
c)	Other non-operating income:		
	- Rental income	0.54	2.30
	- Profit on disposal of property, plant and equipment (net)	12.93	1.53
	- Exchange gain (net)	-	2.90
	- Fees for sale of projects	37.58	32.43
	- Miscellaneous (Also refer note 29.1)	7.37	25.23
		58.42	**64.39**
Total other income		**86.57**	**77.57**

NOTE 26 COST OF CONSTRUCTION MATERIALS CONSUMED

₹ crore

	Year ended 31 March 2021	Year ended 31 March 2020
Inventory at beginning of the year	187.52	192.24
Add: Purchases	537.01	700.58
	724.53	**892.82**
Less: Sale of scrap and unserviceable material	(16.81)	(14.58)
	707.72	**878.24**
Less: Inventory at the end of the year	(182.15)	(187.52)
Total cost of construction materials consumed	**525.57**	**690.72**

NOTE 27 CHANGE IN INVENTORIES

₹ crore

	Year ended 31 March 2021	Year ended 31 March 2020
Opening inventory	275.04	434.24
Less: Closing inventory	(291.55)	(275.04)
Total changes in inventories	**(16.51)**	**159.20**

NOTE 28 CONSTRUCTION EXPENSES

₹ crore

		Year ended 31 March 2021	Year ended 31 March 2020
a)	Power, fuel and water	129.47	126.23
b)	Insurance	29.43	29.55
c)	Rent (Refer note 44)	65.23	90.65
d)	Transportation	18.33	28.96
e)	Others	18.30	20.37
Total construction expenses		**260.76**	**295.76**

NOTE 29 EMPLOYEE BENEFITS EXPENSE

₹ crore

		Year ended 31 March 2021	Year ended 31 March 2020
a)	Salaries and wages	817.15	872.46
b)	Contribution to provident and other funds	70.44	41.75
c)	Staff welfare	67.26	68.74
Total employee benefits expense		**954.85**	**982.95**

Note 29.1 Pursuant to notification of the Companies (Amendment) Act, 2017 amending Section 197 of the Companies Act, 2013 ('the Act'), with effect from 12 September 2018, the Holding Company's application to the Ministry of Corporate Affairs ('MCA') for approval in respect of remuneration of Chairman and Managing Director (CMD) accrued/ paid in excess of the prescribed limit for the financial years 2014-15 and 2015-16 stood abated. The Holding Company, vide resolution dated 10 September 2019, had obtained approval from the shareholders for the payment of remuneration in respect of the aforesaid years, to be only given effect to, post receipt of the approval of the lenders which was pending. Further, the excess managerial remuneration for financial year 2013-14 aggregating ₹ 8.74 crore was proposed to be recovered.

During the current year, the Holding Company has been advised by a senior legal counsel that the requisite approval from lenders for payment of remuneration in earlier years through Monitoring Committee of lenders is still valid and persisting and there is no need to obtain fresh approvals from lenders under Section 197 of the Act. Accordingly, based on the legal advice, the Holding Company adjusted the excess remuneration paid to the CMD, held in trust, for the financial year 2013-14 with the unpaid remuneration for the financial year 2014-15 and also the excess managerial remuneration for the financial year 2015-16 stood regularized. Subsequent to 31 March 2021, an external agency appointed by lenders vide its report has confirmed the compliance of the conditions laid out by Monitoring Committee of lenders in earlier years. Pursuant to the confirmation from external agency, accrual/ payment of excess managerial remuneration for the years 2014-15 and 2015-16 stands approved by the lenders and excess remuneration of financial year 2013-14 stands recovered.

Further, on 26 September 2019, the Holding Company in its shareholder's meeting had also obtained approvals vide special resolutions for remuneration of CMD and Whole Time Director for the period 1 April 2019 to 31 March 2022, to be given effect to, only post receipt of the approval of lenders. The Holding Company expects requisite approvals from lenders to be obtained along side implementation of the resolution plan. Pending receipt of lenders approvals, managerial remuneration continue to be accrued/ paid by the Holding Company as detailed below:

₹ crore

Financial Year	Designation	Remuneration accrued	Remuneration Paid	Remuneration as per prescribed limit	Excess remuneration accrued/ paid	Excess remuneration paid held in trust
		(a)	(b)	(c)	(d = a- c)	(e = b- c)
2019-20	CMD & Whole Time Director	13.57	3.75	-	13.57	3.75
2020-21		13.50	1.44	-	13.50	1.44
Total		**27.07**	**5.19**	**-**	**27.07**	**5.19**

NOTE 30 FINANCE COSTS

₹ crore

		Year ended 31 March 2021	Year ended 31 March 2020
Interest expense on:			
-	debentures	309.56	206.25
-	lease liabilities (Refer note 44)	3.41	3.92
-	term loan and cash credit from banks and financial instituitions	370.55	301.56
-	others	272.04	252.97
Other borrowing costs			
-	guarantee commission	38.97	47.76
-	other finance charges	6.52	4.52
Total finance costs		**1,001.06**	**816.98**

NOTE 31 DEPRECIATION AND AMORTISATION EXPENSE (REFER NOTES 3A, 3B, 4 AND 5)

₹ crore

	Year ended 31 March 2021	Year ended 31 March 2020
a) Depreciation of tangible assets	99.11	117.01
b) Depreciation on right-of-use assets	31.40	29.54
c) Depreciation of investment properties	0.03	0.03
d) Amortisation of intangible assets	4.97	5.26
Total depreciation and amortisation expense	**135.51**	**151.84**

NOTE 32 OTHER EXPENSES

₹ crore

		Year ended 31 March 2021	Year ended 31 March 2020
a) Stationery, postage, telephone and advertisement		4.36	6.38
b) Travelling and conveyance		5.63	13.15
c) Rates and taxes		75.20	32.80
d) Professional fees		48.42	49.82
e) Repairs and maintenance- building		3.60	4.22
f) Repairs and maintenance- others		17.45	22.70
g) Directors' sitting fees (Refer note 45)		0.86	0.68
h) Auditors' remuneration:			
i) Audit fees	4.02		4.98
ii) Tax audit fees	0.20		0.20
iii) Limited review fees	1.00		1.37
iv) Certification fees	0.86		0.98^
v) Reimbursement of out of pocket expenses	0.02		0.09
		6.10	7.62
i) Office expenses		12.38	32.99
j) Operation and maintenance		74.47	88.54
k) Selling and distribution expenses		5.34	3.88
l) Exchange loss (net)		9.28	-
m) Computer maintenance and development		6.98	6.96
n) Loss allowance on financial assets		-	16.95
o) Miscellaneous expenses		27.57	31.03
Total other expenses		**297.64**	**317.72**

NOTE 33 EXCEPTIONAL ITEMS

₹ crore

	Year ended 31 March 2021	Year ended 31 March 2020
a) Loss on settlement with a customer (net) [Refer note 33.1 below]	(274.03)	-
b) Reversal of provision in respect of arbitration awards and claims (Refer note 33.2 below)	-	331.40
c) Impairment of financial and non-financial assets	-	(98.72)
d) Reversal of gain on settlement of debts [Refer note 18.2(i)]	-	(11.45)
Total exceptional items - Gain / (loss)	**(274.03)**	**221.23**

Note 33.1 Loss on settlement with a customer (net)

During the current year, Baharampore Farakka Highways Limited ('BFHL'), a joint venture, and Farakka Raiganj Highways Limited ('FRHL'), an erstwhile joint venture, have entered into settlement agreements with one its customer for a comprehensive closure of all outstanding disputes in respect of respective claims of BFHL and FRHL ('Concessionaire') and the Holding Company (EPC

NOTE 33 EXCEPTIONAL ITEMS..Contd.

contractor of Concessionaire), for an aggregate amount of ₹ 1,259 crore. Pursuant to the above settlements, the Holding Company's receivables aggregating ₹ 635.27 crore (net of advance) have been settled for ₹ 682.55 crore resulting in a surplus of ₹ 47.28 crore (net), which has been presented as an exceptional item by the Holding Company in the consolidated financial statements for the year ended 31 March 2021. Further, BFHL has also recognised its share of the proceeds from settlement and the resultant surplus of ₹ 148.76 crore has been recognized in its financial statements during the current year. Group's share of resultant surplus of ₹ 127.11 crore has been included and presented in the consolidated financial statements under Share of profit of associates and joint ventures. However, in view of certain existing uncertainties and condition precedents, HCL's share of proceeds from FRHL's settlement is presently unascertainable and accordingly receivables have not been recognised in HCL's financial statements and Group's consolidated financial statements as at 31 March 2021.

Further, during the year, the Holding Company also entered into similar settlement agreement with a customer to conciliate long pending dispute in respect of arbitration awards published in the Holding Company's favour, for two completed projects, which were being contested by the customer in higher courts. Pursuant to above settlement, the Holding Company settled receivables aggregating ₹ 578.12 crore for a consideration of ₹ 256.81 crore as full and final settlement with an understanding that all pending disputes stand resolved. Accordingly, the Holding Company recognised the resultant loss aggregating ₹ 321.31 crore as an exceptional item in these consolidated financial statements.

Though the Group had a fair chance to recover entire money over the period, however, considering the time involved in the litigation and urgent need to realize monies urgently to tie up its cashflow deficit for its operations, the Group opted for these conciliations, as per the scheme provided u/s 73 of Arbitration and Conciliation Act, 2015 by Ministry of Road Transport Highways."

Note 33.2 During the year ended 31 March 2019, the Holding Company had recognized a provision of ₹ 331.40 crore pursuant to the signing of a non-binding term sheet with a consortium of investors along with a letter of commitment, for an assignment of the beneficial interest in portfolio of identified arbitration awards and claims ('specified assets') for an aggregate consideration of ₹ 1,750 crore. The said provision continued thereafter in view of mutual extension of the said transaction till 31 December 2019. In the absence of any further extension, the Holding Company decided to cancel this proposed transaction, which had been reported to and confirmed by statutory auditors. Pursuant to the cancellation of the aforesaid transaction, the provision of ₹ 331.40 crore, related to specified assets, recognized earlier has been written back during the year ended 31 March 2020. Statutory auditors report is modified in respect of reversal of aforesaid provision.

NOTE 34 EARNINGS PER SHARE (EPS)

			Year ended 31 March 2021	Year ended 31 March 2020
Basic and diluted EPS				
A.	Profit / (loss) computation for basic earnings per share of ₹ 1 each			
	Net profit / (loss) as per the Consolidated Statement of Profit and Loss available for equity shareholders	(₹ crore)	(610.02)	197.03
B.	Weighted average number of equity shares for EPS computation	(Nos.)	1,512,976,244	1,512,976,244
C.	EPS- Basic and Diluted	(₹)	(4.03)	1.30

Note: Equity shares to be issued to certain lenders pursuant to implementation of S4A Scheme [refer note 17(f)] and to lenders pursuant to Right to Recompense (Refer note 18.4) do not presently qualify as potential equity shares and hence have not been considered in the determination of diluted earnings per share.

NOTE 35 CONTINGENT LIABILITIES AND COMMITMENTS

₹ crore

			As at 31 March 2021	As at 31 March 2020
A.	**CONTINGENT LIABILITIES**			
	(i)	Claims not acknowledged as debts by the Group	202.41	250.82
	(ii)	Income tax liability that may arise in respect of which the Group is in appeals	100.90	71.82
	(iii)	Sales tax liability / works contract tax liability / service tax / customs liability that may arise in respect of matters in appeal	215.85	203.79
	(iv)	Corporate guarantees (Refer note 37)	5,764.70	4,547.71
	(v)	Counter indemnities given to banks in respect of contracts executed	1,204.09	1,452.79

NOTE 35 CONTINGENT LIABILITIES AND COMMITMENTS..Contd.

(vi) Provident Fund:

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

It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. Future cash outflows in respect of the above are determinable only on receipt of judgments/ decisions pending with various forums/ authorities. The Group does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof.

₹ crore

			As at 31 March 2021	As at 31 March 2020
B.	**Commitments**			
	(i)	Capital Commitment (net of advances)	38.48	40.86
	(ii)	Put option given to lenders of Lavasa Corporation Limited to sell debentures to the Holding Company in the event of default (including interest and penal charges thereon) (Refer note 19.1)	672.09	532.55

Note 36 : The Group, as at 31 March 2021, has non-current investments amounting to ₹ 385.86 crore in its joint venture, HCC Concessions Limited ('HCL'), having Build, Operate and Transfer (BOT) SPVs under its fold. HICL has incurred losses and the consolidated net-worth as at 31 March 2021 has partially eroded. However, the net-worth of HCL does not represent its true market value as the value of the underlying investments/ assets, based on valuation report of an independent valuer, is higher. Further, pursuant to the share purchase agreement for sale of a BOT SPV by HCL during the year, HCL continues to remain entitled to its share of proceeds from settlement with NHAI, earn-out consideration and royalty representing revenue share from the BOT SPV over concessions period, which are estimated to be significantly material. Also, one of its entity has claims against its customer mainly in respect of cost-overrun arising due to client caused delays and termination of contracts which are under arbitration/ litigation wherein management has been legally advised that it has good case on merits. Therefore, based on certain estimates of future business plans, growth prospects, future consideration from the entity sold as well as considering the contractual tenability and expected outcome of arbitration/ litigations, the management believes that the realizable amount of HCL is higher than the carrying value of the non-current investments due to which these are considered as good and fully recoverable.

Note 37 : As at 31 March 2021, HREL Real Estate Limited ('HREL'), a subsidiary company, has provided corporate guarantees and put options aggregating ₹ 5,764.70 crore to the lenders of its erstwhile subsidiaries, Lavasa Corporation Limited ('LCL') and Warasgaon Assets Maintenance Limited ('WAML') in respect of amounts borrowed by these subsidiaries. LCL and WAML were admitted under the Corporate Insolvency and Resolution Process ('CIRP') in accordance with the Insolvency and Bankruptcy Code, 2016 (IBC) dated 30 August 2018 and 20 December 2018, respectively and Resolution Professionals ('RP') have been appointed by the Committee of Creditors (CoC) of the lenders of respective companies. The lenders, to whom these corporate guarantees and put options were furnished, have filed their claims with RP which is presently under the IBC process and have also invoked the corporate guarantee/ put options issued by the HREL. The National Company Law Tribunal, Mumbai Bench vide its order dated 26 February 2020, have approved the request of lenders of LCL and WAML to consolidate LCL, WAML and Dasve Convention Centre Limited (a subsidiary of LCL) and thereby get better valuation on liquidation. RP is in the process of formulating a resolution plan including identifying potential resolution applicant. The liability of HREL shall be determined once the debts due to these lenders are settled by RP upon completion of the IBC process. Pending the outcome of the resolution process, no provision has been considered necessary in the consolidated financial results, as impact, if any, is currently unascertainable.

Note 38 : 'Unbilled work-in-progress (Other current assets) and current trade receivables include ₹ 833.67 crore and ₹ 295.33 crore, respectively, outstanding as at 31 March 2021 representing receivables from customers of the Holding Company, based on the terms and conditions implicit in the contracts and other receivables in respect of closed/ suspended projects. Further, current trade receivables as at 31 March 2021 also include ₹ 2,748.55 crore (net of advances of ₹ 2,738.80 crore), representing claims awarded in arbitration, including interest thereon, in favour of the Holding Company which have been challenged by the customers in higher courts. These aforementioned receivables are mainly in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work; for which Holding Company is at various stages of negotiation/ discussion with the clients or under arbitration/ litigation. Considering the contractual tenability, progress of negotiations/ discussions/ arbitration/ litigations and as legally advised in certain contentious matters, the management is confident of recovery of these receivables.

Note 39 : Non-current borrowings and other current financial liabilities (including current maturities of long-term borrowings) of RDHL, as at 31 March 2021 includes ₹ 44.54 crore and ₹ 60.39 crore, respectively in respect of which, in the absence of confirmation from the lenders/ bankers, RDHL has provided for interest and other penal charges based on the latest communication available from the lenders/ bankers at the interest rate specified in the agreements. RHDL's management believes that amount payable on settlement will not exceed the liability provided in books in respect of these borrowings. Further, the classification of these borrowings into current and non-current as at 31 March 2021 is based on the original maturity terms as stated in the agreements with the lenders/ bankers.

Note 40 : On 22 September 2020, HCC Concessions Limited ('HCL'), a joint venture of the Holding Company, completed the 100% stake sale of its subsidiary i.e. Farakka Raiganj Highways Limited ('FRHL') to Cube Highways II Pte. Ltd. ('Cube'). Pursuant to the above sale, HCL received ₹ 104.35 crore towards consideration for sale of equity shares and accordingly a resultant loss on sale of FRHL aggregating ₹ 259.31 crore was recognised earlier during the year. Pursuant to settlement with NHAI, the condition precedents for release of holdback considerations stand fulfilled and accordingly HCL has recognised the hold back receivable aggregating ₹ 217.06 crore as at 31 March 2021, which has resulted in reduction of the loss on sale of FRHL recognised during the earlier quarter. Additionally, as part of the agreement with Cube, HCL continues to remain entitled to its share of proceeds from settlement with NHAI, earn-outs (contingent on traffic/ revenue projections) and royalty representing revenue share from FRHL over the concessions period, which is expected to be substantial considering the overall sale consideration agreed with Cube.

Note 41 : Delay in acquisition of land of more than seven years in Raiganj Dalkhola Highways Limited ('RDHL'), a joint venture, resulted in a substantial increase of project cost. The inability of the lenders consortium to fund the cost overrun in the absence of extended benefits in the event of termination from NHAI has led to the issuance of termination notice by NHAI vide letter dated 30 March 2017. RDHL has filed claim for ₹ 367 crore as a termination payment and for ₹ 852 crore as losses on account of contractors dues before arbitration tribunal as the requisite land to carry out the desired work was not made available by NHAI. Based on the legal advice obtained in this respect, the management is confident of recovering the receivable from NHAI amounting to ₹ 177.42 crore as at 31 March 2021.

Note 42 : The Notification under Section 3C(1) under the Maharashtra Slum Area (Improvement & Redevelopment) Act, 1971 declaring the land parcel at Vikhroli (East) held by the Panchkutir Developers Limited, a subsidiary of Holding Company, as "Slum Rehabilitation Area" has been challenged by some persons and appeals preferred are pending in the Bombay High Court. Similarly, a suit filed in the High Court by some persons for declaration that they are Lessees of the said property is also pending. Suit filed by the Company for vacant and peaceful possession of part of the said land is pending in the Small Causes Court, Mumbai. No Liability is expected in aforesaid matter.

NOTE 43 INTEREST IN OTHER ENTITIES

a) Joint operations

The Group's share of interest in joint operations is set out below:

Name of the entity	**% of ownership interest held by the Group**		Name of the ventures' partner	Principal place of business	Principal activities
	31 March 2021	31 March 2020			
HCC- L&T Purulia Joint Venture	57.00	57.00	Larsen and Toubro Limited	India	Construction
Nathpa Jhakri Joint venture	40.00	40.00	Impregilio-Spa, Italy	India	Construction
Kumagai- Skanska- HCC- Itochu Joint Venture	19.60	19.60	Skanska, Kumagai	India	Construction
Alpine- Samsung-HCC Joint Venture	33.00	33.00	Itochu, Alpine Meyreder Bau, Samsung Corporation	India	Construction
Alpine- HCC Joint Venture	49.00	49.00	Alpine Meyreder Bau	India	Construction
HCC- Samsung Joint Venture CC-34	50.00	50.00	Samsung C&T Corporation	India	Construction
HCC- HDC Joint Venture	55.00	55.00	Hyundai Development Company	India	Construction
HCC- VCCL Joint Venture	50.00	50.00	Vensar Constructions Co Ltd	India	Construction
ARGE Prime tower	45.00	45.00	Losinger Construction AG	Switzerland	Construction

NOTE 43 INTEREST IN OTHER ENTITIES..Contd.

i) Classification of joint arrangements

The joint agreements in relation to the above mentioned joint operations require unanimous consent from all the parties for all relevant activities. All co-venturers have direct rights to the assets of the joint venture and are also jointly and severally liable for the liabilities incurred by the joint venture. These joint ventures are therefore classified as a joint operation and the Group recognises its direct right to the jointly held assets, liabilities, revenue and expenses. In respect of these contracts (assessed as AOP under the Income tax laws), the services rendered to the joint ventures are accounted as income on accrual basis.

₹ crore

		As at 31 March 2021	As at 31 March 2020
ii)	**Summarised balance sheet**		
	Total assets	171.03	111.92
	Total liabilities	230.33	155.95
iii)	**Contingent liability as at reporting date**		
	Contingent liability	13.28	13.28
	Capital and other commitment	-	0.25

₹ crore

		Year ended 31 March 2021	Year emded 31 March 2020
iv)	**Summarised statement of profit and loss account**		
	Revenue from operations	199.82	84.73
	Other income	1.08	1.13
	Total expenses (including taxes)	**215.30**	**87.44**

b) Joint operations on work sharing basis

Contracts executed in joint venture under work sharing arrangement (consortium) is set out below. The principal place of business of all these arrangements is in India and they are engaged in construction business.

i)	HCC Van Oord ACZ Joint Venture	xv)	HCC- MEIL- NCC-WPIL Joint Venture
ii)	Samsung- HCC Joint Venture	xvi)	HCC- DSD- VNR Joint Venture
iii)	L &T- HCC Joint Venture	xvii)	MEIL- IVRCL- HCC-WPIL Joint Venture
iv)	HCC- KBL Joint Venture	xviii)	Alstom Hydro France- HCC Joint Venture
v)	HCC- NCC Joint Venture	xix)	GVPR Engineers- HCC Joint Venture
vi)	HCC- CEC Joint Venture	xx)	HCC- CP PL Joint Venture (Manipur)
vii)	HCC- NOVA Joint Venture	xxi)	HCC-VCCL Joint Venture
viii)	HCC- CPPL Joint Venture (Veligonda)	xxii)	HCC- MMS (MMRCL) Joint Venture
ix)	HCC- MEIL- CBE Joint Venture	xxiii)	HCC- LCESPL (Bistan Lift) Joint venture
x)	HCC- MEIL- BHEL Joint Venture	xxiv)	HCC- HSEPL Joint Venture
xi)	HCC- MEIL- SEW- AAG Joint Venture	xxv)	HCC- URCC Joint Venture
xii)	HCC- MEIL- SEW Joint Venture	xxvi)	HCC- AL FARA'A Joint Venture
xiii)	HCC- Halcrow Joint Venture	xxvii)	DBL- HCC Joint Venture
xiv)	HCC- Laing- Sadbhav		

Classification of work executed on sharing basis

Contracts executed in joint venture under work sharing arrangement (consortium) is accounted to the extent work executed by the Group as that of an independent contract.

NOTE 44 LEASES - IND AS 116

A. Impact on transition to Ind AS 116

Effective 1 April 2019, the Group has adopted Ind AS 116, Leases, which, applied to all lease contracts outstanding as at 1 April 2019, using modified retrospective at the date of initial application, at an amount equal to lease lability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application and as a result of which the comparative information is not required to be restated.

The Group has made use of the following practical expedients available in its transition to Ind AS 116.

(a) The Group will not reassess whether a contract is or contains a lease. Accordingly, the definition of lease in accordance with Ind AS 17 will continue to be applied to lease contracts entered by the Group or modified by the Group before 1 April 2019.

(b) The Group has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment. Consequently, the Group has recorded its lease liability using the present value of remaining lease payments, discounted using the incremental borrowing rate at the date of initial application and the right-of- use asset at its carrying amount as if the standard had been applied since the commencement date of the lease but discounted using the incremental borrowing rate at the date of initial application.

(c) The Group excluded the initial direct costs from measurement of the Right-of-use (RoU) asset at the date of initial application.

The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2019 is in the range of 1.3% to 12.50%.

Right-of-use assets:

(i) On transition, the Group had recognized right-of-use assets aggregating ₹ 305.12 crore.

(ii) The net carrying value of right-of-use assets as at 31 March 2021 amounts to ₹ 243.68 crore (31 March 2020 amounts to ₹ 278.40 crore) have been disclosed on the face of the balance sheet.

Lease liabilities:

(i) On transition, the Group has recognised lease liabilities amounting to ₹ 305.12 crore.

(iii) As at 31 March 2021, the obligations under finance leases amounts to ₹ 243.68 crore (31 March 2020 : ₹ 278.40 crore), which have been classified to lease liabilities on the face of balance sheet.

(iv) The following is the movement in lease liabilities:

₹ crore

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	**278.40**	**305.21**
Additions during the year	1.99	-
Finance cost accrued during the year	3.41	3.92
Payment of lease liabilities	(34.72)	(26.33)
Translation difference	(5.40)	(4.40)
Balance at the end of the year	**243.68**	**278.40**

(v) The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2021:

₹ crore

Lease Liabilities		**Contractual cash flows**			
	Carrying amount	**Total**	**0-1 year**	**1-5 years**	**5 years and above**
	243.67	288.36	30.87	257.49	-

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2020:

₹ crore

Lease Liabilities		**Contractual cash flows**			
	Carrying amount	**Total**	**0-1 year**	**1-5 years**	**5 years and above**
	278.40	329.44	35.27	120.20	173.96

B. During the year ended 31 March 2021, the Group recognised the following in the Statement of Profit and Loss:

(i) Depreciation expense from right-of-use assets of ₹ 31.40 crore (31 March 2020: ₹ 29.54 crore)

(ii) Finance cost on lease liabilities of ₹ 3.41 crore (31 March 2020: ₹ 3.92 crore) (Refer note 30)

(iii) Rent expense amounting to Nil (31 March 2020: Nil) and ₹ 65.23 crore (31 March 2020: ₹ 90.65 crore) pertaining to leases of low-value assets and leases with less than twelve months of lease term, respectively, have been included under rent expense (Refer note 28).

NOTE 45 DISCLOSURE IN ACCORDANCE WITH IND AS 24 RELATED PARTY DISCLOSURES

A. Names of related parties and nature of relationship

		Country of incorporation	Group's holding as at (%)	
			31 March 2021	31 March 2020
a)	**Joint venture**			
	HCC Concession Limited	India	85.45	85.45
	Narmada Bridge Tollways Limited	India	85.45	85.45
	Badarpur Faridabad Tollways Limited	India	85.45	85.45
	Baharampore-Farakka Highways Limited	India	85.45	85.45
	Farakka-Raiganj Highways Limited (upto 22 September 2020)	India	-	85.45
	Raiganj-Dalkhola Highways Limited	India	86.91	86.91
	Ecomotel Hotel Limited	India	40.00^^	40.00^^
	Spotless Laundry Services Limited	India	76.02^^	76.02^^
	Whistling Thrush Facilities Services Limited	India	51.00^^	51.00^^
	Apollo Lavasa Health Corporation Limited	India	49.00^^	49.00^^
	Andromeda Hotels Limited	India	40.03^^	40.03^^
	Bona Sera Hotels Limited	India	26.00^^	26.00^^
	Starlit Resort Limited	India	26.00 ^^	26.00 ^^
	Werkarena Basel AG (w.e.f 19 September 2019)	Switzerland	50.00	50.00
b)	**Associates**			
	Evostate AG	Switzerland	30.00	30.00
	Evostate Immobilien AG (Subsidiary of Evostate AG)	Switzerland	30.00	30.00
	MCR Managing Corp. Real Estate	Switzerland	30.00	30.00
	Projektentwicklungsges. Parking Kunstmuseum AG	Switzerland	38.64	38.64
	Highbar Technocrat Limited	India	49.00	49.00
	Warasgaon Lake View Hotels Limited	India	24.56^^	24.56^^
	Knowledge Vistas Limited	India	49.00^^	49.00^^

c)	**Other related parties**	**Relationship**
	Gulabchand Foundation (formed under section 25 of the erstwhile Companies Act, 1956)	Other related party
	Hincon Holdings Limited	Other related party
	Hincon Finance Limited	Other related party
	Shalaka Investment Private Limited	Other related party
	Aarya Capital Management Private Limited	Other related party
	HCC Employee's Provident Fund	Post-employment contribution plan
	Stiftung der Steniner AG (Steiner pension foundation)	Post-employment benefit plan

d)	**Key Management Personnel and relative of Key Management Personnel**	
	Mr. Ajit Gulabchand	Chairman and Managing Director
	Mr. Arjun Dhawan	Group Chief Executive Officer and Whole Time Director
	Ms. Shalaka Gulabchand Dhawan	Whole Time Director (upto 31 July 2019)
	Mr. Sharad M. Kulkarni	Independent Director (upto 24 December 2020)

NOTE 45 DISCLOSURE IN ACCORDANCE WITH IND AS 24 RELATED PARTY DISCLOSURES...Contd.

Mr. Ram P. Gandhi	Independent Director (upto 27 September 2019)
Mr. Rajas R. Doshi	Independent Director (upto 26 September 2019)
Mr. Omkar Goswami	Independent Director (upto 26 September 2019)
Mr. Anil C. Singhvi	Independent Director
Mr. N. R. Acharyulu	Non-Executive Director
Mr. Santosh Janakiram Iyer	Independent Director (w.e.f. 17 June 2019)
Mr. Mahendra Singh Mehta	Independent Director (w.e.f. 17 June 2019)
Mr. Mukul Sarkar	Nominee Director (w.e.f. 6 February 2020)
Mr. Samuel Joseph	Nominee Director (upto 6 February 2020)
Dr. Mita Dixit	Independent Director (w.e.f. 6 February 2020)
Mr. U.V. Phani Kumar	Chief Executive Officer- E&C (w.e.f 3 April 2020)
Mr. Amit Uplenchwar	Chief Executive Officer- E&C (upto 27 March 2020)
Mr. Shailesh Sawa	Chief Financial Officer (upto 9 July 2020)
Mr. Anil Chandani	Chief Financial Officer (w.e.f. 9 November 2020 upto 15 January 2021)
Mr. Vithal P. Kulkarni	Company Secretary (w.e.f. 6 February 2020)
Mr. Ajay Singh	Company Secretary (upto 6 February 2020)

^^ Pursuant to initiation of the Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code, 2016 ('IBC') against Lavasa Corporation Limited (LCL), effective 30 August 2018, the Holding Company has lost control / significant influence over LCL and its subsidiaries, associates and joint ventures. Accordingly, the above entities cease to be subsidiaries, associates and joint ventures of the Holding Company effective 30 August 2018.

* On 22 September 2020, HCC Concessions Limited ('HCL') a joint venture of the subsidiary of the Holding Company, completed the 100% stake sale of its subsidiary i.e. Farakka-Raiganj Highways Limited ('FRHL') to Cube Highways II Pte. Limited. Pursuant to the above, FRHL ceases to be a related party subsquent to 22 September 2020 and consequently transactions subsequent to 22 September 2020 to 31 March 2021 as well as balances outstanding as at 31 March 2021 have not been disclosed above.

B. Nature of transactions

₹ crore

	Year ended 31 March 2021	Year ended 31 March 2020
Transactions with related parties:		
Revenue from operations		
Joint ventures		
- Baharampore Farakka Highways Limited	21.61	76.26
- Farakka Raiganj Highways Limited	13.30	64.38
- Raiganj Dalkhola Highways Limited	-	0.09
	34.91	**140.73**
Interest expenses on Inter corporate deposit		
Joint ventures		
HCC Concessions Limited	1.40	-
	1.40	**-**
Finance income on corporate guarantees		
Joint ventures		
- HCC Concessions Limited	1.92	1.27
	1.92	**1.27**
Interest income on lease deposit		
Other related parties		
- Hincon Finance Limited	-	0.47
	-	**0.47**
Rendering of services		
Joint ventures		
- Baharampore Farakka Highways Limited	0.06	0.05

NOTE 45 DISCLOSURE IN ACCORDANCE WITH IND AS 24 RELATED PARTY DISCLOSURES...Contd.

₹ crore

	Year ended 31 March 2021	Year ended 31 March 2020
- Farakka Raiganj Highways Limited	0.03	0.05
Associate		
- Highbar Technocrat Limited	0.56	0.37
Key management personnel		
- Mr. Ajit Gulabchand	-	0.09
	0.65	**0.56**
Other income		
Joint ventures		
- HCC Concessions Limited	-	0.54
Other related parties		
- Hincon Finance Limited	0.52	0.52
	0.52	**1.06**
Reimbursement of expenses		
Joint ventures		
- HCC Concessions Limited	0.75	-
Associates		
- Highbar Technocrat Limited	0.45	0.68
	1.20	**-**
Professional fees		
Associates		
- Highbar Technocrat Limited	11.89	14.07
	11.89	**14.07**
Other services received		
Joint ventures		
- HCC Concessions Limited	-	0.06
Associate		
- Highbar Technocrat Limited	–	–
Other related party		
- Hincon Holding Limited	0.48	0.48
- Hincon Finance Limited	-	0.68
	0.48	**1.22**
Inter corporate deposit taken		
Joint ventures		
- HCC Concessions Limited	34.36	-
	34.36	**-**
Inter corporate deposits given during the year		
Joint ventures		
- HCC Concessions Limited	0.52	12.13
- Werkarena Basel AG	–	36.15
Associate		
- Evostate AG	19.95	-
	20.47	**48.28**
Inter corporate deposit given by Group, repaid during the year		

NOTE 45 DISCLOSURE IN ACCORDANCE WITH IND AS 24 RELATED PARTY DISCLOSURES...Contd.

₹ crore

	Year ended 31 March 2021	Year ended 31 March 2020
Joint ventures		
- HCC Concessions Limited	3.60	-
- Werkarena Basel AG	4.78	-
Associates		
- Highbar Technocrat Limited	-	0.06
	8.37	**0.06**
Inter corporate deposits repaid		
Joint ventures		
- HCC Concessions Limited	10.28	-
	10.28	**-**
Remuneration paid / accrued		
Key management personnel		
- Mr. Ajit Gulabchand	7.00	7.00
- Mr. Arjun Dhawan	6.50	6.00
- Ms. Shalaka Gulabchand Dhawan	-	0.57
- Mr. Shailesh Sawa	0.41	3.41
- Mr Amit Uplenchwar	-	4.17
- Mr. Vithal P. Kulkarni	0.80	0.16
- Mr. U. V. Phani Kumar	2.64	-
- Mr. Anil Chandani	0.36	-
- Mr. Ajay Singh	-	0.52
	17.71	**21.83**
Directors' sitting fees paid / accrued		
Key management personnel		
- Mr. Rajas R. Doshi	-	0.10
- Mr. Ram P. Gandhi	-	0.03
- Mr. Sharad M. Kulkarni	0.11	0.09
- Mr. Anil C. Singhvi	0.16	0.15
- Mr. Omkar Goswami	-	0.04
- Mr. N. R. Acharyulu	0.19	0.11
- Mr. Samuel Joseph	-	0.02
- Mr. Santosh Jankiram Iyer	0.11	0.06
- Mr. Mahendra Singh Mehta	0.16	0.07
- Mr. Mukul Sarkar	0.06	0.01
- Dr. Mita Dixit	0.07	-
	0.86	**0.68**

NOTE 45 DISCLOSURE IN ACCORDANCE WITH IND AS 24 RELATED PARTY DISCLOSURES...Contd.

Outstanding balances:

₹ crore

	As at 31 March 2021	As at 31 March 2020
Outstanding receivables		
Trade receivables		
Joint ventures		
- Baharampore Farakka Highways Limited	3.51	222.37
- Farakka Raiganj Highways Limited	- ^	33.13
- Raiganj Dalkhola Highways Limited	-	1.91
- Badarpur Faridabad Tollways Limited	0.62	7.31
Associate		
- Highbar Technocrat Limited	0.51	0.01
	4.64	**264.73**
Loans (Inter corporate deposits) given		
Joint ventures		
- HCC Concession Limited	16.12	18.67
- Werkarena Basel AG	31.37	36.15
Associate		
- Evostate AG	19.95	-
	67.44	**54.82**
Unbilled work-in-progress		
Joint ventures		
- Farakka Raiganj Highways Limited	-^	430.66
- Raiganj Dalkhola Highways Limited	42.30	42.03
	42.30	**472.69**
Other receivables		
Joint ventures		
- Badarpur Faridabad Tollways Limited^	0.42	0.42
- HCC Concessions Limited	1.64	1.08
- Baharampore Farakka Highways Limited	0.00*	0.04
- Farakka Raiganj Highway Limited	-	0.41
- Raiganj Dalkhola Highways Limited	0.00*	0.00*
Other related parties		
- Hincon Finance Limited	1.00	0.99
- Hincon Holdings Limited	0.03	-
	3.09	**2.94**
Interest receivable		
Joint venture		
- HCC Concessions Limited	0.78	5.60
	0.78	**5.60**
Outstanding payables		
Advance taken towards sale of investment		
Joint ventures		
- HCC Concessions Limited	3.00	3.00
	3.00	**3.00**
Inter corporate deposits taken		
Joint ventures		
- HCC Concessions Limited	24.07	**-**
	24.07	**-**
Other payables - Advance from contractee		
Joint ventures		

NOTE 45 DISCLOSURE IN ACCORDANCE WITH IND AS 24 RELATED PARTY DISCLOSURES...Contd.

₹ crore

	As at 31 March 2021	As at 31 March 2020
- HCC Concessions Limited	0.00*	-
- Baharampore Farakka Highway Limited	58.55	53.40
- Farakka Raiganj Highway Limited	- ^	36.36
- Raiganj Dalkhola Highways Limited	89.98	65.52
Associates		
- Highbar Technocrat Limited	1.82	1.37
Other related parties		
- Hincon Holdings Limited	0.00*	0.05
Key management personnel		
- Mr. Ajit Gulabchand	-	1.67
	150.35	**158.37**
Retention payable		
Associates		
- Highbar Technocrat Limited	0.72	3.07
	0.72	**3.07**
Due to customers		
Joint ventures		
- Baharampore Farakka Highway Limited	61.49	292.88
- Farakka Raiganj Highway Limited	-	142.74
	61.49	**435.62**
Counter indemnities given and outstanding		
Joint ventures		
- Badarpur Faridabad Tollway Limited	-	14.70
- Farakka Raiganj Highway Limited	-	0.69
	-	**15.39**
Interest payable on inter corporate deposits		
Joint ventures		
- HCC Concessions Limited	1.29	-
	1.29	**-**
Remuneration payable (net)		
Key management personnel		
- Mr. Ajit Gulabchand	11.52	10.63
- Mr. Arjun Dhawan	10.51	4.56
- Mr. Shailesh Sawa	-	1.39
- Mr. Amit Uplenchwar	-	2.41
- Mr. Ajay Singh	-	0.18
- Mr. U. V. Phani Kumar	0.21	-
- Mr. Vithal P. Kulkarni	0.07	0.16
	22.31	**19.33**
Directors' sitting fees payable		
Key management personnel		
- Mr. N. R. Acharyulu	0.01	-
	0.01	**-**

* represents amount less than ₹ 1 lakh.

^ ceases to be a related party w.e.f. 22 September 2020, hence balances as at 31 March 2021 have not been reported.

Notes:

(i) The above figure does not include provisional gratuity liability valued by an actuary, as separate figures are not available.

(ii) Refer notes 18 and 22 for personal guarantee provided by CMD of Holding Company, shares pledged and other security created in respect of borrowing by the Holding Company or the related parties.

(iii) Refer notes 13.2 for pledge of shares for facilities taken by joint venture.

NOTE 46 FINANCIAL INSTRUMENTS

The fair value of the financial assets are included at amounts at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value:

(a) Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments

(b) Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

A Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2021 are as follows:

₹ crore

Particulars	Refer note	Amortised cost	Fair value through profit or loss	Fair value through Other Comprehensive Income	Total carrying value
Assets:					
Investments:					
Investments in equity shares (unquoted)	6A	-	-	8.70	8.70
Investments in equity shares (quoted)	6A	-	-	6.40	6.40
Investment in mutual funds (unquoted)	13	-	0.15	-	0.15
Trade receivables	7	4,501.79	-	-	4,501.79
Loans	8	116.24	-	-	116.24
Other financial assets	9	78.17	-	-	78.17
Cash and cash equivalents	14	642.13	-	-	642.13
Bank balances other than cash and cash equivalents	15	619.49	-	-	619.49
Liabilities:					
Borrowings (including current maturities of long-term debts)	18, 19, 22	4,533.15	-	-	4,533.15
Trade payables	23	3,047.55	-	-	3,047.55
Lease liabilities		243.68	-	-	243.68
Other financial liabilities	19	2,816.05	-	-	2,816.05

The carrying value and fair value of financial instruments by categories as at 31 March 2020 were as follows:

₹ crore

Particulars	Refer note	Amortised cost	Fair value through profit or loss	Fair value through Other Comprehensive Income	Total carrying value
Assets:					
Investments:					
Investments in equity shares (unquoted)	6A	-	-	4.73	4.73
Investments in equity shares (quoted)	6A	-	-	4.68	4.68
Investment in mutual funds (unquoted)	13	-	0.14	-	0.14
Trade receivables	7	4,617.28	-	-	4,617.28
Loans	8	103.28	-	-	103.28

NOTE 46 FINANCIAL INSTRUMENTS...Contd.

₹ crore

Particulars	Refer note	Amortised cost	Fair value through profit or loss	Fair value through Other Comprehensive Income	Total carrying value
Others financial assets	9	71.04	-	-	71.04
Cash and cash equivalents	14	276.11	-	-	276.11
Bank balances other than cash and cash equivalents	15	566.91	-	-	566.91
Liabilities:					
Borrowings (including current maturities of long-term debts)	18, 19, 22	3,974.22	-	-	3,974.22
Trade payables	23	3,029.26	-	-	3,029.26
Lease liabilities		278.40	-	-	278.40
Other financial liabilities	19	2,190.73	-	-	2,190.73

B Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

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

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

₹ crore

Particulars	**31 March 2021**			31 March 2020		
	Level 1	**Level 2**	**Level 3**	Level 1	Level 2	Level 3
Investments in equity shares (quoted)	6.40	-	-	4.68	-	-
Investments in equity shares (unquoted)	-	7.98	0.72	-	4.03	0.70
Investment in mutual funds (unquoted)	-	0.15	-	-	0.14	-

NOTE 47 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

i Market risk

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

a Interest rate risk

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

₹ crore

Particulars	**Year ended 31 March 2021**	Year ended 31 March 2020
Increase in basis points	100 basis points	
Effect on loss before tax, increase by	17.57	13.85
Decrease in basis points	100 basis points	
Effect on loss before tax, decrease by	(17.57)	(13.85)

NOTE 47 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES...Contd.

b Foreign currency risk

The Group has balances in foreign currency and consequently the Group is exposed to foreign exchange risk. The exchange rate between the rupee and foreign currencies has changed substantially in recent years, which has affected the results of the Group, and may fluctuate substantially in the future. The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

The following table analyses foreign currency risk from financial instruments as at 31 March 2021.

₹ crore

Particulars	USD	EUR	SEK	CHF	AUD
Assets					
Advance to suppliers	0.73	10.23	0.91	-	-
Trade receivables	0.73	15.35	-	96.05	-
Bank balances (including deposit accounts)	0.67	0.14	-	934.86	-
Unbilled work-in-progress (other current asset)	-	12.79	-	1,556.71	-
	2.13	**38.51**	**0.91**	**2,587.62**	**-**
Liabilities					
Loans from banks / financial institutions / others	328.88	-	-	38.65	-
Buyers' credit	-	-	-	-	-
Advance from contractee	0.74	54.17	-	-	-
Trade payables	18.64	24.46	0.26	1,335.10	0.26
Interest accrued	31.07	-	-	-	-
	379.33	**78.63**	**0.26**	**1,373.75**	**0.26**
Net assets / (liabilities)	**(377.20)**	**(40.12)**	**0.65**	**1,213.87**	**(0.26)**

The following table analyses foreign currency risk from financial instruments as at 31 March 2020.

₹ crore

Particulars	USD	EUR	SEK	CHF
Assets				
Advance to suppliers	3.80	9.85	0.96	-
Trade receivables	22.01	19.68	-	51.17
Bank balances (including deposit accounts)	1.52	0.12	-	658.14
Unbilled work-in-progress (other current asset)	-	11.93	-	2,023.61
	27.33	**41.58**	**0.96**	**2,732.92**
Liabilities				
Loans from banks / financial institutions / others	336.24	-	-	40.83
Buyers' credit	-	-	-	-
Advance from contractee	6.83	52.57	-	-
Trade payables	15.18	15.10	0.26	2,083.23
Interest accrued	12.32	-	-	602.07
	370.57	**67.67**	**0.26**	**2,726.13**
Net assets / (liabilities)	**(343.24)**	**(26.09)**	**0.70**	**6.79**

Sensitivity analysis

A reasonably possible change in foreign exchange rates by 5% (31 March, 2020 : 5%) would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables in particular interest rates remain constant.

₹ crore

Particulars	**Year ended 31 March 2021**	Year ended 31 March 2020
Increase in basis points	100 basis points	
Effect on loss before tax, increase by	(39.86)	18.09
Decrease in basis points	100 basis points	
Effect on loss before tax, decrease by	39.86	(18.09)

NOTE 47 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES..Contd.

c Equity price risk

The Group's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

As at 31 March 2021, the exposure to listed equity securities including mutual fund at fair value was ₹ 6.40 crore (31 March 2020: ₹ 4.82 crore). A movement (decrease / increase) of 10% in the value of listed securities could have an impact of approximately ₹ 0.64 crore on the Other Comprehensive Income or equity attributable to owners of parent. These changes would not have a material effect on the profit or loss of the Group.

ii Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. The maximum exposure of the financial assets are contributed by trade receivables and bank balances other than cash and cash equivalents.

a Trade Receivable

Trade receivables are typically unsecured and are derived from revenue earned from two main classes of trade receivables i.e. receivables from government promoted agencies and receivables from private third parties. A substantial portion of the Group's trade receivables are from government promoted agencies having strong credit worthiness. Further the Company does not have a history of credit losses from such government promoted agencies, accordingly, provision for expected credit loss is not made in respect of trade receivables.

	As at 31 March 2021		As at 31 March 2020	
	₹ crore	%	₹ crore	%
Trade receivable				
- from government / government promoted agencies	4,382.72	97.35	4,532.59	98.17
- from private parties	119.07	2.65	84.69	1.83
	4,501.79	**100.00**	**4,617.28**	**100.00**

b Financial assets other than trade receivables

Financial assets other than trade receivables comprise of cash and cash equivalents, bank balances other than cash and cash equivalents, loan to employees and other financial assets. The Group monitors the credit exposure on these financial assets on a case-to-case basis. Based on the Group's historical experience, the credit risk on other financial assets is also low.

The Group is engaged in business segments viz. Engineering and Construction, Infrastructure, Real Estate and Others.

₹ crore

	Year ended 31 March 2021	Year ended 31 March 2020
Revenue from external customers:		
India	2,633.28	3,719.81
Outside India	5,615.14	5,724.49
Total revenue from operations	**8,248.42**	**9,444.30**

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

₹ crore

	Year ended 31 March 2021	Year ended 31 March 2020
Revenue from top customer	288.07	519.37
Revenue from top five customers	1,327.14	2,087.24

For the year ended 31 March 2021, Nil (31 March 2020: Nil) customer, individually, accounted for more than 10% of the revenue.

c Credit risk on cash and cash equivalents is limited as the Group generally invest in deposits with banks and financial institutions with high credit ratings.

NOTE 47 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES...Contd.

iii Liquidity risk

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

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

₹ crore

Particulars	Less than 1 year #	1- 5 years	More than 5 years	Total
As at 31 March 2021				
Borrowings (including current maturities of long-term debts and interest accrued)	3,674.99	1,983.19	369.25	6,027.43
Trade payables	2,749.43	298.12	-	3,047.55
Other financial liabilities	788.63	821.49	-	1,610.12
Total	**7,213.05**	**3,102.80**	**369.25**	**10,685.11**
As at 31 March 2020				
Borrowings (including current maturities of long-term debts and interest accrued)	2,645.63	1,594.32	665.97	4,905.92
Trade payables	2,800.99	228.27	-	3,029.26
Other financial liabilities	723.06	640.38	173.98	1,537.41
Total	**6,169.68**	**2,462.97**	**839.95**	**9,472.59**

includes loan repayable on demand

NOTE 48 CAPITAL MANAGEMENT

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

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

₹ crore

	As at 31 March 2021	As at 31 March 2020
Total debt	4,533.15	3,974.22
Total equity plus total debt	3,215.56	3,215.04
Total debt to equity ratio (Gearing ratio)	**1.41**	**1.24**

Notes:
(i) excludes ₹ 1,001.95 crore (31 March 2020: ₹ 889.85 crore) representing financial liabilities (including interest) of an erstwhile subsidiary taken over by the Company.
(ii) excludes interest accrued aggregating ₹ 1,408.95 crore (31 March 2020: ₹ 891.14 crore) on total debt of the Company.

In the long run, the Group's strategy is to maintain a gearing ratio of less than 1.25.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure requirements. Breaches in meeting the financial covenants would permit the lenders to immediately call loans and borrowings. Subsequent to restructuring of the borrowings, there have been no communications from the banks in this regard which might have a negative impact on the gearing ratio.

NOTE 49 INTEREST IN OTHER ENTITIES

49.1 Subsidiaries

The Group's subsidiaries as at 31 March 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

Name of the entity	Country of incorporation	Ownership interest held by the group (%)^		Ownership interest held by non controlling interests (%)		Principal activities
		31 March 2021	31 March 2020	**31 March 2021**	31 March 2020	
Steiner AG	Switzerland	100.00	100.00	-	-	Engineering and construction
Steiner Promotions et Participations SA	Switzerland	100.00	100.00	-	-	Engineering and construction
Steiner (Deutschland) GmbH	Germany	100.00	100.00	-	-	Engineering and construction
VM + ST AG	Switzerland	100.00	100.00	-	-	Engineering and construction
Steiner Leman SAS	France	100.00	100.00	-	-	Engineering and construction
Eurohotel SA (upto 29 January 2020)	Switzerland	-	-	-	-	Engineering and construction
Steiner India Limited	India	100.00	100.00	-	-	Engineering and construction
Manufakt8048 AG	Switzerland	100.00	100.00	-	-	Engineering and construction
HCC Construction Limited	India	100.00	100.00	-	-	Engineering and construction
HCC Mauritius Enterprises Limited	Mauritius	100.00	100.00	-	-	Engineering and construction-Investment Company
HCC Mauritius Investments Limited	Mauritius	100.00	100.00	-	-	Engineering and construction-Investment Company
HCC Infrastructure Company Limited	India	100.00	100.00	-	-	Infrastructure- Toll Management
HCC Operation and Maintenance Limited	India	100.00	100.00	-	-	Infrastructure - Operation and Maintenance of Road
Dhule Palesner Operations & Maintenance Limited	India	100.00	100.00	-	-	Infrastructure - Operation and Maintenance of Road
HCC Power Limited	India	100.00	100.00	-	-	Infrastructure- Power Development
HCC Energy Limited	India	100.00	100.00	-	-	Infrastructure- Power Development
HREL Real Estate Limited	India	100.00	100.00	-	-	Real Estate Development
Panchkutir Developers Limited	India	100.00	100.00	-	-	Real Estate Development
HRL (Thane) Real Estate Limited	India	100.00	100.00	-	-	Real Estate Development
HRL Township Developers Limited	India	100.00	100.00	-	-	Real Estate Development

NOTE NO 49.1 SUBSIDIARIES Contd...

Name of the entity	Country of incorporation	Ownership interest held by the group (%)^		Ownership interest held by non controlling interests (%)		Principal activities
		31 March 2021	31 March 2020	**31 March 2021**	31 March 2020	
Nashik Township Developers Limited	India	100.00	100.00	-	-	Real Estate Development
Maan Township Developers Limited	India	100.00	100.00	-	-	Real Estate Development
Powai Real Estate Developer Limited	India	100.00	100.00	-	-	Real Estate Development
HCC Realty Limited	India	100.00	100.00	-	-	Real Estate Development
Western Securities Limited	India	97.87	97.87	2.13	2.13	Others- Insurance auxlliary services
Highbar Technologies Limited	India	100.00	100.00	-	-	Others- Information Technology Consulting
HCC Aviation Limited	India	100.00	100.00	-	-	Others- Aircraft services
Prolific Resolution Private Limited (w.e.f 08 March 2021)	India	100.00	-	-	-	Others- Services of recovering, assessing Managing claim, awards etc
Lavasa Corporation Limited	India	68.70^^	68.70^^	31.30 ^^	31.30 ^^	Comprehensive Urban Development and Management - Township development
Lavasa Hotel Limited	India	100.00^^	100.00^^	-^^	-^^	Comprehensive Urban Development and Management- Hotel (Hospitality)
Lakeshore Watersports Company Limited	India	100.00^^	100.00^^	- ^^	-^^	Comprehensive Urban Development and Management - Watersport operations
Dasve Convention Center Limited	India	100.00^^	100.00^^	-^^	-^^	Comprehensive Urban Development and Management- Hospitality services
Dasve Business Hotel Limited	India	100.00^^	100.00^^	- ^^	- ^^	Comprehensive Urban Development and Management - Entertainment and Hospitality
Dasve Hospitality Institutes Limited	India	100.00^^	100.00^^	-^^	-^^	Comprehensive Urban Development and Management- Educational services
Lakeview Clubs Limited	India	100.00^^	100.00^^	- ^^	- ^^	Comprehensive Urban Development and Management- Clubs

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

NOTE NO 49.1 SUBSIDIARIES Contd...

Name of the entity	Country of incorporation	Ownership interest held by the group (%)^		Ownership interest held by non controlling interests (%)		Principal activities
		31 March 2021	31 March 2020	**31 March 2021**	31 March 2020	
Dasve Retail Limited	India	100.00^^	100.00^^	-^^	-^^	Comprehensive Urban Development and Management - Retail and leasing business
Full Spectrum Adventure Limited	India	90.91^^	90.91^^	9.09 ^^	9.09 ^^	Comprehensive Urban Development and Management- Adventure Sports
Lavasa Bamboocrafts Limited	India	100.00^^	100.00^^	-^^	-^^	Comprehensive Urban Development and Management - Manufacturing and sale of bamboo articles
My City Technology Limited	India	63.00^^	63.00^^	37.00 ^^	37.00 ^^	Comprehensive Urban Development and Management - Information and Communication Technology
Reasonable Housing Limited	India	100.00^^	100.00^^	- ^^	-^^	Comprehensive Urban Development and Management- Housing business
Future City Multiservices Sez Limited	India	100.00^^	100.00^^	- ^^	- ^^	Comprehensive Urban Development and Management- Development of SEZ
Verzon Hospitality Limited	India	100.00^^	100.00^^	- ^^	- ^^	Comprehensive Urban Development and Management- Hostel services
Rhapsody Commercial Space Limited	India	100.00^^	100.00^^	-^^	- ^^	Comprehensive Urban Development and Management- Leasing business
Valley View Entertainment Limited	India	100.00^^	100.00^^	-^^	- ^^	Comprehensive Urban Development and Management - Entertainment services
Warasgaon Tourism Limited	India	100.00^^	100.00^^	- ^^	- ^^	Comprehensive Urban Development and Management - Transport and Tourism
Our Home Service Apartments Limited	India	100.00^^	100.00^^	- ^^	- ^^	Comprehensive Urban Development and Management- Hotel (Hospitality)

NOTE NO 49.1 SUBSIDIARIES Contd...

Name of the entity	Country of incorporation	Ownership interest held by the group (%)^		Ownership interest held by non controlling interests (%)		Principal activities
		31 March 2021	31 March 2020	**31 March 2021**	31 March 2020	
Warasgaon Power Supply Limited	India	100.00^^	100.00^^	- ^^	- ^^	Comprehensive Urban Development and Management- BOT basis
Sahyadri City Management Limited	India	100.00^^	100.00^^	- ^^	- ^^	Comprehensive Urban Development and Management- City management
Hill City Service Apartments Limited	India	100.00^^	100.00^^	- ^^	- ^^	Comprehensive Urban Development and Management- Hotel (Hospitality)
Kart Racers Limited	India	89.90^^	89.90^^	10.10 ^^	10.10 ^^	Comprehensive Urban Development and Management- Adventure Sports
Warasgaon Infrastructure Providers Limited	India	100.00^^	100.00^^	- ^^	- ^^	Comprehensive Urban Development and Management - Infrastructure services
Nature Lovers Retail Limited	India	100.00^^	100.00^^	- ^^	- ^^	Comprehensive Urban Development and Management- Retail services
Warasgaon Valley Hotels Limited	India	100.00^^	100.00^^	- ^^	- ^^	Comprehensive Urban Development and Management- Hotel (Hospitality)
Rosebay Hotels Limited	India	100.00^^	100.00^^	- ^^	- ^^	Comprehensive Urban Development and Management- Hotel (Hospitality)
Mugaon Luxury Hotels Limited	India	100.00^^	100.00^^	- ^^	- ^^	Comprehensive Urban Development and Management- Hotel (Hospitality)
Warasgaon Assets Maintenance Limited	India	100.00^^	100.00^^	- ^^	- ^^	Comprehensive Urban Development and Management- Infrastructure
Hill View Parking Services Limited	India	100.00^^	100.00^^	- ^^	- ^^	Comprehensive Urban Development and Management- Parking services
Green Hills Residences Limited	India	100.00^^	100.00^^	- ^^	- ^^	Comprehensive Urban Development and Management- Hostel Services

^ including through subsidiary companies

NOTE NO 49.1 SUBSIDIARIES Contd...

49.1(i) ^^ Pursuant to initiation of the Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code, 2016 ('IBC') against Lavasa Corporation Limited (LCL), effective 30 August 2018, the Holding Company has lost control / significant influence over LCL and its subsidiaries, associates and joint ventures. Accordingly, the above entities cease to be subsidiaries, associates and joint ventures of the Holding Company effective 30 August 2018.

49.2 Non-controlling interest (NCI)

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

₹ crore

Particulars	Western Securities Limited	
	31 March 2021	31 March 2020
NCI percentage	**2.13%**	**2.13%**
Summarised balance sheet		
Current assets (A)	1.29	2.05
Non-current assets (B)	1.89	1.33
Current liabilities (C)	0.55	0.21
Non-current liabilities (D)	0.59	1.52
Net assets (A+B-C-D)	**2.04**	**1.65**
Net assets attributable to NCI	**0.04**	**0.04**
Summarised statement of profit and loss		
Revenue	0.31	0.70
Profit for the year	**0.38**	**0.06**
Other comprehensive income/(loss)	0.02	(0.05)
Total comprehensive income	**0.40**	**0.01**
Profit allocated to NCI	0.01	0.00*
OCI allocated to NCI	0.00*	(0.00)*
Total comprehensive income allocated to NCI	**0.01**	**0.00***
Summarised cash flows		
Cash flow from operating activities	(0.10)	1.24
Cash flow from investing activities	**(0.56)**	**0.25**
Cash flow from financing activities	**-**	**-**
Net increase/ (decrease) in cash and cash equivalents	**(0.66)**	**1.49**

* Represents amount less than ₹ 1 lakh

49.3 Interest in associates and joint ventures

₹ crore

	Note	Carrying amount as at	
		31 March 2021	31 March 2020
Interest in associates	See (A) below	17.06	23.99
Interest in joint ventures	See (B) below	385.86	322.48
		402.92	**346.47**

(A) Interest in associates

The Group's associates as at 31 March 2021 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.

NOTE NO 49.3 INTEREST IN ASSOCIATES AND JOINT VENTURES Contd....

₹ crore

Name of the entity	Country of incorporation	Ownership interest (%)	Carrying amount as at ^		Principal activities
			31 March 2021	31 March 2020	
Evostate AG	Switzerland	30.00	2.43	3.52	Engineering and construction
MCR Managing Corporate Real Estate AG	Switzerland	30.00	1.29	1.29	Engineering and construction
Projektentwicklungsgesellschaft Parking Kunstmuseum AG	Switzerland	38.64	-	9.00	Engineering and construction
Highbar Technocrat Limited	India	49.00	13.34	10.18	Others- IT services
			17.06	**23.99**	
Less: Impairment allowance			-	-	
Total			**17.06**	**23.99**	

^^ Unlisted entity- no quoted price available

Refer note 49.4 for the summarised financial information of associates. The information disclosed reflects the amount presented in the financial statement of the relevant associates and not Group's share of those amounts. They have been amended to reflect adjustments made by the Group when using the equity method, including fair value adjustments at the time of acquisition and modifications for difference in accounting policies.

Group share of capital commitment and contingent liability in relation to its interest in associates is Nil.

(B) Interest in joint ventures

The Group's joint ventures as at 31 March 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

₹ crore

Name of the entity	Country of incorporation	Ownership interest (%)	Carrying amount as at ^		Principal activities
			31 March 2021	31 March 2020	
HCC Concessions Limited	India	85.45	385.86	321.12	Infrastructure - Concessionaries services
Baharampore-Farakka Highways Limited	India	85.45	0.00*	0.00*	Infrastructure- Toll management
Farakka-Raiganj Highways Limited	India	85.45	- ^^	- *	Infrastructure- Toll management
Raiganj-Dalkhola Highways Limited	India	86.91	-	1.36	Infrastructure- Toll management
Werkarena Basel AG	Switzerland	50.00	0.00*	-	Engineering and construction
			385.86	**322.48**	

^ Unlisted entity- no quoted price available
^^ Ceases to be a joint venture effective 22 September 2020- Refer note 45.

Refer Note 49.5 for the table below provide summarised financial information of joint ventures. The information disclosed reflects the amount presented in the financial statement of the relevant joint ventures and not Group's share of those amounts. They have been amended to reflect adjustments made by the Group when using the equity method, including fair value adjustments at the time of acquisition and modifications for difference in accounting policies.

Though the Group's investment in below mentioned entities exceed 50% of the total share capital, these entities have been classified as joint venture. The management has assessed whether or not the group has control over these entities based on whether the group has practical ability to direct relevant activities unilaterally. In these cases, based on specific shareholders agreement, the management concluded that the group does not have practical ability to direct the relevant activities unilaterally but has such ability along with the other shareholders. The details in respect of these entities are as under:

NOTE NO 49.3 INTEREST IN ASSOCIATES AND JOINT VENTURES Contd....

Name of the entity	(%) of share holding as at 31 March 2021
HCC Concessions Limited	85.45
Baharampore-Farakka Highways Limited	85.45
Narmada Bridge Tollway Ltd	85.45
Raiganj-Dalkhola Highways Limited	86.91
Badarpur Faridabad Tollway Ltd	85.45

Group share of capital commitment and contingent liability in relation to its interest in joint ventures is as below:

₹ crore

	As at 31 March 2021	As at 31 March 2020
Contingent liability		
Claims not acknowledged as debts by the Joint ventures	526.41	2,633.50
Income Tax liability in appeals	6.85	5.41
Sales Tax Liability in appeals	10.44	10.56
Corporate guarantees given to banks	437.28	772.79
Counter indemnities given to banks in respect of contracts executed by subsidiaries of the Joint ventures*	64.09	64.09
The Joint ventures have not made provision for cumulative dividend payable excluding dividend distribution tax, towards 0.001% cumulative convertible preference shares, in absence of distributable profits.	0.03	0.03

* Pledge of unencumbered equity shares of the BFHL held by HCC Infrastructure Company Limited (to the extent of proportionate amount of bank guarantee furnished)

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 Joint ventures with respect to timing and the components of its compensation structure. In absence of further clarification, the Joint ventures have been advised to await further developments in this matter to reasonably assess the implications on its financial statements, if any.

Commitments	**31 March 2021**	31 March 2020
Capital commitment (net of advances)	261.87	184.64

Note 49.4 Table below provide summarised financial information for associates

₹ crore

Particulars	MCR Managing Corporate Real Estate AG		Projektentwicklungsgesellschaft AG		Evostate AG	
	31 March 2021	31 March 2020	**31 March 2021**	31 March 2020	**31 March 2021**	31 March 2020
Summarised Balance Sheet						
Current assets (A)	6.17	13.35	- ^	23.51	65.74	54.39
Non-current assets (B)	-	-	- ^	-	13.94	14.21
Current liabilities (C)	1.90	9.03	- ^	0.22	66.25	54.65
Non-current liabilities (D)	-	-	- ^	-	-	-
Net assets (A+B-C-D)	**4.27**	**4.32**	**- ^**	**23.29**	**13.43**	**13.95**
Summarised Statement of Profit and Loss			- ^			
Revenue	0.19	0.02	- ^	-	-	-
Profit/(loss) for the year (A)	0.04	(0.46)	- ^	0.24	(0.10)	(0.10)
Other comprehensive income (B)	-	-	- ^	-	-	-
Total comprehensive income (A+B)	**0.04**	**(0.46)**	**- ^**	**0.24**	**(0.10)**	**(0.10)**

^ Project is completed in all respect and ceases to be an associate effective 31 March 2021.

NOTE 49.4 TABLE BELOW PROVIDE SUMMARISED FINANCIAL INFORMATION FOR ASSOCIATES Contd...

Particulars	Highbar Technocrat Limited	
	31 March 2021	31 March 2020
Summarised Balance Sheet		
Current assets (A)	55.85	61.50
Non-current assets (B)	2.64	5.73
Current liabilities (C)	30.00	41.43
Non-current liabilities (D)	1.34	5.10
Net assets (A+B-C-D)	**27.15**	**20.70**
Summarised Statement of Profit and Loss		
Revenue	101.20	79.78
Profit/(loss) for the year (A)	6.28	8.30
Other comprehensive income (B)	0.16	(0.01)
Total comprehensive income (A+B)	**6.44**	**8.29**

NOTE 49.5 TABLE BELOW PROVIDE SUMMARISED FINANCIAL INFORMATION FOR JOINT VENTURES:

Particulars	Raiganj-Dalkhola Highways Limited		Baharampore-Farakka Highways Limited		Farakka-Raiganj Highways Limited	
	31 March 2021	31 March 2020	**31 March 2021**	31 March 2020	**31 March 2021**	31 March 2020
Summarised Balance Sheet						
Cash and cash equivalents	0.07	0.07	23.73	11.87	-^	8.39
Other assets	267.42	267.42	446.56	136.05	-^	42.92
Current assets (A)	**267.49**	**267.49**	**470.29**	**147.92**	**-^**	**51.31**
Non-current assets (B)	**0.53**	**0.59**	**777.13**	**1,008.89**	**-^**	**1,568.99**
Financial liabilities (excluding trade and other payable and provision)	126.00	110.02	95.17	173.07	-^	434.51
Other liabilities	0.01	0.06	113.43	16.07	-^	25.19
Current liabilities (C)	**126.01**	**110.08**	**208.60**	**189.14**	**-^**	**459.70**
Financial liabilities (excluding trade and other payable and provision)	67.75	67.88	679.39	686.49	-^	997.51
Other liabilities	-	-	67.93	131.56	-^	111.30
Non-current liabilities (D)	**67.75**	**67.88**	**747.32**	**818.05**	**-^**	**1,108.81**
Net assets (A+B-C-D)	**74.26**	**90.12**	**291.50**	**149.62**	**-^**	**51.79**

Particulars	For the year ended		For the year ended		For the period	For the year ended
	31 March 2021	31 March 2020	**31 March 2021**	31 March 2020	1 April 2020 to 22 September 2020	31 March 2020
Summarised Statement of Profit and Loss						
Revenue (A)	**-**	**-**	**362.64**	**216.49**	**74.08**	**237.33**
Depreciation and amortization	-	-	32.94	33.06	24.51	51.31
Finance Cost	15.39	13.23	52.28	45.98	161.88	91.47
Other Expenses	0.46	0.99	106.04	124.84	38.91	140.35
Total Expenses (B)	**15.85**	**14.22**	**191.26**	**203.88**	**225.30**	**283.13**
Profit before tax (C=A-B)	**(15.85)**	**(14.22)**	**171.38**	**12.61**	**(151.22)**	**(45.80)**

NOTE 49.5 TABLE BELOW PROVIDE SUMMARISED FINANCIAL INFORMATION FOR JOINT VENTURES Contd..

Particulars	For the year ended		For the year ended		For the period	For the year ended
	31 March 2021	31 March 2020	**31 March 2021**	31 March 2020	1 April 2020 to 22 September 2020	31 March 2020
Tax Expense (D)	-	-	29.50	-	-	-
Profit for the year (E=C-D)	**(15.85)**	**(14.22)**	**141.88**	**12.61**	**(151.22)**	**(45.80)**
Other Comprehensive Income (F)	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income (G=E+F)	**(15.85)**	**(14.22)**	**141.88**	**12.61**	**(151.22)**	**(45.80)**

^ Ceases to be a joint venture effective 22 September 2020- Refer note 45.

Particulars	HCC Concessions Limited		Werkarena Basel AG	
	31 March 2021	31 March 2020	**31 March 2021**	31 March 2020
Summarised Balance Sheet				
Cash and cash equivalents	55.61	29.36	1.83	22.89
Other assets	538.39	1,920.51	210.08	95.13
Current assets (A)	**594.00**	**1,949.87**	**211.91**	**118.02**
Non-current assets (B)	**1,218.35**	**1,208.92**	**-**	**-**
Financial liabilities (excluding trade and other payable and provision)	246.67	437.97	1.15	0.03
Other liabilities	118.21	1,281.04	-	-
Current liabilities (C)	**364.88**	**1,719.01**	**1.15**	**0.03**
Financial liabilities (excluding trade and other payable and provision)	758.74	761.43	125.49	103.34
Other liabilities	68.34	132.14	-	-
Non-current liabilities (D)	**827.08**	**893.57**	**125.49**	**103.34**
Net assets (A+B-C-D)	**620.39**	**546.21**	**85.27**	**14.65**
Summarised Statement of Profit and Loss				
Revenue (A)	**491.70**	**311.20**	**-**	**-**
Depreciation and amortization	33.02	33.20	-	-
Finance Cost	89.54	176.95	2.10	0.96
Other Expenses	125.00	132.52	1.30	0.18
Total Expenses (B)	**247.56**	**342.67**	**3.40**	**1.14**
Profit/ (Loss) before Exceptional items (C=A-B)	**244.14**	**(31.47)**	**(3.40)**	**(1.14)**
Exceptional items (D)	(108.07)	285.35	-	-
Tax Expense (E)	28.56	0.00	-	-
Profit for the year from continued business (F=C-D-E)	**107.51**	**253.88**	**(3.40)**	**(1.14)**
Loss from discontinued business (G)	**(33.20)**	**(40.05)**	**-**	**-**
Profit for the year (H=F+G)	**74.31**	**213.83**	**(3.40)**	**(1.14)**
Other Comprehensive Income (I)	(0.15)	(0.06)	-	-
Total comprehensive income (J=H+I)	**74.16**	**213.77**	**(3.40)**	**(1.14)**

NOTE 50 ADDITIONAL INFORMATION PURSUANT TO PARA 2 OF GENERAL INSTRUCTIONS FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

₹ crore

Name of the entity	Country of incorporation	% of voting power as at 31 March 2021	As at 31 March 2021 Net assets / (liablities) i.e total assets minus total liabilities		For the year ended 31 March 2021 Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income / (loss)	
			As % of consolidated net assets / (liabilities)	Amount (₹ crore)	As % of consolidated profit / (loss)	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of consolidated total comprehensive income	Amount (₹ crore)
Hindustan Construction Company Limited	India	-	264.92%	611.86	94.04%	(566.46)	11.28%	6.89	103.38%	(559.57)
Subsidiaries (held directly)										
Indian										
HCC Real Estate Limited	India	100.00%	-233.57%	(539.45)	-0.81%	4.88	-	-	-0.90%	4.88
HCC Infrastructure Company Limited	India	100.00%	-99.12%	(228.93)	10.78%	(64.90)	-	0.15	11.96%	(64.75)
HCC Construction Limited	India	100.00%	0.00%^	0.01	0.00%^	(0.00)*	-	-	0.00%^	(0.00)*
Panchkutir Developers Limited	India	100.00%	18.17%	41.97	0.00%^	(0.01)	-	-	0.00%^	(0.01)
Maan Township Developers Limited	India	100.00%	-4.90%	(11.32)	0.00%^	(0.00)*	-	-	0.00%^	(0.00)*
HRL Township Developers Limited	India	100.00%	-0.23%	(0.54)	0.01%	(0.08)	-	-	0.01%	(0.08)
Western Securities Limited	India	97.87%	0.89%	2.05	-0.06%	0.38	0.03%	0.02	-0.07%	0.40
Highbar Technologies Limited	India	100.00%	0.71%	1.64	-0.30%	1.80	0.07%	0.04	-0.34%	1.84
Prolific Resolution Private Limited	India	100.00%	0.00%^	0.00*	0.00%^	0.00*	0.00%^	0.00*	0.00%^	0.00*
Foreign										
Steiner AG	Switzerland	100.00%	187.42%	432.86	-4.89%	29.47	81.02%	49.50	-14.59%	78.97
HCC Mauritius Enterprises Limited	Mauritius	100.00%	-22.23%	(51.35)	1.59%	(9.56)	5.09%	3.11	1.19%	(6.45)
HCC Mauritius Investments Limited	Mauritius	100.00%	-12.05%	(27.84)	-0.35%	2.13	2.28%	1.39	-0.65%	3.52
TOTAL			**100.00%**	**230.96**	**100.00%**	**(602.35)**	**100.00%**	**61.10**	**100.00%**	**(541.25)**
a) Adjustments arising out of consolidation				**(1,548.57)**		**(7.66)**		**(2.17)**		**(9.83)**
b) Non-controlling interest in subsidiaries				0.00*		(0.00)*		(0.00)*		(0.00)*
TOTAL				**(1,317.61)**		**(610.01)**		**58.93**		**(551.08)**

* Represents amount less than ₹ 1 lakh

^ Represents less than 0.01%

Note 51 The Group has disclosed business segment as the primary segment. Segments have been identified taking into account the nature of activities of the parent company, its subsidiaries and joint ventures, the differing risks and returns, the organization structure and internal reporting system. Also, refer note 47(ii) for information on revenue from major customers. The Group's operations predominantly relate to 'Engineering and Construction', 'Infrastructure' and 'Real Estate'. Other business segments contribute less than 10% of the total revenue and have been grouped as 'Others'.

The segment revenue, segment results, segment assets and segment liabilities include respective amounts identifiable to each of the segment and also amounts allocated on a reasonable basis.

₹ crore

	Year ended 31 March 2021	Year ended 31 March 2020
Segment revenue		
Engineering and construction	8,212.11	9,381.97
Infrastructure	35.11	80.61
Real estate	-	0.24
Others	10.53	13.47
Less: Inter segment revenue	(9.33)	(31.99)
Total	**8,248.42**	**9,444.30**
Segment results		
Engineering and construction	313.14	722.13
Infrastructure	10.91	39.30
Real estate	(0.12)	2.47
Others	(1.48)	(1.68)
Less: Unallocable expenditure (net of unallocable income)	(981.21)	(809.23)
Profit / (loss) before exceptional items, share of profit / (loss) of associates and joint ventures and tax	**(658.76)**	**(47.01)**
Exceptional items		
- Engineering and construction	(274.03)	221.23
Profit / (loss) before share of profit/ (loss) of associates and joint ventures and tax	**(932.79)**	**174.22**

₹ crore

	As at 31 March 2021	As At 31 March 2020
Segment assets		
- Engineering and construction	11,356.88	10,933.47
- Infrastructure	47.12	79.26
- Real estate	39.28	41.67
- Others	22.41	27.23
- Unallocable assets	1,313.31	1,118.65
	12,779.00	12,200.28
Segment liabilities		
- Engineering and construction	7,731.86	7,689.03
- Infrastructure	273.36	196.53
- Real estate	56.88	58.60
- Others	7.06	8.63
- Unallocable liabilities	6,027.43	5,006.67
	14,096.59	**12,959.46**

The Holding Company is domiciled in India. The amount of its assets broken down by location is shown in the below table:

₹ crore

	As at 31 March 2021	As At 31 March 2020
Asset		
- In India	8,884.71	8,995.59
- Outside India	3,894.29	3,204.69
	12,779.00	**12,200.28**

Notes:

(i) Segment asset excludes current and non-current investments, deferred tax assets and income tax assets, which is included under unallocable assets.

(ii) Segment liabilities excludes borrowings, current maturities of long term debts, deferred tax liability, accrued interest and non-controlling interests, which is included under unallocable liabilities.

Note 52 * represents amount less than ₹ 1 lakh.

Note 53 Subsequent to the resignation of Mr. Anil Chandani as the Chief Financial Officer of the Holding Company effective 15 January 2021, the Holding Company is yet to appoint a Chief Financial Officer in accordance with Section 203(1) of the Companies Act, 2013 (the 'Act') and rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 within the stipulated timelines specified in section 203(4) of the Act. The Holding Company is in the process of appointing a Chief Financial Officer as required under the Act.

Note 54 Previous year figures have been regrouped or reclassified, to conform to the current year's presentation wherever considered necessary.

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

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

Rakesh R. Agarwal
Partner
Membership No.: 109632

Vithal P. Kulkarni
Company Secretary
ACS No. 6707

Place: Mumbai
Date : June 23, 2021

For and on behalf of the Board of Directors

Ajit Gulabchand	DIN: 00010827	*Chairman & Managing Director*
Arjun Dhawan	DIN: 01778379	*Group Chief Executive Officer & Whole-Time Director*
Anil C. Singhvi	DIN : 00239589	*Directors*
N. R. Acharyulu	DIN : 02010249	
Santosh Jankiram Iyer	DIN : 06801226	
Mahendra Singh Mehta	DIN : 00019566	
Mukul Sarkar	DIN : 00893700	
Mita Dixit	DIN : 08198165	

Place: Mumbai / Raigad
Date : June 23, 2021

ANNEXURE I

Statement of Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results (Consolidated)

Statement on Implication of Audit Qualifications for the Financial Year ended 31 March 2021

[See Regulation 33/52 of the SEBI (LODR) Amendment Regulations, 2016)]

(Amount in ₹ Crore)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total Income	8,334.99	Not ascertainable [Refer notes II (a) (i) to (iv) below]
	2	Total Expenditure	8,993.75	Not ascertainable [Refer notes II (a) (i) to (iv) below]
	3	Exceptional items Gain / (Loss)	(274.03)	Not ascertainable [Refer notes II (a) (i) to (iv) below]
	4	Net Profit / (Loss) for the year after tax	(610.02)	Not ascertainable [Refer notes II (a) (i) to (iv) below]
	5	Earnings/ loss per Share	(4.03)	Not ascertainable [Refer notes II (a) (i) to (iv) below]
	6	Total Assets	12,779.00	Not ascertainable [Refer notes II (a) (i) to (iv) below]
	7	Total Liabilities	14,096.59	Not ascertainable [Refer notes II (a) (i) to (iv) below]
	8	Net Worth	(1,317.59)	Not ascertainable [Refer notes II (a) (i) to (iv) below]
	9	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	**Audit Qualification**			
	a.	**Details of Audit Qualification:**	Auditor's Qualification	
			(i) Note 7 to the accompanying Statement, the Holding Company has accounted for managerial remuneration paid/ payable to Whole Time Directors (including Chairman and Managing Director) of the Holding Company aggregating ₹27.07 crore for the financial years ended 31 March 2021 and 31 March 2020, in excess of the limits prescribed under Section 197 of the Act, in respect of which approvals from the shareholders have been obtained, however prior approval from the lenders of the Holding Company in accordance with Section 197 has not been obtained by the Holding Company.	
			(ii) Note 6 to the accompanying Statement, the Holding Company has recognised deferred tax assets (net) amounting to ₹715.99 crore outstanding as at 31 March 2021, on account of carried forward unused tax losses, unused tax credits and other taxable temporary differences, which are continued to be recognised on the basis of expected availability of future taxable profits for utilization of such deferred tax assets. However, in view of the continued losses incurred by the Holding Company and the impact of COVID-19 on business operations, we are unable to obtain sufficient appropriate audit evidence with respect to the current projections prepared by the management and therefore, are unable to comment on any adjustments that may be required to the carrying value of aforesaid deferred tax assets as at 31 March 2021.	
			(iii) Note 9 to the accompanying Statement, the Group's current borrowings and other current financial liabilities as at 31 March 2021 include balances amounting to ₹2.10 crore and ₹500.72 crore, respectively, in respect of which direct confirmations from the respective banks/ lenders have not been provided to us by the management of the Group. Further, in respect of certain loans while the principal balances have been confirmed from the direct confirmations issued by banks/ lenders, the interest accrued amounting to ₹115.37 crore has not been confirmed by the banks/ lenders. Further, direct confirmation from banks have not been received for balances with banks included under cash and cash equivalents and earmarked balances/ deposits	

		with banks included under bank balances other than cash and cash equivalents as at 31 March 2021 amounting to ₹2.10 crore and 10.91 crore, respectively. In the absence of such direct confirmations from the banks / lenders or sufficient and appropriate alternate audit evidence, we are unable to comment on the adjustments and changes in classification of balances in accordance with the principles of Ind AS 1, Presentation of financial statements, if any, that may be required to the carrying value of the aforementioned balances in the accompanying Statement.
		(iv) 10(b) to the accompanying Statement, the Holding Company had written back a loss provision aggregating ₹331.40 crore during the the year ended 31 March 2020, which was earlier recognised by the Holding Company during the year ended 31 March 2019 in cognizance of the assignment of beneficial interests/ rights in a portfolio of identified arbitration awards and claims based on a non-binding term sheet with a consortium of investors along with a letter of commitment, due to cancellation of the said proposed transaction. However, such write-back is inconsistent with the continued intent of the Holding Company to sell/ assign the arbitration awards and claims of the Holding Company to other potential investors as evidenced in the proposed resolution plan with lenders. Pending the finalization of the proposed resolution plan with lenders, we are unable to comment on the extent of loss provision required to be provided for in the consolidated financial results as at 31 March 2021.
b.	**Type of Audit Qualification:**	Qualified Opinion
c.	**Frequency of Qualification:**	Qualification II(a)(i) and (iv)- Incuded since review report for the quarter/ period ended 31 December 2019; Qualification II(a)(ii) and (iii)- Included since audit report for the quarter and year ended 31 March 2020.
d.	**For Audit Qualifications where the impact is quantified by the auditor, Management views:**	Not Applicable
e.	**For Audit Qualifications where the impact is not quantified by the auditor:**	
	i) Management's estimation on the impact of audit qualification:	Not ascertainable
	ii) If management is unable to estimate the impact, reasons for the same:	II a) (i) Pursuant to notification of the Companies (Amendment) Act, 2017 amending Section 197 of the Companies Act, 2013 ('the Act'), with effect from 12 September 2018, the Holding Company's application to the Ministry of Corporate Affairs ('MCA') for approval in respect of remuneration of Chairman and Managing Director (CMD) accrued/ paid in excess of the prescribed limit for the financials years 2014-15 and 2015-16 stood abated. The Holding Company, vide resolution dated 10 September 2019, had obtained approval from the shareholders for the payment of remuneration in respect of the aforesaid years, to be only given effect to, post receipt of the approval of the lenders which was pending. Further, the excess managerial remuneration for financial year 2013-14 aggregating ₹8.74 crore was proposed to be recovered. During the previous quarter, the Holding Company was advised by a senior legal counsel that the requisite approval from lenders for payment of remuneration in earlier years through Monitoring Committee of lenders is still valid and persisting and there was no need to obtain fresh approvals from lenders under Section 197 of the Act. Accordingly, based on the legal advice, the Holding Company adjusted the excess remuneration paid to CMD, held in trust, for the financial year 2013-2014 with the unpaid remuneration for the financial year 2014-15 and also the excess managerial remuneration for the financial year 2015-16 was regularized. Subsequent to 31 March 2021, an external agency appointed by lenders vide its report has confirmed the compliance of the conditions laid out by Monitoring Committee of lenders in earlier years. Pursuant to the confirmation from external agency, the accrual/ payment of excess managerial remuneration for the year 2014-15 and 2015-16 stands approved by the lenders.

Further, on 26 September 2019, the Holding Company in its shareholder's meeting had also obtained approvals vide special resolutions for remuneration of CMD and Whole Time Directors ('WTD') for the period 1 April 2019 to 31 March 2022, to be given effect to, only post receipt of the approval of lenders. The Holding Company expects requisite approvals from lenders to be obtained along side implementation of the resolution plan. Pending receipt of lenders approvals, managerial remuneration continue to be accrued/ paid by the Holding Company as detailed below:

(₹ in crore)

Financial Year	Designation	Remuneration accrued	Remuneration paid	Remuneration as per prescribed limit	Excess remuneration accrued/paid	Excess remuneration paid held in trust
		(a)	(b)	(c)	(c=a-c)	(e=b-c)
2019-20	CMD and Whole Time Director	13.57	3.75	-	13.57	3.75
2020-21		13.50	1.44	-	13.50	1.44
Total		**27.07**	**5.19**	**-**	**27.07**	**5.19**

II a) (ii) On 20 September 2019, vide the Taxation Laws (Amendment) Ordinance 2019, the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective 1 April 2019 subject to certain conditions. However, the Holding Company having significant amount of brought forward tax losses and unabsorbed depreciation on which deferred tax asset has been recognised, is still evaluating and has not yet elected to exercise the option permitted under section 115BAA. In view of the above, there is no impact of the new tax rate on the consolidated financial results.

As at 31 March 2021, the Holding Company continues to recognize net deferred tax assets amounting to ₹715.99 crore (31 December 2020: ₹670.14 crore and 31 March 2020: ₹437.08 crore) on account of carried forward unused tax losses, unused tax credits and other taxable temporary differences. Based on the expected profits from the unexecuted orders on hand, outcome of the ongoing discussion with lenders for restructuring of loans and expected settlement of arbitration awards, the Holding Company management is confident that sufficient future taxable income will be available against which such deferred tax assets will be realized.

II a) (iii) II a) (iii) Non-current borrowings, current borrowings, other non-current financial liabilities and other current financial liabilities as at 31 March 2021 include balances amounting to Nil (31 December 2020: ₹273.56 crore and 31 March 2020: ₹165.55 crore), ₹2.10 crore (31 December 2020: ₹9.57 crore and 31 March 2020: Nil), Nil (31 December 2020: Nil and 31 March 2020: ₹591.04 crore) and ₹500.72 crore (31 December 2020: ₹399.68 crore and 31 March 2020: ₹336.82 crore) respectively, in respect of which confirmations/ statements from the respective banks/ lenders have not been received. Further, in respect of non-current borrowings and current borrowings aggregating ₹871.75 crore (31 December 2020: ₹1,396.01 crore and 31 March 2020: ₹864.23 crore), while the lenders have confirmed the principal outstanding, the accrued interest aggregating ₹115.37 crore (31 December 2020: ₹87.50 crore and 31 March 2020: ₹42.76 crore) have not been confirmed. In the absence of confirmations/ statements from the lenders, the Group has provided for interest and other penal charges on these borrowings based on the latest communication available from the respective lenders at the interest rate specified in the agreement. The Group's management believes that amount payable on settlement will not exceed the liability provided in books in respect of these borrowings. Further, for balances with banks (included under cash and cash equivalents), earmarked balances/ deposits with banks (included under bank balances other than cash and cash equivalents) and guarantees issued by banks on behalf of

		the Group as at 31 March 2021 includes balances amounting to ₹2.10 crore (31 December 2020: Nil and 31 March 2020: Nil), ₹10.91 crore (31 December 2020: ₹20.97 crore and 31 March 2020: ₹5.46 crore) and Nil (31 December 2020: Nil and 31 March 2020: ₹76.93 crore), respectively, in respect of which confirmation/ statements from banks have not been received inspite of incessant efforts by Group's management.
	II a) (iv)	II a) (iv) During the year ended 31 March 2019, the Holding Company had recognized a provision of ₹331.40 crore pursuant to the signing of a non-binding term sheet with a consortium of investors along with a letter of commitment, for an assignment of the beneficial interest in portfolio of identified arbitration awards and claims ('specified assets') for an aggregate consideration of ₹1,750 crore. The said provision continued thereafter in view of mutual extension of the said transaction till 31 December 2019. In the absence of any further extension, the Holding Company decided to cancel this proposed transaction, which had been reported to and confirmed by statutory auditors. Pursuant to the cancellation of the aforesaid transaction, the provision of ₹331.40 crore, related to specified assets, recognized earlier has been written back during the year ended 31 March 2020.
iii) Auditors' comments on (i) or (ii) above	Included in details of auditor's qualifications stated above	

III. Signatories:

For **Hindustan Construction Company Limited**

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

Rakesh R. Agarwal
Partner
Membership No.: 109632

Place: Mumbai
Date : 23 June 2021

Ajit Gulabchand
Chairman & Managing Director

Mahendra Singh Mehta
Audit Committee Chairman

Place: Mumbai / Raigad
Date: 23 June 2021

FORM AOC-I

Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Statement containing silent features of the financial statement of subsidaries \ associates \ joint venture

Part "A": Subsidiaries

(₹ in Crore)

Sr. No	Name of the subsidiary	Reporting period	Reporting currency / Exchange rate	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Deferred Tax	Profit after taxation	Proposed Dividend	Extent of Holding (In Percentage)
1	HCC Construction Limited	01.04.2020-31.03.2021	INR	0.05	(0.04)	0.04	0.03	-	-	(0.00)	-	-	(0.00)	-	100%
2	Highbar Technologies Limited	01.04.2020-31.03.2021	INR	6.25	(16.93)	21.76	32.44	1.01	9.73	(1.52)	(0.01)	(0.15)	(1.36)	-	100%
3	Panchkutir Developers Limited	01.04.2020-31.03.2021	INR	1.40	40.57	102.64	60.67	-	-	0.01	-	-	0.01	-	100%
4	HCC Operations & Maintenance Limited	01.04.2020-31.03.2021	INR	0.05	(55.06)	138.31	193.32	0.02	32.82	16.43	4.33	-	12.10	-	100%
5	HCC Power Limited	01.04.2020-31.03.2021	INR	0.50	(25.76)	329.65	354.91	0.05	-	(16.58)	-	-	(16.58)	-	100%
6	HCC Energy Limited	01.04.2020-31.03.2021	INR	0.05	(0.43)	327.02	327.40	-	-	(0.31)	-	-	(0.31)	-	100%
7	HCC Infrastructure Company Limited	01.04.2020-31.03.2021	INR	0.25	385.08	937.00	551.67	864.14	2.16	(52.43)	-	-	(52.43)	-	100%
8	Dhule Palesner Operations & Maintenance Limited	01.04.2020-31.03.2021	INR	0.50	(49.78)	121.74	171.02	-	-	(13.69)	1.21	-	(14.90)	-	100%
9	Steiner India Limited	01.04.2020-31.03.2021	INR	7.16	44.79	105.74	53.78	-	6.40	(2.79)	-	-	(2.79)	-	100%
10	HREL Real Estate Limited	01.04.2020-31.03.2021	INR	66.19	(577.49)	68.80	580.10	19.52	-	4.81	-	-	4.81	-	100%
11	Western Securities Limited	01.04.2020-31.03.2021	INR	2.00	0.05	5.84	3.79	0.18	0.31	0.47	0.10	-	0.38	-	97.87%
12	HCC Aviation Limited	01.04.2020-31.03.2021	INR	0.05	(15.84)	0.06	15.85	-	-	(0.01)	-	-	(0.01)	-	100%
13	HCC Realty Limited	01.04.2020-31.03.2021	INR	0.05	(0.05)	0.03	0.02	-	-	(0.00)	-	-	(0.00)	-	100%
14	HRL (Thane) Real Estate Limited	01.04.2020-31.03.2021	INR	0.10	(23.03)	19.00	41.93	-	-	0.08	-	-	0.08	-	100%
15	HRL Township Developers Limited	01.04.2020-31.03.2021	INR	0.10	(0.64)	0.05	0.59	-	-	(0.08)	-	-	(0.08)	-	100%
16	Maan Township Developers Limited	01.04.2020-31.03.2021	INR	0.10	(11.42)	10.83	22.15	-	-	(0.01)	-	-	(0.01)	-	100%
17	Nashik Township Developers Limited	01.04.2020-31.03.2021	INR	0.10	(1.90)	0.12	1.92	-	-	(0.00)	-	-	(0.00)	-	100%

Part "A": Subsidiaries

(₹ in Crore)

Sr. No	Name of the subsidiary	Reporting period	Reporting currency / Exchange rate	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Deferred Tax	Profit after taxation	Proposed Dividend	Extent of Holding (In Percentage)
18	Powai Real Estate Developers Limited	01.04.2020-31.03.2021	INR	0.05	(0.07)	0.00	0.02	-	-	(0.00)	-	-	(0.00)	-	100%
19	Prolific Resolution Private Limited	01.04.2020-31.03.2021	INR	0.00	(0.00)	0.00	0.00	-	-	0.00	-	-	0.00	-	100%
Foreign Subsidiary Companies															
1	HCC Mauritius Investment Limited	01.04.2020-31.03.2021	INR	7.31	(35.15)	201.32	229.16	32.52	7.23	3.52	-	-	3.52	-	100%
		01.04.2020-31.03.2021	USD	0.10	(0.48)	2.75	3.13	0.44	0.10	0.03	-	-	0.03	-	
2	HCC Mauritius Enterprises Limited	01.04.2020-31.03.2021	INR	36.59	(87.94)	235.82	287.17	235.65	-	(6.45)	-	-	(6.45)	-	100%
		01.04.2020-31.03.2021	USD	0.50	(1.20)	3.23	3.93	3.22	-	(0.13)	-	-	(0.13)	-	
3	Steiner AG, Zurich	01.04.2020-31.03.2021	INR	376.17	(136.26)	4,093.67	3,853.76	154.45	5,247.02	(215.56)	-	-	(215.56)	-	100%
		01.04.2020-31.03.2021	CHF	4.90	(1.78)	53.32	50.20	2.01	68.35	(2.81)	-	-	(2.81)	-	
4	Steiner (Deutschland) GmbH Paderborn	01.01.2020-31.12.2020	INR	87.21	(22.45)	94.57	29.81	-	-	0.68	-	-	0.68	-	100%
		01.01.2020-31.12.2020	EUR	1.02	(0.26)	1.11	0.35	-	-	0.01	-	-	0.01	-	
5	VM & ST AG, Zurich	01.04.2020-31.03.2021	INR	7.68	0.10	7.81	0.03	-	-	(0.01)	-	-	(0.01)	-	100%
		01.04.2020-31.03.2021	CHF	0.10	0.00	0.10	0.00	-	-	(0.00)	-	-	(0.00)	-	
6	Steiner Leman SAS	01.04.2020-31.03.2021	INR	1.27	(1.12)	0.54	0.39	-	-	(0.10)	-	-	(0.10)	-	100%
		01.04.2020-31.03.2021	CHF	0.02	(0.01)	0.01	0.01	-	-	(0.00)	-	-	(0.00)	-	
7	Steiner Promotions et Participations SA	01.04.2020-31.03.2021	INR	23.03	(0.20)	193.52	170.69	0.51	0.01	(11.74)	-	-	(11.74)	-	100%
		01.04.2020-31.03.2021	CHF	0.30	(0.00)	2.52	2.22	0.01	0.00	(0.15)	-	-	(0.15)	-	
8	Manufakt8048 AG, Zurich	01.04.2020-31.03.2021	INR	0.77	(0.25)	11.68	11.16	-	-	(0.06)	-	-	(0.06)	-	100%
		01.04.2020-31.03.2021	CHF	0.01	(0.00)	0.15	0.15	-	-	(0.00)	-	-	(0.00)	-	

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in Crore)

Sr. No	Name of Associates/Joint Ventures	Highbar Technocrat Limited	Evostate AG (Incl. Evostate Immobilien AG)	MCR Managing Corporate Real-estate AG	Projectentwicklun-gsgesellchaft Parking Kunstmeseum Basel AG	HCC Concessions Limited	Narmada Bridge Tollway Limited	Badarpur Faridabad Tollway Limited	Baharampore-Farakka Highways Limited	Raiganj-Dalkhola Highways Limited	Werkarena Basel AG
1	Latest audited balance sheet date	31-Mar-21	31-Dec-20	31-Dec-20	31-Dec-19	31-Mar-21	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21
2	Date on which the associate or joint venture was associated or acquired	21-Jul-16	01-May-10	31-May-17	01-May-10	01-Apr-15	01-Apr-15	01-Apr-15	01-Apr-15	01-Apr-15	30-Sep-19
3	Shares of associate/joint ventures held by the company at the year end										
	-Number	99,940	300	30	850	288,902,452	50,000	98,000,000	217,253,000	137,150,000	500
	-Amount of investment in associates/joint venture	13.34	2.43	1.29	9.00	859.46	0.05	98.00	217.25	137.15	-
	-Extend of holding %	49.00%	30.00%	30.00%	38.64%	85.45%	85.45%	85.45%	85.45%	86.91%	50.00%
4	Description of how there is significant influence	Associate-Significant Influence over Share Capital	Associate-Significant Influence over Share Capital	Associate-Significant Influence over Share Capital	Associate-Significant Influence over Share Capital	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture
5	Reason why the associate/joint venture is not consolidated	Consolidated - Equity Method	Consolidated - Equity Method	Consolidated - Equity Method	Consolidated - Equity Method	NA	NA	NA	NA	NA	NA
6	Wheather company has commenced the operations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
7	Networth attributable to shareholders as per latest audited balance sheet	27.15	13.31	4.24	22.92	611.75	0.98	(1.25)	291.49	74.26	10.89
8	Profit / Loss for the year	6.28	(0.26)	0.04	-	(63.09)	2.80	(1.02)	141.88	(15.85)	(3.36)
	i. considered in consolidation	3.16	(0.08)	0.01	-	(53.91)	2.39	(0.87)	121.23	(13.77)	(1.68)
	ii. Not considered in consolidation	3.12	(0.18)	0.03	-	(9.18)	0.41	(0.15)	20.64	(2.07)	(1.68)

Disclosure mandated by Schedule III by way of additional information

(₹ in crore)

	Name of Entity		Net assets(Total assets- Total Liablities)		Share in profit or loss	
			Amount (₹ in Crore)	As % of consolidated Net Asset	Amount (₹ in Crore)	As % of consolidated Profit or Loss
	Consolidated		(1,317.59)		(551.09)	
	Parent Company					
	Hindustan Construction Company Limited		611.86	-46.44%	(559.56)	101.54%
Indian Subsidiary Companies						
1	HCC Construction Limited		0.01	0.00%	(0.00)	0.00%
2	Highbar Technologies Limited		(10.68)	0.81%	(1.36)	0.25%
3	Panchkutir Developers Limited		41.97	-3.19%	0.01	0.00%
4	HCC Operations & Maintenance Limited		(55.01)	4.17%	12.10	-2.20%
5	HCC Power Limited		(25.26)	1.92%	(16.58)	3.01%
6	HCC Energy Limited		(0.38)	0.03%	(0.31)	0.06%
7	HCC Infrastructure Company Limited		385.33	-29.24%	(52.43)	9.51%
8	Dhule Palesner Operations & Maintenance Limited		(49.28)	3.74%	(14.90)	2.70%
9	Steiner India Limited		51.95	-3.94%	(2.79)	0.51%
10	HREL Real Estate Limited		(511.30)	38.81%	4.81	-0.87%
11	Western Securities Limited		2.05	-0.16%	0.38	-0.07%
12	HCC Aviation Limited		(15.79)	1.20%	(0.01)	0.00%
13	HCC Realty Limited		0.00	0.00%	(0.00)	0.00%
14	HRL (Thane) Real Estate Limited		(22.93)	1.74%	0.08	-0.01%
15	HRL Township Developers Limited		(0.54)	0.04%	(0.08)	0.01%
16	Maan Township Developers Limited		(11.32)	0.86%	(0.01)	0.00%
17	Nashik Township Developers Limited		(1.80)	0.14%	(0.00)	0.00%
18	Powai Real Estate Developers Limited		(0.02)	0.00%	(0.00)	0.00%
19	Prolific Resolution Private Limited		(0.00)	0.00%	0.00	0.00%
Foreign Subsidiary Companies						
1	HCC Mauritius Investment Limited	INR	(27.84)	2.11%	3.52	-0.64%
		USD	(0.38)		0.03	
2	HCC Mauritius Enterprises Limited	INR	(51.35)	3.90%	(6.45)	1.17%
		USD	(0.70)		(0.13)	
3	Steiner AG, Zurich	INR	239.91	-18.21%	(215.56)	39.12%
		CHF	3.12		(2.81)	
4	Steiner (Deutschland)GmbH Paderborn	INR	64.75	-4.91%	0.68	-0.12%
		EUR	0.76		0.01	
5	VM & ST AG, Zurich	INR	7.77	-0.59%	(0.01)	0.00%
		CHF	0.10		(0.00)	
6	Steiner Leman SAS	INR	0.15	-0.01%	(0.10)	0.02%
		CHF	0.00		(0.00)	
7	Steiner Promotions et Participations SA	INR	22.83	-1.73%	(11.74)	2.13%
		CHF	0.30		(0.15)	
8	Manufakt8048 AG, Zurich	INR	0.52	-0.04%	(0.06)	0.01%
		CHF	0.01		(0.00)	

(₹ in crore)

Name of Entity			Net assets(Total assets - Total Liablities)		Share in profit or loss	
			Amount (₹ in Crore)	As % of consolidated Net Asset	Amount (₹ in Crore)	As % of consolidated Profit or Loss
Joint Ventures						
Indian						
1	HCC Concessions Limited		611.75	-46.43%	(63.09)	11.45%
2	Narmada Bridge Tollway Limited		0.98	-0.07%	2.80	-0.51%
3	Badarpur Faridabad Tollway Limited		(1.25)	0.09%	(1.02)	0.18%
4	Baharampore-Farakka Highways Limited		291.49	-22.12%	141.88	-25.74%
5	Raiganj-Dalkhola Highways Limited		74.26	-5.64%	(15.85)	2.88%
Foreign						
1	Werkarena Basel AG	INR	10.89	-0.83%	(3.36)	0.61%
		CHF	0.19		(0.01)	
Associate Companies						
Indian						
1	Highbar Technocrat Limited		27.15	-2.06%	3.16	-0.57%
Foreign						
1	Evostate AG (Incl. Evostate Immobilien AG)	INR	13.31	-1.01%	(0.08)	0.01%
		CHF	0.17		(0.00)	
2	MCR Managing Corporate Real-estate AG	INR	4.24	-0.32%	0.01	0.00%
		CHF	0.06		0.00	
3	Projectentwicklungsgesellchaft Parking Kunstmeseum Basel AG	INR	22.92	-1.74%	-	0.00%
		CHF	-		-	
4	Evostate Immobilien AG	INR	8.80	-0.67%	(1.05)	0.19%
		CHF	0.11		(0.01)	

NOTICE

NOTICE is hereby given that the Ninety-Fifth Annual General Meeting of the Members of Hindustan Construction Company Ltd. (''the Company'') will be held on Thursday, September 23, 2021 at 11.00 a.m. through video conferencing ("VC")/ Other Audio-Visual Means ("OAVM") to transact the following businesses:-

ORDINARY BUSINESS

1. **Adoption of the Audited Standalone and Consolidated Financial Statements of the Company**

   To receive, consider and adopt:

a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2021 including the Audited Standalone Balance Sheet as at March 31, 2021 and the Standalone Statement of Profit and Loss for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon; and

b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021 including the Audited Consolidated Balance Sheet as at March 31, 2021 and the Consolidated Statement of Profit and Loss for the year ended on that date together with the Report of the Auditors thereon.

SPECIAL BUSINESS

2. **Appointment of Mr. Arun Karambelkar (DIN: 02151606) as a Director of the Company, liable to retire by rotation**

   To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any amendment(s) thereto or any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Arun Karambelkar(DIN: 02151606), who was appointed by the Board of Directors as an Additional Director of the Company with effect from June 23, 2021 and who holds office up to the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013 ('the Act') and in respect of whom the Company has received a notice in writing from a Member of the Company under the provisions of Section 160 of the Act proposing his candidature for the office of a Director of the Company, be and is hereby appointed as a Director of the Company in the category of Non-Executive-Non-Independent Director, liable to retire by rotation."

3. **Appointment of Mr. N. R. Acharyulu (DIN: 02010249) as an Independent Director of the Company**

   To consider and, if thought fit, to pass the following resolution as a **Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any amendment(s) thereto or any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with Schedule IV to the Act, and Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. N. R. Acharyulu (DIN: 02010249), Non-Executive-Non-Independent Director of the Company, who was appointed by the Board of Directors as an Independent Director of the Company with effect from June 23, 2021 subject to approval of the Members be and is hereby appointed as an Independent Director of the Company to hold office for a term of 3 consecutive years, up to the conclusion of the 98th Annual General Meeting of the Company to be held in the calendar year 2024, not liable to retire by rotation.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution."

4. **Ratification of Remuneration of Cost Auditors for the financial year 2020-21**

   To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 148 (3) and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any amendment(s) thereto or any statutory modification(s) and/ or re-enactment thereof, for the time being in force), the remuneration payable to M/s. Joshi Apte & Associates, Cost Accountants (Firm Registration No. 00240), appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2020-21 amounting to ₹ 2,85,000/- (Rupees Two Lakhs Eighty-Five Thousand Only) plus applicable taxes and reimbursement of out-of-pocket expenses, in connection with the said audit, be and is hereby ratified and confirmed.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution."

5. **Issue of Securities of the Company**

   To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

   "RESOLVED THAT pursuant to the provisions of Sections 42, 62, 71 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the rules made thereunder (including any amendment(s) thereto or any statutory modification(s) and/or re-enactment thereof, for the time being in force) and all other applicable laws and regulations including the Foreign Exchange Management Act, 1999 ("FEMA"), the Foreign Exchange Management (Non Debt Instruments) Rules, 2019, as amended, including any statutory modification(s) or re-enactment(s) thereof, the

Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended and modified from time to time and such other statutes, notifications, clarifications, circulars, rules and regulations, as may be applicable, issued by Government of India ("GOI"), Reserve Bank of India ("RBI"), Stock Exchanges, Securities and Exchange Board of India ("SEBI") including the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Regulations") as amended and modified from time to time and such other statutes, notifications, clarifications, circulars, rules and regulations, as may be applicable and in accordance with enabling provisions in the Memorandum and Articles of Association of the Company and/or stipulated in the listing agreements entered into by the Company with the Stock Exchanges where the Equity Shares of the Company are listed and subject to such approvals, consents, permissions and sanctions, if any, of the GOI, SEBI, RBI, Stock Exchanges and any other relevant statutory/governmental/ regulatory authorities (the "Concerned Authorities") as may be required and applicable and further subject to such terms and conditions as may be prescribed or imposed by any of the Concerned Authorities while granting such approvals, consents, permissions and sanctions, as may be necessary, which may be agreed upon by the Board of Directors of the Company as deemed appropriate (hereinafter referred to as Board, which term includes a committee constituted by the Board or any person authorized by the Board to exercise the powers conferred on the Board by this Resolution), consent be and is hereby accorded to the Board to create, issue, offer and allot (including with provisions for reservation on firm and/ or competitive basis, of such part of issue and for such categories of persons as may be permitted), Equity Shares and/or Equity Shares through depository receipts including American Depository Receipts (ADRs), Global Depository Receipts (GDRs) and/or Foreign Currency Convertible Bonds (FCCBs), Fully Convertible Debentures (FCDs), Partly Convertible Debentures (PCDs), Optionally Convertible Debentures (OCDs), and/or other securities convertible into Equity Shares at a later date, at the option of the Company and/or the holder(s) of such securities or with or without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the Equity Shares or otherwise, whether rupee denominated or denominated in foreign currency (collectively referred as "Securities"), as the Board at its sole discretion or in consultation with underwriters, merchant bankers, financial advisors or legal advisors may at any time decide, by way of one or more public or private offerings/placement in domestic and/ or one or more international market(s), with or without a green shoe option, or issued/ allotted through Qualified Institutions Placement (QIP) in accordance with the SEBI Regulations, or by any one or more combinations of the above or otherwise and at such time or times and in one or more tranches, to any eligible investors including residents and/or non-residents and/or qualified institutional buyers and/ or institutions/banks/lenders against repayment/restructuring of debts and/or corporate bodies and/or individuals and/or trustees and/or stabilizing agent or otherwise, whether or not such investors are Members of the Company, as may be deemed appropriate by the Board and as permitted under applicable laws and regulations, for an aggregate amount not exceeding ₹ 1000 crore (Rupees One Thousand crore only) on such terms and conditions and in such manner as the Board may in its sole discretion decide including the timing of the issue(s)/offering(s), the investors to whom the Securities are to be issued, terms of issue, issue price, number of Securities to be issued, the Stock Exchanges on which such securities will be listed, finalization of allotment of the Securities on the basis of the subscriptions received including details on face value, premium, rate of interest, redemption period, manner of redemption, amount of premium on redemption, the ratio/number of Equity Shares to be allotted on redemption/conversion, period of conversion, fixing of record date or book closure dates, etc., as the case may be, prescribe any terms or a combination of terms in respect of the Securities in accordance with local and/or international practices including conditions in relation to offer, early redemption of Securities, debt service payments, voting rights, variation of price and all such terms as are provided in domestic and/or international offerings and any other matter in connection with, or incidental to the issue, in consultation with the merchant bankers or other advisors or otherwise, together with any amendments or modifications thereto ("the Issue").

RESOLVED FURTHER THAT the Securities to be created, issued, offered and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and the Equity Shares to be allotted in terms of this resolution shall rank *pari-passu* in all respects with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT if the issue or any part thereof is made for a QIP, FCDs, PCDs, OCDs or any other Securities, which are convertible into or exchangeable with the Equity Shares of the Company (hereinafter collectively referred as "Other Specified Securities" and together with Equity Shares of the Company (hereinafter referred as "Specified Securities") within the meaning of the SEBI Regulations or any combination of Specified Securities as may be decided by the Board, issued for such purpose, the same shall be fully paid-up and the allotment of such Specified Securities shall be completed within twelve months from the date of this resolution or such other time as may be allowed under the SEBI Regulations, from time to time, at such price being not less than the price determined in accordance with the pricing formula provided under the SEBI Regulations and the Specified Securities shall not be eligible to be sold except as may be permitted, from time to time, under the SEBI Regulations.

RESOLVED FURTHER THAT the Company may, in accordance with applicable laws, also offer a discount of such percentage as permitted under applicable laws on the price calculated in accordance with the pricing formula provided under the SEBI Regulations.

RESOLVED FURTHER THAT in the event of issue of Specified Securities by way of a QIP, the 'Relevant Date' on the basis of which the price of the Specified Securities shall be determined as specified under SEBI Regulations, shall be the date of the Meeting in which the Board or the

Committee of Directors duly authorized by the Board decides to open the proposed issue of Specified Securities or such other date as may be decided by the Board and as permitted by the SEBI Regulations, subject to any relevant provisions of applicable laws, rules and regulations, as amended from time to time, in relation to the proposed issue of the Specified Securities.

RESOLVED FURTHER THAT in the event of issue of Other Specified Securities, the number of Equity Shares and/or conversion price in relation to Equity Shares that may be issued and allotted on conversion shall be appropriately adjusted for corporate actions including bonus issue, rights issue, split and consolidation of share capital, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring exercise.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of Securities may have such features and attributes or any terms or combination of terms that provide for the tradability and free transferability thereof in accordance with the prevalent market practices in the capital markets, including but not limited to, the terms and conditions relating to variation of the price or period of conversion of Other Specified Securities into Equity Shares or for issue of additional Securities and such of these Securities to be issued, if not subscribed, may be disposed of by the Board, in such manner and/or on such terms including offering or placing them with banks/lenders/financial institutions/mutual funds or otherwise, as the Board may deem fit and proper in its absolute discretion, subject to applicable laws, rules and regulations.

RESOLVED FURTHER THAT in the event the Securities are proposed to be issued as American Depository Receipts ("ADRs") or Global Depository Receipts ("GDRs"), pursuant to the provisions of the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 and other applicable pricing provisions issued by the Ministry of Finance, the relevant date for the purpose of pricing the Equity Shares to be issued pursuant to such issue shall be the date of the Meeting in which the Board or duly authorised committee of directors decides to open such issue after the date of this resolution or such other date as may be decided by the Board subject to the relevant provisions of the applicable law, rules and regulations as amended from time to time, in relation to the proposed issue of the Securities;

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution and any issue, offer and allotment of Securities, the Board be and is hereby authorized to take all such actions, give such directions and to do all such acts, deeds, things and matters connected therewith, as it may, in its absolute discretion deem necessary, desirable or incidental thereto including, without limitation, the determination of terms and conditions for issuance of Securities, the number of Securities that may be offered in domestic and/or international markets and proportion thereof, timing for issuance of such Securities and shall be entitled to vary, modify or alter any of the terms and conditions, as it may deem expedient, the entering into and executing arrangements/ agreements for managing, underwriting, marketing, listing of Securities, trading, appointment of merchant banker(s), advisor(s), registrar(s), trustee(s), paying and conversion agent(s) and any other advisors, professionals, intermediaries and all such agencies as may be involved or concerned in such offerings of Securities and to issue and sign all deeds, documents, instruments and writings and to pay any fees, commission, costs, charges and other outgoings in relation thereto and to settle all questions whether in India or abroad, for the issue and executing other agreements, including any amendments or supplements thereto, as necessary or appropriate and to finalise, approve and issue any document(s) including, but not limited to, prospectus, offer documents and/or letter of offer and/or circular, documents and agreements including conducting all requisite filings with GOI, RBI, SEBI, Stock Exchanges, if required, and any other concerned authority in India or outside, and to give such directions that may be necessary in regard to or in connection with any such issue, offer and allotment of Securities and utilization of the issue proceeds, as it may in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members or otherwise, to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution, and accordingly any such action, decision or direction of the Board shall be binding on all the Members of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Equity Shares or Securities or instruments representing the same, as described above, the Board be and is hereby authorised on behalf of the Company to seek listing of any or all of such Securities on one or more Stock Exchanges in India or outside India and the listing of Equity Shares underlying the ADRs and/or GDRs on the Stock Exchanges in India.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company to give effect to the aforesaid resolution and thereby such Committee of Directors or one or more such Directors as authorized, are empowered to take such steps and to do all such acts, deeds, matters and things and accept any alterations or modifications as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in this regard."

By Order of the Board
For **Hindustan Construction Company Ltd.**

Vithal P. Kulkarni
Company Secretary

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

Place: Mumbai
Date: June 23, 2021

NOTES – FORMING PART OF THE NOTICE

1. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 ("the Act"), in respect of the businesses mentioned under Item numbers 2, 3, 4 and 5 of the Notice dated June 23, 2021 is appended hereto.

2. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting can be held through video conferencing (VC) or other audio visual means (OAVM).

In compliance with the Companies Act, 2013, the SEBI Listing Regulations and the MCA Circulars, the 95th Annual General Meeting of the Company (AGM) is being held through VC/OAVM and Members can attend and participate in the ensuing AGM through VC/OAVM.

The detailed procedure for participating in the Meeting through VC/OAVM is annexed herewith (Refer serial no. 16) and is also available at the Company's website i.e. www.hccindia.com.

3. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the Members is not available for this AGM and accordingly, the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-Voting (Refer para 1 of 'General Guidelines for Shareholders' mentioned under serial no. 16).

4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

6. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

7. The SEBI has decided that securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019. In view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialize shares that are held by them in physical form. Members can contact the Company or Company's Registrar and Transfer Agents, TSR Darashaw Consultants Private Limited (TCPL) for assistance in this regard.

8. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, September 17, 2021 to Thursday, September 23, 2021 (both days inclusive) for the purpose of the AGM of the Company.

9. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available for inspection in the electronic form (scanned copy) by the Members during the AGM. All documents referred to in the Notice will also be available for inspection in the electronic form (scanned copy) without any fee by the Members from the date of circulation of this Notice up to the date of AGM i.e. Thursday, September 23, 2021. Members seeking to inspect such documents can send an email to secretarial@hccindia.com.

10. In compliance with the provisions of Section 129(3) of the Act, the Audited Financial Statements include the Consolidated Financial Statements of the Company as defined in the Act for consideration and adoption by the Members of the Company.

11. The Members are requested to:

a) Intimate change in their registered address, if any, to TCPL at C-101, 1st Floor, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai-400083 in respect of their holdings in physical form.

b) Notify immediately any change in their registered address to their Depository Participants in respect of their holdings in electronic form.

c) Non-Resident Indian Members are requested to inform TCPL immediately of the change in residential status on return to India for permanent settlement.

d) Please note that in accordance with the provisions of Section 72 of the Act, Members are entitled to make nominations in respect of the Equity Shares held by them. Members desirous of making nominations may procure the prescribed form SH-13 from TCPL and have it duly filled, signed and sent back to them, in respect of shares held in physical form. Members holding shares in Dematerialised mode should file their nomination with their Depository Participant (DP).

12. Green Initiative

The MCA and the SEBI have encouraged paperless communication as a contribution to greener environment.

In compliance with the aforesaid MCA Circulars and the SEBI Circulars dated May 12, 2020 and January 15, 2021, the copy of the Annual Report for the financial year 2020-21 including Audited Financial Statements, Board's Report etc. and Notice of the AGM, *inter-alia*, indicating the process and manner of e-Voting is being sent by electronic mode, to all those Members whose e-mail IDs are registered with their respective Depository Participants.

Members holding shares in physical mode are requested to register their e-mail IDs with TCPL and Members holding shares in Demat mode are requested to register their e-mail IDs with their respective Depository Participants (DPs) in case the same is still not registered.

If there is any change in the e-mail ID already registered with the Company, Members are requested to immediately notify such change to TCPL in respect of shares held in physical form and to their respective DPs in respect of shares held in electronic form.

Members may also note that the Notice of the 95th Annual General Meeting and the Annual Report for the financial year 2020-21 of the Company are also available on the Company's website www.hccindia.com.

13. Appointment of Director

Relevant details of the Directors seeking appointment at the AGM pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations"), as amended, read with Secretarial Standards-2 on General Meetings are provided in Annexure A to the Explanatory Statement to the Notice.

14. IEPF Disclosures

Pursuant to Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund Rules), 2016 ('the IEPF Rules'), during the year under review, no amount of Unclaimed dividend and corresponding equity shares were due to be transferred to IEPF account.

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

15. Voting

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a Member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. Thursday, September 16, 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-Voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30 . In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Thursday, September 16, 2021 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".

In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.hccindia.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020, MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020, MCA Circular No. 2/2021 dated January 13, 2021.

16. The Instructions for Members for Remote E-Voting and Joining General Meeting are as Under:-

The remote e-Voting period begins on Sunday, September 19, 2021 (9.00 a.m.) and ends on Wednesday, September 22, 2021 (5.00 p.m.).The remote e-Voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Thursday, September 16, 2021, may cast their vote electronically. The voting right of Shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Thursday, September 16, 2021.

If a person was a Member as on the date of dispatch of the notice but has ceased to be a Member as on the cut-off date i.e. Thursday, September 16, 2021, he/she shall not be entitled to vote. Such person should treat this Notice for information purpose only.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

For Members whose e-mail addresses are registered with the Company /depositories

Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on step 1 are mentioned below:

How to Log-in to NSDL e-Voting website?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual Meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual Shareholders holding securities in demat mode is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. If you are already registered for NSDL IDEAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDEAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider- NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual Meeting & voting during the Meeting.
	2. If the user is not registered for IDEAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDEAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
	3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual Meeting & voting during the Meeting.
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration

Type of Shareholders	Login Method
	4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual Meeting & voting during the Meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll- free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining the virtual meeting for Shareholders other than Individual Shareholders holding securities in demat mode and Shareholders holding securities in physical mode.

<u>How to Log-in to NSDL e-Voting website?</u>

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e., IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e., Cast your vote electronically.

4. **Your User ID details are given below:**

Manner of holding shares i.e., Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8-Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. **Password details for Shareholders other than Individual Shareholders are given below:**

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e., a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8-digits of client ID for

CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in process for those Shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

Details on Step 2 are given below:

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual Meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Shareholders

1. Institutional Shareholders (i.e., other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to evoting.hcc@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll-free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre, Manager, NSDL at evoting@nsdl.co.in.

Process for those Shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-Voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of Shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to secretarial@hccindia.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to secretarial@hccindia.com. If you are an Individual Shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e., Login method for e-Voting and joining virtual Meeting for Individual Shareholders holding securities in demat mode.
3. Alternatively, Shareholder/Members may send a request to evoting@nsdl.co.in for procuring user id and password for e-Voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

17. THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.

2. Only those Members/ Shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-Voting.

5. Members who are present in the Meeting through video conferencing facility and have not cast their vote on the resolutions through remote e-Voting, shall be allowed to vote through e-Voting system during the Meeting.

6. The Members who have cast their votes by remote e-Voting prior to the AGM may also attend and participate in the AGM but they shall not be entitled to cast their vote again at the AGM.

7. Members can opt for only one mode of voting i.e. either by remote e-Voting or voting at the AGM by electronic voting. In case Members cast their votes through both the modes, voting done by remote e-Voting shall prevail and the votes cast at the AGM shall be treated as invalid.

18. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General Meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is, therefore, recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/ folio number, PAN, mobile number via email at secretarial@hccindia.com latest by Sunday, September 19, 2021 (5:00 p.m.). Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

19. Mr. B. Narasimhan, Proprietor, B N & Associates, Practicing Company Secretary (Membership No. FCS 1303 and Certificate of Practice No. 10440) has been appointed as the Scrutinizer to scrutinize the remote e-Voting process and voting at AGM, in a fair and transparent manner and he has communicated willingness to be appointed and shall be available for the same purpose.

20. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter, unblock the votes cast through remote e-Voting and make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same. The voting results along with the consolidated Scrutinizer's Report shall be submitted to the Stock Exchanges i.e., BSE and NSE within two working days of conclusion of the AGM by the Company.

21. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company and on the website of NSDL immediately after the declaration of results by the Chairman or a person authorized by him in writing.

The results shall also be uploaded on the BSE Listing Portal and on the NSE NEAPS Portal.

22. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the 95th Annual General Meeting i.e., Thursday, September 23, 2021.

By Order of the Board
For **Hindustan Construction Company Ltd.**

Vithal P. Kulkarni
Company Secretary

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

Place: Mumbai
Date: June 23, 2021

ANNEXURE TO THE NOTICE

AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013 (THE ACT), THE FOLLOWING EXPLANATORY STATEMENT SETS OUT ALL MATERIAL FACTS RELATING TO THE BUSINESSES MENTIONED UNDER ITEM NUMBERS 2, 3, 4 AND 5 OF THE ACCOMPANYING NOTICE DATED JUNE 23, 2021

Item No. 2

The Nomination and Remuneration Committee of the Board of Directors, vide its resolution dated June 22, 2021 has recommended appointment of Mr. Arun Karambelkar (DIN: 02151606) as an Additional Director on the Board of the Company in the category of Non-Executive-Non-Independent Director.

Based on the above recommendation from Nomination and Remuneration Committee and in accordance with Section 161 of the Companies Act, 2013 read with Article 88 of the Articles of Association of the Company, the Board of Directors at its meeting held on June 23, 2021 has appointed Mr. Arun Karambelkar as an Additional Director on the Board of the Company in the category of Non-Executive-Non-Independent Director, liable to retire by rotation. Mr. Arun Karambelkar is holding office up to the date of the ensuing 95th Annual General Meeting("AGM") of the Company. The Company has received a Notice under Section 160 of the Companies Act, 2013, from a Member of the Company signifying intention to propose Mr. Arun Karambelkar as a candidate for the office of Director at the ensuing AGM along with his consent to act as such and a declaration to the effect that he is not disqualified to act as a Director of the Company.

Mr. Arun Karambelkar was on the Board of Directors of Hindustan Construction Company Ltd. (HCC) as Whole Time Director between April 2011 and April 2014. Subsequent to this, he was the President & CEO of HCC E&C Business from April 2014 till April 2018.

At HCC, Mr. Karambelkar was responsible for managing business growth through strategic financial initiatives across HCC's market-segments: namely Hydro Power, Transportation, Water Solutions, Nuclear Power, Industrial Construction, Ports & Marine Works, etc.

Mr. Karambelkar possesses a rich and diverse experience of over 37 years in various industries such as automobiles, engineering and electronics. During his career of over 27 years at HCC, he was involved in the strategic functions of Procurement & Sub-contracting, managing HCC's construction equipment fleet worth US $ 330 million (₹ 1500 crore). The driving force in the application of benchmark ERP practices for Materials Management, he was instrumental in introducing e-Procurement at HCC. Under his leadership, HCC was awarded SAP's 'Best Innovation' award for creative use of their Materials Management module.

In 2010, the Indian Institute of Material Management (IIMM), Mumbai, recognized his contribution to the field of Materials Management and Supply Chain by awarding him the prestigious 'UNITOP AWARD.' He is life-time Member of IIMM since 1982, was a Member of Western Region Committee and the National Councillor also.

Mr. Karambelkar is a silver medallist with a Bachelor of Engineering (Mechanical) from Mumbai University and a top ranker in Masters in Materials Management from Pune University.

Mr. Karambelkar served as a Director on the Board of various HCC Group companies. Presently, Mr. Karambelkar is on the Board of Steiner India Limited, wholly owned subsidiary of HCC and Capacit'e Infraprojects Limited.

Mr. Karambelkar does not hold by himself or for any other person on a beneficial basis, any Equity Shares in the Company.

The Board of Directors of the Company at its Meeting held on June 23, 2021 has, considering that his experience and long-standing association with the Company will be of immense benefit to the Company, recommended his appointment as a Director of the Company in the category of Non-Executive-Non-Independent Director, liable to retire by rotation.

Accordingly, approval of the Members is sought for passing the ordinary resolution as set out at Item No. 2 of the accompanying Notice for his appointment as a Director of the Company in the category of Non-Executive-Non-Independent Director, liable to retire by rotation.

In compliance with the General Circular number 20/2020 issued by the MCA, this item is considered unavoidable and forms part of this Notice.

Except Mr. Arun Karambelkar, none of the Directors, Key Managerial Personnel or their respective relatives are in any way concerned or interested, financially or otherwise, in the resolution mentioned at Item No. 2 of this Notice except to the extent of their respective shareholding in the Company, if any.

This Explanatory Statement along with Annexure to the Notice provides the relevant details relating to the appointment of Mr. Arun Karambelkar that may be regarded as adequate disclosure under the Act and SEBI Listing Regulations read with Secretarial Standards-2 on General Meetings.

Item No. 3

The Board of Directors at its Meeting held on June 23, 2021, on the recommendation of the Nomination and Remuneration Committee, has appointed Mr. N. R. Acharyulu (DIN: 02010249), Non-Executive-Non-Independent Director of the Company as an Independent Director of the Company with effect from June 23, 2021 subject to approval of the Members to hold office for a term of 3 consecutive years, up to the conclusion of the 98th Annual General Meeting of the Company to be held in the calendar year 2024, not liable to retire by rotation.

Mr. N. R. Acharyulu is eligible for being appointed as Independent Director, not liable to retire by rotation. The Company has also received the declaration from him confirming that he meets the criteria of Independence as prescribed under Section 149 of the Act and Regulation 16 (1)(b) read with Regulation 25(8) of the SEBI Listing Regulations. Accordingly, the Board of Directors of your Company is of the opinion that Mr. N. R. Acharyulu is meeting the criteria of independence and is independent of the management.

Pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Listing Regulations), no listed company shall appoint or continue the directorship of a Non-Executive Director who has attained the age of Seventy-Five years, unless a special resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the notice for such appointment.

A justification note for the continuation of directorship of Mr. N. R. Acharyulu on the Board of the Company, upon attaining the age of Seventy-Five years, is appended below, for the consideration of the Members which was also placed before the Meetings of Nomination and Remuneration Committee and Board of Directors respectively.

> Mr. N. R. Acharyulu has a distinguished career having more than fifty years of enriched experience and has held various leadership positions during his long stint. A Mechanical Engineer from Andhra University, Mr. Acharyulu joined HCC in 1970 as Junior Engineer at Idukki Hydroelectric Power project in Kerala. During his career with the Company, he was entrusted with responsibilities of heading the Plant and Equipment department since 1991. Thereafter, he headed the Construction Engineering and Methodology Group (CEMG) in 2001 for some time before he was made the Project Controller of the Water Supply and Irrigation projects in 2004. He was then made the Head of Water Vertical in 2007 and later given the independent responsibility of Claims Task force in 2011. Mr. Acharyulu became the Chief Operating Officer of the Company in mid of 2012 and then was made the Chief Business Development Officer of the Company in 2014.
>
> Upon conclusion of his contract period, he was appointed as an Additional Director (Non-Executive-Non-Independent) on the Board of Directors of the Company with effect from May 2, 2016 and same was approved by the shareholders on July 14, 2016.
>
> Mr. N. R. Acharyulu is holding directorship in Steiner India Ltd., subsidiary of the Company and holds 4100 shares in the Company.

Since, he is more than seventy-five years of age, his re-appointment as Non-Executive-Non-Independent was approved by the Members by way of Special Resolution in the 94th Annual General Meeting (AGM) held on December 24, 2020 and the approval of the Members is also being hereby sought by way of special resolution for his continuance as Independent Director of the Company during the proposed tenure referred above.

A copy of the draft letter of appointment of Mr. N. R. Acharyulu as an Independent Director setting out the terms and conditions would be available for inspection in the electronic form (scanned copy) without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e., Thursday, September 23, 2021. Members seeking to inspect such documents can send an email to secretarial@hccindia.com.

The Nomination and Remuneration Committee, at its Meeting held on June 22, 2021, has recommended the appointment and continuation of Mr. N. R. Acharyulu, being more than 75 years of age as an Independent Director, not liable to retire by rotation and the Board of Directors of the Company at its Meeting held on June 23, 2021 has, considering that his experience and long standing association with the Company will be of immense benefit to the Company, also recommended his appointment and continuance as an Independent Director of the Company.

Accordingly, approval of the Members is sought for passing the special resolution as set out at Item No. 3 of the accompanying Notice for appointment and continuation of Mr. N. R. Acharyulu, being more than 75 years of age as an Independent Director of the Company.

In compliance with the General Circular number 20/2020 issued by the MCA, this item is considered unavoidable and forms part of this Notice.

Except Mr. N. R. Acharyulu, none of the Directors, Key Managerial Personnel or their respective relatives are in any way concerned or interested, financially or otherwise, in the resolution mentioned at Item No. 3 of this Notice except to the extent of their respective shareholding in the Company, if any.

This Explanatory Statement along with Annexure to the Notice provides the relevant details relating to the appointment of Mr. N. R. Acharyulu that may be regarded as adequate disclosure under the Act and SEBI Listing Regulations read with Secretarial Standards-2 on General Meetings.

Item No. 4

The Board of Directors, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s Joshi Apte & Associates, Cost Accountants as the Cost Auditors of the company, to conduct the audit of the cost records of the Company for the financial year ended March 31, 2021.

In terms of the provisions of Section 148(3) of the Act read with Rule 14 the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors, as recommended by the Audit Committee and approved by the Board of Directors, is required to be ratified by the Members.

The remuneration payable to M/s. Joshi Apte & Associates, Cost Auditors of the Company for conducting the audit of the cost records for the financial year ended March 31, 2021, as recommended by the Audit Committee, and approved by the Board of Directors at its Meeting held on August 27, 2020, will not exceed ₹ 2,85,000/- (Rupees Two Lakhs Eighty-Five Thousand Only) plus applicable taxes and reimbursement of out-of-pocket expenses.

Accordingly, approval of the Members is sought for passing the ordinary resolution as set out at Item No. 4 of the accompanying Notice to ratify the remuneration payable to the Cost Auditors for the financial year ended March 31, 2021.

In compliance with the General Circular number 20/2020 issued by the MCA, this item is considered unavoidable and forms part of this Notice.

None of the Directors or Key Managerial Personnel of the Company and their respective relatives are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No.4 of this Notice except to the extent of their respective shareholding in the Company, if any.

Item No.5

The special resolution contained in the Notice under Item No. 5 relates to a resolution by the Company enabling the Board of Director to create, issue, offer and allot Equity Shares, GDRs, ADRs, Foreign Currency Convertible Bonds, Convertible Debentures and such other Securities as stated in the resolution (the 'Securities') at such price as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the issue, offer, and allotment shall be made considering the prevalent market conditions and other relevant factors and wherever necessary, in consultation with merchant bankers, advisors, underwriters, etc., inclusive of such premium, as may be determined by the Board in one or more tranche(s), subject to SEBI (ICDR) Regulations and other applicable laws, rules and regulations.

The resolution also enables the Board to issue Securities for an aggregate amount not exceeding ₹ 1000 crore or its equivalent in any foreign currency.

The Board shall issue Securities pursuant to this special resolution to meet long term working capital and capital expenditure requirements of the Company and its subsidiaries, joint ventures and affiliates, investment in subsidiaries (including overseas subsidiaries), joint ventures and affiliates, repayment/ restructuring of debts due to lenders/banks/institutions, strengthening the Balance Sheet of the Company, tap acquisition opportunities, business ventures/projects and other general corporate purposes.

The special resolution also authorizes the Board of Directors of the Company to undertake a Qualified Institutions Placement with Qualified Institutional Buyers (QIBs) in the manner as prescribed under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, (the 'SEBI Regulations') for raising capital. The pricing of the Specified Securities to be issued to QIBs pursuant to the said SEBI Regulations shall be freely determined subject to such price not being less than the price calculated in accordance with the relevant provisions of the said SEBI Regulations.

The detailed terms and conditions for the offer will be determined by the Board in consultation with the advisors, merchant bankers, underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevalent market conditions from time to time and in accordance with the applicable provisions of law, rules and regulations and other relevant factors.

The Equity Shares allotted or arising out of conversion of any Securities would be listed. The issue/allotment/conversion of Securities would be subject to the receipt of regulatory approvals, if any. Further, the conversion of Securities held by foreign investors, into Equity Shares would be subject to the permissible foreign shareholding limits/cap specified by Reserve Bank of India from time to time.

Pursuant to the provisions of Sections 42, 62 and 71 of the Act including any rules made thereunder and any other provision of the said Act, as may be applicable and the relevant provisions of the listing agreements with the stock exchanges and any other applicable laws, the issue of securities comprising equity shares, foreign currency convertible bonds, ADR's, GDR's, non-convertible debentures and/or issue of debentures on private placement, convertible debentures, etc., will require the prior approval of the Members by way of a special resolution.

The special resolution as set out at Item No. 5, is an enabling resolution and if passed, will have the effect of permitting the Board to issue and allot Securities to Investors, who may or may not be existing Members of the Company.

The Board believes that the proposed enabling special resolution is in the interest of the Company and therefore, recommends the resolution for Members' approval. Accordingly, approval of the Members is sought for passing special resolution as set out at Item No. 5 of accompanying Notice for issuance of securities of the Company.

In compliance with the General Circular number 20/2020 issued by the MCA, this item is considered unavoidable and forms part of this Notice.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of this Notice except to the extent of their respective shareholding in the Company, if any.

By Order of the Board
For **Hindustan Construction Company Ltd.**

Vithal P. Kulkarni
Company Secretary

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

Place: Mumbai
Date: June 23, 2021

ANNEXURE A (FOR ITEM NUMBERS 2 AND 3)

Details of the Directors seeking appointment at the 95th Annual General Meeting in pursuance of the Companies Act, 2013 and the SEBI Listing Regulations read with Secretarial Standards-2 on General Meetings, as applicable.

1	**Name of the Director**	**Mr. Arun Karambelkar**
	DIN	02151606
	Date of Birth	September 25, 1955
	Qualification	B.E. (Mechanical), M.B.A.
	Date of Appointment	June 23, 2021
	Brief Resume alongwith Justification Note	As provided in the Explanatory Statement to the AGM Notice under Item No. 2
	Relationship with Directors	None
	Expertise in specific functional areas	Diverse experience in Construction Industry
	No. of Board Meetings attended during the year	N. A
	Directorships held in other Companies and Bodies Corporate	Steiner India Limited, Capacit'e Infraprojects Limited
	Chairman/Member of the Committee of the Board of Directors in other Companies	Nil
	Number of Shares held in the Company	Nil

2	**Name of the Director**	**Mr. N. R. Acharyulu**
	DIN	02010249
	Date of Birth	May 22, 1944
	Qualification	B.E. (Mechanical)
	Date of Appointment	May 2, 2016
	Brief Resume alongwith Justification Note	As provided in the Explanatory Statement to the AGM Notice under Item No. 3
	Relationship with Directors	None
	Expertise in specific functional areas	Wide Experience in Project Management.
	No. of Board Meetings attended during the year	7
	Directorships held in other Companies and Bodies Corporate	Steiner India Limited
	Chairman/Member of the Committee of the Board of Directors in other Companies	Nil
	Number of Shares held in the Company	4100

NOTES

IMPORTANT FINANCIAL STATISTICS

	Paid Up Capital				Fixed Assets				Dividend paid on Preference and Equity shares	
Year	Equity ₹ Lacs	Preference ₹ Lacs	Reserves ₹ Lacs	Debentures ₹ Lacs	Gross Block ₹ Lacs	Net Block ₹ Lacs	Turnover ₹ Lacs	Net Profit ₹ Lacs	₹ Lacs	Equity Dividend %
1926-27	4.00	—	0.30	—	0.58	0.58	N.A.	0.98	0.80	20.00
1927-28	4.00	—	0.30	—	0.53	0.53	N.A.	0.98	0.80	20.00
1928-29	4.00	—	0.25	—	0.53	0.53	N.A.	1.38	1.40	35.00
1929-30	4.00	—	0.25	—	0.50	0.50	N.A.	0.81	0.70	17.50
1930-31	4.00	—	0.25	—	0.84	0.84	N.A.	0.12	-	-
1931-32	4.00	—	0.25	—	0.94	0.64	N.A.	0.44	0.40	10.00
1932-33	8.00	—	0.25	—	1.78	1.28	N.A.	2.19	2.00	25.00
1933-34	8.00	—	0.19	—	3.16	2.66	N.A.	2.67	2.80	35.00
1934-35	12.00	—	0.24	—	3.42	2.82	N.A.	2.19	2.00	16.33
1935-36	12.00	—	0.48	—	4.71	3.96	9.40	1.86	1.75	14.50
1936-37	12.00	—	0.56	—	7.30	6.40	62.96	1.81	—	—
1937-38	12.00	—	0.70	—	8.08	7.18	69.04	-1.90	—	—
1938-39	12.00	—	0.70	—	6.85	5.95	45.50	0.31	—	—
1939-40	12.00	—	0.70	—	6.02	5.12	90.39	3.58	2.40	20.00
1940-41	12.00	—	1.70	—	5.36	4.46	184.58	4.28	4.20	35.00
1941-42	12.00	25.00	1.70	—	4.70	3.80	510.53	7.45	6.18	45.00
1942-43	12.00	25.00	1.70	—	4.66	3.01	574.57	10.59	8.76	60.00
1943-44	12.00	25.00	1.70	—	4.89	1.74	466.69	10.33	8.56	60.00
1944-45	12.00	25.00	2.70	—	3.87	—	—	10.14	1.56	—
1945-46	12.00	25.00	9.70	—	3.99	0.04	175.47	12.89	4.56	25.00
1946-47	12.00	25.00	17.70	—	10.46	6.31	165.70	10.92	4.56	25.00
1947-48	36.00	25.00	1.70	—	12.40	8.25	249.76	8.26	4.56	8.33
1948-49	36.00	25.00	5.70	—	14.46	10.31	263.14	11.20	4.56	8.33
1949-50	36.00	25.00	12.70	—	18.52	14.37	202.49	9.75	5.16	10.00
1950-51	36.00	25.00	15.70	—	21.38	16.23	239.24	9.10	5.16	10.00
1951-52	36.00	25.00	18.70	—	21.89	15.94	299.04	6.22	5.16	10.00
1952-53	36.00	25.00	19.00	—	24.30	17.35	231.57	8.16	5.16	10.00
1953-54	36.00	25.00	21.50	—	24.09	16.64	—	10.65	5.16	10.00
1954-55	36.00	25.00	24.00	—	24.06	14.11	345.62	15.34	5.16	10.00
1955-56	36.00	25.00	25.35	—	27.93	16.01	415.54	17.73	6.06	12.50
1956-57	36.00	25.00	23.34	—	29.42	17.01	769.15	12.46	6.06	12.50
1957-58	36.00	25.00	51.11	—	37.16	25.06	928.37	15.22	6.06	12.50
1958-59	36.00	25.00	66.70	—	38.48	24.10	1080.85	24.37	8.76	20.00
1959-60	36.00	25.00	97.62	—	563.22	210.51	913.84	31.88	8.76	20.00
1960-61	36.00	25.00	129.34	—	575.97	202.46	1037.66	31.08	8.76	20.00
1961-62	72.00	25.00	144.75	—	635.20	225.06	1280.33	59.68	11.45	20.00
1962-63	72.00	25.00	218.32	—	673.22	259.40	1476.12	30.86	15.96	20.00
1963-64	72.00	25.00	280.29	—	744.67	281.65	1837.79	84.51	37.56	50.00
1964-65	72.00	25.00	389.13	—	889.87	364.65	2169.89	120.79	44.76	60.00
1965-66	180.00	25.00	389.81	—	977.45	401.22	2021.32	114.64	46.43	25.00
1966-67	252.00	25.00	391.81	—	1154.51	503.28	1994.93	72.76	46.92	18.00
1967-68	252.00	25.00	427.26	—	1250.05	524.60	1689.72	55.35	31.80	12.00
1968-69	252.00	25.00	472.14	—	1420.94	614.79	2249.82	36.61	31.80	12.00
1969-70	252.00	25.00	492.31	—	1473.64	577.23	2574.57	28.86	31.80	12.00
1970-71	252.00	25.00	468.44	—	1541.99	527.99	2256.93	-37.01	1.56	—
1971-72	252.00	25.00	355.07	—	1580.80	471.42	2294.29	-140.47	1.56	—
1972-73	252.00	25.00	260.62	120.00	1677.91	491.34	2478.09	-136.27	1.56	—
1973-74	252.00	25.00	216.33	120.00	1776.09	481.58	2962.99	-55.7	—	—
1974-75	252.00	25.00	301.11	120.00	1825.94	462.49	3006.50	61.65	—	—
1975-76	252.00	25.00	320.23	120.00	1890.47	471.69	2529.62	15.98	19.81	6.00
1976-77	252.00	25.00	435.82	120.00	1994.99	508.35	3485.71	-46.25	51.96	20.00
1977-78	252.00	25.00	384.81	96.00	2111.14	594.75	2903.63	145.71	16.68	6.00
1978-79	252.00	25.00	387.43	80.42	2170.42	595.93	3146.53	21.38	24.24	9.00
1979-80	252.00	25.00	409.90	64.85	2255.96	582.63	4181.76	45.31	24.24	9.00
1980-81	252.00	25.00	608.98	49.28	3122.81	1152.64	6916.96	233.58	39.36	15.00
1981-82	252.00	25.00	755.81	45.71	3991.44	1598.37	10989.86	184.07	39.36	15.00
1982-83	252.00	25.00	1861.51	42.14	4744.49	2745.66	11021.23	422.90	39.36	15.00
1983-84	628.54	25.00	2046.45	38.57	5022.30	2748.32	10989.89	513.13	81.46	15.00
1984-85	629.96	25.00	2253.89	1035.00	5627.17	3052.75	9178.04	231.06	96.06	15.00
1985-86	629.98	25.00	2057.21	1035.00	6329.50	3311.65	8426.38	-195.12	1.56	—
1986-87	630.00	25.00	1710.57	1035.00	6578.91	3102.10	9885.49	-346.64	—	—
1987-88	630.00	25.00	1672.72	990.83	6445.07	2653.76	12334.37	21.98	59.83	9.00
1988-89 (14 months)	630.00	25.00	1772.71	1032.15	6282.70	2308.82	12223.19	202.61	102.62	16.00
1989-91 (18 months)	630.00	—	1820.25	1421.60	6685.51	2477.79	12794.33	161.05	113.46	18.00
1991-92 (15 months)	775.13	—	1824.84	1031.78	6318.24	2015.47	11232.57	64.95	60.36	8.00
1992-93	775.90	—	2006.60	800.65	7033.20	2488.91	11072.27	275.01	93.25	12.00
1993-94	775.98	—	2624.81	547.16	7949.79	3101.73	14292.85	812.48	194.27	25.00
1994-95	776.79	—	3955.22	451.73	8442.89	2899.08	22037.40	1562.96	232.96	30.00
1995-96	2002.55	—	5499.23	7120.58	9890.04	4770.48	24695.24	1050.63	304.84	17.50
1996-97	2003.04	—	5559.82	7206.41	16083.41	10493.38	31170.13	324.51	200.03	10.00
1997-98	2003.04	—	5771.45	7133.23	17112.45	10743.31	37563.57	431.97	200.03	10.00
1998-99	2003.04	—	6348.45	7059.89	27251.87	18942.28	62540.25	924.66	300.46	15.00
99-2000	2003.04	—	8043.55	6962.16	29566.64	19839.21	53077.22	2139.83	400.66	20.00
2000-01	2003.05	—	10145.17	6142.13	34454.43	23602.22	56585.93	2653.54	500.83	25.00
2001-02 (9 months)	2003.06	—	9986.63	5819.92	41916.96	28851.20	46394.16	4274.91	600.72	30.00
2002-03	2003.06	—	11948.68	7000.00	48911.08	35820.96	78923.25	2865.64	800.96	40.00
2003-04	2003.06	—	14387.18	7000.00	54821.32	36943.13	117135.67	3567.98	1001.20	50.00
2004-05	2293.61	—	33004.80	9800.00	62076.02	43804.21	157654.05	7401.96	1375.77	60.00
2005-06	2563.16	—	86418.93	8933.33	77280.60	59949.11	202814.87	12479.81	1793.75	70.00
2006-07	2563.16	—	87845.40	17966.67	110118.56	74616.08	239450.36	3675.96	1921.87	75.00
2007-08	2563.16	—	96323.45	16900.00	140970.45	95307.98	310434.07	10875.74	2050.00	80.00
2008-09	2563.16	—	96403.00	20500.00	168283.00	112819.00	351832.00	12535.00	2050.00	80.00
2009-10	3033.16	—	148683.00	18333.00	181418.00	114969.00	386297.00	8144.00	2426.00	80.00
2010-11	6066.00	—	146153.00	16667.00	198749.00	118428.00	414905.00	7100.00	2426.00	40.00
2011-12	6066.00	—	123944.00	22000.00	205622.00	112447.00	401060.00	-22225.00	—	—
2012-13	6066.00	—	110211.00	22000.00	206289.00	101039.00	383865.00	-13764.00	—	—
2013-14	6066.00	—	118673.00	22000.00	202580.00	91540.00	411349.00	8064.00	—	—
2014-15	6459.00	—	132286.00	21010.00	200646.00	78474.00	430114.00	8165.00	—	—
2015-16	7792.00	—	178491.00	18730.00	194985.00	66908.00	419090.00	8497.00	—	—
2016-17 (IND-AS)	10108.00	—	258890.00	14469.00	198988.00	59547.00	419594.00	8092.00	—	—
2017-18	10155.00	—	267339.00	11024.00	207258.00	59794.00	457508.00	6589.00	—	—
2018-19 (Restated)	15131.00	—	120232.00	10382.00	190284.00	41809.00	460349.00	-193506.00	—	—
2019-20	15131.00	—	102743.00	8259.00	185085.00	34547.00	364364.00	-18259.00	—	—
2020-21	15131.00	—	46055.00	6337.00	196138.00	48042.00	258974.00	-55956.00	—	—

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Cover image

Ahiron Bridge on the Baharampore-Farakka section of NH-34