Annual Report 2018-19

HCC

Contents

Highlights 2018-19

- Turnover of `4,341 crore in FY 2018-19 vs. `4,575 crore in FY 2017-18
- EBITDA margin of 12.3% in FY 2018-19 vs. 14.1% in the previous year
- Multiple Projects of national importance inaugurated by Prime Minister in FY 2018-19
  - Kishanganga Hydro Power Project in May 2018
  - Bogibeel Bridge in December 2018
  - Pare Hydro Power Project in February 2019
- Debt reduced further by `227 crore year-on-year to `3,749 crore as of March 31, 2019
  - Company has repaid `1,096 crore of borrowings over the last 24 months
- Restructured guarantee obligations at Lavasa for `514 crore at low, non-cash interest rates
- Strengthened financial position by raising resources through multiple means, viz:
  - Collections of `353 crore via Courts through Execution Petitions
  - Client settlements of `344 crore
  - Rights issue of `498 crore
- Received fresh Arbitration Awards worth `468 crore in FY 2018-19
- Signed terms with investors to monetize a portfolio of Awards and Claims for a consideration of `1,750 crore
- Steiner AG reported a net profit of CHF24.9 million (`177 crore) on back of robust operational performance
- HCC Concessions agreed to sell Farakka Raiganj Highways Ltd. (FRHL) BOT unit to Cube Highways for `372 crore plus upsides

HCC'S MAJOR PROJECTS

- □ Major projects completed in past
- ■ Projects completed in the year
- ● Projects in progress
- ▲ New projects
- ✶ BOT projects

ANDHRA PRADESH

- □ Cavern for Crude Oil Storage, Vishakhapatnam
- □ Chimney at Vijayawada
- □ Godavari Barrage at Rajahmundry
- □ Godavari Railway Bridge
- □ Papavinasam Dam
- □ 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
- □ IOCL Refinery at Guwahati
- ● NH-37 - Numaligarh to Jorhat Highway
- □ NH-54 - Maibang to Nirmbanglo Highway

BIHAR

- □ Barauni Thermal Power Plant
- □ Ganga Bridge at Mokameh
- □ Munger Rail-cum-Road Bridge
- ● Muzaffarpur Thermal Power Plant
- □ Sone Barrage
- ● Sone Bridge

CHATTISGARH

- □ Bailadila Project
- □ Bhilai Steel Plant

DELHI

- ✶ Delhi Faridabad Elevated Expressway
- □ DMRC - Airport Metro Express Line
- ● DMRC - Dwarka to Najafgarh
- ● DMRC - Janakpuri West to Palam Station
- ■ DMRC - Netaji Subhash Place to Shalimar Bagh
- □ DMRC - Vishwa Vidyalaya to ISBT
- ● Flyover linking existing Munirka flyover to Army RR Hospital
- □ Water & Sewage Treatment Plants at Okhla, Tihar Jail, Wazirabad

GOA

- □ Goa Barge Berth at Marmugoa

GUJARAT

- □ Gandhinagar Cooling Towers
- □ Kachchh Branch Canal
- □ Kakrapar Atomic Power Project
- □ Kalol Mehsana Gas Pipeline
- □ Mehsana to Palanpur Highway
- □ Pumped Water Supply Scheme from Kesaria to Sonari
- □ Reliance J3 Refinery at Jamnagar
- □ Saurashtra Branch Canal
- □ Swarnim Gujarat Kutch Water Grid
- □ Tapi Road Bridge

HARYANA

- □ Hathnikund Barrage
- □ Panipat Chimney
- □ Road Bridge at Palwai

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
- ● Tunnels for Sawra Kuddu Hydro Power Project

JAMMU & KASHMIR

- ● Access Road Tunnel to Sawalkote Hydro Power Project
- ● AnjiKhad railway cable stayed bridge
- □ Chutak Hydro Power Project
- ● IRCON Tunnel T13 Project
- ● Kishanganga Hydro Power Project
- □ Mughal Road
- □ Nimoo Bazgo Hydro Power Project
- □ 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
- □ Kadra Dam
- □ Karnataka State Highways Project
- □ Sharavati Hydro Power Project
- ● Yettinahole Project

KERALA

- □ Brahmapuram Diesel Power Plant
- □ Dam across Idamalayar
- □ Dam across Moozhiyar and Veluthodu
- □ Lower Periyar Hydro Power Project
- □ Sebarigiri Dam
- □ Tanker Terminal and Fertiliser Berth, Cochin
- □ Wellington Bridge, Cochin

MADHYA PRADESH

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

MAHARASHTRA

- □ Aerated Lagoons, Mumbai
- □ Ambernath/Ulhasnagar STP
- □ Bandra Effluent and Influent Disposal, Mumbai
- □ Bandra-Worli Sea Link
- ● BARC - Integrated Nuclear Recycle Plant, Tarapur
- □ BARC - Reactor, Lab & Spent Fuel Building
- ● Bhama Askhed Pipeline
- ● Bhandup Pipeline
- □ Bhandup Water Treatment Complex
- □ Bhorghat Tunnel
- ● Construction of 9 Elevated Stations of Pune Metro

- ● Construction of 8 Elevated Stations of Pune Metro (2nd Order)
- ● 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
- ☐ Pune Paud BOT Road
- ● Residential towers at Anushakti Nagar
- ☐ Surveillance Facility Project at Tarapur
- ☐ Trombay Chimney Works
- ☐ Vaitarna Dam
- ☐ Water Supply Tunnel from Bhandup to Charkop, Mumbai
- ☐ Water Treatment Plant, Pune
- ☐ Water Tunnel between E Moses Road and Ruparel College, Mumbai
- ☐ Water Tunnel between Sewri and Futka
- ☐ Water Tunnel from Maroshi to Ruparel College, Mumbai

MANIPUR

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

ORISSA

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

PUNJAB

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

RAJASTHAN

- ☐ Chambal Bridge at Dholpur
- ☐ 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 Ore Berth, Jetty, Wharf
- ☐ Ennore Port-Rock Quarrying & Breakwater
- ● Fast Reactor Fuel Cycle Facility, Kalpakkam
- ● High rise buildings at DAE Anupuram
- ● IGCAR's Fast Reactor Fuel Cycle Facility at Kalpakkam
- ☐ 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
- ☐ Rihand STPP
- ☐ Sai Aqueduct
- ☐ Sharda and Ghogra Barrages
- ☐ Varanasi Bridge
- ☐ Yamuna Hydro Power Project

UTTARAKHAND

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

WEST BENGAL

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

CHAIRMAN'S LETTER

Dear Shareholder,

I write this letter a day after the results of India's 2019 Lok Sabha polls. Prime Minister Narendra Modi and the Bharatiya Janata Party (BJP)-led National Democratic Alliance (NDA) have thoroughly trounced what pollsters' call the 'anti-incumbency' factor, and are back with an even greater majority than in 2014. The BJP alone has won over 300 Lok Sabha seats; and the NDA will now account for well over 350 seats in the lower house of Parliament.

I welcome the result, and let me explain why it matters a great deal for an engineering and construction company such as yours in the infrastructure sector.

Our growth, indeed our very existence, depends upon the successful execution of a slew of infrastructure projects — be these national and state highways, thermal, hydro or nuclear power projects, ports and airports, metro railways, major irrigation schemes and large housing projects. In India, most of these require substantial and consistent public funding. The NDA-I government that governed between 2014 and 2019 was entirely committed to growing the infrastructure sector. Within a couple of years of coming into power, NDA started to seriously focus on increasing public expenditure on infrastructure. And that momentum has continued, with the States now following suit as well. Just to give an example, in its last Union budget, the Government of India allocated around `4.56 lakh crore for infrastructure.

Thanks to this additional focus on infrastructure, the last few years has seen a gradual improvement in construction activity in India. The sector was in the doldrums between 2012-13 and 2015-16. Revival started in 2016-17 with 6.1% growth. Then, after a small dip in 2017-18, growth picked up yet again — with construction clocking a healthy 8.9% growth in 2018-19.

With Prime Minister Modi and the NDA back for its second term, I expect infrastructure to remain a mainstay for the economy. Therefore, not only do I expect public expenditure on infrastructure to grow over the next few years, but also that there will be greater administrative focus and oversight to ensure that projects begin on time, are properly funded, and completed according to schedule.

With that happening — as I am sure it will — end-to-end engineering and construction majors such as your Company should see a significantly larger number of projects being put up for bidding; and should win enough of these to have a robust execution pipeline.

Let me now touch upon some key developments of your Company which are given in greater detail in the chapter on Management Discussion and Analysis.

Given the difficult financial situation of your Company over the last few years, it is not surprising that management has focused a great deal on reducing debt and improving cash flows. In that context, there were five major developments in FY2019.

First, September 2018 saw HCC Concessions Ltd executing a definitive agreement for 100% equity stake sale of Farakka-Raiganj Highways Ltd (FRHL) to Cube Highways and Infrastructure II Pte. Ltd, based in Singapore. This transaction – worth `372 crore with some potential upsides – will help in injecting liquidity in your Company.

Second, in December 2018, your Company conducted a Rights Issue worth `498 crore. The issue was oversubscribed. Thanks to this Rights Issue, your Company's paid-up share capital has increased from `101.55 crore to `151.30 crore.

Third, in February 2019, 100% stake in the non-core business of Charosa Wineries was sold to Quintela Assets Ltd. and Grover Zampa Vineyards Ltd. Though this is not a financially material transaction, it underscores your Company's intent and determination to focus on its core business.

Fourth, in March 2019, HCC entered into agreement with investors to raise `1,750 crore by selling its Receivables. Your Company will transfer its beneficial interest and rights in a portfolio of arbitration awards and claims to a special purpose vehicle controlled by the investors. The proceeds will be used to pre-pay debt of `1,250 crore. The balance of `500 crore will be to fund working capital and, thus, business growth. As a result of this transaction, your Company's balance sheet from 2019-20 onwards should stand substantially deleveraged.

The fifth development relates to your Company's strategic investment in the township project, Lavasa. With there being no concrete lender-approved resolution plan despite prolonged and concerted efforts, Lavasa is now in the NCLT under the Corporate Insolvency Resolution Process prescribed by the Insolvency and Bankruptcy Code. As a matter of prudence, your Company has written off its entire investment of `1,046 crore in Lavasa Corporation. Taking into account contingent liabilities, the total tax adjusted impact of the write-off is `1,531 crore. While this has obviously adversely affected profits of your Company, it has had no effect on cash flows. Moreover, having accounted for its entire exposure, your Company does not expect any further impact on account of Lavasa.

I should also briefly touch upon a key project won by your Company. HCC has been awarded, in joint venture (JV) with Hyundai Development Corporation, a `2,126 crore contract by the Municipal Corporation of Greater Mumbai (MCGM), for designing and construction of the Mumbai Coastal Road Project, Package II — between Baroda Palace near Haji Ali and the Worli-end of Bandra-Worli Sea Link. Your Company's share in the JV is 55%, or `1,169 crore and the project is to be completed in 48 months.

I am also proud of the fact that three of your Company's marquee projects were of such national significance as to be inaugurated by the Prime Minister this fiscal year.

The first was the 4.9 km Bogibeel Rail-cum-Road Bridge across the Brahmaputra in Assam — India's only fully welded steel bridge fully adhering to European codes and welding standards. It was inaugurated by Shri Narendra Modi on 25 December 2018. The second inauguration by Shri Modi was the 330 MW Kishanganga Hydroelectric Project in Jammu & Kashmir. The HCC team created a world record of the first successful Tunnel Boring Machine operation in the Himalayan region. The third was the 110MW Pare Hydroelectric Project in Arunachal Pradesh.

Your Company is turning around. It is focusing on its core operations and strengths. It has ruthlessly focused on costs and operational efficiencies. It has started the process of focused deleveraging to create a much firmer and more sustainable financial foundation for tomorrow's growth. Most importantly, the morale is back and everyone in senior management now sees light at the end of the tunnel.

It has been a hard slog through several years of acute financial pain. Such adversity has taught us many lessons. It has matured us even further. And it has made us even more committed to financially sustainable operations and growth.

Thank you, as always, for your trust in HCC. We respect our heritage. And are committed to your Company's profitable growth.

With best wishes,

Yours sincerely,

Ajit Gulabchand
Chairman & Managing Director

PROJECTS

TRANSPORTATION

1. **Bogibeel Rail-cum-Road Bridge:** India's longest rail-cum-road bridge in Assam was inaugurated by Hon'ble Prime Minister of India Narendra Modi on December 25, 2018. HCC has constructed the superstructure of the bridge, which is India's first and only fully welded steel bridge.
2. **Parama Flyover:** The west bound arm of the Parama flyover in Kolkata was opened for traffic on February 08, 2019.

UPDATE

3. **DGNP Dry Dock:** The Indian Navy's biggest ever dry dock being built by HCC in Mumbai is in final stages of completion.
4. **Sone Bridge:** The project was inaugurated on February 16, 2019. This 2.9 km four lane bridge will connect Daudnagar with Nasriganj on the Sone River, located around 105 km southwest of Patna.

TUNNELING

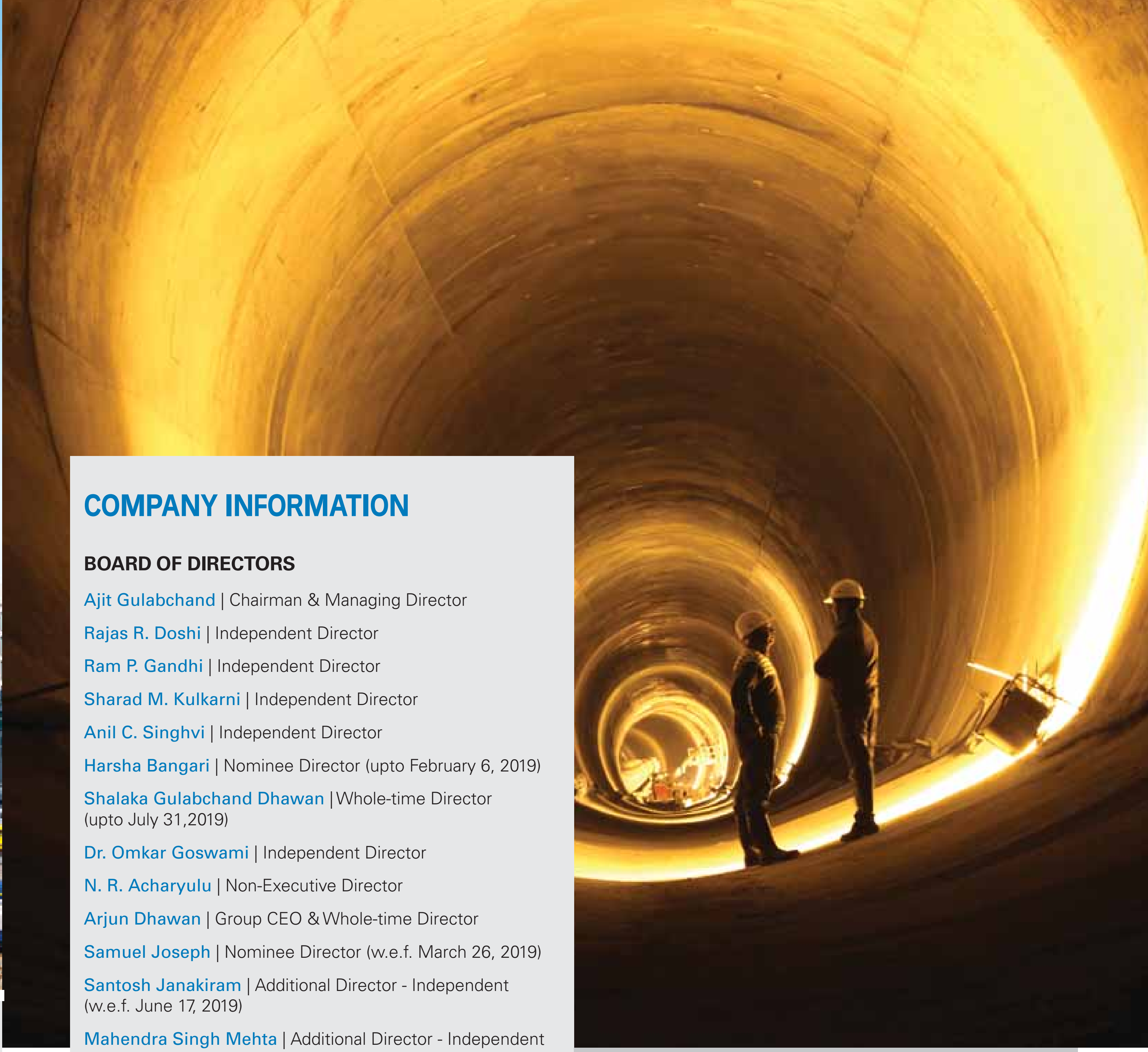
1. **DMRC CC-34:** The commercial operations of DMRC CC-34 package started on May 29, 2018. It is a part of the Phase III - Janakpuri West to Kalindi Kunj Corridor. One of the three underground stations of this package, Janakpuri West, is the largest metro station of DMRC with area of about 318,840 sq.ft.
2. **Mumbai Metro III Project** has completed 4.6 km of tunneling and is expected to complete by 2022. This is part of the 33 km long Mumbai Metro - Line 3 from Colaba to SEEPZ.

HYDRO POWER

1. **Pare Hydro Power Project:** Hon'ble Prime Minister of India Narendra Modi dedicated the Pare Hydro Power Project, in Arunachal Pradesh, to the nation on February 10, 2019. The geographical condition of the river makes it one of the most compact hydropower projects in India.
2. **Vishnughad Pipalkoti Hydro Power Project:** HCC has deployed the largest TBM in India with the cutter diameter of 10.5 m for construction of the 13.4 km long head race tunnel.

STEINER AG

1. **Vulcano, Zurich:** Steiner AG has completed the architecturally striking Vulcano project in Zurich in December 2018. The complex comprises of three 26 storey towers featuring 300 rental apartments, spaces for commercial uses and a lavish 319 room hotel.
2. **Burgdorf Süd, Oberburg:** This modern four-storey residential building comprises of 44 flats and is located next to Oberburg railway station. It was completed and handed over to client in January 2019.



COMPANY INFORMATION

BOARD OF DIRECTORS

Ajit Gulabchand | Chairman & Managing Director

Rajas R. Doshi | Independent Director

Ram P. Gandhi | Independent Director

Sharad M. Kulkarni | Independent Director

Anil C. Singhvi | Independent Director

Harsha Bangari | Nominee Director (upto February 6, 2019)

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

Dr. Omkar Goswami | Independent Director

N. R. Acharyulu | Non-Executive Director

Arjun Dhawan | Group CEO & Whole-time Director

Samuel Joseph | Nominee Director (w.e.f. March 26, 2019)

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

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

KEY MANAGERIAL PERSONNEL

Amit Uplenchwar | Chief Executive Officer - HCC E&C

Praveen Sood | Chief Financial Officer (upto December 31, 2018)

Shailesh Sawa | Chief Financial Officer (w.e.f. February 7, 2019)

Venkatesan Arunachalam | Company Secretary (upto November 6, 2018)

Sree Vidhya Raju | Acting Compliance Officer (upto February 6, 2019)

Ajay Singh | Company Secretary (w.e.f. February 7, 2019)

AUDITORS

Walker Chandiok & Co., LLP Chartered Accountants

REGISTRAR & SHARE TRANSFER AGENTS

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

REGISTERED OFFICE

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

MANAGEMENT DISCUSSION & ANALYSIS

INTRODUCTION

Hindustan Construction Company ('HCC' or 'the Company') is one of India's leading engineering and construction (E&C) enterprises, with a rich heritage of over 90 years. It primarily focuses on civil works and has a strong track record of executing large, complex infrastructure projects, many of which are of national importance. Today, HCC leverages its widespread knowledge base to deliver efficient solutions for its clients ranging from conceptualisation and primary engineering to project execution.

For the construction industry in India, Financial Year (FY) 2019 was a mixed bag. On a positive note, there were several market opportunities especially in the field of transportation related infrastructure development. Equally, the sector was plagued by several adverse challenges, including uncertainties related to sporadic regulatory changes, legacy issues related to high financial leveraging of companies and practical problems relating to the implementation of the new indirect tax regime.

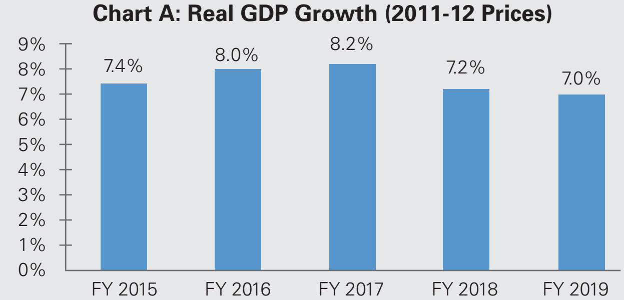
In such an environment, HCC focused on three core objectives:

1. De-leveraging and improving its cash flows and balance sheet;
2. Streamlining business operations to further strengthen and develop its core E&C business; and
3. Internal re-organisation in terms of people and processes and, thus, gear up to embark on a new phase of growth.

MACROECONOMIC REVIEW

The second advance estimates for FY2019 released by the Central Statistics Office (CSO) in February 2019 revised India's real gross domestic product (GDP) growth downwards to 7% from 7.2%. Chart A gives the data for India's real GDP growth over the last five years.

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



Note: Real GDP growth at constant 2011-12 prices. FY2019 are advance estimates.
Source: Ministry of Statistics and Programme Implementation (MOSPI), Government of India.

Domestic economic activity decelerated for the third consecutive quarter in Q3, FY2019 due to a slowdown in consumption. For the whole year, while private consumption growth increased from 7.4% in FY2018 to 8.3% in FY2019, public consumption growth decreased significantly from 15% in FY2018 to 8.9% in FY2019.

Thankfully, growth in Gross Fixed Capital Formation (GFCF) remained in double digits for the fifth consecutive quarter in Q3 – with the growth rate increasing from 9.3% in FY2018 to 10% in FY2019. This was supported primarily by the Government of India's (GoI) thrust on the road sector and affordable housing.

The manufacturing component of the Index of Industrial Production (IIP) growth slowed down to 1.3% in January 2019 due to automobiles, pharmaceuticals, and machinery and equipment. Growth of eight core industries remained sluggish in February. Credit flows to micro and small as well as medium industries remained tepid. The business assessment index of the Industrial Outlook Survey (IOS) points to some improvement in overall sentiments in Q4, FY2019. However, the key indicators of investment activity – production of capital goods in January and imports of capital goods in February – contracted.

Retail inflation, measured by the year-on-year change in the Consumer Price Index (CPI), rose to 2.6% in February 2019 after four months of continuous decline. This relatively modest uptick in inflation was driven by an increase in prices of items excluding food and fuel, coupled with weaker price deflation in the food group.

Despite softer growth, the Indian economy still remains one of the fastest growing globally and one of the least affected by the world economic slowdown. Notwithstanding this positive outlook, it is worth cautioning that the economy remains vulnerable to certain domestic and geopolitical risks, especially economic and political changes that can affect relative prices and hurt current and fiscal account deficits. While expectations of inflationary pressures remain benign, concerns have risen on the twin deficit problem — the current account and the fiscal deficit — especially as foreign portfolio inflows remain subdued while trade deficit stays high.

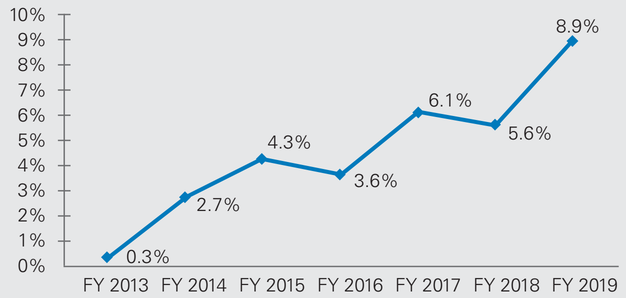
In the last few years, corporate India has been grappling with issues related to loan defaults and its effects on the availability of bank credit. Across all industries, bad loans more than doubled to over `10 lakh crore since the Reserve Bank of India (RBI) started its asset quality review in October 2015. This led to a slowdown in credit growth as banks faced severe capital crunch. Public sector banks were the worst-hit, forcing the GoI to infuse around `3 lakh crore since 2015.

The crisis in the banking and uncertainties associated with periodic regulatory changes have adversely affected investment related decision-making and the flow of credit. This has had a particularly adverse effect on the infrastructure development and construction industry, where typically investments are over a longer term.

INFRASTRUCTURE AND CONSTRUCTION IN INDIA

The last couple of years has seen a gradual improvement in construction activity in India. After touching a low of 0.3% growth in FY2013, the construction sector stayed subdued till FY2016. A slow revival process began in FY2017 with 6.1% growth. In FY2019, the sector clocked 8.9% growth. Doubtless, this is better than before. But it is still insufficient to either meet the huge infrastructure needs of the country, or to help in creating the foundations for a 7.5% to 8% real GDP growth. Chart B plots the growth rates.

Chart B: Construction Growth, India



Source: Ministry of Statistics and Programme Implementation (MOSPI), Government of India.

The GoI has laid considerable stress on on-ground infrastructure development. Indeed, some of the improvements over the last four years are evident on the ground.

Highways are a good example of recent development. The total length of national highways increased from 92,851 km in FY2014 to 122,434 km in FY2018. In the process, India emerged as the fastest highway developer in the world with 27 km of highways being built each day during Calendar Year (CY) 2018. India's rank on 'Getting Electricity' from World Bank's Ease of Doing Business has jumped from 137 in FY2014 to 24 in FY2018. Consequently, the energy deficit reduced from 4.2% in FY2014 to 0.7% in FY2018. The total number of airports in the country has increased to 102 in 2018.

Having said so, it is a fact that infrastructure development in India was plagued by various implementation issues — as discussed in the Management Discussion and Analysis of the previous years. In the last 18 months, the GoI has recognised this problem and is now focusing on improving execution. In some sectors, it has started paying dividends. For instance, of 1,424 central government projects under implementation, each worth more than `150 crore, 101 have been completed between April-December 2018. This is quite an improvement over the previous years: the number of projects completed by March 31, 2019 is 50% more than the previous years. Of the 101 projects completed, 85 involved roads and highways.

Given the kind of economic growth that India needs, there continues to be a growing need for infrastructure investment in the country. The monetary value of infrastructure investment gap in India is expected to increase to `147,000 crore by 2023. Roads and water are the two infra- sectors which are expected to face largest infrastructure investment gap.

Much of this gap is to be supported by direct financing of the GoI. In fact, planned investments by the GoI increased at a CAGR of 13% over the last decade. Mega road projects such 'Bharatmala Pariyojana', introduction of schemes such as UDAN and creation of government fund for affordable housing are expected to fuel growth.

In FY2020, the Union Budget offered a large budgetary support for the infrastructure sector of around `4.56 lakh crore. Despite highways seeing the maximum projects being taken up during the last four years, roadways were given a relatively smaller increment of `83,016 crore among the various infra-based sectors. Apart from National Highways, the GoI has increased its fiscal allocation on rural roads to `19,000 crore under the Pradhan Mantri Gram Sadak Yojana (PMGSY). Hopefully, that will lead to better PMGSY performance, because rural roads have been relative laggards: during FY2019 rural road construction under PMGSY was only 24,610 km versus a target of 58,000 km.

The Indian Railways received an allocation of `66,770 crore (US$ 9.25 billion). Of this, `64,587 crore (US$ 8.95 billion) was for capital expenditure. There has also been considerable activity in the urban metro railway systems and regional aviation hubs.

During April 2019, certain regulatory changes were announced which provide a new impetus to hydro-power. To begin with, hydro-power was given renewable energy status, which provides for a fixed percentage of hydro-power purchase obligation from the power distribution companies. The new policy also provides for direct budgetary support for infrastructure creation and flood control related to hydro-power projects. It also provides for tariff rationalisation measures, including providing flexibility to developers to determine tariff by back-loading it after increasing the project life to 40 years, debt repayment period to 18 years, and introducing escalating tariff of 2%.

HCC: STRATEGIC DEVELOPMENTS

In FY2019, apart from the principal focus on continuously enhancing execution capabilities and optimising processes to deliver value to clients, HCC laid considerable emphasis on improving its financial strength, reducing debt and improving cash flows.

In this, there were four major developments during the year.

First, in September 2018, HCC Concessions Ltd, a step down subsidiary of HCC, executed a definitive agreement for 100% equity stake sale of Farakka-Raiganj Highways Ltd (FRHL), its concessionaire subsidiary, to Cube Highways and Infrastructure II Pte. Ltd, an entity based in Singapore. Subject to requisite approvals, the transaction is worth `372 crore, which will also have certain closing financial adjustments. Further, certain additional amounts may be received by HCC based on contingencies such as completion of the balance section of the project highway, resolution of some disputes with NHAI and certain earn-outs which, individually or in aggregate, may have a significant impact.

Second, in December 2018, HCC received applications worth `551.38 crore pursuant to its Rights Issue of equity shares. The issue was oversubscribed with 110.74% valid applications received for up to 497,565,318 equity shares of face value of `1 each at an Issue Price of `10 per Equity Share. Consequent to the Rights Issue, the paid-up share capital of the Company has increased from `101.55 crore to `151.30 crore.

Third, in February 2019, 100% stake in the non-core business of Charosa Winery was sold by HCC Real Estate Ltd (a wholly owned subsidiary of Company) through a definitive agreement to Quintela Assets Ltd and Grover Zampa Vineyards Ltd. While in terms of financial materiality this is not a significant development, it signals the Company's clear intent to focus on its core business.

Fourth, in March 2019, HCC entered into agreement with a consortium of investors to monetize an identified pool of arbitration awards and claims for a consideration of `1,750 crore. The proposed transaction was approved by the Board of Directors of the Company at its meeting held on March 26, 2019, and is subject to requisite approvals.

Under the terms of the transaction, HCC will transfer its beneficial interest and rights in an identified portfolio of arbitration awards and claims to a special purpose vehicle (SPV) controlled by a consortium of investors, including BlackRock. The financial proceeds from this transfer will be utilised to prepay debt of `1,250 crore, including its entire term loan of `942 crore which is due in the next three years and `308 crore of optional convertible debentures (OCDs). The balance `500 crore will be used to fund working capital and business growth. Consequently, HCC's balance sheet should stand substantially deleveraged, with debt servicing over the next four years being limited to its working capital facilities. The effect of this transaction on the Company's balance sheet will come into play in the next financial year, or FY2020.

The other major development relates to the Company's strategic investment in the township project – Lavasa.

After prolonged and concerted efforts with lenders not yielding a concrete resolution plan, the National Corporate Law Tribunal (NCLT) through its order dated 30 August 2018, admitted a plea filed by operational creditors initiating a Corporate Insolvency Resolution Process against Lavasa Corporation Limited under the Insolvency and Bankruptcy Code (IBC).

Lavasa is jointly held by four shareholders: HCC (68.7%), the Avantha Group (17.18%), Venkateshwara Hatcheries (7.81%) and Mr. Vithal Maniar (6.29%).

HCC has written off its entire investment of `1,046 crore in Lavasa Corporation as a matter of prudence after its admission into NCLT under IBC. The write-off has no impact on HCC cash flows. Furthermore, HCC has fully accounted for all of its contingent liability obligations given to Lavasa lenders, including corporate guarantees and put options. A substantial majority of these obligations have been restructured for `514 crore at benign, non-cash interest rates, thereby resulting in immediate savings to the company.

The sum total impact of all write-offs in the quarter, adjusted for tax, is `1,531 crore. Having comprehensively accounted for its entire exposure in Lavasa, HCC expects no further impact on account of its erstwhile subsidiary.

In view of Lavasa being referred to NCLT and consequential loss of control by HCC on Lavasa management, the accounts of Lavasa which were appearing in consolidated accounts of HCC have been de-consolidated with effect from April 01, 2018.

While shareholders' interests have been sacrificed, HCC has exited the project with the hope that its pioneering efforts to grow Lavasa into a thriving smart city will now find stewardship in the hands of a new owner, enabled by the NCLT.

OPERATIONS REVIEW

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

During FY2019, HCC's activities in the business were driven by certain broad strategic objectives. These include: (i) augmenting internal capabilities in areas where the Company has deep expertise; (ii) managing and mitigating risks; (iii) being selective in securing new orders with focus on leveraging competitive strengths; (iv) continuously improving operational parameters; (v) carefully analysing and understanding contract conditions; and (vi) entering in well-structured joint ventures (JVs) to improve competitiveness and mitigate risk.

Overall, the strategy focused on growth with greater stress on profitability.

BUSINESS DEVELOPMENT

With concerted yet selective bidding, the Company secured two substantial orders during FY2019.

In a JV with Hyundai Development Corporation (HDC), HCC has been awarded a contract of `2,126 crore by the Municipal Corporation of Greater Mumbai (MCGM), for designing and construction of Mumbai Coastal Road Project, Package II. HCC's share in the JV is 55% (`1169.3 crore). The project is to be completed in 48 months. The scope of work includes design and construction of road, bridges, interchanges including reclamation and associated works between Baroda Palace near Haji Ali and the Worli end of Bandra-Worli Sea Link.

In a JV with the MAX Group, a leading construction company in Bangladesh, HCC was awarded US$ 110 million (`737 crore) contract by Russia's State Nuclear Company, JSC Atomstroy export for civil works of Turbine Island for Unit 1 of the Rooppur Nuclear Power Plant. HCC's share in the JV is 40% (US$ 44 million or `295 crore). The Rooppur plant, 190 km northwest of Dhaka, will be built with Russian technology and is equipped

Chart C: Order Backlog-Business Line wise Breakup

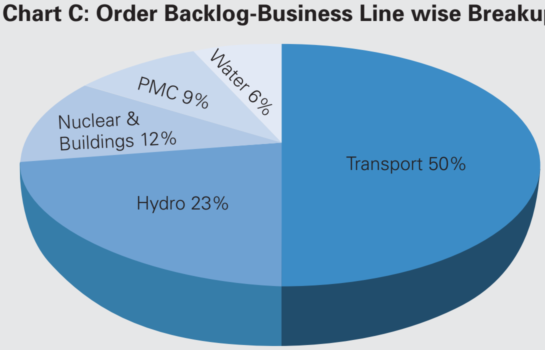
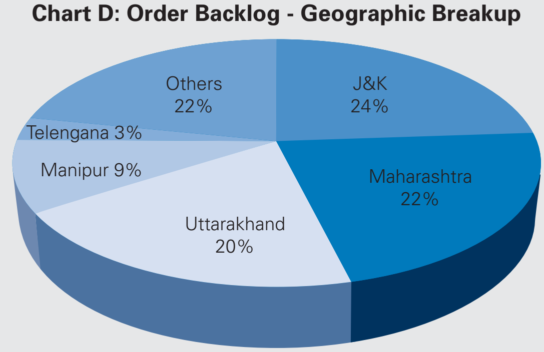


Chart D: Order Backlog - Geographic Breakup



with two VVER Reactors of 1,200 MW each. These are similar to the Kudankulam Nuclear Power Plant in Tamil Nadu — a project in which HCC has considerable involvement.

The Company's order backlog as on March 31, 2019 was `18,554 crore. Transportation sector continues to have a large share. There is a substantial pipeline of new orders up for bidding, especially in the highways, bridges and metro-rail segments. Chart C and D give the distribution of orders in terms of sectors and geography and represents future business potential.

PROJECTS UPDATE

Transportation:

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

The Bogibeel Rail-cum-Road Bridge across River Brahmaputra in Assam was inaugurated by Prime Minister Narendra Modi on December 25, 2018. This 4.9 km bridge is India's only fully welded steel bridge under European codes and welding standards — adhered to for the first time in the country. The superstructure of the Bogibeel bridge has been constructed using special copper bearing steel plates to reduce corrosion. Furthermore, due to excessive humidity in the area, a complex Corrosion Protection System specific to different components of the bridge has been implemented. To offer sound stability to the heavy spans (1,700 MT), seismic restrainers have been provided. The bridge is designed to withstand earthquakes of magnitudes in excess of 7.0 on the seismic scale

The other bridge projects inaugurated in FY2019 were the Sone Bridge in Bihar and the last part West Bound Ramp of the Kolkata Elevated Corridor.

In metro projects, DMRC CC-30 and CC-34 were inaugurated during FY2019.

Tunnelling with tunnel boring machines (TBMs) on twin lines of the Mumbai Metro is progressing very well. More than half the tunnelling work is already complete.

Work has substantially picked up on Highway Projects including Numaligarh-Jorhat Section of NH-37 and Ramban-Banihal section of NH-44 in Jammu and Kashmir (J&K).

Foundation and substructure work on the Anji Khad Cable stayed bridge in J&K is underway. There has been good progress

on Railway Tunnel T13 and T14 in the Katra-Banihal section of Udhampur-Srinagar-Baramulla Railway Line Project.

Hydro Power:

During FY2019, the 330 MW Kishanganga hydro-electric project (HEP) in J&K and the 110 MW Pare HEP in Arunachal Pradesh were successfully commissioned.

Kishanganga HEP, which was inaugurated by Prime Minister Narendra Modi, is the largest EPC contract awarded by NHPC. The HCC team created a world record of the first successful TBM operation in the Himalayas and accomplished a national record by achieving the 'highest tunnel progress in a month' of 816 meter in November 2012. While doing so, the team successfully overcame several complex geological and engineering challenges. The Kishanganga HEP has received the Dun & Bradstreet Infrastructure Award in the Power Category.

The Company has several HEPs under construction. These include the Vishnugad-Pipalkoti HEP, where the TBM that is being installed will be of the largest diameter in India till date. Other HEPs include the Tehri Pumped Storage project, the Tapovan-Vishnugad HEP, the Nikachhu HEP — all of which are ready for a substantial pick up in work activity. The Sawra-Kuddu HEP is also under progress.

Nuclear Power:

Civil and structural works continued for the three nuclear facilities: (i) the Fast Reactor Fuel Cycle Facility (FRFCF) at Kalpakkam in Tamil Nadu, (ii) the Rajasthan Atomic Power

Project, and (iii) the Integrated Nuclear Recycle Plant for Bhabha Atomic Research Centre (BARC) at Tarapur.

The FRFCF at Kalpakkam achieved a significant milestone by completing a continuous concrete pour of 8,000 m^3 of temperature controlled concrete for construction of a raft. After erection of 346 MT dome for Unit 7 of Rajasthan Atomic Power Plant, the second dome was successfully erected for Unit 8 in the second half of FY2019. HCC has completed 20 stainless steel tanks out of a total of 65 at BARC, Tarapur.

Water Supply and Irrigation:

Work on a turnkey EPC contract for the Parwan Dam and Tunnel in Rajasthan and Bistan Lift Irrigation in Madhya Pradesh is progressing well. The first milestone of completing excavation and starting concreting work of the Parwan Dam was achieved 20 days ahead of schedule.

Package 10 of Pranahita Chevella Lift Irrigation Scheme, (now renamed Kaleshwaram Project) is at an advanced stage of completion.

Marine Works:

Work on the reconstruction of Dry Dock and Wharves in Mumbai for the Director General Naval Project is nearing completion. Civil works of the dry dock and both wharves have been completed. Fabrication of the biggest caisson gates for the Indian Naval dry dock was completed in December 2018.

Fittings of electromechanical equipment are in advanced stage of completion.

RECOVERY OF CLIENT RECEIVABLES

On the back of the historic judgement of the Supreme Court in BCCI vs Kochi IPL upholding that there would not be any automatic stay on Awards, the Company filed Execution Petitions for deposit of monies in Court for Award(s) passed in its favour. Thanks to this initiative, the Company recovered `353 crore through this route — in addition to `207 crore collected on account of the circular issued by the Cabinet Committee on Economic Affairs. Furthermore, the Company has proactively settled disputes with clients resulting in an additional inflow of `344 crore during FY2019.

MANAGEMENT SYSTEMS

HCC's entire construction operations are optimised and governed through an Integrated Management System (IMS) based on standards stipulated by ISO 9001 for Quality; ISO 14001 for Environment, and BS OHSAS 18001 for Occupational Health and Safety. HCC implemented IMS at all their construction sites. During the beginning of 2018, the Company specifically underwent the transition stage for updating its two systems: Quality Management System- QMS (ISO 9001:2015) and Environment Management System- EMS (ISO14001:2015), which are an integral part of its IMS.

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

The Hazard Identification, Risk Assessment and Control Procedure (HIRAC) procedure was revised. A new procedure, called the Zero Tolerance and Reward system, has played an instrumental role in reducing accidents. To institutionalise processes that help the Company maintain highest safety standards, a Proactive Safety Observation Programme (PSOP) has been implemented across all construction sites. This programme has started paying dividend in terms of reduction in overall incidents at sites. Along with the earlier method and subsequent to the successful implementation of PSOP initiatives, the team found that the root cause of every accident was 'Behaviour'. A new initiative named Behaviour Based Safety (BBS) was launched to mitigate the root cause of every accident.

In October 2018, HCC was awarded the 'HSE Excellence Construction Sector of the Year' at the India HSE Summit and Awards 2018, organised by Synnex. This year's initiative focused on spreading awareness regarding the importance of occupational safety and health for workplace ergonomics and employee health and efficiency. HCC also won the 1st runner up award in the Construction Category of the Corporate BBS Awards organised by Forum of Behavioural Safety in New Delhi.

KEY SUBSIDIARIES

HCC INFRASTRUCTURE COMPANY LTD.

HCC Concessions Limited (HCON) is an 85.5%-owned subsidiary of HCC Infrastructure Company Ltd. with focus on BOT Road Projects. Over the last 10 years, HCON has developed and operated over `6,000 crore worth of National Highways Projects in 4 states across India, covering over 1300 lane km.

- **Baharampore-Farakka Highways Ltd (BFHL):** During FY2019, there was strong traffic growth coupled with steady revenue in the first 6 months. However, in the second half of the year, traffic and revenue declined temporarily due to massive repair work undertaken on the Farakka Barrage causing a diversion of heavy vehicles.

- **Farakka-Raiganj Highways Ltd (FRHL):** During Financial Year 2019, HCON has executed a definitive agreement in respect of 100% stake sale of Farakka-Raiganj Highways Ltd (FRHL), its concessionaire subsidiary, to Cube Highways and Infrastructure II Pte. Ltd, an entity based in Singapore.

STEINER AG

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

The business is primarily divided into three offerings.

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

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

- The renovation of office building of the International Labour Office, the permanent secretariat of the International Labour Organization (a UN Agency) in Geneva worth CHF 151 million.
- The new "Horizont" hospital building at Frauenfeld Cantonal Hospital, which will include an interdisciplinary outpatient clinic, an ultra-modern operating theatre area and much more, worth CHF 160 million.
- Malley sports complex (H20) in Prilly worth CHF 124.5 million, comprising two covered ice-skating rinks, an outdoor ice-skating rink, a 50-metre Olympic swimming pool, a diving pool, a leisure pool and paddling pool.
- Baloise Park-FAUG sub-project in Basel worth CHF 129.4 million for construction of a 90-meter high-rise building comprising office spaces, a 5-star hotel, a conference centre, restaurants and a ballroom.
- GZO Hospital project in Wetzikon worth CHF 200 million and includes refurbishment and expansion of the existing high-rise hospital building plus the construction of a five-storey extension.

With new orders worth CHF 831 million (`5,869 crore) booked in FY2019, Steiner's order backlog was CHF 1,379 million (`9,741 crore) as of March 31, 2019. Consolidated revenue remained stable at CHF 828 million (`5,846 crore) for FY2019, while consolidated PAT increased from CHF 9.5million (`64 crore) in FY2018 to CHF 25 million (`176 crore) in FY2019. The company had a healthy cash balance of CHF 91 million (`642 crore) as of March 31 2019.

Steiner's subsidiary Steiner India has achieved strong initial traction in India, having executed key projects in Mumbai and Delhi.

HUMAN RESOURCES (HR)

In FY2019, the Company's focus was on aligning organisational objectives with the efforts facilitated by an effective organisation structure. Several important initiatives were undertaken. To begin with, the organisation structure was delayered, new talent was hired at the leadership as well as operating levels, costs were optimised and improved and automated methods for achieving better controls and efficiency at the project sites were deployed.

Focused efforts were undertaken to improve employee connect across HCC. This was achieved by automation of various HR processes, enhancing accessibility of information about the Company, its projects, its policies and processes for all employees round the clock utilising the newly launched employee intranet, 'Homeport'. All HR policies were released through this network. Various processes like leave, attendance recording and employee reimbursements were automated and implemented in the head office and in phases at the project sites. New features are being added to this system.

The performance appraisal process was reviewed and is being implemented across the organisation. This will be carried out online from 2019 onwards. Training primarily was focused on latest developments in statutory and legal compliance, internal processes and technical and HSE training at work place.

Employee attrition remained a cause of concern at remote locations. However, through continuous efforts, new talent, both experienced as well as new entrants to the workforce were acquired and minimum threshold levels were maintained. The number of engineers and officers number during employed with the Company during FY2019 on average remained around 1,440. The manpower numbers were contained to the actual requirement of the projects linked to work progress.

FINANCIAL REVIEW

Table 1: Abridged Profit and Loss account of HCC

(` crore)

	2018-19	2017-18
Revenue from Operations	4,341	4,575
Operating Expenses	3,803	3,920
EBITDA (excluding other income)	538	655
Depreciation	145	123
Other Income	118	251
Foreign Exchange Gain/(Loss)	(4)	(11)
EBIT	507	772
Interest	699	660
Exceptional items	(2,400)	-
Profit before Tax	(2,592)	112
Tax	(630)	34
Profit after Tax	(1962)	78
Other comprehensive income (after Tax)	(9)	(12)
Total comprehensive income (after Tax)	(1,971)	66

Key Financial Ratios

	Standalone	
	FY 19	FY 18
Debtors Turnover Ratio (in times)	1.10	1.26
Inventory Turnover Ratio (in times)	23.06	22.17
Interest Coverage Ratio (in times)	(2.84)	1.38
Current Ratio	1.03	0.98
Debt Equity Ratio	2.55	1.34
Operating Profit Margin (%)	12.29	14.07
Net Profit Margin^ (%)	(45.41)	1.44

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

CORPORATE SOCIAL RESPONSIBILITY (CSR): RESPONSIBLE INFRASTRUCTURE

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

The Company's CSR philosophy is 'Do Good to Do Well and Do Well to Do Good'.

DISASTER RELIEF AND RESPONSE

The Company provided timely interventions in a number of rescue and relief operations within India and internationally during calamities / disasters, providing support by way be technical help, as well as relief by way of water, food and other essentials.

During the FY2019, HCC responded to the following disasters:

Rescue Operation in Kolkata: A portion of the Majerhat Bridge, at Alipore in Kolkata on National Highway 117, collapsed on 4 September 2018. Three people lost their lives and more than 25 people were injured in the mishap. Several vehicles commuting on the road were also trapped under the debris. The HCC team engaged in the construction of Kolkata's longest flyover were requested by the client and the National Disaster Response Force (NDRF), to assist with the rescue operation. A team of eight officers and 17 workers supported this operation. The project team also deployed a tyre mounted crane, an earth mover, a mini truck, a camper and cutting sets for the rescue operation.

Support in relief work after bridge collapse near CST station, Mumbai: On March 14, 2019, a foot over-bridge near CST railway station collapsed which led to few casualties and injuries. A team from the ongoing work at HCC's Mumbai Metro Project in the vicinity of the accident site responded immediately. 11 volunteers and heavy machinery like cranes, dumpers, excavators with accessories like ropes were promptly deployed from the project site to the place of the incident.

HIV/AIDS EDUCATION AND AWARENESS.

In recognition of the serious impact of HIV/AIDS on migrant workers, HCC formed an HIV/AIDS workplace policy and adopted an intervention programme that focuses on educating and raising HIV/AIDS awareness among migrant workers that form the core of the workforce at the Company's projects. The policy was implemented in collaboration with the International Labour Organization. The Company observes World AIDS Day every year on 1 December. Events are conducted with strong employee participation. These involve rallies, pinning of red ribbons, awareness and lectures. Posters are prominently displayed. In FY2019, twice a year, HIV/AIDS awareness was induced as part of safety messages of a week. The tool box talks conducted during these weeks, emphasise on HIV/AIDS training is being given.

THE CEO WATER MANDATE: UNGC'S INITIATIVE

The Company is committed to monitor and conserve the amount of water used across its construction project sites.

HCC is the first Indian company to endorse the United Nations Global Compact's 'The CEO Water Mandate' and is an industry partner of the World Economic Forum (WEF). It embeds 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 the fresh water consumption. For example, HCC installed waste-water treatment plants at various project such as the Padur and Visakhapatnam cavern projects and the Kishanganga HEP project. These have helped to reduce fresh water consumption at such sites by recycling of treated waste-water. HCC also commissioned a decentralised waste water treatment system at the Bogibeel Road-cum-Rail Bridge site to treat and reuse the sewage water from toilet blocks.

The Company is also engaged in national and international forum, 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. HCC became a water positive organisation this year.

SUSTAINABILITY REPORTING

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

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

INTERNAL CONTROLS AND THEIR ADEQUACY

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

CAUTIONARY STATEMENT

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

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY

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

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

The Company has an active and independent Board of Directors 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 (hereinafter referred to as SEBI Listing Regulations/LODR 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 and is in conformity with the provisions of Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations.

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

Composition of the Board as on March 31, 2019:

Category	No. of Directors
Chairman and Managing Director (Promoter Director)	1
Whole Time Directors, including a Woman Director who is a Promoter Director	2
Independent Directors	5
Non Executive Director	1
Nominee Director*	1

*Mr. Samuel Joseph (DIN 02262530) was appointed as Nominee Director on the Board of Company w.e.f. March 26, 2019 in place of Ms. Harsha Bangari, erstwhile Nominee Director whose nomination was withdrawn by EXIM Bank w.e.f. February 06, 2019.

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

Except for Mr. Ajit Gulabchand, Ms. Shalaka Gulabchand Dhawan 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 2018-19. The meetings were held on May 3, 2018, August 8, 2018, September 5, 2018, October 8, 2018, November 1, 2018, February 7, 2019 and March 26, 2019. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days.

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

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

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

d) Information to the Board

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

A detailed agenda folder is sent to each Director within the timeline prescribed under Company Act 2013 and SEBI Listing Regulations All the agenda items are appended with necessary supporting information and documents (except for price sensitive information, which was circulated separately before the meeting) to enable the Board to take informed decisions.

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

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

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

f) Remuneration to Directors

Remuneration was paid to Mr. Ajit Gulabchand, Chairman and Managing Director, Ms. Shalaka Gulabchand Dhawan, Whole-time Director and Mr. Arjun Dhawan, Group CEO & Whole-time Director, as per the limits prescribed under Schedule V of the Companies Act, 2013, pursuant to the approval of the Nomination and Remuneration Committee and the Board of Directors.

Table 2 gives the details of remuneration paid/payable to Directors for the year ended March 31, 2019. The Company did not advance loans to any of its Directors during 2018-2019.

Table 1: Details of the Directors as on March 31, 2019:

Name of the Director	Category	No. of Board meetings held during FY 2018 -19	No. of Board meetings attended during FY 2018-19	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 and Managing Director	7	7	Yes	3	-	1	None
Rajas R. Doshi	Independent Director	7	6	Yes	2	1	1	None
Ram P. Gandhi	Independent Director	7	7	Yes	1	-	-	None
Sharad M. Kulkarni	Independent Director	7	5	Yes	3	2	1	None
Anil C. Singhvi	Independent Director	7	7	Yes	5	1	2	None
Shalaka Gulabchand Dhawan**	Whole-time Director	7	6	Yes	3	-	-	None
Dr. Omkar Goswami	Independent Director	7	5	No	7	-	7	None
N.R. Acharyulu	Non Executive Non Independent	7	6	No	1	-	-	None
Arjun Dhawan**	Group CEO and Whole-time Director	7	7	Yes	5	-	-	None
Harsha Bangari***	Non Executive Nominee Director	7	4	No	-	-	-	Nominee of Exim Bank
Samuel Joseph***	Non Executive Nominee Director	7	1	-	-	-	-	Nominee of Exim Bank

* Excludes Private Limited Companies, Foreign Companies and companies registered under Section 8 of the Companies Act, 2013.
# Chairmanship/Membership of Audit Committee and Stakeholder's Relationship Committee in other Public Companies has been considered.
** Ms. Shalaka Gulabchand Dhawan is the daughter and Mr. Arjun Dhawan is the son in law of Mr. Ajit Gulabchand, Chairman and Managing Director of the Company.
*** Ms. Harsha Bangari ceased to be Nominee Director w.e.f February 6, 2019 and Mr. Samuel Joseph was appointed as Nominee Director by EXIM Bank on the Board of the Company w.e.f. March 26, 2019.

Additional Information related to Directorship in other listed entities as on March 31, 2019 as per SEBI Listing Regulations:

Name of the Director	Name of other Listed entities	Category of Directorship
Ajit Gulabchand	-	-
Rajas R. Doshi	The Indian Hume Pipe Company Ltd	Managing Director
Ram P. Gandhi	-	-
Sharad M. Kulkarni	Navin Fluorine International Ltd KEC International Ltd Camlin Fine Sciences Ltd	Independent Director
Anil C. Singhvi	Subex Ltd	Independent Director
Shalaka Gulabchand Dhawan	-	-
Dr. Omkar Goswami	Godrej Consumer Products Ltd Ambuja Cements Ltd Bajaj Finance Ltd Bajaj Auto Ltd Dr. Reddy's Laboratories Ltd CG Power and Industrial Solutions Ltd	Independent Director Independent Director Independent Director Independent Director Independent Director Non-Executive Director
N.R. Acharyulu	-	-
Arjun Dhawan	-	-
Samuel Joseph	-	-

Table 2: Remuneration paid/payable to Directors during the financial year ended March 31, 2019

Name of the Director(s)	Salaries, Perquisites & Allowances+ (`)	Sitting fees* (`)	Total (`)
Ajit Gulabchand** (Chairman & Managing Director)	3,77,89,536	-	3,77,89,536
Rajas R. Doshi	-	21,00,000	21,00,000
Ram P. Gandhi	-	12,00,000	12,00,000
Sharad M. Kulkarni	-	10,00,000	10,00,000
Anil C. Singhvi	-	31,00,000	31,00,000
Shalaka Gulabchand Dhawan (Whole-time Director)	1,74,96,419	-	1,74,96,419
Omkar Goswami	-	8,00,000	8,00,000
N.R. Acharyulu	-	11,00,000	11,00,000
Arjun Dhawan (Group CEO and Whole-time Director)	3,76,05,450	-	3,76,05,450
Harsha Bangari^	-	7,00,000	7,00,000
Samuel Joseph^	-	1,00,000	1,00,000
Total	**9,28,91,405**	**1,01,00,000**	**10,29,91,405**

** Company has paid remuneration to Mr. Ajit Gulabchand, Shalaka Gulabchand Dhawan and Arjun Dhawan as per the limits prescribed under Schedule V of the Companies Act, 2013.

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

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

^ In case of Ms. Harsha Bangari, Nominee Director, the sitting fees for attending Board Meetings were paid by the Company to Exim Bank and the nomination for Ms. Bangari has been withdrawn w.e.f February 6, 2019 and Mr Samuel Joseph has been appointed as Nominee Director in her place w.e.f March 26, 2019

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

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

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

There were no outstanding stock options held by Non-Executive Directors and the details of the Equity Shares held by the Non-Executive Directors as on March 31, 2019 are given in Table 3 below.

Table 3: Details of Equity Shares held by Non-Executive Directors as on March 31, 2019:

Name of the Director(s)	Number of Equity Shares
Rajas R. Doshi	1,32,000
Ram P. Gandhi	48,000
Sharad M. Kulkarni	20,000
Anil C. Singhvi	10,00,000
Omkar Goswami	Nil
N.R. Acharyulu	4100
Harsha Bangari	Nil
Samuel Joseph	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 posted on the Company's website – www.hccindia.com. The Codes lay down the standard of conduct which is expected to be followed by the Directors and by the Senior Managers in their business dealings and in particular on matters relating to integrity at the work place, in business practices and in dealing with stakeholders. A declaration that the member of the Board of Directors and Senior Management Personnel have affirmed compliance under the Code during the year 2019 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 program 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 program for Independent Directors are available on the Company's website at http://www.hccindia.com/pdf/familiarisation_program_for independent_directors.pdf

j) Nomination and Remuneration Policy

The Non-Executive Directors (NEDs) are paid sitting fees for attending the Meetings of the Board of Directors and the Board Committees, which are within the limits laid down by the Companies Act, 2013 read with relevant Rules thereunder.

The Company pays a sitting fee of `1,00,000 to each NED for their attendance at every Board meeting or Board constituted Committee Meeting. In respect of Ms. Harsha Bangari (nomination withdrawn by EXIM Bank w.e.f February 6, 2019) and Mr. Samuel Joseph, the sitting fees are paid to Exim Bank.

The salient features of the Nomination and Remuneration Policy amended by the Company on May 9, 2019 to bring in line with the requirements of SEBI (LODR) Amendment Regulations, 2018 has been provided in the Board's Report which forms part of the Annual Report and detailed policy is available on the website : www.hccindia.com

k) Independent Directors Meeting

During the financial year 2018-19, Independent Directors of the Company met separately on March 26, 2019, without the presence of other Directors or Management representatives, to review the performance of the Non-Independent Directors, the board and the Chairman of the Company and to assess the quality, quantity and timeliness of flow of information between the Management and the Board.

II. BOARD COMMITTEES

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

a) Audit Committee

As on March 31, 2019, the Audit Committee comprises four Directors. viz Mr. Sharad M. Kulkarni (Chairman), Mr. Rajas R. Doshi Mr. Anil C. Singhvi and Mr. N. R. Acharyulu. All Members of the Audit Committee possess accounting and financial management knowledge.

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

The senior management team comprising Group Chief Executive Officer & whole-time Director, CEO-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 May 3, 2018, August 8, 2018, October 8, 2018, November 1, 2018, February 7, 2019 and March 26, 2019. The details of the composition of the Committee, attendance at the meetings are given in Table 4.

Table 4: Details of the Audit Committee:

Name of the Director	Position	No. of meetings attended
Sharad M. Kulkarni	Chairman	5
Rajas R. Doshi	Member	5
Anil C. Singhvi	Member	6
N R Acharyulu*	Member	4

*Mr. Acharyulu was appointed as Member w.e.f August 8, 2018.

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on July 12, 2018 to answer the members' queries.

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

- Overseeing of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the Management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of subsection 3 of Section 134 of the Companies Act, 2013;
    - Changes, if any, in accounting policies and practices and reasons for the same;
    - Major accounting entries involving estimates based on the exercise of judgment by the management;
    - Significant adjustments made in the financial statements arising out of audit findings;
    - Compliance with listing and other legal requirements relating to financial statements;
    - Disclosure of any related party transactions;
    - Modified opinion(s) in the draft audit report;
- Reviewing with the Management, quarterly financial statements before submission to the Board for approval;
- Reviewing with the Management, the statement of uses/ application of funds raised through an issue(public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the Management, performance of the statutory and internal auditors and adequacy of the internal control systems;

- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with the internal auditors of any significant findings and follow-up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussions with the statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussions to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to depositors, debenture holders, members (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism/Vigil mechanism;
- Approval for appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc of the candidate;
- Carrying out any other functions as specified in the terms of reference, as amended from time to time;
- Review of Information by Audit Committee;
- Review the utilization of loans and/or advances from/ investment by the holding Company in the subsidiary exceeding `100 crore or 10% of the asset size of the subsidiary, whichever is lower, including existing loans/ advances/investments as on April 1, 2019.

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

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

Quarterly statements of deviation(s) including report of monitoring agency, if applicable, submitted to the stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(5) of the SEBI Listing Regulations.

b) Nomination and Remuneration Committee

As of March 31, 2019, this Committee comprised four Directors viz. Mr. Anil Singhvi (Chairman), Mr. Rajas R. Doshi, Dr. Omkar Goswami and Mr. Ajit Gulabchand, Chairman and Managing Director of the Company as Members of this Committee. The Group EVP- HR is invited for the meetings. The Company Secretary is the Secretary to the Committee. This Committee met 3 times during the financial year i.e. on May 3, 2018, November 1, 2018 and February 7, 2019. 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	Position	No. of meetings attended
Anil C. Singhvi	Chairman	3
Rajas R. Doshi	Member	3
Omkar Goswami	Member	2
Ajit Gulabchand	Member	3

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

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

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

c) Stakeholders Relationship Committee

This Committee comprises four Directors viz. Mr. Ram P. Gandhi (Chairman), Mr. Rajas R. Doshi, Independent Director, Mr. Arjun Dhawan, Group CEO & Whole-time Director and Mr. Ajit Gulabchand, Chairman and Managing Director of the Company. Mr. Ajay Singh, Company Secretary is the Compliance Officer of the Company.

During the financial year 2018-2019, the Committee met 4 times on May 3, 2018, August 8, 2018, November 1, 2018 and February 7, 2019.

The details of the composition of the Committee and attendance at the meetings are given in Table 6 below:

Table 6: Details of the Stakeholders Relationship Committee:

Name of the Director	Position	No. of meetings attended
Ram P. Gandhi	Chairman	4
Rajas R. Doshi	Member	3
Ajit Gulabchand	Member	4
Arjun Dhawan	Member	4

During the financial year 2018-19, 596 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:

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

In accordance with Companies Act, 2013 and SEBI Listing Regulations, the role of the Stakeholders Relationship Committee *inter-alia* is as under:

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

d) Corporate Social Responsibility (CSR) Committee

The Committee comprises four Directors viz. Mr. Ajit Gulabchand (Chairman), Mr. Rajas R. Doshi, Mr. Ram P. Gandhi and Mr. N R Acharyulu and the role of the Committee *inter-alia* is as under:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- Recommend the amount of expenditure to be incurred on the activities referred in the CSR policy;
- Monitor the CSR Policy of the Company and its implementation from time to time;
- Such other functions as the Board may deem fit from time to time.

One Meeting of the of the CSR Committee was held on February 7, 2019. The Minutes Corporate Social Responsibility Committee are noted by the Board.

e) Risk Management Committee

Risk Management Committee was constituted voluntarily by the Company and it comprises 5 Members.

This Committee has been delegated with the authority by the Board to review and monitor the implementation of the risk management policy of the Company.

Risk Management

The Company has established a well-documented and robust risk management framework under the provisions of Companies Act, 2013. The Company has constituted Risk Management Committee in place, which has been delegated with the authority by the Board to review and monitor the implementation of the Risk Management Policy of the Company.

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

On introduction & implementation of Accounting Standard Indian Accounting Standards ('IND-AS') under Companies Act, 2013, Company in its Notes to Accounts have disclosed risk management objectives and policies for managing financial and reporting risk. (Refer Note to Accounts)

The Risk Management Policy has been revised to bring in line with the requirements of SEBI (LODR) Amendment Regulations, 2018 which includes evaluation of risk related to cyber security and to ensure appropriate procedures are in place to mitigate the risks in a timely manner.

Table 7: Details of investor queries/complaints received and attended during financial year 2018-19:

Sr. No	Nature of Query/Complaint	Pending as on April 1, 2018	Received during the above period	Redressed during the above period	Pending as on March 31, 2019
1.	Transfer/ Transmission/Duplicate	0	158	153	5
2.	Queries related to Dividend payment	0	221	219	2
3.	Dematerialisation/ Rematerialisation Of Securities	0	8	8	0
4.	Complaints Received Through:				
	a. Consumer Forum/ Court Case / Legal Notice	0	2	2	0
	b. Advocate	0	0	0	0
	c. SEBI	0	7	7	0
	d. Stock Exchanges	0	5	5	0
	e. NSDL, CDSL, MOCA	0	0	0	0
	f. Any Other Governing Body	0	0	0	0
5.	Other Queries	2	195	190	7*
	TOTAL	**2**	**596**	**584**	**14**

* Received in the last week of March 2019 and same were resolved.

III. COMPLIANCE

a) Performance Evaluation criteria for Board Directors

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

b) Accounting treatment in preparation of financial statements

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

c) Subsidiary Companies

In accordance with Regulation 24 of the SEBI Listing Regulations, during this financial year Steiner AG, Switzerland will fall under the category of unlisted material subsidiary of the Company whose individual turnover exceed 20% of the consolidated turnover of the Company and its subsidiaries in the immediately preceding financial year.

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

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

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.

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

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

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

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

e) CEO/CFO Certification

As required under SEBI Listing Regulations, the Group CEO and the Chief Financial Officer of the Company have submitted a Compliance Certificate for the financial year ended March 31, 2019, which is annexed to this Report.

f) Pledge of Equity Shares

Hincon Holdings Ltd and Hincon Finance Ltd (Promoter Companies of HCC) had recreated the pledge on 21,60,23,600 and 2,38,95,686 equity shares of ` 1/- each respectively held in HCC in favour of Universal Trusteeship Services Ltd., the Security Trustee for the HCC Lenders, in accordance with the terms of the Master S4A Framework Agreement executed on December 28, 2016 and Master Pledge Agreement executed on March 29, 2018 in relation to facility agreements entered

Details of the shares pledged/repledged by the aforementioned Promoter Companies & Member of the Promoter group is given below:

Name of the Promoter Company	Shareholding in HCC	No. of Shares held in HCC which have been pledged	% pledge of individual promoter shareholding	% pledge of HCC Shareholding
Hincon Holdings Ltd	21,60,23,600	21,60,23,600	100.00	14.28
Hincon Finance Ltd	6,22,61,186	2,38,95,686	38.38	1.58
Arya Capital Management Pvt. Ltd	24,62,55,617	24,62,55,617	100.00	16.28
Total		**48,61,74,903**		**32.13**

by HCC during financial year 2017-18 for availment of additional working capital facilities from its Lenders for Operations and Arbitration Bank Guarantees as per details given above.

Arya Capital Management Pvt Ltd, Member of the Promoter Group has pledged their shareholding in the Company during FY 2018-19 in favour of the Debenture Trustees, who holds the pledge for the benefits of holders of listed debentures issued by Arya Capital Management Pvt. Ltd; as per details given above.

Thus, in aggregate, Pledge has been created on 48,61,74,903 equity shares in aggregate held by the respective Promoter Companies as above, representing 32.13% of the paid up equity share capital of the Company.

The aggregate shareholding of the Promoters and Members of the Promoter Group as on March 31, 2019, was 52,74,57,097 Equity Shares of `1 each representing 34.86% of the paid-up Equity Share Capital of the Company.

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

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

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

In compliance with the provisions of SEBI Listing Regulations, the Board of Directors have 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

i) Credit Rating

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

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

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

IV. SHAREHOLDER INFORMATION

a) Disclosures regarding the Board of Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed under the Companies Act, 2013 and SEBI Listing Regulations. Based on the same, the Board has confirmed that in their opinion, the Independent Directors meet with the criteria of Independence and are Independent of the Management. Detailed profile of the Directors who may be seeking appointment/reappointment at the ensuing Annual General Meeting of the Company is given under the Explanatory Statement to the Notice which is forming part of the Annual Report of the Company.

b) Means of Communication

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

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

c) General Body Meetings

The Company generally convenes the Annual General Meeting (AGM) in the month of June/July after the end of the financial year.

Postal Ballot

During the year, no Special Resolutions were passed through postal ballot.

d) General Shareholder Information

- Forthcoming Annual General Meeting

Date:	September 26, 2019
Day:	Thursday
Time:	10.00 a.m.
Venue:	Walchand Hirachand Hall, Indian Merchants' Chamber, Indian, Merchants' Chamber Marg, Churchgate, Mumbai- 400 020

Last date for Receipt of Proxies

Tuesday, September 24, 2019

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 8, 2018
2nd Quarter Results:	:	November 1, 2018
3rd Quarter Results:	:	February 7, 2019
4th Quarter & Annual Results:	:	May 9, 2019

The tentative dates of the Board Meetings for consideration of financial results for the year ending March 31, 2020 are as follows:

1st Quarter Results:	:	August 1, 2019
2nd Quarter Results:	:	November 7, 2019
3rd Quarter Results:	:	February 6, 2020
4th Quarter & Annual Results:	:	May 7, 2020

Date of Book Closure

Friday, September 20, 2019 to Thursday, September 26, 2019 (both days inclusive)

Listing

Presently, the Equity Shares of the Company are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Company has paid the annual listing fees for the financial year 2019-2020 to BSE Limited and National Stock Exchange of India Limited.

Stock Codes:

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

Corporate Identification Number:

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

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

Financial Year	Day, Date & Time	Particulars of special resolution passed
2015- 2016 (AGM)	Thursday, July 14, 2016 at 11.00 am	1. Special Resolution under Section 196, 197 of the Companies Act, 2013 for payment of remuneration to Mr. Ajit Gulabchand, Chairman and Managing Director of the Company. 2. Special Resolution under Section 42, 62 and 71 of the Companies Act, 2013 for issuing securities of the Company. 3. Approval for granting option to Lenders for conversion of debt into equity shares of the Company under the SDR scheme.
Extra – Ordinary General Meeting	Thursday, January 5, 2017 at 11.00 am	1. Approval for conversion of Loan by Lenders into equity shares/ Optionally Convertible Debentures of the Company pursuant to RBI S4A scheme. 2. Approval for offer and issue of equity shares and Optionally Convertible Debentures (OCD) on preferential basis pursuant to implementation of HCC S4A scheme.
2016- 2017 (AGM)	Thursday, July 6, 2017 at 11.00 am	1. Re-appointment of Mr. Ram P. Gandhi (DIN : 00050625), Independent Director of the Company, to hold office for a second term of three years. 2. Re-appointment of Mr. Sharad M. Kulkarni (DIN : 00003640), Independent Director of the Company, to hold office for a second term of three years. 3. Payment of revised Remuneration to Mr. Ajit Gulabchand, Chairman & Managing Director of the Company for FY 2016-17 4. Payment of Remuneration to Mr. Ajit Gulabchand, Chairman & Managing Director of the Company for FY 2017-2018 5. Appointment of Mr. Arjun Dhawan (DIN: 1778379) as Group CEO & Whole-time Director of the Company for a period of five years effective from April 1, 2017 (including terms of remuneration for three years) 6. Option to Lenders for conversion of Outstanding Borrowings arising from default of Part A Debt under S4A Scheme and/or default of additional facilities, into Equity Shares of the Company. 7. Offer and Issue of Equity Shares of the Company of face value `1 each and Optionally Convertible Debentures (OCDs) of face value `1000 each on Preferential basis, pursuant to implementation of S4A Scheme. 8. Issue of Securities of the Company.
2017-2018 (AGM)	Thursday, July 12, 2018 at 11.00 am	1. Appointment of Mr. N.R. Acharyulu (DIN 02010249) who retires by rotation and being eligible, offers himself for re-appointment as Director 2. Continuance of Directorship of Mr. Sharad M Kulkarni (DIN 00003640), Independent Director of the Company 3. Re-appointment of Mr. Ajit Gulabchand (DIN 00010827) as Chairman & Managing Director of the Company for a period of five years effective from April 1, 2018 4. Amendment to the existing HCC Employees Stock Option Scheme, to bring the Scheme in conformity with the SEBI (Share Based Employee Benefits) Regulations, 2014 5. Extension of the period of conversion of the Optionally Convertible Debentures (OCDs) of face value `1000/- each issued by the Company. 6. Issue of Securities of the Company
2017-2018 (EGM)	Monday October 8, 2018	Increase in the Authorised Share Capital from `135,00,00,000 (Rupees One Hundred Thirty Five Crore only) divided into 125,00,00,000 (One Hundred Twenty Five Crore) Equity Shares of `1/- each and 1,00,00,000 (One Crore) Redeemable Preference Shares of `10/- each be and is hereby increased to `210,00,00,000 (Rupees Two Hundred Ten Crore only) divided into 200,00,00,000 (Two Hundred Crore Only) Equity Shares of `1/- each and 1,00,00,000 (One crore) Redeemable Preference Shares of `10/- each and consequential amendments to Memorandum of Association of the Company

Share Price Data: High/Low and Volume during each month of 2018-2019 at BSE and NSE Month Table

Month	BSE			NSE		
	High (`)	Low (`)	Volume	High (`)	Low (`)	Volume
April 2018	26.20	22.00	2,08,35,378	26.25	22.00	18,11,40,647
May 2018	23.95	14.80	4,70,26,307	24.00	14.75	37,10,91,248
June 2018	15.59	10.40	2,48,93,432	15.60	10.40	17,73,38,139
July 2018	12.91	9.39	3,29,26,956	12.90	9.45	25,26,23,273
August 2018	16.25	10.99	5,35,68,400	16.25	10.80	41,86,82,595
September 2018	15.59	10.51	3,49,07,321	15.65	10.45	28,30,20,786
October 2018	13.78	10.21	2,31,62,317	13.75	10.20	15,33,85,007
November 2018	14.94	11.35	2,45,58,661	14.90	11.30	18,81,79,696
December 2018	13.24	10.60	2,75,86,467	13.10	10.60	17,95,62,068
January 2019	14.29	12.20	2,24,25,629	14.30	12.15	20,38,57,931
February 2019	13.00	10.81	50,76,372	13.00	10.80	4,89,45,762
March 2019	16.60	12.06	1,64,65,710	16.60	12.10	18,56,68,930

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

Chart A: HCC compared to BSE Sensex

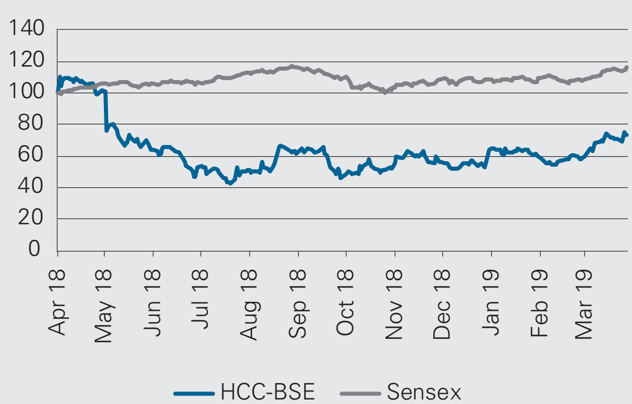
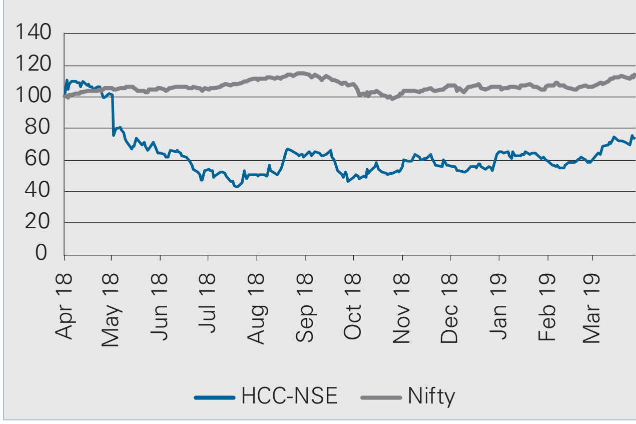


Chart B: HCC compared to NSE Nifty



Note: All data indexed to 100 as on April 1, 2018

Distribution of shareholding as on March 31, 2019

Distribution range of Shares	No. of Shares	Percentage of Shares	No. of Shareholders	Percentage of Shareholders
1 to 500	3,19,26,203	2.11	1,64,497	66.02
501 to 1000	3,08,05,984	2.04	36,174	14.52
1001 to 2000	3,70,56,382	2.45	22,852	9.17
2001 to 3000	2,29,91,174	1.52	8,632	3.46
3001 to 4000	1,48,68,054	0.98	4,032	1.62
4001 to 5000	1,59,66,343	1.05	3,340	1.34
5001 to 10000	3,94,33,661	2.61	5,256	2.11
Greater than 10000	1,31,99,80,443	87.24	4,385	1.76
Total	**1,51,30,28,244**	**100**	**2,49,168**	**100**

Shareholding Pattern

Categories	As on March 31, 2019		As on March 31, 2018	
	No of Shares	Percentage	No of Shares	Percentage
Promoter and Promoter Group	527457097	34.86	281015080	27.67
Foreign Institutional Investors/FPIs-Corporation	194118575	12.83	74373328	7.32
Public Financial Institutions/State Financial Corporation/Insurance Companies	17766396	1.18	18261961	1.80
Mutual Funds (Indian) and UTI	117859277	7.79	108515769	10.69
Nationalised and other Banks	216867346	14.33	228025309	22.46
NRI/OCBs	15995401	1.06	9398541	0.93
GDSs	0	0.00	0	0.00
Directors and Relatives	1221100	0.08	117000	0.01
Investor Education And Protection Fund Authority Ministry Of Corporate Affairs	3394729	0.22	1030389	0.10
Public	418348323	27.65	294725549	29.02
Total	**1,51,30,28,244**	**100.00**	**1,01,54,62,926**	**100.00**

List of Top 20 Shareholders of the Company as on March 31, 2019:

Sr. No.	Name of the Shareholder	Category	No. of Shares	% to Total Capital
1	Arya Capital Management Pvt Ltd	Member of the Promoter Group	24,62,55,617	16.28
2	Hincon Holdings Ltd	Promoter Company	21,60,23,600	14.28
3	Asia Opportunities iv (Mauritius) Limited	Foreign Portfolio Investors (corporate)	12,38,75,000	8.19
4	HDFC Trustee Company Limited-HDFC Equity Fund	Mutual funds	8,89,92,219	5.88
5	Hincon Finance Limited	Promoter Company	6,22,61,186	4.12
6	State Bank Of India	Nationalized banks	2,95,00,105	1.95
7	Principal Trustee Co. Pvt. Ltd A/C- Principal Mutual Fund-Principal Hybrid Equity Fund	Mutual funds	2,88,65,058	1.91
8	IDBI Bank Ltd.	Other banks	2,54,34,620	1.68
9	Export- Import Bank Of India	Other banks	2,42,51,091	1.60
10	Punjab National Bank	Nationalized banks	2,19,55,252	1.45
11	Canara Bank-Mumbai	Nationalized banks	1,96,05,966	1.30
12	Axis Bank Limited	Other banks	1,64,62,617	1.09
13	Government Pension Fund Global	Foreign portfolio investors (corporate)	1,51,44,009	1.00
14	ICICI Bank Ltd	Other banks	1,50,74,340	1.00
15	United Bank Of India	Nationalized banks	1,45,69,452	0.96
16	Vanguard Total International Stock Index Fund	Foreign portfolio investors (corporate)	1,33,01,325	0.88
17	Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International Equity Index Funds	Foreign portfolio investors (corporate)	1,11,01,906	0.73
18	Syndicate Bank	Nationalized banks	96,93,580	0.64
19	Sonal Rajeev Sangoi	Resident individual	87,18,000	0.58
20	India Opportunities Growth Fund Ltd- Pinewood Strategy	Foreign portfolio investors (corporate)	74,50,000	0.49

Dematerialization of Shares and Liquidity

As on March 31, 2019, 150,83,34,243 equity shares representing 99.69 % 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, 2019, is given below:

Particulars	No. of Equity shares	Percentage
Physical Segment	46,94,001	0.31
Demat Segment:-		
NSDL	1,34,80,99,484	89.10
CDSL	16,02,34,759	10.59
Total	**1,51,30,28,244**	**100**

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

Employees Stock Options (ESOPs)

a) As on March 31, 2019, the number of options (yet to be vested), which are outstanding is 3,00,000. in aggregate, for exercise as per the exercise schedule and are exercisable at a price of `31.15 per stock option.

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

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

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

Details regarding Listing and redemption of Debt Securities

Non Convertible Debentures issued to LIC & Axis Bank were revived w.e.f July 7, 2017 in the F Group-Debt Instruments of the BSE Limited (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 19.14 crore have been redeemed during the year.

As of March 31, 2019, an amount of `31.28 crore was outstanding as regards NCD's held by Axis Bank and an amount of `70.23 crore was outstanding for NCD's held by LIC., the payments are made under the approved S4A Scheme.

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

Debenture Trustees details

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

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

Share Transfer system

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

Address for members' correspondence

Members are requested to correspond with the Registrars 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.

Registrars and Share Transfer Agents:

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

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

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

Compliance Officer:

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

Investor Relations Officer:

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

e) 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.

f) Investor safeguards and other information:

Dematerialisation of shares

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

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

Pursuant to Section124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund Rules), 2016 ("IEPF Rules'), the details of Unclaimed dividend and corresponding equity shares transferred to IEPF account during FY 2018-19, has been provided in the Board's Report.

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.

Unclaimed shares under regulation 39(4) of the SEBI listing regulations

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

All corporate benefits on such shares viz. bonus shares, etc. shall be transferred in accordance with the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer, and Refund) Rules, 2016 (IEPF Rules) read with Section 124(6) of the Companies Act, 2013. The eligible shareholders are requested to note the same and take action for claiming the shares from the said account upon giving necessary documents.

Update Address/E-Mail Address/Bank Details

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

Electronic Service of Documents to Members at the Registered Email Address

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

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

V. OTHER DISCLOSURES

1. There were no material related party transactions entered by the Company that may have a potential conflict with the interests of the Company. The Company has formulated a policy on Related Party Transactions and the said Policy is available on the website of the Company at http://www.hccindia.com/pdf/HCC_Policy_for_Related_Party_Transactions.pdf
2. 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
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 posted on the website of the Company www.hccindia.com
4. The Company has complied with the mandatory requirements of Corporate Governance as specified in the SEBI Listing Regulations
5. The Company is not dealing in commodities and hence disclosure relating to commodity price risks and commodity hedging activities is not applicable
6. Adoption of discretionary requirements of SEBI Listing Regulations is being reviewed by the Company from time to time
7. There is no Non-Compliance of any requirement of Corporate Governance Report of as per the Part C of Schedule V of the SEBI Listing Regulations

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

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

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

11. There are no shares lying in the demat suspense account or unclaimed suspense account of the Compnay 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 auditor and all entities in the network firm/network entity of which the statutory auditor is a part:

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

Auditors' Certificate on compliance with the conditions of Corporate Governance

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

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

The Board of Directors of Hindustan Construction Company Limited

We have reviewed the financial statements and the cash flow statement of Hindustan Construction Company Ltd for the year ended March 31, 2019 and that to the best of our knowledge and belief:

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

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

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

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

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

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

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

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

Shailesh Sawa
Chief Financial Officer

Arjun Dhawan
Group CEO & Whole-time Director

Place: Mumbai
Date: May 9, 2019

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

To,

The Members
Hindustan Construction Co Ltd

I hereby declare that all the Directors and the designated employees in the Senior Management of the Company have affirmed compliance with their respective Codes for the financial year ended March 31, 2019.

For Hindustan Construction Co Ltd

Arjun Dhawan
Group CEO & Whole-time Director

Place :Mumbai
Date: May 9, 2019

CERTIFICATE FROM A PRACTISING COMPANY SECRETARY

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

To
The Members,
Hindustan Construction Company Limited
Hincon House
Lal Bahadur Shastri Marg
Vikhroli West
Mumbai 400083 India

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company, as stated below, for Financial Year ending on 31st March, 2019, have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of the Director	DIN	Date of Appointment in Company
1	Ajit Gulabchand	00010827	03/03/1983
2	Rajas Ratanchand Doshi	00050594	23/12/1993
3	Ram Pravinchandra Gandhi	00050625	26/08/1999
4	Sharad Madhav Kulkarni	00003640	10/08/2001
5	Anil Chandanmal Singhvi	00239589	27/07/2007
6	Shalaka Gulabchand Dhawan	00011094	30/04/2015
7	Omkar Goswami	00004258	30/04/2015
8	N R Acharyulu	02010249	02/05/2016
9	Arjun Dhawan	01778379	01/04/2017
10	Samuel Joseph Jebaraj	02262530	26/03/2019

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

For **BNP & Associates**
Company Secretaries
Firm Registration No.P2014MH037400

Avinash Bagul
Partner
FCS No. 5578
C P No. 19862
PR No. 544/2017

Place: Mumbai
Date : May 9, 2019

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Hindustan Construction Company Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated July 19, 2018.

2. We have examined the compliance of conditions of corporate governance by Hindustan Construction Company Limited ('the Company') for the year ended on March 31, 2019, 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 March 31 2019.

   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

Per **Rakesh R. Agarwal**
Partner
Membership No: 109632

Place: Mumbai
Date: May 9, 2019

BOARD'S REPORT

To,
The Members of Hindustan Construction Co. Ltd.

1. Report

Your Directors have presented the 93rd Annual Report together with the Audited Financial Statements for the year ended March 31, 2019.

2. Financial Highlights (As per IND AS)

Standalone (` in crore)

		Year ended March 31, 2019		Year ended March 31, 2018
Income from Operations		4,341.00		4,575.08
Profit before Interest, Depreciation, Exceptional Items, Other Income and Tax		537.76		654.39
Less: Finance Costs	698.91		659.97	
Depreciation	144.53		122.94	
Exceptional Item	2,400.30		-	
		(3,243.74)		782.91
Add: Other Income		118.13		251.00
Add/Less: Exchange Gain/(Loss)		(4.37)		(10.51)
Profit /(Loss) before Tax		(2,592.22)		111.97
Less: Tax Expense		630.47		34.44
Profit/(Loss) after Tax		(1,961.75)		77.53
Add: Other Comprehensive Income / Loss		(9.48)		(11.64)
Total Comprehensive income carried to Other Equity		**(1,971.23)**		**65.89**

3. Dividend

Due to inadequacy of distributable profit, your Directors have not recommended any dividend for the financial year ended March 31, 2019.

4. Strategic Development

Pursuant to the recommendation of the Audit Committee of the Board, the Board of Directors of the Company approved the proposal for monetization of an identified pool of arbitration awards & claims (Transaction). Under the terms of the Transaction, the Company will transfer the beneficial interest/ rights in a portfolio of identified awards & claims of the Company (Specified Awards & Claims) to a special purpose vehicle (SPV) controlled by a consortium of Investors led by BlackRock (Investors) for a consideration of `1,750 crore.

The Specified Awards & Claims will not be considered an asset of HCC any longer and shall be free from all encumbrances. The Transaction does envision a claw back of value by HCC from the SPV if the recovery of the Specified Awards & Claims assigned to the SPV were to cross certain thresholds. HCC shall continue to take recovery measures/litigate the Specified Claims on behalf of the SPV. A partial write down of the net worth of the Company as on March 31, 2019 to the extent of `331.4 crore has been taken on account of the same. HCC will continue to retain a material amount of awards and claims with the Transaction being limited only to the Specified Awards & Claims.

As per the structure of the Transaction, the Investor-controlled SPV will issue Non Convertible Debentures (NCDs), which will be subscribed to by the Investors. The money received from the Investors is to be deposited in an escrow account and to be utilised for the purchase of the Specified Awards & Claims by the SPV from HCC.

The consideration received by the Company will be used to prepay debts worth `1,250 crore (comprising the entire Term Loan and a part of the Optionally Convertible Debentures) with the balance `500 crore to be utilized for working capital requirements and business growth.

The book value of the Specified Awards & Claims, pegged at `2,082 crore, is more than 50% of the net worth of the Company. As per the legal opinion taken by the Company, the proposed sale does not tantamount to the sale of undertaking in terms of Section 180(1)(a) of the Companies Act, 2013, and hence no approval of the shareholders is required in terms of that section.

5. Allotment of Equity Shares under HCC Right Issue

During the year, the Company has allotted 49,75,65,318 Equity shares for cash at a price of `10/-per equity share (including a premium of `9/- per equity share) on December 27, 2018 aggregating to `497.57 crore, on a right basis to the eligible equity shareholders of the Company in the ratio of 49 equity shares for every 100 fully paid up equity shares held as on the record date.

Consequent to the Right Issue, the paid-up Equity Share Capital of the Company increased to `1,51,30,28,244 which comprises 1,51,30,28,244 Equity Shares of face value `1/- each.

6. Operations

The Income from Operations of the Company during the year under review is `4,341 crore as compared to `4,575 crore in the previous year.

During the year under review, the Company has secured the following major contracts:

- Rooppur Steam Turbine building, Bangladesh Contract Value `748 crore (HCC's Share `299 crore);
- Mumbai Coastal Road Project – Package II (Baroda Palace-Worli End), Maharashtra Contract Value `2,126 crore (HCC's Share `1,169 crore)

The total balance value of work orders at hand as on March 31, 2019 is `18,554 crore.

Decisions are awaited from the clients for bids submitted by the Company for 4 tenders amounting to approx. `4,529 crore (HCC share `3,172 crore). Bids for 13 projects worth `18,287 crore (HCC share `13,212 crore) are expected to be submitted in the near future.

Operations of Subsidiaries

i) HCC Infrastructure Company Ltd

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

Over the last 10 years, HCON has developed 6 projects, of which 2 projects were divested in the year 2015-16.

The two operational projects in the state of West Bengal, Baharampore-Farakka Highways Ltd (BFHL) and Farakka- Raiganj Highways Ltd (FRHL) earned operational revenue of `122 crore and `107 crore, respectively. Both the projects witnessed good traffic growth in first half of the year. However, in second half, traffic and revenue were affected due the restrictions / diversions imposed on heavy vehicles on account of major repair works undertaken on existing Farakka Barrage, a key link for both projects. Towards the year end, the repair works were completed and the bridge was opened for all types of vehicles which led to normalization of traffic. In coming years, both the projects are poised to continue showing healthy growth considering the strategic importance of NH34 for North Bengal and North-Eastern states. The balance construction work in these two projects is underway. In FRHL, substantial work is completed and the stretch is planned to be completed in this fiscal. In BFHL, barring the Baharampore Bypass, where there have been considerable delays on account of delays in land acquisition, rest of the works are almost completed; full completion including the bypass is planned by next year. In both projects, upon full completion, substantial revenue growth is expected due to higher toll rates attributable to the bypass section in each project. Apart from this, both SPVs are pursuing arbitrations for various claims/disputes related to cost overruns, change of scope etc. raised on the National Highway Authority of India (NHAI). BFHL has filed an execution petition for an award and counterparty NHAI has deposited `348 crore (75% of the said award) in court.

Another SPV namely Badarpur Faridabad Tollway Limited (BFTL), together with its Lenders, is pursuing a termination payment from NHAI after termination of its Concession Agreement in February, 2018 due to Force Majeure when the Supreme Court passed an order effectively preventing commercial vehicles from entering Delhi. The fourth SPV Raiganj-Dalkhola Highways Limited (RDHL) is actively pursuing termination and cost overrun claims through arbitration from NHAI post termination of its Concession Agreement due to a 5-year delay in land acquisition. Narmada Bridge Tollway Limited (NBTL) received an Arbitration Award of `39.19 crore during the year towards expenses incurred for repair & rehabilitation works. NHAI has deposited the 2/3rd of the award amount in court which can be released to NBTL on submission of bank guarantee.

HCON is continuously pursuing the interest of its SPVs by rigorous follow-ups of its claims and legitimate rights so as to preserve the value of its assets. In order to maximize shareholder value and provide for future growth, HCON has signed a Share Purchase Agreement to sell 100% stake in Farakka-Raiganj Highways Ltd. to Cube Highways & Infrastructure II PTE. Ltd in September 2018.

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

ii) Steiner AG, Switzerland

Steiner AG, one of the leading project developers, total contractors/general contractors (TC/GC) in Switzerland, offers comprehensive services in the field of new construction, refurbishment and real estate development. Steiner AG has successfully completed numerous prestigious international projects and plans to undertake similar projects in the future. Your Company owns 100% stake in Steiner AG through its wholly owned subsidiaries; HCC Mauritius Enterprises Limited and HCC Mauritius Investment Limited.

Steiner AG reported revenues of CHF 831 million (`5,894 crore) in the financial year 2018-19 as compared to CHF 806 million (`5,389 crore) in the previous year and a net profit of CHF 24.9 million (`177 crore) as compared to a net profit of CHF 9.5 million (`64 crore) in the previous year. The Company secured fresh orders worth CHF 831 million (`5,896 crore). The order book stood at CHF 1.38 billion (`9,654 crore) at the end of the financial year. In addition to this, the Company has secured orders for CHF 361 million (`2,562 crore), where contracts are yet to be signed.

Steiner India Ltd, a 100% subsidiary of Steiner AG, reported revenue of `79 crore and a loss of `5.2 crore in financial year 2018-2019. Please refer the Management Discussion and Analysis Report for an overview of Steiner AG & Steiner India businesses.

iii) Lavasa Corporation Ltd. – Integrated Urban Development & Management

During the year, HCC has written off its entire investment of `1,046 crore in Lavasa Corporation Ltd. (Lavasa) as a matter of prudence, consequent to the admission of its 68.7% controlled subsidiary into Corporate Insolvency Resolution Process (CIRP) by National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code (IBC). The write-off has no impact on HCC cash flows. Furthermore, HCC has fully accounted for all of its contingent liability obligations given to Lavasa lenders, including Corporate Guarantees and Put options. The sum total impact of all write-offs in the quarter, adjusted for tax, is `1,531 crore. Having comprehensively accounted for its entire exposure to Lavasa, HCC expects no further impact on account of its erstwhile subsidiary.

The project had suffered a major setback after stop work notice was issued by Environment Ministry in 2010 and was under financial stress since then. After the failure to implement a financial restructuring / resolution plan duly approved by the Joint Lenders Forum (JLF) in 2015 due to a deadlock amongst lenders, the JLF invoked Structured Debt Restructuring (SDR) on Lavasa on 20th September 2017. The Company had been actively working in conjunction with Lenders to ensure implementation of SDR by finding a credible investor / partner, who could help in reviving Lavasa. However, consequent to RBI's stand on resolution of stressed assets announced in February 2018 despite all efforts, SDR process could not conclude as the deterrent factors were beyond Lavasa's control. Thereafter, an operational creditor of Lavasa filed application before NCLT for admission of Lavasa into CIRP under IBC and the same was admitted on 30 August 2018.

Deloitte was appointed as Resolution professional (RP) for Lavasa by the Committee of Creditors (CoC). Since it's admission into IBC, the RP has taken full control of the Company and is in charge of all the assets and operations being carried out in the City. The RP invited expression of interest (EOI) from prospective resolution applicants on 13th November 2018 post which 3 EOIs were filed with RP.

Lavasa has 10,514 acres of land including 455 acres of land on lease (as on March 31, 2018). Dasve town has comprehensive public infrastructure in place such as access roads, internal roads, water treatment plant, water distribution network, sewage network, sewage treatment plant, telecom network and services. Till date, Lavasa has given possession of 1,285 residential units and also registered 31 sub-projects with RERA, thereby complying with disclosure requirements. Tourism remained the mainstay of the project. With footfalls of over a million visitors each year, the city continued to be known as one of the favourite tourist destinations in Maharashtra for weekend retreats, water-sports, conventions, etc. In the hospitality space, the four hotels operating within the city with 253 rooms have reported competitive occupancies in the micro market. The 1,500 plenary capacity Lavasa International Convention Centre (LICC) hosted some grand conventions and conferences. On the retail front, a significant area has already been leased to various outlets mainly in the Food & Beverage segment. The Dasve Public School and Christ University are fully operational educational institutions in the city.

In view of Lavasa being referred to NCLT and consequential loss of control by HCC on Lavasa Management, accounts of Lavasa which were appearing in consolidated accounts of HCC have been de-consolidated with effect from April 01, 2018. This was inevitable in view of no access to Lavasa accounts available and no support provided by RP appointed under IBC in providing requisite details.

While shareholders' interests have been written off, HCC has exited the project with the hope that its pioneering efforts to grow lavasa into a thriving smart city will now find stewardship in the hands of a new owner, enabled by NCLT.

7. Subsidiaries and Associate Companies

During the year under review, Charosa Wineries ceased to be a subsidiary of company w.e.f. February 08, 2019.

The list of Subsidiaries and Associates of your Company as on March 31, 2019, forms part of Form No. MGT-9, Extract of the Annual Return, which is annexed at Annexure VI to the Board's Report.

The details as required under Rule 8 of the Companies (Accounts) Rules, 2014 regarding the performance and financial position of each of the Subsidiaries, Associates and Joint Ventures of the Company are provided in Form AOC-1, which form part of the Consolidated Financial Statements of the Company for the financial year ended March 31, 2019.

The Company has formulated a Policy for determining material subsidiaries, which is uploaded on the website of the Company i.e. www.hccindia.com and can be accessed at http://www.hccindia.com/pdf/Policy_for_determining_Material_Subsidiaries.pdf

8. Public Deposits

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

9. 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 ('Act') are given in the notes to the Financial Statements forming part of Annual Report.

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

10. Employee Stock Option Scheme (ESOP)

As on March 31, 2019, 3,00,000 stock options are outstanding, in aggregate, for exercise as per the exercise schedule and are exercisable at an exercise price of `31.15 per stock option. Each option, when exercised, as per the exercise schedule would entitle the holder to subscribe for one equity share of the Company of face value `1 each.

During the year under review, no options got vested in the employees of the Company and none were due for exercise. The particulars with regard to ESOP as on March 31, 2019, as required to be disclosed pursuant to the provisions of Companies (Share Capital and Debentures) Rules,2014 read with SEBI Listing Regulations, is set out at Annexure I to this Report.

11. Consolidated Financial Statements

In accordance with the Companies Act, 2013 and implementation requirements of Indian Accounting Standards ('IND-AS') on accounting and disclosure requirements, and as prescribed by SEBI Listing Regulations, the Audited Consolidated Financial Statements are provided in this Annual Report.

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

Pursuant to Section 136 of the Act, the Financial Statements of the subsidiaries are kept for inspection by the Members at the Registered Office of the Company. The said Financial Statements of the subsidiaries are also available on the website of the Company www.hccindia.com under the Investors Section.

12. Corporate Governance

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

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

13. Directors

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

Mr. Samuel Joseph was appointed as Nominee Director on the Board of Company w.e.f. March 26, 2019 in place of Ms. Harsha Bangari, erstwhile nominee director whose nomination was withdrawn by EXIM Bank w.e.f. February 06, 2019.

The Independent Directors of the Company viz., Mr. Ram P. Gandhi, Mr. Sharad M. Kulkarni and Mr. Anil C. Singhvi have furnished necessary 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 term of appointment of the Independent Directors of the Company viz., Mr. Rajas R. Doshi, Mr. Anil C. Singhvi and Dr. Omkar Goswami is uptil the ensuing Annual General Meeting of the Company.

Mr. Rajas R. Doshi and Dr. Omkar Goswami have expressed their desire not to seek re-appointment at the upcoming Annual General Meeting. Accordingly, they retire as Directors on conclusion of the upcoming Annual General Meeting.

Mr. Anil C. Singhvi, being eligible, has offered himself for re-appointment. Based on the performance evaluation carried out by the Board and after reviewing the declaration submitted by Mr. Anil C. Singhvi and pursuant to the recommendation of the Nomination & Remuneration Committee, the Board recommends re-appointment of Mr. Anil C. Singhvi as an Independent Director for a second term of 3 consecutive years i.e. from the conclusion of this 93rd Annual General Meeting of the Company upto the conclusion of the 96th Annual General Meeting of the Company to be held in the calendar year 2022.

Further, the Board of Directors on recommendation of the Nomination and Remuneration Committee appointed Mr. Santosh Janakiram and Mr. Mahendra Singh Mehta as an Additional Directors to hold office as an Independent Directors w.e.f. June 17, 2019 for a term of 3 consecutive years till the conclusion of the 96th Annual General Meeting of the Company to be held in the calendar year 2022. In terms of Section 161 of the Act, Mr. Santosh Janakiram and Mr. Mahendra Singh Mehta holds office up to the date of ensuing Annual General Meeting. The Company has received requisite notice in writing from members proposing Mr. Santosh Janakiram and Mr. Mahendra Singh Mehta for the office of Directors. Accordingly, the Board recommends the resolutions in relation to appointment of Mr. Santosh Janakiram and Mr. Mahendra Singh Mehta as Independent Directors, for the approval by the members of the Company.

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

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

14. Key Managerial Personnel

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

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

ii. Mr. Arjun Dhawan, Group Chief Executive Officer and Whole-time Director;

iii. Mr. Amit Uplenchwar, Chief Executive Officer- HCC E&C Division;

iv. Mr. Praveen Sood, Group Chief Financial Officer (upto December 31, 2018);

v. Mr. Shailesh Sawa, Chief Financial Officer w.e.f. February 07, 2019;

vi. Mr. Venkatesan Arunachalam, Company Secretary (upto November 06, 2018);

vii. Mr. Ajay Singh, Company Secretary w.e.f. February 07, 2019.

The Board had placed on record its appreciation for the services rendered by Mr. Praveen Sood and Mr. Venkatesan Arunachalam, during their respective tenure as KMP of the Company.

15. Board Committees

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

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

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

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

16. 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 financial year 2018-19. The meetings were held on May 03, 2018, August 08, 2018, September 05, 2018, October 08, 2018, November 01, 2018, February 07, 2019 and March 26, 2019.The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days.

17. Familiarization Program of Independent Directors

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

18. Independent Directors Meeting

During the year under review, the Independent Directors of the Company met on March 26, 2019, *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.

19. 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 (NRC) 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 fulfillment of key responsibilities, Establishment and delineation of responsibilities to various Committees, Effectiveness of Board Processes, information and functioning.

The Committees of the Board were assessed on the degree of fulfillment 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.

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

The Nomination and Remuneration Committee has laid down a well-defined criteria for selection of candidates for appointment as Directors, Key Managerial Personnel and Senior Management Personnel in the Nomination and Remuneration Policy recommended by them and approved by the Board of Directors in May 2014 and which was further amended on May 09, 2019 to bring in line with requirements of the SEBI (LODR) (Amendment) Regulations, 2018.

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

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

The Nomination and Remuneration Committee has laid down the policy for remuneration of Directors, Key Managerial Personnel and Senior Management Personnel in the Nomination and Remuneration Policy recommended by them and approved by the Board of Directors. The Policy *inter-alia* defines Key Managerial Personnel and Senior Management personnel of the Company and also prescribes the role of the Nomination and Remuneration Committee. The Policy lays down the criteria for identification, appointment and retirement of Directors and Senior Management. The Policy broadly lays down the framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management employees. The policy also provides for the criteria for determining qualifications, positive attributes and Independence of Director and lays down the framework on Board Diversity. The above Policy is available on the Company website and can be accessed by weblink http://www.hccindia.com/pdf/Nomination-and-Remuneration-Policy.pdf

22. CSR Policy

A brief outline of the Corporate Social Responsibility (CSR) Policy as recommended by the CSR Committee of the Directors and approved by the Board of Directors of the Company in May 2014 and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure II of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The said CSR policy is also available on the Company website and can be accessed by weblink http://www.hccindia.com/pdf/HCC_Corporate_Social_Responsibility_Policy.pdf

23. Related Party Transactions

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

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

There are no transactions to be reported in Form AOC-2 in terms of Section 134 of the Act read with Companies (Accounts) Rules, 2014. Further, 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, as amended on May 09, 2019 in line with the requirements of the SEBI (LODR) (Amendment) Regulations, 2018 has been uploaded on the website of the Company at http://www.hccindia.com/pdf/Policy-for-Related-Party-Transactions.pdf

24. Business Responsibility Statement

As per SEBI Listing Regulations, a Business Responsibility Report, prepared on a voluntary basis covering the performance of the Company on the nine principles as per National Voluntary Guidelines (NVGs) is attached to this Annual Report.

25. 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, 2019 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 Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

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

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

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

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

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

26. Industrial Relations

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

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

Pursuant to the applicable provisions of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to IEPF, after the completion of seven years. Further, according to the IEPF Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to IEPF. Accordingly during the year under review, the Company has transferred the unclaimed dividend for the financial year 2010-11 of `26,40,390/- to IEPF and 23,64,340 corresponding equity shares of face value `1/- for a total face value of `23,64,340/-, as per IEPF Rules to the IEPF account.

28. Particulars of Employees and other additional information

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

The information as per Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be provided upon request by any Member of the Company. In terms of Section 136 of the Act, the Annual Report including the Board's Report and the Audited Financial Statements are being sent to the Members excluding the same. Any Member interested in obtaining a copy of the same may write to the Company Secretary at the Registered Office of the Company. The said information is available for inspection by the Members at the Registered Office of the Company during working hours 21 days before the date of the 93rd Annual General Meeting.

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

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

30. Secretarial Standards

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

31. Statutory Auditors

The Members of the Company, had at the 88th Annual General Meeting ("AGM") held on June 20, 2014, approved the appointment of M/s Walker Chandiok & Co. LLP, Chartered Accountants, Mumbai, bearing ICAI Registration No. 001076N 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 thereafter.

Accordingly, the first term of appointment of M/s. Walker Chandiok & Co. LLP, Chartered Accountants, Mumbai ('Statutory Auditors'), expires at the conclusion of the 93rd Annual General Meeting.

Based on the performance review of the Statutory Auditors by the Audit Committee, the Board at its meeting held on May 9, 2019, has approved and recommended their re-appointment to the Members (including terms of remuneration) for a second term of 5 (Five) consecutive years.

As required under Section 139 of the Companies Act, 2013, the Company has obtained a written consent from the Auditors for their re-appointment and also a certificate from them to the effect that their re-appointment, if approved by the Members, would be in accordance with the conditions prescribed under the Companies Act, 2013 and the rules made thereunder.

The members are now requested to re-appoint M/s. Walker Chandiok & Co. LLP, Chartered Accountants, for a second term of 5 (five) years to hold the office for a second term of 5 (five) consecutive years, commencing from the conclusion of the ensuing AGM in the year 2019 uptil the conclusion of the 6th AGM to be held thereafter in the year 2024, on an overall remuneration of `2.55 crore plus taxes, for the financial year 2019-20.

32. Secretarial Audit

Secretarial Audit for the financial year 2018-19 was conducted by M/s. BNP & Associates, Company Secretaries in Practice in accordance with the provisions of Section 204 of the Act. The Secretarial Auditor's Report is attached to this Report at Annexure V.

33. Cost Audit

In compliance with the provisions of Section 148 of the Act, the Board of Directors of the Company at its meeting held on August 08, 2018 appointed M/s. Joshi Apte & Associates, Cost Accountants as Cost Auditors of the Company for the financial year 2018-19.

In terms of the provisions of Section 148 of the Act read with The Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors has to be ratified by the Members. Accordingly, necessary resolution is proposed at the ensuing AGM for ratification of the remuneration payable to the Cost Auditors for financial year 2018-19.

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.

34. Risk Management

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

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

Risk Review Committee was successful in early identification of financial risk related to borrowing structure & cash flow mismatch due to late realization of claims lodged with clients. These risk were materially mitigated during the last year by implementing financial restructuring scheme introduced by Reserve Bank of India known as 'Scheme for Sustainable Structuring of Stressed Assets (S4A)' with lenders successfully and issue of guidelines by Cabinet Committee of Economic Affairs (CCEA) for release of 75% of arbitration awards in favour of infrastructure companies, respectively. Company has been able to realize substantial monies under CCEA guidelines from its clients. Monies received have been used towards payments to lender thereby reducing lenders dues. There are however some difficulties in providing additional guarantees towards interest top-up year after year under CCEA guidelines.

During the year, Company has successfully infused `497.6 crore as additional capital, by way of Rights Issue to support the cash flow mismatch. Proceeds of Rights Issue were used to fund its working capital requirements and for general corporate purpose. The Company has also signed term sheet with Investors towards transfer of beneficial interest in certain pool of Arbitration Awards and Claims for a consideration of `1,750 crore to a third party, a Special Purpose Vehicle (SPV). Consideration so received will be used to pre-pay entire term loan and part of it Optionally Convertible Debentures (OCD's) to the extent of ₹1,250 crore and balance ₹500 crore will be used to fund its working capital requirements. This will substantially deleverage the company and recurring interest liability on term loan will extinguish permanently. These two long term initiatives were discussed & implemented by risk committee during the year apart from other initiatives towards improving of operational efficiencies.

Company in its Notes to Accounts have disclosed risk management objectives and policies for managing financial and reporting risk (Refer Note 40 to Accounts).

35. Internal Control Systems and their adequacy

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

36. 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.

37. Whistle Blower Policy/Vigil Mechanism Policy

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

38. Sexual Harassment

HCC has always believed in providing a conducive work environment devoid of discrimination and harassment including sexual harassment. HCC has a well formulated Policy on Prevention & Redress of Sexual Harassment. The objective of the policy is to prohibit, prevent and address issues of sexual harassment at the workplace. This policy has striven to prescribe a code of conduct for the employees and all employees have access to the Policy document and are required to strictly abide by it. The policy covers all employees, irrespective of their nature of employment and also applicable in respect of all allegations of sexual harassment made by an outsider against an employee. The Company has complied with the provision relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year 2018-19, no case of Sexual Harassment was reported.

39. Reporting of Frauds

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

40. 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.

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

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

42. Extract of Annual Return

The details forming part of the extract of Annual Return in prescribed Form MGT 9 is set out as Annexure VI and forms a part of this Report.

43. Green Initiatives

In line with the Green Initiatives, electronic copy of the Notice of 93rd Annual General Meeting of the Company are sent to all Members whose email addresses are registered with the Company/Depository Participant(s). For members who have not registered their e-mail addresses, physical copies are sent through the permitted mode.

44. Acknowledgement

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

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

For and on behalf of Board of Directors,

Ajit Gulabchand
Chairman & Managing Director

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

Place : Mumbai
Date : May 9, 2019

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, 2019:

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

Employee wise details of Outstanding Options as of March 31, 2019:

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

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

For and on behalf of Board of Directors,

Ajit Gulabchand
Chairman & Managing Director

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

Place : Mumbai
Date : May 9, 2019

ANNEXURE II TO THE BOARD'S REPORT

REPORTING ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

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

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

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

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

Composition of the CSR Committee

In accordance with Section 135 of the Companies Act, 2013, the Board of Directors of the Company at their meeting held on May 02, 2014, have approved the constitution of the CSR Committee which was reconstituted on August 08, 2018 and comprises four directors viz. Mr. Ajit Gulabchand (Chairman), Mr. Rajas R. Doshi, Mr. Ram P. Gandhi and Mr. N. R. Acharyulu.

Average net profit of the company for last 3 financial years

Year	Profit/Loss (`in crore) as computed under Section 198 of the Companies Act, 2013
FY 2015-16	(297.66)
FY 2016-17	105.21
FY 2017-18	92.61

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

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

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

Details of CSR spent during the financial year

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

b) Amount unspent, if any: Not Applicable

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

Amount in `

Sr. No.	CSR Project or activity Identified	Sector in which the project is covered	Projects or programs Local area or other Specify the state and District where projects or programs was undertaken	Amount Outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads. 1.Direct expenditure on projects or programs 2.Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency	
							Direct	Indirect
1	Cultural Activities for community	Social Welfare	J&K	NA	25,000	NA	25,000	-
2	Educational support for students	Education	Assam	NA	5,00,000	NA	5,00,000	-
3	Disaster relief at Kolkata Bridge collapse	Disaster relief	West Bengal	NA	75,413	NA	75,413	-
4	Disaster relief at CSMT-Mumbai Bridge collapse	Disaster relief	Maharashtra	NA	55,260	NA	55,260	-
	Total			**NA**	**6,55,673**	**NA**	**6,55,673**	**-**

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 : May 9, 2019

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	1:33
Mr. Arjun Dhawan	1:33
Ms. Shalaka Gulabchand Dhawan	1:16

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

Key Managerial Personnel:

Mr. Ajit Gulabchand	(3%)
Mr. Arjun Dhawan	(3%)
Ms. Shalaka Gulabchand Dhawan	10%

Key Managerial Personnel:

Mr. Amit Uplenchwar, CEO – E&C	0%
Mr. Praveen Sood-Group CFO (upto December 31, 2018)	-
Mr. Shailesh Sawa, CFO (From February 7, 2019)	0%
Mr. Venkatesan Arunachalam (upto November 6, 2018)	-
Mr. Ajay Pratap Singh, Company Secretary (From February 7, 2019)	0%

iii. The percentage increase in the median remuneration of employees in the financial year – 7% approx.

iv. The number of permanent employees on rolls of the company: 1540 employees as on March 31, 2019.

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

Average Salary Increase for KMPs (other than CMD and WTD):	0%
Average Salary Increase for non KMPs:	7%

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 : May 9, 2019

ANNEXURE IV TO THE BOARD'S REPORT

INFORMATION AS PER SECTION 134 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014 FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019.

A. Conservation of Energy

1. The Company is continuing with energy saving measures initiated earlier like usage of Load Sharing System in D.G. plants, APFC (Automatic Power Factor Controller) panels, FCMA (Flux Compensated Magnetic Amplifier) Starter for Main Crusher Motors, Variable Frequency Drive (VFD) Starting System for Ventilation Fans & EOT/ Gantry Cranes and Use of Energy Efficient Motors in Gantry Cranes.
2. With Specific focus on reducing carbon foot print by reducing cement content, making Portland cement concrete as sustainable choice by replacing part of cement with Industrial by product (Fly ash / GGBS). This helps as to produce more durable structures with less carbon foot print and conserves energy.

B. Technology Absorption

Efforts made in technology absorption.

1. Construction Research and Development (CR&D)

CR&D is being carried out with the objectives of continual efficiency enhancement, reductions in material costs, process development, improving speed, enhancement of construction quality and sustainability. These efforts are undertaken through interdisciplinary engineering within the organization and in technical collaboration with vendors, consultants, research organizations and academia sharing similar interests.

Some of the CR&D efforts are listed below:

i. **Optimizing concrete ingredients** with specific focus on reducing cement content, reducing carbon footprint and making Portland cement concrete a sustainable choice. This is partly achieved using less energy intensive chemical additives, enhanced use of alternate cementing materials (like fly ash, slag, micro silica, ultra-fine slag etc.) and optimal quality assurance planning.

ii. **Controlled quarrying and crushing** of aggregates for construction with an objective of reducing wastage and environmental impact.

iii. Through the use of the **philosophy of materials integrated design**, maximization of locally available construction materials is achieved.

iv. **Development of alternate equivalent**, less expensive construction materials from industrial wastes in close coordination with specialized vendors.

v. **Speedier Construction technologies** as roller compacted concrete (RCC) for the construction of dams.

vi. **Alternate feasible structural designs** (ex. alternate pavement design) with objectives such as improvement in the specifications, enhanced design life, reduced use of natural construction materials and improved sustainability.

vii. Construction methods such as pumping of concrete through 2.4 km for **productivity enhancement**.

2. Technology Absorption and Adaptation

a) Efforts made towards technology absorption and adaptations during the last seven years are:

1. **Roller Compacted Concrete (RCC) Material and Construction Technology for Dam Construction**, 2012 – 2015, Technology absorbed. This construction material and technology were used for completing the dam construction at the Teesta Low Dam Project (TLDP-IV).
2. **Long-Distance Pumping of Self-Compacting Concrete**, 2012 – 2015, Technology adapted. Concrete pumping at Sainj hydel project in Himachal Pradesh for the lining of its headrace tunnel was accomplished using pumping of self-compacting concrete through 2.432 km. incidentally this also lead to creation of World record in pumping concrete through such long distance.
3. **TBM Tunneling In Himalayan Geology**, 2010 – 2014, Technology adapted. For the first time, a double-shielded Tunnel Boring Machine (TBM) was used successfully to bore the headrace tunnel in the challenging Himalayan geology at the Kishangagnga HEP. A record boring of 816 meter/ month was achieved at peak.
4. **Incremental Launching of 125 M Double Decker Steel Bridge 125 M Span**, 2014 – 2018, Technology being absorbed. HCC with its consortium partner from Germany was used the method for incremental (continuous) launching of ten spans of 125 meter each, road cum railway double-decker steel bridge over river Bramhaputra. This steel bridge is also unique for using welded connections.
5. **Composite Pavement Construction**, 2013 ~ ongoing, Technology being adapted. HCC is making use of various pavement design methods, construction machineries and alternate materials to reduce the construction time and construction materials and increase the life of the construction pavements. Demonstration stretches have been constructed at NH34 and, while designs are being developed for the Indo-Nepal border and Numaligarh-Jorhat road projects.

6. **Use of 3D Analysis for Optimized Design**, 2014 ~ ongoing, Technology being adapted. Optimized design of the powerhouse complex for the Tehri Pumped Storage Project is being done by using FLAC-3D Software in close coordination of experts from France and Canada is used in optimizing the rock supports.

7. **Dam Construction Using Concrete Faced Rock fill Dam (CFRD)**, 2013 – 2018, Technology being adapted. A CFRD dam was being constructed at the Kishanganga HEP with expertise from Greece. Constructing CFRD at such height i.e. at elevation of close to 2400 m and working at sub-zero temperature conditions makes it more challenging.

8. **Continuous forming shutter for tunnel lining**, 2013 ~ ongoing, Technology absorbed. Continuous forming shutter for tunnel lining is now being increasingly used. (VPHEP, TVHEP & Tehri PSP)

9. **Alternative pavement designs & erosion protection at various highway projects**, 2013 ~ ongoing,

   a. Various cementitious, non-cementitious and polymeric soil stabilizers for improving soil properties were experimented.

   b. Alternative pavement designs using different soil stabilization strategies were implemented at various sections of NH 4 road project, Indo Nepal border road project, Numaligarh Jorhat road project.

   c. The technology of using coir mattresses is successfully adapted abrasion protection of embankment and alternative design options for road pavements are under implementation.

10. **Top down construction method**, 2013 – 2018, At Assam road project top down Construction method is used.

11. **Simultaneous retrieval of twin tube TBM**, 2013 – 2018, For the first in India, twin tube TBMs were retrieved at the Delhi Metro Rail Corporation Project (DMRC) CC 34

    Based on these efforts, over 13 technical papers were published/ presented in various forums including international and national research journals, periodicals, conferences and magazines.

b) Benefits derived as a result of the above efforts:

i. Faster progress implying earlier completion of projects

ii. Efficiency improvements

iii. Enhancement of quality

iv. Enhanced life of built-structures

v. Improved sustainability in the way of reduced carbon footprint

c) Innovation:

Through directed efforts in innovation our company has focused on following ideas,

i. Cost reduction through value Engineering & Optimization

ii. Innovating and adapting new concepts for construction

Apart from the above, the following measures are taken,

i. Pre-bid association with renowned consultants in their specialized field of expertise. This is done with the objective of proposing value engineered proposals and enhances competitiveness at the bidding stage and also to bring cost effectiveness.

ii. Innovating and adapting new concepts for construction

iii. Formation of Expert panel (MEP) that provides timely and accurate engineering inputs to various challenging problems in the upcoming and ongoing projects.

C. Foreign Exchange earnings and outgo:

(a) Total Foreign Exchange used and Earned:

Earnings in Foreign Currency	₹146.86 crore
Expenditure in Foreign Currency	₹54.31 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 : May 9, 2019

ANNEXURE V TO THE BOARD'S REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31, 2019
[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule no. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
Hindustan Construction Company Limited
Hincon House,
Lal Bahadur Shashtri 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 Limited** (hereinafter called 'the Company') for the year ended on 31st March, 2019 (the 'audit period'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit; we hereby report that in our opinion, the Company has, during the audit period complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

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

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

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

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings and Overseas Direct Investment

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

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

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

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

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

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

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

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

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India related to meetings and minutes.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following observation:- NIL

During the period under review, provisions of the following regulations were not applicable to the Company:

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

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

We further report that –

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and where the same were given at shorter notice than seven days prior consent thereof were obtained and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors of the Company and at Committees were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the year under review.

We further report that –

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

We further report that –

A. During the audit period, the Company has allotted the following securities: 49,75,65,318 equity shares of face value `1 each at an issue price of `10 (including premium of `9 per share) for an aggregate amount of `497,56,53,180/-, on Rights Basis, consisting of `447,80,87,862/- towards Share Premium and `49,75,65,318/- towards Share Capital.

B. There has been a change in the Terms of Issue of 1,46,71,590 Optionally Convertible Debentures (OCD's) of face value `1000/- each, aggregating to `1467,15,90,000/- allotted by the Company, in aggregate, across three tranches viz.. on January 16, 2017, January 19, 2017 and July 17, 2017, having an option to convert into equity shares of the company within period of 18 months from the date of allotment, and consequent to the change, the holders of OCDs have the option to convert the same into equity within a period of Ten years from the respective date of allotment.

   During the year 4,18,940 number of OCDs were redeemed and OCDs outstanding as on March 31, 2019 are 1,42,52,650.

C. Authorized Share Capital of the Company of `135,00,00,000 (Rupees One Hundred Thirty Five Crore only) divided into 125,00,00,000 (One Hundred Twenty Five Crore) Equity Shares of `1/- each and 1,00,00,000 (One Crore) Redeemable Preference Shares of `10/- each be and is hereby increased to `210,00,00,000 (Rupees Two Hundred Ten Crore only) divided into 200,00,00,000 (Two Hundred Crore Only) Equity Shares of `1/- each and 1,00,00,000 (One crore) Redeemable Preference Shares of `10/-

For BNP & Associates
Company Secretaries

Avinash Bagul
Partner
FCS 5578 CP No 19862
Peer review number : 544/2017
(Firm Reg. No. : P2014MH0374000)

Place : Mumbai
Date : May 9, 2019

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

Annexure A

To,
The Members,
Hindustan Construction Company Limited

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

1. The compliance of provisions of all laws, rules, regulations, standards applicable to Hindustan Construction Company Limited (the 'Company) is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.

2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.

3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records were produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.

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

5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.

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

For BNP & Associates
Company Secretaries

Avinash Bagul
Partner
FCS 5578 CP No 19862
Peer review number : 544/2017
(Firm Reg. No. : P2014MH0374000)

Place : Mumbai
Date : May 9, 2019

ANNEXURE VI TO THE BOARD'S REPORT

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

For the financial year ended on March 31, 2019
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

Sr. No.	Name of the Company	Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held by the Company / Subsidiary/ Associate Company	Applicable Section
9	HRL Township Developers Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U45201MH2006PLC163478	Wholly Owned Subsidiary	100.00	2 (87) (ii)
10	HRL (Thane) Real Estate Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U45201MH2006PLC163515	Wholly Owned Subsidiary	100.00	2 (87) (ii)
11	Nashik Township Developers Ltd	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U45200MH2007PLC167416	Wholly Owned Subsidiary	100.00	2 (87) (ii)
12	Maan Township Developers Ltd	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U45200MH2007PLC167462	Wholly Owned Subsidiary	100.00	2 (87) (ii)
13	Powai Real Estate Developer Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U70102MH2009PLC189760	Wholly Owned Subsidiary	100.00	2 (87) (ii)
14	HCC Realty Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U70102MH2010PLC200209	Wholly Owned Subsidiary	100.00	2 (87) (ii)
15	HCC Aviation Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U63033MH2008PLC182384	Wholly Owned Subsidiary	100.00	2 (87) (ii)
16	Steiner AG	Hagenholzstrasse 56, CH-8050 Zürich, Switzerland	Not Applicable	Wholly Owned Subsidiary	100.00	2 (87) (ii)
17	Steiner Promotions et Participations SA	Route de Lully 5, 1131 Tolochenaz, Switzerland	Not Applicable	Wholly Owned Subsidiary	100.00	2 (87) (ii)
18	Steiner (Deutschland) GmbH	Einsteinstrasse 7, D-33104 Paderborn, Germany	Not Applicable	Wholly Owned Subsidiary	100.00	2 (87) (ii)
19	Manufakt8048 AG	Hagenholzstrasse 56, CH-8050 Zürich, Switzerland	Not Applicable	Wholly Owned Subsidiary	100.00	2 (87) (ii)
20	VM + ST AG	Hagenholzstrasse 56, CH-8050 Zürich, Switzerland	Not Applicable	Wholly Owned Subsidiary	100.00	2 (87) (ii)
21	Steiner Leman SAS	Site d'Archamps- Athéna 1, 74160 Archamps, France	Not Applicable	Wholly Owned Subsidiary	100.00	2 (87) (ii)
22	Eurohotel SA	Rue de Lyon 87, 1203 Genève, Switzerland	Not Applicable	Subsidiary	95.00	2 (87) (ii)
23	Steiner India Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U45203MH2011FLC221029	Wholly Owned Subsidiary	100.00	2 (87) (ii)
24	Dhule Palesner Operations & Maintenance Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U93000MH2011PLC217639	Wholly Owned Subsidiary	100.00	2 (87) (ii)
25	HCC Power Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U40300MH2011PLC218286	Wholly Owned Subsidiary	100.00	2 (87) (ii)
26	HCC Concessions Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U45202MH2008PLC178890	Subsidiary	85.45	2 (87) (ii)
27	HCC Operations & Maintenance Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U93030MH2012PLC237676	Wholly Owned Subsidiary	100.00	2 (87) (ii)
28	Narmada Bridge Tollway Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U45400MH2012PLC232354	Subsidiary	85.45	2 (87) (ii)
29	Badarpur Faridabad Tollway Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U45203MH2008PLC184750	Subsidiary	85.45	2 (87) (ii)
30	Baharampore-Farakka Highways Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U45200MH2010PLC200748	Subsidiary	85.45	2 (87) (ii)
31	Farakka–Raiganj Highways Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U45400MH2010PLC200733	Subsidiary	85.45	2 (87) (ii)
32	Raiganj–Dalkhola Highways Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U45400MH2010PLC200734	Subsidiary	86.91	2 (87) (ii)

Sr. No.	Name of the Company	Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held by the Company / Subsidiary/ Associate Company	Applicable Section
33	HCC Energy Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U40300MH2015PLC267394	Wholly Owned Subsidiary	100.00	2 (87) (ii)
34	**Lavasa Corporation Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U55101MH2000PLC187834	Subsidiary	68.70	2 (87) (ii)
35	Lavasa Hotel Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U55100MH2007PLC173728	Wholly Owned Subsidiary	100.00	2 (87) (ii)
36	Lakeshore Watersports Company Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U92400MH2008PLC185314	Wholly Owned Subsidiary	100.00	2 (87) (ii)
37	**Dasve Convention Center Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U70101MH2008PLC185945	Wholly Owned Subsidiary	100.00	2 (87) (ii)
38	Dasve Business Hotel Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U55101MH2008PLC185939	Wholly Owned Subsidiary	100.00	2 (87) (ii)
39	Dasve Hospitality Institutes Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U55100MH2008PLC186901	Wholly Owned Subsidiary	100.00	2 (87) (ii)
40	Lakeview Clubs Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U55101MH2008PLC186900	Wholly Owned Subsidiary	100.00	2 (87) (ii)
41	Dasve Retail Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U51109MH2008PLC187367	Wholly Owned Subsidiary	100.00	2 (87) (ii)
42	Full Spectrum Adventure Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U74990MH2008PLC188519	Subsidiary	90.91	2 (87) (ii)
43	Spotless Laundry Services Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U74990MH2009PLC189732	Subsidiary	76.02	2 (87) (ii)
44	Lavasa Bamboocrafts Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U74990MH2009PLC190551	Wholly Owned Subsidiary	100.00	2 (87) (ii)
45	Green Hills Residences Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U55101MH2009PLC192224	Wholly Owned Subsidiary	100.00	2 (87) (ii)
46	My City Technology Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U72900MH2009PLC194613	Subsidiary	63.00	2 (87) (ii)
47	Reasonable Housing Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U70102MH2009PLC195985	Wholly Owned Subsidiary	100.00	2 (87) (ii)
48	Future City Multiservices SEZ Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U45400MH2009PLC197467	Wholly Owned Subsidiary	100.00	2 (87) (ii)
49	Verzon Hospitality Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U55204MH2010PLC198686	Wholly Owned Subsidiary	100.00	2 (87) (ii)
50	Rhapsody Commercial Space Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U74930MH2010PLC198921	Wholly Owned Subsidiary	100.00	2 (87) (ii)
51	Valley View Entertainment Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U74990MH2010PLC199136	Wholly Owned Subsidiary	100.00	2 (87) (ii)
52	Whistling Thrush Facilities Services Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U74900MH2010PLC199381	Subsidiary	51.00	2 (87) (ii)
53	Warasgaon Tourism Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U63040MH2010PLC200459	Wholly Owned Subsidiary	100.00	2 (87) (ii)
54	Our Home Service Apartments Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U74900MH2010PLC200692	Wholly Owned Subsidiary	100.00	2 (87) (ii)
55	Warasgaon Power Supply Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U40101MH2010PLC200845	Wholly Owned Subsidiary	100.00	2 (87) (ii)
56	Sahyadri City Management Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U74900MH2010PLC200834	Wholly Owned Subsidiary	100.00	2 (87) (ii)
57	Hill City Service Apartments Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U45400MH2010PLC201322	Wholly Owned Subsidiary	100.00	2 (87) (ii)

Sr. No.	Name of the Company	Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held by the Company / Subsidiary/ Associate Company	Applicable Section
58	Kart Racers Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U74900MH2010PLC201574	Subsidiary	90.00	2 (87) (ii)
59	Warasgaon Infrastructure Providers Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U45200MH2010PLC201647	Wholly Owned Subsidiary	100.00	2 (87) (ii)
60	Nature Lovers Retail Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U74990MH2010PLC202616	Wholly Owned Subsidiary	100.00	2 (87) (ii)
61	Warasgaon Valley Hotels Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U55101MH2010PLC210104	Wholly Owned Subsidiary	100.00	2 (87) (ii)
62	Rosebay Hotels Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U55101MH2010PLC210289	Wholly Owned Subsidiary	100.00	2 (87) (ii)
63	Mugaon Luxury Hotels Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U55101MH2010PLC210390	Wholly Owned Subsidiary	100.00	2 (87) (ii)
64	**Warasgaon Assets Maintenance Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U74990MH2011PLC219078	Wholly Owned Subsidiary	100.00	2 (87) (ii)
65	Warasgaon Lakeview Hotels Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U55100MH2007PLC173733	Associate Company	24.56	2 (6)
66	Hill View Parking Services Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U74120MH2011PLC219079	Wholly Owned Subsidiary	100.00	2 (87) (ii)
67	Ecomotel Hotel Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U55101MH2008PLC185873	Associate Company	40.04	2 (6)
68	Highbar Technocrat Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U55204MH2010PLC210078	Associate Company	49.00	2 (87) (ii)
69	Andromeda Hotels Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U55101MH2010PLC199240	Associate Company	40.03	2 (6)
70	Knowledge Vistas Limited	401 & 402, 4th Floor, Kaatyayni Busines Park, OFF:Mahakali Caves Road, MIDC,Andheri, Kurla Road, Mumbai- 400093	U80301MH2009PLC190552	Associate Company	49.00	2 (6)
71	Bona Sera Hotels Limited	640-B, Khorshed Villa, Khareghat Road, Parsi Colony, Dadar, Mumbai – 400 014	U55101MH2008PLC185253	Associate Company	26.00	2 (6)
72	Evostate AG	Hagenholzstrasse 56, 8050 Zürich, Switzerland	Not Applicable	Associate Company	30.00	2 (6)
73	Projektentwicklungsges Parking Kunstmuseum AG	Kunstmuseum Basel AG, c/o Peter Andreas Zahn, St. Jakobs-Strasse 7, 4052 Basel, Switzerland	Not Applicable	Associate Company	38.64	2 (6)
74	MCR Managing Corp. Real Estate AG	Route de Lully 5, 1131,Tolochenaz, Switzerland	Not Applicable	Associate Company	30.00	2 (6)
75	Apollo Lavasa Health Corporation Limited	Plot No. 13, Parsik Hill Road, Off. Uran Road, Sector 23, CBD Belapur, Navi Mumbai 400614	U85100MH2007PLC176736	Associate Company	49.00	2(6)
76	Starlit Resort Limited	Hincon House, LBS Marg, Vikhroli (W) Mumbai- 400 083	U55204MH2010PLC210107	Associate Company	26.00	2(6)
77	Evostate Immobilien AG	Hagenholzstrasse 56 8050 Zürich	Not Applicable	Associate Company	30.00	2 (6)

** 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 against Lavasa Corporation Limited (LCL), Warasgaon Assets Maintenance Limited (WAML) and Dasve Convention Center Limited (DCCL), respectively and initiated the Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code 2016 (IBC).

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

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

i) Category-wise Share Holding

Category of Members	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individual/HUF	2,127,294	0	2,127,294	0.21	2,378,694	0	2,378,694	0.16	-0.05
b) Central Govt.or State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporates	278,887,786	0	278,887,786	27.46	525,078,403	0	525,078,403	34.70	7.24
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL:(A) (1)	**281,015,080**	**0**	**281,015,080**	**27.67**	**527,457,097**	**0**	**527,457,097**	**34.86**	**7.19**
2. Foreign									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (A) (2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**281,015,080**	**0**	**281,015,080**	**27.67**	**527,457,097**	**0**	**527,457,097**	**34.86**	**7.19**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds/UTI	108,509,269	6,500	108,515,769	10.69	117,857,277	2000	117,859,277	7.79	-2.90
b) Banks/FI	237,902,626	2,500	237,905,126	23.43	226,249,098	2500	226,251,598	14.95	-8.47
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	8,382,144	0	8,382,144	0.83	8,382,144	0	8,382,144	0.55	-0.27
g) FIIS//FPIs-Corp	74,308,828	64,500	74,373,328	7.32	194,087,575	31000	194,118,575	12.83	5.51
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (B)(1):	**429,102,867**	**73,500**	**429,176,367**	**42.26**	**546,576,094**	**35500**	**546,611,594**	**36.13**	**-6.14**
2. Non Institutions									
a) Bodies corporates									
i. Indian	34,033,986	73,000	34,106,986	3.36	38,089,065	26000	38,115,065	2.52	-0.84
ii. Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i. Individual Members holding nominal share capital upto ` 1 lakh	200,416,325	6,292,163	206,708,488	20.36	254,062,113	4,463,501	258,525,614	17.09	-3.27

Category of Members	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii. Individuals Members holding nominal share capital in excess of ` 1 lakh	22,329,929	168,000	22,497,929	2.22	67,765,076	168,000	6,793,3076	4.49	2.27
c) Others (specify)									
i. Clearing Members	20,982,513	0	20,982,513	2.07	29,372,280	0	29,372,280	1.94	-0.13
ii. LLP	338,566	0	338,566	0.03	7,067,325	0	7,067,325	0.47	0.43
iii. Ind- HUF	10,193,787	3,000	10,196,787	1.00	18,539,283	0	18,539,283	1.23	0.22
iv. Investor Education and Protection Fund	1,030,389	0	1,030,389	0.10	3,394,729	0	3,394,729	0.22	0.12
v. Trust	11,280	0	11,280	0.00	16,780	0	16,780	0.00	0.00
vi. NRI- Individuals	9,396,681	1,860	9,398,541	0.93	15,994,401	1,000	15,995,401	1.06	0.13
SUB TOTAL (B)(2):	**298,733,456**	**6,538,023**	**305,271,479**	**30.06**	**434,301,052**	**4,658,501**	**438,959,553**	**29.01**	**-1.05**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**727,836,323**	**6,611,523**	**734,447,846**	**72.33**	**980,877,146**	**46,94,001**	**985,571,147**	**65.14**	**-7.19**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**1,008,851,403**	**6,611,523**	**1,015,462,926**	**100.00**	**1,508,334,243**	**4694001**	**1,513,028,244**	**100.00**	**0.00**

ii) Shareholding of Promoters:

Sr. No.	Member's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Arya Capital Management Pvt Ltd	65,000	0.01	0	246,255,617	16.28	100.00	16.27
2	Hincon Holdings Ltd	216,023,600	21.27	100.00	216,023,600	14.28	100.00	-7.00
3	Hincon Finance Limited	62,261,186	6.13	38.38	62,261,186	4.12	38.38	-2.02
4	Ajit Gulabchand	2,117,294	0.21	0	2,117,294	0.14	0	-0.07
5	Shalaka Investment Pvt Ltd	538,000	0.05	0	538,000	0.04	0	-0.02
6	Anjani Ashwin Parekh	251,400	0.02	0	251,400	0.02	0	-0.01
7	Shalaka Gulabchand Dhawan	10,000	0.00	0	10,000	0.00	0	0.00
Total		**281,266,480**	**27.70**	**85.38**	**527,457,097**	**34.86**	**92.17**	**7.16**

iii) Change in Promoters' Shareholding:

Sr No.	Name	Shareholding		Date	Increase / (Decrease)	Reason	Cumulative Shareholding during the year (1st April, 2018 to 31st March, 2019)	
		No. of shares at the beginning (1st April, 2018) / end of the year (31st March, 2019)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Arya Capital Management Pvt Ltd	65,000	0.01	01-Apr-18			65,000	0.01
				22-Nov-2018	1,035,000	Market Purchase	1,100,000	0.07
				31-Dec-2018	218,888,139	Rights Issue	219,988,139	14.54
				04-Jan-2019	18,450,937	Market Purchase	238,439,076	15.76
				15-Feb-2019	3,062,462	Market Purchase	241,501,538	15.96
				22-Feb-2019	4,393,756	Market Purchase	245,895,294	16.25
				01-Mar-2019	360,323	Market Purchase	246,255,617	16.28
		246,255,617	16.28	31-Mar-2019			246,255,617	16.28

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

Sr. No.	Name of the Member	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Asia Opportunities Limited	0	0.00	123,875,000	8.19
2	HDFC Trustee Company Limited	69,732,622	6.87	88,992,219	5.88
3	State Bank Of India	29,500,105	2.91	29,500,105	1.95
4	Principal Trustee Company Pvt Ltd	3,138,905	0.31	28,865,058	1.91
5	IDBI Bank Ltd.	25,434,620	2.50	25,434,620	1.68
6	Export- Import Bank Of India	24,251,091	2.39	24,251,091	1.60
7	Punjab National Bank	21,955,252	2.16	21,955,252	1.45
8	Canara Bank-Mumbai	19,648,966	1.93	19,605,966	1.30
9	Axis Bank Limited	16,366,572	1.61	16,462,617	1.09
10	Government Pension Fund Global	0	0.00	15,144,009	1.00
11	ICICI Ltd	14,751,859	1.45	15,074,340	1.00

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Directors / Key Managerial Personnel	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
Directors					
1	Mr. Ajit Gulabchand	2,117,294	0.21	2,117,294	0.14
2	Mr. Rajas R. Doshi	32,000	0.00	132,000	0.01
3	Mr. Ram P. Gandhi	48,000	0.00	48,000	0.00
4	Mr. Sharad M. Kulkarni	20,000	0.00	20,000	0.00
5	Mr. Anil C. Singhvi	0	0.00	1,000,000	0.07
6	Ms. Harsha Bangari (upto 06.02.2019)	0	0.00	0	0.00
7	Dr. Omkar Goswami	0	0.00	0	0.00
8	Mr. Arjun Dhawan	0	0.00	0	0.00
9	Ms. Shalaka Gulabchand Dhawan	10,000	0.00	10,000	0.00
10	Mr. N. R. Acharyulu	0	0.00	4,100	0.00
Key Managerial Personnel					
1	Mr. Amit Uplenchwar	0	0.00	0	0.00
2	Mr. Shailesh Sawa (from 07.02.2019)	0	0.00	0	0.00
3	Mr. Ajay Singh (from 07.02.2019)	0	0.00	0	0.00
4	Mr. Praveen Sood (upto 31.12.2018)	1,000	0.00	1,000	0.00
5	Mr. Venkatesan Arunachalam (upto 06.11.2018)	0	0.00	0	0.00

V. INDEBTEDNESS (IND-AS)

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

` crore

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,723.68	1.72	-	3,725.40
ii) Interest due but not paid	6.17	-	-	6.17
iii) Interest accrued but not due	287.01	-	-	287.01
Total (i+ii+iii)	**4,016.86**	**1.72**	**-**	**4,018.58**
Change in Indebtedness during the financial year				
• Addition	400.21	-	-	400.21
• Reduction	596.09	0.80	-	596.89
Net Change	(195.88)	(0.80)	-	(196.68)
Indebtedness at the end of the financial year				
i) Principal Amount	3,298.80	0.92	-	3,299.72
ii) Interest due but not paid	8.60	-	-	8.60
iii) Interest accrued but not due*	513.58	-	-	513.58
Total (i+ii+iii)	**3,820.98**	**0.92**	**-**	**3,821.90**

* Interest of `146.35 crore on group companies liabilities excluded

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Amount (in `)

Sr. No.	Particulars of Remuneration	Mr. Ajit Gulabchand	Mr. Arjun Dhawan	Ms. Shalaka Gulabchand Dhawan	Total Amount
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,85,60,000	3,27,75,000	1,48,95,584	7,62,30,584
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	42,78,600	39,600	10,97,350	54,15,550
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961				
2	Stock Option (Nos)	-	-	-	-
3	Sweat Equity				
4	Commission				
	- as % of profit				
	- others, specify				
5	Others, please specify (Contribution to Provident Fund and other Funds)	49,50,936*	47,90,850*	15,03,485*	1,12,45,271
	Total	**3,77,89,536**	**3,76,05,450**	**1,74,96,419**	**9,28,91,405**
	Ceiling as per the Act	The remuneration paid is within the ceiling as per the Act			

* Retirals not forming a part of the remuneration, as prescribed by the Act.

B) Remuneration to other Directors

Amount (in `)

Sr. No.	Particulars of Remuneration	Rajas R Doshi	Ram P Gandhi	Sharad M Kulkarni	Anil Singhvi	Harsha Bangari	Dr. Omkar Goswami	N. R. Acharyulu	Samuel Joseph	Total Amount
1.	Independent Directors									
	• Fee for attending board / committee meetings	21,00,000	12,00,000	10,00,000	31,00,000	-	8,00,000	-	-	82,00,000
	• Commission	-	-	-	-	-				-
	• Others	-	-	-	-	-				
	Total (1)	**21,00,000**	**12,00,000**	**10,00,000**	**31,00,000**	**-**	**8,00,000**	**-**	**-**	**82,00,000**
2.	Other Non-Executive Directors									
	• Fee for attending board / committee meetings	-	-	-	-	7,00,000	-	11,00,000	1,00,000	19,00,000
	• Commission	-	-	-	-	-	-			-
	• Others	-	-	-	-	-	-			-
	Total (2)	**-**	**-**	**-**	**-**	**7,00,000**	**-**	**11,00,000**	**1,00,000**	**19,00,000**
	Total (B)=(1+2)	**21,00,000**	**12,00,000**	**10,00,000**	**31,00,000**	**7,00,000**	**8,00,000**	**11,00,000**	**1,00,000**	**1,01,00,000**
	Total Managerial Remuneration									@9,28,91,405

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

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

Amount (in `)

Sr. no.	Particulars of Remuneration	Key Managerial Personnel				
		Amit Uplenchawar (01/04/2018 to 31/03/2019)	Praveen Sood (01/04/2018 to 31/12/2018)	Shailesh Sawa (07/2/2019 to 31/03/2019)	Arunachalam Venkatesan (01/04/2018 to 06/11/2018)	Ajay Pratap Singh (07/02/2019 to 31/03/2019)
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,14,18,745	2,84,67,291	1,41,65,995	45,06,534	24,37,700
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	28,800	21,600	10,800	12,960	4,645
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-	-
2	Stock Option (Nos.)	3,00,000	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify	-	-	-	-	-
	Others, please specify Provident Fund & other Funds	11,70,000	-	4,74,474	2,46,697	1,12,397
	Total	**3,29,17,545**	**2,84,88,891**	**1,46,51,269**	**47,66,190**	**25,54,742**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY- NIL					
Penalty					
Punishment					
Compounding					
B. DIRECTORS- NIL					
Penalty					
Punishment			NONE		
Compounding					
C. OTHER OFFICERS IN DEFAULT – NIL					
Penalty					
Punishment					
Compounding					

DIVIDEND DISTRIBUTION POLICY

The equity shares of Hindustan Construction Company Limited (the 'Company') are listed on Bombay Stock Exchange Ltd. (BSE), Mumbai and National Stock Exchange of India Ltd (NSE). As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('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 final dividend, to the Members for their approval in the general meeting of the Company.

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

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

The Board is authorised to change/amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Companies Act, 2013, SEBI Listing Regulations etc.

In the event of any conflict between the provisions of these policies and the Companies Act, 2013/SEBI Listing Regulations or any other statutory enactments, rules, the provisions of Companies Act, 2013/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.

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, Lal Bahadur Shastri Marg, Vikhroli (W), Mumbai 400 083, India	
Website	www.hccindia.com	
E-mail id	secretarial@hccindia.com	
Financial Year Reported	2018-2019	
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/ :	HCC executes projects across various states in the country and at Bhutan & Bangladesh (outside India)	

SECTION B: FINANCIAL DETAILS OF THE COMPANY

	Disclosures	Information / Reference sections
1	Paid up Capital	`1,51,30,28,244
2	Total Turnover (INR):	`4,341.00 crore
3	Total profit after taxes (INR):	`(1,961.75) crore
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. However the Company has voluntarily spent INR 6,55,673/- towards CSR activities.
	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:	a. Education, b. Disaster Relief and c. Social Welfare

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
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 Directors/ Directors responsible for BR

No.	Particulars	Details
a.	Details of the Director/Director responsible for implementation of the BR policy/policies	
1	DIN Number	00011094
2	Name	Ms. Shalaka Gulabchand Dhawan
3	Designation	Whole-time Director
b.	Details of the BR head	
1	DIN Number (if applicable)	Not Applicable
2	Name	Mr. Aditya Jain
3	Designation	Group EVP – Human Resources
4	Telephone number	+91 22 2575 1000 / 1721
5	e-mail id	aditya.jain@hccindia.com

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

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

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

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

3. Government Related to BR

a	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months/ 3-6 months/ Annually/ More than 1 year	Annually.
b	Does the Company publish a BR or a Sustainability Report?	Yes. The sustainability Report as per GRI standards.
	What is the hyperlink for viewing this report?	http://www.hccindia.com/four_pillars.php?page=corporate_stewardship&id=11
	How frequently it is published?	Annually.

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

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

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

1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	i. Engineering Designs ii. Integrated Management System
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?	**Steps taken during Engineering Design:** **Raw Material Optimum use** A. **Cut to length Plates at Bogibeel Project site:** Tailor made plates of required size are procured in order to reduce the wastage in cutting the plate. B. **Plates from Essar for Sawarakuddu:** The supplier made to work on process tightening to manufacture the plates to achieve tolerances tighter that the one specified by the IS standards. C. **Coupler Use for Savings:** At DMRC 30 and 66, BARC, IGCAR, Reinforcement Couplers used to avoid overlapping of Bars. D. **Cut and Bend Rebars:** At Mumbai Metro 3 to avoid material wastage. **Energy Conservation:** A. Usage of Load Sharing System in D.G. sets. B. APFC (Automatic Power Factor Controller) panels. C. FCMA (Flux Compensated Magnetic Amplifier) Starter for Main Crusher Motors. D. Variable Frequency Drive (VFD) Starting System for Ventilation Fans & EOT/ Gantry Cranes. E. Use of Energy Efficient Motors in Gantry Cranes. **Steps taken under IMS:** **Energy Conservation:** Use of LED fixtures at all the new projects is compulsory as per IMS procedure.
		Water Conservation: At every project site, IMS procedure for 4R (Reduce Reuse Recycle, Recharge) is followed. Sedimentation tanks are provided at each batching plant where the supernatant water is reused for dust suppression. Desalination plant and waste water treatment plants are also provided wherever appropriate.
	ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Not Applicable. HCC is not in business of manufacturing goods or consumable products. Hence savings during the usage by the consumer/ end user is not applicable.

3	Does the company have procedures in place for sustainable sourcing (including transportation)?	Yes.
	i. If yes, what percentage of your inputs was sourced sustainably?	Approximately 75%
4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	Yes. Apart from 75% of major raw materials, remaining items like Aggregates, Sand, etc are procured locally. Also the general stores material required for workmen and officers camps is procured locally which impacts the local market in positive way.
	If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	At the project sites, steps are undertaken to award small / petty contracts to locals pertaining to job work, equipment (including vehicle) supply, supplies, manpower etc., thereby building the capacity / capability at the local level.
5	Does the company have a mechanism to recycle products and waste?	Yes. Recycling the product is not applicable as consumable goods and the associated packaging material is not applicable. Hazardous Waste is recycled or disposed as per Statutory provisions. Used oil being disposed through authorized recycler & Batteries are being sent back to supplier under buy back option only. Scrap and general recyclable materials are disposed through authorized vendors for recycling. Reusing of the Product or packaging material is not applicable for HCC.
	If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).	**Material** / **Qty disposed in FY 2017-18** Steel: 5000 Metric Ton Oil: 18.4 KL Cement Bags: 280000 nos MS Drums (used): 217 nos

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

1	Please indicate the Total number of employees	1441 Officers
2	Please indicate the Total number of employees hired on temporary/contractual/casual basis	22 Officers
3	Please indicate the Number of permanent women employees	53 Officers
4	Please indicate the Number of permanent employees with disabilities	2 Officers
5	Do you have an employee association that is recognized by management.	Yes, for workmen
6	What percentage of your permanent employees is members of this recognized employee association?	100% of the permanent workmen
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	Nil

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

8	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	
	Permanent Employees	36% (Officers)
	Permanent Women Employees	21%(Officers)
	Casual/Temporary/Contractual Employees	37%(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. If yes, please give hyperlink for webpage etc. (Sustainability Report's link)	Yes. Initiatives undertaken are: 1. Member of UN Global Compact (UNGC), 2. Signatory to CEO Water Mandate 3. Signatory to WEF's CEO climate Leaders 4. Signatory to 'Caring for Climate'
3	Does the company identify and assess potential environmental risks?	Yes, under EMS, Aspect Impact Register is maintained at all the projects that covers the Risks.
4	Does the company have any project related to Clean Development Mechanism? If Yes, whether any environmental compliance report is filed?	No
5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. If yes, please give hyperlink for web page etc.	Yes. With specific focus on reducing carbon foot print by reducing cement content, making Portland cement concrete as sustainable choice by replacing part of cement with Industrial by-product (Fly ash / GGBS). This helps as to produce more durable structures with less carbon foot print and conserves energy.
6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes, is complied with the stipulated norms
7	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	1. Amresh Singh Vs. UOI & ORS (HCC as Resp.No.6), OA No. 295/2016, before 'National Green Tribunal', Delhi. Fine of INR 1 Cr imposed on HCC. 2. Review application RA 29/2019 on above order is pending. 3. Gulam Nabi Vs. UOI & ORS (HCC as Resp.No.7), OA No. 346 /2018, before 'National Green Tribunal', Delhi. Dismissed/Withdrawn with permission to file fresh application.

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, CII National Council 2. Member, CII Associations Council 3. Member of Steering Board, Future of Construction, WEF 4. Member of UK India Business Council (UKIBC) Advisory Council Member, CII Task Force on Ease of Doing Business 2018-19 5. Member, CII National Committee Meeting on Infrastructure & Smart Cities 2018-19 6. Member of Governor's Steering Board of the Infrastructure and Urban Development (IU) Community at the World Economic Forum (WEF)
2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? If Yes, specify the broad areas:	Yes 1. 20-22 April: World Economic Forum, Community of Chairmen, Annual Retreat 2018 2. 7-8 June : Swiss Economic Forum 2018, Interlaken 3. 21-25 Jan: World Economic Forum Annual Meeting 2019, Davos

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

1	Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof.	Yes. HCC has a well crafted CSR policy in tune with Section 135/Schedule VII of Companies Act, 2013. On the basis of needs of the community around the Projects, either observed or on the basis of requests, the initiatives for the benefit of society are chosen and implemented.
2	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?	In house team and external agencies.
3	Have you done any impact assessment of your initiative?	No
4	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	CSR expenditure not applicable however HCC indulged in Sports support, Disaster Relief, and education during FY 2018-19.
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

Opinion

1. We have audited the accompanying standalone financial statements of Hindustan Construction Company Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

4. We draw attention to Note 27.1 to the standalone financial statements, regarding excess managerial remuneration accrued/paid to the Chairman and Managing Director (CMD) aggregating ` 17.40 crore for the financial years ended 31 March 2015 and 31 March 2016, in excess of the limits prescribed under the provisions of the erstwhile Companies Act, 1956 and the Act, for which Company had filed applications seeking approval of the Central Government, as required by the relevant provisions of the Act and rules thereunder. Further, as discussed in the aforementioned note, pursuant to the notification of the effective date of Section 67 of the Companies (Amendment) Act, 2017 amending Section 197, 'Overall maximum managerial remuneration and managerial remuneration in case of absence or inadequacy of profits', of the Act, the aforesaid applications pending with the Central Government stand abated and the Company is in the process of seeking requisite approvals required in accordance with the provisions of section 197 of the Act. Our audit opinion is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, 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.

6. 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
Assessment of impairment of investment in subsidiary (Refer note 34 of the standalone financial statements)	
The Company, as at 31 March 2019, has non-current investment of ` 1,559.28 crores in HCC Infrastructure Company Limited ('HICL'), its wholly owned subsidiary. HICL has an investment of 85.45% in HCC Concessions Limited ('HCL') which has further interests in several Build, Operate and Transfer (BOT) Special Purpose Vehicle's ('SPV'). The consolidated net worth of HICL as at 31 March 2019 has substantially eroded. Given the losses incurred by HCL, the management was required to assess its investment for impairment.	Our audit procedures included, but were not limited to, the following: • Obtained an understanding of the management process for identification of possible impairment indicators and process followed by the management for impairment testing. • Discussed extensively with management regarding impairment indicators and evaluated the design and testing operating effectiveness of controls; • Assessed the methodology used by the management to estimate the recoverability of investment and ensured that it is consistent with applicable accounting standards;

Key audit matter	How our audit addressed the key audit matter
As at 31 March 2019, management has obtained valuation of HICL from an independent valuer and relied upon legal opinion for certain receivables which are disputed by its customers. This involves significant judgement with respect to estimating future cashflows of the BOT SPVs, determining key assumptions, including the growth in traffic projections, operating costs, long-term growth rates and discount rates applied. Judgement is also required to assess the ultimate outcome of on-going dispute resolution proceedings with customers. Due to the significance of the carrying amounts of the investment and the significant management judgement involved in carrying out the impairment assessment, this was considered to be a key audit matter of the standalone financial statements. **Emphasis of Matter** Considering this matter is fundamental to the understanding of the user of standalone financial statement, we draw attention to Note 34 of the financial statement, regarding the Company's non-current investment in a subsidiary company, HCC Infrastructure Limited.	• Evaluated 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 Group and the industry; • Tested mathematical accuracy of the projections and applied independent sensitivity analysis to the key assumptions mentioned above to determine and focus on inputs leading to high estimation uncertainty of the cash flow projections; • Evaluated the legal opinion obtained by management from independent legal counsel, with respect to receivables disputed by customers; • Involved auditor's experts to assist in evaluating the assumptions and appropriateness of the valuation methodology used by the management; • 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. • Assessed that the disclosures made by the management are in accordance with applicable accounting standards.
Uncertainties relating to recoverability of unbilled work-in-progress (other current assets), non-current trade receivables and current trade receivables (Refer note 35 of the standalone financial statements)	
The Company, as at 31 March 2019, has unbilled work-in-progress (other current assets), non-current trade receivables and current trade receivables amounting to ` 416.49 crore, ` 54.14 crore and ` 320.94 crore, respectively, which represent various claims raised in the earlier years in respect of projects substantially closed or suspended and where the claims are currently under negotiations/ discussions/ arbitration/litigation. Management, based on contractual tenability of the claims, progress of the discussions and relying on the legal opinion obtained from independent legal counsel, has determined that no provision is required to be recognised for these receivables. Considering the materiality of the amounts involved, uncertainty associated with the outcome of the negotiations/ discussions/ arbitration/ litigation and significant management judgement involved in its assessment of recoverability, this was considered to be a key audit matter in the audit of the standalone financial statements. **Emphasis of Matter** Considering this matter is fundamental to the understanding of the user of financial statement, we draw attention to Note 35 of the standalone financial 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 for assessing the recoverability of unbilled work-in-progress (other current assets), non-current trade receivables and current trade receivables • Discussed extensively with management regarding steps taken for recovering the amounts and evaluated the design and testing operating effectiveness of controls; • Assessed the reasonability of judgements exercised and estimates made by management in recognition of these receivables and validating them with corroborating evidence; • Verified contractual arrangements to support management's position on the tenability and recoverability of these receivables. • Obtained 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. • Reviewed the legal opinion obtained by management from independent legal counsel with respect to certain contentious matters. • 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
Investment in/advances to Lavasa Corporation Limited ('LCL') and HCC Real Estate Limited (HREL) written off pursuant to initiation of Corporate Insolvency Resolution Process against LCL (Refer note 31.1 of the standalone financial statements)	
The Hon'ble National Company Law Tribunal, Mumbai (the 'NCLT) vide order dated 30 August 2018, admitted an application for insolvency filed by an operational creditor against LCL and initiated Corporate Insolvency Resolution Process ('CIRP') under the Insolvency and Bankruptcy Code, 2016 ('IBC'). HREL, a wholly owned subsidiary of the Company, is presently holding 68.70% equity stake in LCL. In view of significant uncertainties associated with the outcome of CIRP, the Company has fully impaired its investment in LCL and HREL aggregating ` 630.83 crore and also written off its non-current loans and non-current financial assets from LCL and HREL aggregating ` 634.36 crore. Further, the Company has also taken over liabilities aggregating ` 745.94 crore pursuant to settlement agreements entered into by the Company with certain lenders of LCL in connection with the put options/corporate guarantees issued by the Company for borrowings of LCL.  The overall resultant loss of ` 2,011.13 crores has been disclosed as an exceptional item in the standalone financial statements Considering the significance of the amount and the complexities involved, this was considered as a key audit matter of the standalone financial statements.	Our audit procedures included, but were not limited to, the following: • Evaluated the impact of the NCLT order on financial statements of the Company including assessing the Company's control over LCL to determine the accounting implications thereof. • Obtained and evaluated the impact of the settlement agreements entered with lenders of LCL who exercised the put options/invoked corporate guarantee issued by the Company. • Obtained an understanding of the management's rationale for recognizing impairment loss/writing off the aggregate exposure relating to LCL. • Assessed that the disclosures made by the management are in accordance with applicable accounting standards.
Recognition of contract revenue, margin and contract costs (Refer note 2.1(xix) of the standalone financial statements)	
The Company's revenue primarily arise from construction contracts which, by its nature, is complex given the significant judgements involved in the assessment of current and future contractual performance obligations. Effective 1 April 2018, the Company has adopted Ind AS 115 Revenue from Contracts with Customers using the cumulative catch-up transition method. Accordingly, the Company recognizes revenue and margins based on the stage of completion which is determined on the basis of the proportion of value of goods or services transferred as at the Balance Sheet date, relative to the value of goods or services promised under the contract. All the projects of the Company satisfy the criteria for recognition of revenue over time (using the percentage of completion method) since the control of the overall asset (property/ site / project) lies with the customer who directs the Company. Further, the Company has assessed that its does not have any alternate use of these assets. The recognition of contract revenue, contract costs and the resultant profit/loss therefore rely on the estimates in relation to forecast contract revenue and the total cost. These contract estimates are reviewed by the management on a periodic basis. In doing so, the management is required to exercise judgement in its assessment of the valuation of contract variations and claims and liquidated damages as well as the completeness and accuracy of forecast costs to	Our audit of the recognition of contract revenue, margin and related receivables and liabilities included, but were not limited to, the following: • Evaluated the appropriateness of the Company's revenue recognition policies; • Assessed the design and implementation of key controls over the recognition of contract revenue and margins, and tested the operating effectiveness of these controls. • For a sample of contracts, tested the appropriateness of amount recognized by evaluating key management judgements inherent in the forecasted contract revenue and costs to complete that drive the accounting under the percentage of completion method, including: - reviewed the contract terms and conditions; - evaluated the identification of performance obligation of the contract - evaluated the appropriateness of management's assessment that performance obligation was satisfied over time and consequent recognition of revenue using percentage of completion method. - tested the existence and valuation of claims and variations within contract costs via inspection of correspondence with customers;

Key audit matter	How our audit addressed the key audit matter
complete and the ability to deliver contracts within contractually determined timelines. The final contract values can potentially be impacted on account of various factors and are expected to result in varied outcomes. Changes in these judgements, and the related estimates as contracts progress can result in material adjustments to revenue and margins. As a result of the above judgments, complexities involved and material impact on the related financial statement elements, this area has been considered a key audit matter in the audit of the standalone financial statements.	- reviewed legal and contracting experts' reports received on contentious matters; - obtained an understanding of the assumptions applied in determining the forecasted revenue and cost to complete; - assessed the ability of the Company to deliver contracts within budgeted timelines and exposures, if any, to liquidated damages for late delivery; and • Assessed that the disclosures made by the management are in accordance with applicable accounting standards.

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

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

9. 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

11. 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.

12. 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 explaining our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

13. 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.

14. 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.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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 Matter

16. We did not audit the financial statements / financial information of eight (8) joint operations included in the standalone financial statements of the Company whose financial statements / financial information reflect total assets and net liabilities of ` 70.17 crore and ` 66.08 crore, respectively as at 31 March 2019 and total revenues and net cash inflows of ` 23.25 crore and ` 4.19 crore, respectively for the year ended on that date, as considered in the standalone financial statements. This financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the management.

    Further, of these joint operations, financial statement/ 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 Institute of Chartered Accountants of India. 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 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, is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

17. As required by section 197 (16) of the Act, we report that the Company has 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.

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

19. Further to our comments in Annexure I, as required by section 143(3) of the Act, we report that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

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

    d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

    e) 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 2019 from being appointed as a director in terms of section 164(2) of the Act;

f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as at 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 9 May 2019 as per Annexure II expressed an unmodified opinion; and

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

   i. the Company, as detailed in notes 6.1, 33 A(i) to (iii), 33 A(vi) and 35 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2019;

   ii. the Company, as detailed in note 19.1 to the standalone financial statements, has made provision as at 31 March 2019, 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 2019; and

   iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are 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

Place: Mumbai
Date: May 9, 2019

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT

Annexure I to the Independent Auditor's Report of even date to the members of Hindustan Construction Company Limited, on the standalone financial statements for the year ended 31 March 2019

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

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

(b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three (3) year, 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 fixed assets 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 eight (8) companies covered in the register maintained under Section 189 of the Act; and with respect to the same:

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

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

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

(iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act, to the extent applicable, in respect of loans, investments, guarantees and security.

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

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have not been regularly deposited to the appropriate authorities and there have been significant delays in a large number of cases. 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, excise duty and goods and service tax 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 and value added tax on account of disputes, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (` in Crore)	Amount Paid Under Protest (` in Crore)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	15.54	15.54	A.Y. 2008-2009 to 2010-2011	Income Tax Appellate Tribunal
		2.47	2.47	AY 2015-16	Commissioner of Income Tax (Appeals)
The Sales Tax Act	Sales Tax/ Value Added Tax/ Entry Tax	8.71	-	A.Y. 1997-98 to A.Y. 2000-01 and A.Y. 2012-13	High Court
		74.34	0.49	A.Y.1996-97 to A.Y. 2000-01, A.Y. 2003-04, A.Y. 2005-06, A.Y. 2006-07, A.Y. 2010-11 and A.Y. 2013-14 to AY 2015-16	Tribunal
		98.42	4.42	A.Y 2004-05 to A.Y 2014-15	Commissioner level up to Appellate Authority
The Finance Act, 1994	Service tax including interest and penalty, as applicable	314.34	-	January 2006 to March 2015	Taxation Tribunal
		59.1	1.73	April 2011 to March 2013 and April 2015 to March 2016	Commissioner level up to Appellate Authority

(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 during the year, which were paid on or before the Balance Sheet date.

(` in crore)

Particulars	Days	Principal	Interest	Total
Debenture holders				
Axis Bank	0-30	2.67	2.82	5.49
	31-90	8.00	1.42	9.42
Banks				
Axis Bank	0-30	5.05	6.54	11.59
	31-90	14.01	3.06	17.07
Bank of Maharashtra	0-30	0.10	0.13	0.23
	31-90	-	0.04	0.04
Canara Bank	0-30	8.60	6.58	15.18
	31-90	25.81	9.13	34.94
Central Bank of India	0-30	-	1.51	1.51
	31-90	1.11	0.18	1.29
Development Bank of Singapore	0-30	-	0.41	0.41
	31-90	-	0.77	0.77
Federal Bank	0-30	-	0.30	0.30
	31-90	0.04	0.18	0.22
IDBI Bank	0-30	0.75	3.40	4.15
	31-90	12.89	5.13	18.02
Indian Overseas Bank	0-30	2.12	2.03	4.15
	31-90	4.24	1.11	5.35
Punjab National Bank	0-30	1.01	0.86	1.87
	31-90	1.01	0.65	1.66
Standard Chartered Bank	0-30	-	1.87	1.87
	31-90	-	1.58	1.58
State Bank of Baroda	0-30	-	0.11	0.11
State Bank of Hyderabad	0-30	-	1.14	1.14
	31-90	-	0.60	0.60
State Bank of Maharashtra	0-30	-	0.77	0.77
	31-90	-	0.24	0.24
State Bank of Mysore	0-30	-	2.09	2.09
	31-90	-	1.64	1.64
State Bank of Travancore	0-30	-	0.27	0.27
	31-90	-	0.22	0.22
Syndicate Bank	0-30	4.63	5.94	10.57
	31-90	12.93	1.17	14.10

(` in crore)

Particulars	Days	Principal	Interest	Total
Union Bank of India	0-30	-	0.50	0.50
	31-90	1.08	0.35	1.43
United Bank of India	0-30	3.00	7.67	10.67
	31-90	13.32	3.58	16.90
Financial Institutions				
Export Import Bank of India	0-30	-	12.19	12.19
	31-90	23.55	5.87	29.42
National Bank of Agriculture and Development	0-30	3.22	0.32	3.54
	31-90	1.05	0.10	1.15
Industrial Finance Corporation of India	0-30	0.5	2.89	3.39
	31-90	10.56	4.80	15.36
Life Insurance Corporation	181-365	-	0.06	0.06
SREI Equipment Finance Limited	0-30	-	0.50	0.50
	31-90	2.54	0.97	3.51
	91-180	-	1.40	1.40

The Company has defaulted in repayment of following dues to the financial institutions, banks and debenture holders during the year, which were not paid as at the Balance Sheet date.

(` in crore)

Particulars	Days	Principal	Interest	Total
Debenture holders				
Life Insurance Corporation	31-90	2.09	1.24	3.33
	91-180	2.09	0.89	2.98
	181-365	4.19	2.88	7.07
Banks				
Axis Bank	0-30	0.38	-	0.38
Central Bank of India	31-90	-	0.06	0.06
Syndicate Bank	0-30	0.32	-	0.32
United Bank of India	0-30	0.39	-	0.39
Financial Institutions				
Industrial Finance Corporation of India	0-30	0.25	-	0.25
Life Insurance Corporation	31-90	0.16	0.19	0.35
	91-180	0.27	0.13	0.40
	181-365	-	0.31	0.31
SREI Equipment Finance Limited	0-30	0.18	-	0.18
	31-90	2.73	1.51	4.24
	91-180	2.54	0.99	3.53
	181-365	0.36	0.40	0.76

(ix) In our opinion, the Company has applied moneys raised by way of rights issue for the purposes for which these were raised. The Company did not raise money by way of term loans/initial public offer (including debt instrument).

(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) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

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

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

Place: Mumbai
Date: May 9, 2019

ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the standalone financial statements of Hindustan Construction Company Limited ("the Company") as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting of the Company as at that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting, 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 audit opinion on the Company's internal financial controls over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial controls over financial reporting 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 over financial reporting 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 over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting as at 31 March 2019, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI and the Company's internal financial controls over financial reporting were operating effectively as at 31 March 2019.

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

Rakesh R. Agarwal
Partner
Membership No.: 109632

Place: Mumbai
Date: May 9, 2019

STANDALONE BALANCE SHEET AS AT MARCH 31, 2019

` crore

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	418.00	597.60
Capital work-in-progress	3	169.06	160.38
Intangible assets	4	0.09	0.34
Investments in subsidiaries	5	1,606.64	679.30
Financial assets			
Investments	5A	17.65	24.12
Trade receivables	6	642.49	1,375.13
Loans	7	170.44	1,965.62
Other financial assets	8	58.01	260.89
Income tax assets (net)	9	179.51	79.38
Deferred tax assets (net)	9	595.61	-
Other non-current assets	10	107.64	127.75
Total non-current assets		**3,965.14**	**5,270.51**
Current assets			
Inventories	11	197.16	179.33
Financial assets			
Investments	12	3.00	77.72
Trade receivables	6	3,482.76	2,397.79
Cash and cash equivalents	13	132.97	122.03
Other bank balances	14	91.43	75.41
Loans	7	23.89	18.67
Other financial assets	8	58.42	2,751.36
Other current assets	10	2,217.07	212.34
		6,206.70	**5,834.65**
Assets classified as held for sale	15	55.89	-
Total current assets		**6,262.59**	**5,834.65**
TOTAL ASSETS		**10,227.73**	**11,105.16**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	151.31	101.55
Other equity		1,141.69	2,673.39
Total equity		**1,293.00**	**2,774.94**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17	1,841.94	2,283.41
Other financial liabilities	18	987.63	12.05
Provisions	19	39.46	41.32
Deferred tax liabilities (net)	9	-	37.48
Total non-current liabilities		**2,869.03**	**2,374.26**
Current liabilities			
Financial liabilities			
Borrowings	20	1,079.98	1,027.72
Trade payables	21		
- Total outstanding dues of Micro Enterprises and Small Enterprises		16.59	5.15
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		1,791.86	1,804.99
Other financial liabilities	18	975.71	1,108.21
Other current liabilities	22	2,181.45	1,978.78
Provisions	19	20.11	31.11
Total current liabilities		**6,065.70**	**5,955.96**
TOTAL EQUITY AND LIABILITIES		**10,227.73**	**11,105.16**

Notes 1 to 44 form an integral part of the standalone financial statements

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

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

Rakesh R. Agarwal
Partner
Membership No.: 109632

Shailesh Sawa
Chief Financial Officer

Ajay Singh
Company Secretary
ACS 5253

Place : Mumbai
Dated : May 9, 2019

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*
Shalaka Gulabchand Dhawan	DIN: 00011094	*Whole-Time Director*
Rajas R. Doshi	DIN: 00050594	
Ram P. Gandhi	DIN: 00050625	
Sharad M. Kulkarni	DIN: 00003640	
Anil C. Singhvi	DIN: 00239589	*Directors*
Samuel Joseph	DIN: 02262530	
Omkar Goswami	DIN: 00004258	
N. R. Acharyulu	DIN: 02010249	

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

` crore

Particulars	Note No.	**Year ended March 31, 2019**	Year ended March 31, 2018
Income			
Revenue from operations	23	4,341.00	4,575.08
Other income	24	118.13	251.00
Total income		**4,459.13**	**4,826.08**
Expenses			
Cost of construction materials consumed	25	816.59	1,072.66
Subcontracting expenses	-	2,133.77	1,901.25
Construction expenses	26	342.88	407.55
Employee benefits expense	27	393.68	437.97
Finance costs	28	698.91	659.97
Depreciation and amortisation expense	29	144.53	122.94
Other expenses	30	120.69	111.77
Total expenses		**4,651.05**	**4,714.11**
Profit / (Loss) before exceptional items and tax		(191.92)	111.97
Exceptional items	31	(2,400.30)	-
Profit / (Loss) before tax		**(2,592.22)**	**111.97**
Tax expense	9		
Current tax		1.00	20.14
Deferred tax		(631.47)	14.30
		(630.47)	**34.44**
Profit / (Loss) for the year (A)		**(1,961.75)**	**77.53**
Other comprehensive income (OCI)			
(a) Items not to be reclassified subsequently to profit or loss			
- Gain / (Loss) on fair value of defined benefit plans as per actuarial valuation		(4.63)	3.57
- Tax effect on above		1.62	-
- Loss on fair value of equity instruments		(6.47)	(15.21)
- Tax effect on above		-	-
(b) Items to be reclassified subsequently to profit or loss		-	-
Other comprehensive income / (loss) for the year, net of tax (B)		**(9.48)**	**(11.64)**
Total comprehensive income / (loss) for the year, net of tax (A+B)		**(1,971.23)**	**65.89**
Earnings per equity share of nominal value ` 1 each			
Basic and diluted (in `)	32	(17.13)	0.73

Notes 1 to 44 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
Dated : May 9, 2019

Shailesh Sawa
Chief Financial Officer

Ajay Singh
Company Secretary
ACS 5253

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*
Shalaka Gulabchand Dhawan	DIN: 00011094	*Whole-Time Director*
Rajas R. Doshi	DIN: 00050594	*Directors*
Ram P. Gandhi	DIN: 00050625	
Sharad M. Kulkarni	DIN: 00003640	
Anil C. Singhvi	DIN: 00239589	
Samuel Joseph	DIN: 02262530	
Omkar Goswami	DIN: 00004258	
N. R. Acharyulu	DIN: 02010249	

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

` crore

Particulars		Year ended March 31, 2019	Year ended March 31, 2018
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net profit / (loss) before tax	(2,592.22)	111.97
	Adjustments for		
	Depreciation and amortisation expense	144.53	122.94
	Finance costs	698.91	659.97
	Interest income	(87.72)	(247.47)
	Loss provision for doubtful advances / receivables	8.48	-
	Investments in/and advances to subsidiaries written off	2,011.13	-
	Loss provision towards arbitration awards and claims	331.40	-
	Impairment loss of asset held for sale	71.85	-
	Gain on settlement of debt	(14.08)	-
	Dividend income	(0.03)	(0.03)
	Profit on sale of investments (net)	-	(0.03)
	Unrealised foreign exchange loss (net)	3.65	10.44
	(Profit) / Loss on sale of property, plant and equipment (net)	(5.13)	0.57
	Excess provision no longer required written back	(8.80)	(1.72)
		3,154.19	**544.67**
	Operating profit before working capital changes	561.97	656.64
	Adjustments for changes in working capital:		
	Increase in trade receivables	(352.33)	(257.28)
	Decrease in current / non-current financial and other assets	374.96	646.73
	(Increase) / Decrease in inventories	(17.83)	53.98
	Increase / (Decrease) trade payables and other financial/other liabilites	(128.26)	446.59
	Increase in provisions	(12.86)	(98.94)
	Increase / (Decrease) in advance from contractees	246.69	(57.03)
		110.37	**734.05**
	Cash generated from operations	672.34	1,390.69
	Direct taxes paid (net of refunds received)	(101.13)	(73.06)
	Net cash generated from operating activities	**571.21**	**1,317.63**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment [Refer note (ii) below]	(127.37)	(12.80)
	Proceeds from sale of property, plant and equipment	13.09	11.29
	Proceeds from sale of long-term investments	-	0.03
	Advance received against sale of current investments	2.00	-
	Inter corporate deposits given	(118.95)	(21.14)
	Recovery of Inter corporate deposits	0.39	7.10
	Net proceeds from / (investments in) bank deposits (having original maturity of more than three months)	(16.59)	(35.85)
	Interest received	3.06	1.60
	Dividend received	0.03	0.03
	Net cash used in investing activities	**(244.34)**	**(49.74)**

` crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares (net of issue expenses)	490.54	19.80
Repayments of long-term borrowings	(463.86)	(550.43)
Proceeds from / (repayments of) short-term borrowings (net)	53.06	(120.88)
Inter-corporate deposits (repaid) / taken	(0.80)	0.02
Interest and other finance charges	(395.34)	(571.92)
Dividend paid	(0.25)	(0.16)
Net cash used in financing activities	**(316.65)**	**(1,223.57)**
Net increase in cash and cash equivalents (A+B+C)	**10.22**	**44.32**
Cash and cash equivalents at the beginning of the year	122.03	77.64
Unrealised foreign exchange loss	0.72	0.07
Cash and cash equivalents at the end of the year (Refer note 13)	**132.97**	**122.03**

Note:-

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

(ii) Additions to property, plant and equipment include movements of capital work-in-progress, capital advances and capital creditors respectively during the year.

(iii) Cash flow statement exclude the folllowing significant non-cash items:

- Inter-corporate deposits (including interest accrued thereon) aggregating ` 1,555.05 crore to HCC Infrastructure Company Limited converted into deemed investment
- Non-current investment in/and Inter-corporate deposists to HRL Township Developers Limited and Maan Township Developers Limited aggregating ` 19.22 crore and ` 0.51 crore, respectively, have been acquired by conversion of existing Inter-corporate deposits given to HCC Real Estate Limited.
- Liabilities of Lavasa Corporation Limited aggregating ` 745.94 crore assumed by the Company (Refer note 31.1)
- Investments in Baharampore Farakka Highways Limited and Farakka Raiganj Highways Limited have been sold for which consideration was received in earlier years. (Refer note 12.3)

Notes 1 to 44 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

Shailesh Sawa
Chief Financial Officer

Ajay Singh
Company Secretary
ACS 5253

Place : Mumbai
Dated : May 9, 2019

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*
Shalaka Gulabchand Dhawan	DIN: 00011094	*Whole-Time Director*
Rajas R. Doshi	DIN: 00050594	
Ram P. Gandhi	DIN: 00050625	
Sharad M. Kulkarni	DIN: 00003640	
Anil C. Singhvi	DIN: 00239589	*Directors*
Samuel Joseph	DIN: 02262530	
Omkar Goswami	DIN: 00004258	
N. R. Acharyulu	DIN: 02010249	

STANDALONE STATEMENT OF CHANGES IN EQUITY AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

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 2017	1,01,07,03,635	101.07	13,225	0.01	1,01,07,16,860	101.08
Issue of equity shares [Refer note 16(g)]	47,59,291	0.47	-	-	47,59,291	0.47
As at 31 March 2018	**1,01,54,62,926**	**101.54**	**13,225**	**0.01**	**1,01,54,76,151**	**101.55**
Issue of equity shares [Refer note 16(h)]	49,75,65,318	49.76	-	-	49,75,65,318	49.76
As at 31 March 2019	**1,51,30,28,244**	**151.30**	**13,225**	**0.01**	**1,51,30,41,469**	**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 reserve	Debenture redemption reserve	Capital contribution from subsidiary	Foreign currency monetary translation reserve	General reserve	Retained earnings		
As at 1 April 2017	**15.19**	**0.02**	**2,108.65**	**54.99**	**29.54**	**1.37**	**174.38**	**197.80**	**6.96**	**2,588.90**
Adjustments	-	-	-	-	(29.54)	-	-	29.54	-	-
Profit for the year	-	-	-	-	-	-	-	77.53	-	77.53
Other comprehensive income / (loss) for the year	-	-	-	-	-	-	-	3.57	(15.21)	(11.64)
Issue of share capital [Refer note 16(g)]	-	-	19.33	-	-	-	-	-	-	19.33
Restatement of foreign currency monetary translation items	-	-	-	-	-	(0.09)	-	-	-	(0.09)
Amortization of foreign currency monetary translation items	-	-	-	-	-	(0.64)	-	-	-	(0.64)
As at 31 March 2018	**15.19**	**0.02**	**2,127.98**	**54.99**	**-**	**0.64**	**174.38**	**308.44**	**(8.25)**	**2,673.39**
Loss for the year	-	-	-	-	-	-	-	(1,961.75)	-	(1,961.75)
Other comprehensive loss for the year	-	-	-	-	-	-	-	(3.01)	(6.47)	(9.48)
Issue of share capital (net of share issue expenses) [Refer note 16(h)]	-	-	440.78	-	-	-	-	-	-	440.78
Restatement of foreign currency monetary translation items	-	-	-	-	-	6.24	-	-	-	6.24
Amortization of foreign currency monetary translation items	-	-	-	-	-	(7.49)	-	-	-	(7.49)
As at 31 March 2019	**15.19**	**0.02**	**2,568.76**	**54.99**	**-**	**(0.61)**	**174.38**	**(1,656.32)**	**(14.72)**	**1,141.69**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

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 reserve

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 (the 'Act').

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 account

Exchange difference arising on translation of the long term monetary asset 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 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.

Notes 1 to 44 form an integral part of the standalone financial statements
This is the statement of changes in equity referred to in our audit report of even date

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

Rakesh R. Agarwal
Partner
Membership No.: 109632

Shailesh Sawa
Chief Financial Officer

Ajay Singh
Company Secretary
ACS 5253

Place : Mumbai
Dated : May 9, 2019

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*
Shalaka Gulabchand Dhawan	DIN: 00011094	*Whole-Time Director*
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Sharad M. Kulkarni	DIN: 00003640	
Anil C. Singhvi	DIN: 00239589	*Directors*
Samuel Joseph	DIN: 02262530	
Omkar Goswami	DIN: 00004258	
N. R. Acharyulu	DIN: 02010249	

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 2019 were authorised for issue in accordance with resolution of the Board of Directors on 9 May 2019.

NOTE 2.1 SIGNIFICANT ACCOUNTING POLICIES

i Basis of Preparation

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

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

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest crores (INR 0,000,000), except when otherwise indicated. Amount presented as "0.00*" are non zero numbers rounded off in crore.

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

ii Operating cycle for current and non-current classification:

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

iii Accounting Estimates

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

iv Key accounting estimates and assumptions

The key 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 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. Contract estimates

The Company, being a part of construction industry, prepares budgets in respect of each project to compute project profitability. The two major components of contract estimate are 'claims arising during construction period' (described below) and 'budgeted costs to complete the contract'. While estimating these components various assumptions are considered by the management such as (i) Work will be executed in the manner expected so that the project is completed timely (ii) consumption norms will remain same (iii) Assets will operate at the same level of productivity as determined (iv) Wastage will not exceed the normal % as determined etc. (v) Estimates for contingencies (vi) There will be no change in design and the geological factors will be same as communicated and (vii) price escalations etc. Due to such complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

b. Recoverability of claims

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

c. 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.

d. Deferred tax assets

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

e. 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.

f. 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 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.

vi 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.

vii 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.

viii 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.

ix 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.

x 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.

xi Investments in subsidiaries, joint ventures and associates

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

xii Financial Instruments

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

a Financial Assets

i) Initial Recognition

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

ii) Subsequent Measurement

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

- **Financial Assets at Amortised Cost**

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

- **Financial Assets Measured at Fair Value**

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

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

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

iii) Impairment of Financial Assets

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

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

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

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

12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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

iv) De-recognition of Financial Assets

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

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

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

b Equity Instruments and Financial Liabilities

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

i) Equity Instruments

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

ii) Financial Liabilities

- **Initial Recognition**

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

- **Subsequent Measurement**

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

- **Financial liabilities at FVPL**

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

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

- **Financial liabilities at amortised cost**

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

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

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

Where the terms of a financial liability is re-negotiated and the Company issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in the Statement of Profit and Loss;

measured as a difference between the carrying amount of the financial liability and the fair value of equity instrument issued.

- **De-recognition of Financial Liabilities**

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

c Offsetting Financial Instruments

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

xiii 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.

xiv 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.

xv 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.

xvi 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.

xvii 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.

xviii 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 capitalised and depreciated over the remaining useful life of the Property, Plant and Equipment and exchange differences arising on all other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Translation Reserve" and amortised over the remaining life of the concerned monetary item.

xix Revenue Recognition

The Company derives revenues primarily from providing engineering and construction services.

Effective 1 April 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of 1 April 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant. On account of adoption of Ind AS 115, unbilled work-in-progress (contract asset) as at 31 March 2019 has been considered as non-financial asset and accordingly classified under other current assets.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Revenue from engineering and construction services, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. The Company determines the percentage-of-completion on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled work-in-progress) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as due to customers).

Advance payments received from contractee for which no services are rendered are presented as 'Advance from contractee'.

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

The Company presents revenues net of indirect taxes in its Statement of Profit and Loss.

xx Other Income

a. Interest Income

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

b. Dividend Income

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

c. Other Income

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

xxi 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.

xxii Income Taxes

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

a. Current Taxes

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

b. Deferred Taxes

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

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

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

xxiii Leases

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

xxiv 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.

xxv Trade receivables

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

xxvi Trade payables

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

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 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).

xxviii Provisions, Contingent Liabilities and Contingent Assets

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

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

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

xxix Share Issue Expenses

Share issue expenses are charged off against available balance in the Securities premium reserve.

xxx 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.

xxxi 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"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS's which Company has not adopted as they are effective from 1 April 2019.

1. Ind AS - 116 Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

Ind AS 116 will come into force from 1 April 2019. The Company is evaluating the requirement of the new Ind AS and the impact on the financial statements. The effect on adoption of Ind AS 116 is expected to be insignificant.

2. Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

3. Ind AS 23 – Borrowing Costs

The amendment clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

4. Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

NOTE 3 PROPERTY, PLANT AND EQUIPMENT

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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 2017	8.68	19.39	637.32	16.34	45.40	3.90	128.74	1.04	3.83	864.64
Additions	-	2.97	125.14	0.01	7.90	0.03	-	-	0.69	136.74
Disposals	-	(0.24)	(16.81)	-	(0.35)	(0.02)	-	-	(0.03)	(17.45)
Adjustments [Refer sub note (iii)]	-	-	0.30	-	-	-	0.23	-	-	0.53
As at 31 March 2018	**8.68**	**22.12**	**745.95**	**16.35**	**52.95**	**3.91**	**128.97**	**1.04**	**4.49**	**984.46**
Additions	-	-	29.58	0.32	7.74	0.15	-	-	1.14	38.93
Disposals	-	-	(10.32)	-	(1.98)	(0.06)	(4.76)	-	-	(17.12)
Adjustments [Refer sub note (iii)]	-	-	8.40	-	-	-	3.03	-	-	11.43
Transferred to assets classified as held for sale (Refer note 15)	-	-	-	-	-	-	(112.98)	-	-	(112.98)
As at 31 March 2019	**8.68**	**22.12**	**773.61**	**16.67**	**58.71**	**4.00**	**14.26**	**1.04**	**5.63**	**904.72**
Accumulated depreciation										
As at 1 April 2017	-	1.90	213.94	6.44	24.15	0.43	20.92	0.22	2.08	270.08
Depreciation charge	-	1.93	98.28	2.44	7.12	0.70	10.57	0.10	1.23	122.37
Accumulated depreciation on disposals	-	(0.03)	(5.40)	-	(0.16)	(0.00)	-	-	(0.00)	(5.59)
As at 31 March 2018	**-**	**3.80**	**306.82**	**8.88**	**31.11**	**1.13**	**31.49**	**0.32**	**3.31**	**386.86**
Depreciation charge	-	2.06	123.19	2.46	4.73	0.70	10.42	0.11	0.61	144.28
Accumulated depreciation on disposals	-	-	(5.72)	-	(1.53)	(0.05)	(1.86)	-	-	(9.16)
Transferred to assets classified as held for sale (Refer note 15)	-	-	-	-	-	-	(35.26)	-	-	(35.26)
As at 31 March 2019	**-**	**5.86**	**424.29**	**11.34**	**34.31**	**1.78**	**4.79**	**0.43**	**3.92**	**486.72**
Net carrying value										
As at 31 March 2018	8.68	18.32	439.13	7.47	21.84	2.78	97.48	0.72	1.18	597.60
As at 31 March 2019	**8.68**	**16.26**	**349.32**	**5.33**	**24.40**	**2.22**	**9.47**	**0.61**	**1.71**	**418.00**

Net carrying value	**March 31, 2019**	March 31, 2018
Property, plant and equipment	418.00	597.60
Capital work-in-progress	169.06	160.38

Notes:

(i) Refer notes 17.1 and 20.1 for information on Property, plant and equipment pledged as security against borrowings of the Company

(ii) Refer note 33(B)(i) for disclosure of contractual commitments for acquisition of Property, plant and equipment

(iii) Adjustments represent exchange loss arising on long-term foreign currency monetary items

NOTE 4 INTANGIBLE ASSETS - COMPUTER SOFTWARE

` crore

Particulars	Total
Net carrying value (at deemed cost)	
As at 1 April 2017	2.65
Additions	-
Disposals	-
As at 31 March 2018	**2.65**
Additions	-
Disposals	-
As at 31 March 2019	**2.65**
Accumulated amortisation	
As at 1 April 2017	1.74
Amortisation charge	0.57
As at 31 March 2018	**2.31**
Amortisation charge	0.25
As at 31 March 2019	**2.56**
Net carrying value	
As at 31 March 2018	0.34
As at 31 March 2019	**0.09**

NOTE 5 INVESTMENTS IN SUBSIDIARIES

` crore

			As at March 31, 2019	As at March 31, 2018
I.	**Investments in equity shares at deemed cost**			
	a)	In subsidiary companies in India	12.13	486.30
	b)	In subsidiary companies outside India	28.29	28.29
			40.42	**514.59**
II.	**Investments in preference shares at amortised cost**			
	In subsidiary company in India		-	0.00*
III.	**Deemed investment in subsidiary companies**			
	(a)	Deemed investment on inter-corporate deposits in India	1,560.83	138.04
	(b)	Deemed investment on fair valuation of corporate guarantee		
		- in India	1.99	20.41
		- outside India	3.40	6.26
			1,566.22	**164.71**
Total Investments in Subsidiaries (I + II + III)			**1,606.64**	**679.30**

Note 5.1 Detailed list of Investments in Subsidiaries

` crore

				As at March 31, 2019	As at March 31, 2018
I.	**Investments in equity shares at deemed cost**				
	a)	**In subsidiary companies in India, unquoted**			
		-	HCC Real Estate Limited 66,193,185 (31 March 2018: 66,193,185) equity shares of ` 10 each, fully paid	474.36	474.36
			Less: impairment (Refer note 31.1)	(474.36)	-
				-	**474.36**
		-	Lavasa Corporation Limited 2,387 (31 March 2018: 2,387) equity shares of ` 10 each, fully paid ^	0.01	0.01
			Less: impairment (Refer note 31.1)	(0.01)	-
				-	**0.01**
		-	Highbar Technologies Limited (Refer notes 5.2 and 5.3) 6,250,000 (31 March 2018: 6,250,000) equity shares of ` 10 each, fully paid	6.25	6.25
		-	Western Securities Limited 1,957,500 (31 March 2018: 1,957,500) equity shares of ` 10 each, fully paid	5.38	5.38
		-	HCC Infrastructure Company Limited (Refer note 34) 250,000 (31 March 2018: 250,000) equity shares of ` 10 each, fully paid	0.25	0.25
		-	HCC Construction Limited 50,000 (31 March 2018: 50,000) equity shares of ` 10 each, fully paid	0.05	0.05
		-	MAAN Township Developers Limited 100,000 (31 March 2018: Nil) equity shares of ` 10 each, fully paid	0.10	-
		-	HRL Township Developers Limited 100,000 (31 March 2018: Nil) equity shares of ` 10 each, fully paid	0.10	-
				12.13	**486.30**
	b)	**In subsidiary companies outside India, unquoted**			
		-	HCC Mauritius Enterprises Limited (Refer note 5.2) 5,005,000 (31 March 2018: 5,005,000) equity shares of USD 1 each, fully paid	22.23	22.23
		-	HCC Mauritius Investments Limited (Refer note 5.2) 1,000,000 (31 March 2018: 1,000,000) equity shares of USD 1 each, fully paid	6.06	6.06
				28.29	**28.29**
II.	**Investments in preference shares at amortised cost, unquoted**				
	In a subsidiary company in India				
	-	Lavasa Corporation Limited 28 (31 March 2018: 28) 6% Cumulative Redeemable Preference Shares of ` 10 each, fully paid^		0.00*	0.00*
		Less: impairment (Refer note 31.1)		(0.00)*	-
				-	**0.00***

Note 5.1 Detailed list of Investments in Subsidiaries...contd.

` crore

	As at March 31, 2019	As at March 31, 2018
III. Deemed investment in subsidiary companies		
(a) Deemed investment on Inter-corporate deposits		
- HCC Real Estate Limited	138.04	138.04
Less: impairment (Refer note 31.1)	(138.04)	-
	-	**138.04**
- HCC Infrastructure Company Limited (Refer note 34)^^	1,557.04	-
- MAAN Township Developers Limited	3.71	-
- HRL Township Developers Limited	0.08	-
Sub-total (a)	**1,560.83**	**138.04**
(b) Deemed investment on fair valuation of corporate guarantee		
In India		
- Lavasa Corporation Limited ^	764.36	18.42
Less: impairment (Refer note 31.1)	(764.36)	-
	-	18.42
- HCC Infrastructure Company Limited (Refer Note 34)	1.99	1.99
	1.99	**20.41**
Outside India		
- HCC Mauritius Enterprises Limited	0.86	1.15
- HCC Mauritius Investments Limited	2.54	5.11
Sub-total (b)	**3.40**	**6.26**
	1,566.22	**164.71**

^ Pursuant to initiation of Corporate Insolvency Resolution Process in respect of Lavasa Corporation Limited ('LCL'), effective 30 August 2018 the Company has lost control over LCL and accordingly LCL ceases to be a Subsidiary under Ind AS. However LCL continues to remain a subsidiary under the Act.

^^ During the current year inter-corporate deposit ('ICD') to HCC Infrastructure Company Limited ('HICL') have been converted into interest free ICD. Accordingly, the outstanding ICD represent Company's net investment in HICL and accordingly been reclassified as deemed investment under Ind AS.

'* represents amount less than ` 1 lakh.

Note 5.2 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	
	March 31, 2019	March 31, 2018
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 2018: 3,074,940) equity shares.

Note 5A Investments

` crore

	As at March 31, 2019	As at March 31, 2018
Other Investments in equity shares at fair value through other comprehensive income (OCI)		
- Housing Development Finance Corporation Limited 15,220 (31 March 2018: 15,220) equity shares of ` 2 each, fully paid- quoted	2.99	2.78
- HDFC Bank Limited 2,500 (31 March 2018: 2,500) equity shares of ` 10 each, fully paid- quoted	0.58	0.47
- Khandwala Securities Limited 3,332 (31 March 2018: 3,332) equity shares of ` 10 each, fully paid- quoted	0.01	0.01
- Walchand Co-op. Housing Society Limited Nil (31 March 2018: 5) equity shares of ` 50 each, fully paid- unquoted	-	0.00*
- Shushrusha Citizens Co-Op. Hospitals Limited 100 (31 March 2018: 100) equity shares of ` 100 each, fully paid- unquoted	0.00*	0.00*
- Hincon Finance Limited 120,000 (31 March 2018: 120,000) equity shares of ` 10 each, fully paid- unquoted	14.07	20.86
	17.65	**24.12**
Total non-current investments [5 + 5A]	**1,624.29**	**703.42**
Aggregate market value of quoted investments	3.58	3.26
Aggregate carrying value of unquoted investments		
- in subsidiaries	1,606.64	679.30
- in others	14.07	20.86
Aggregate amount of impairment in value of investments	1,376.77	-

Note: Costs of unquoted equity instruments valued at FVTOCI has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

NOTE 6 TRADE RECEIVABLES

` crore

	As at March 31, 2019	As at March 31, 2018
Non-current		
Trade receivables (Refer notes 6.1 and 35) ^	642.49	1,375.13
[Including retention Nil (31 March 2018: ` 0.79 crore)]		
Total non-current trade receivables	**642.49**	**1,375.13**
Current		
Trade receivables		
- from related parties ^^ (Refer note 6.1 and 39) [including retention of ` 30.44 crore (31 March 2018: ` 13.76 crore)]	245.73	284.77
- from others^^^ (Refer note 6.1, 6.4 and 35) [including retention of ` 619.28 crore (31 March 2018: ` 420.25 crore)]	3,237.03	2,113.02
Total current trade receivables	**3,482.76**	**2,397.79**
Total trade receivables	**4,125.25**	**3,772.92**

^ Net off advance received against arbitration awards of ` 173.84 crore (31 March 2018: ` 200.02 crore)
^^ Net off advance received against work bill / claim ` 263.48 crore (31 March 2018: ` 439.85 crore)
^^^ Net off advance received against arbitration awards / work bill of ` 2,110.78 crore (31 March 2018: ` 1,509.30 crore)

NOTE 6 TRADE RECEIVABLES ...contd.

` crore

	As at March 31, 2019	As at March 31, 2018
Break-up of security details		
Trade receivables considered good- secured	-	-
Trade receivables considered good- unsecured	4,125.25	3772.92
Trade receivables which have significant increase in credit risk	-	-
Trade receivables- credit impaired	-	-
Total	**4,125.25**	**3772.92**
Loss allowance	-	-
Total trade receivables	**4,125.25**	**3,772.92**

Note 6.1: Non-current trade receivables and current trade receivables as at 31 March 2019 include ` 642.49 crore (net of advances ` 173.84 crore) and ` 2,070.46 crore (net of advances ` 2,367.16 crore), respectively [31 March 2018: ` 1,375.13 crore (net of advances ` 200.02 crore) and ` 1,431.49 crore (net of advance ` 1,509.30 crore)] representing claims awarded in arbitration in favour of the Company and which have been challenged by the customers in High Courts/ Supreme Court.

Note 6.2 There are no trade receivables due from any director or any officer of the Company, either severally or jointly with any other person, or from any firms or private companies in which any director is a partner, a director or a member.

Note 6.3 Trade receivables, except receivables on account of claims awarded in arbitration in favour of the Company, are non-interest bearing and are generally on terms of 30 to 90 days.

Note 6.4 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 entity for ` 138 crore plus IRR of 10.27% to be completed by 30 June 2020. As part of the purchase agreement, the Company has agreed not to create encumbrance by way of first charge on certain identified claims/ awards (Trade receivables ` 156 crore and Unbilled work-in-progress ` 64 crore) and also agreed to make available 25% of realized amount from these identified claims/awards to facilitate purchase of these NCDs.

NOTE 7 LOANS

` crore

		As at March 31, 2019	As at March 31, 2018
Non-current			
a)	Inter-corporate deposits to subsidiaries (Refer note 39)	793.14	1,962.01
	Less: written off (Refer notes 31.1 and 39)	(625.11)	-
		168.03	**1,962.01**
b)	Security and other deposits		
	- related parties (Refer note 39)	0.50	0.50
	- others	1.91	3.11
Total non-current loans		**170.44**	**1,965.62**
Current			
Security and other deposits		23.89	18.67
Total current loans		**23.89**	**18.67**
Total loans		**194.33**	**1,984.29**
Break-up of security details			
Loans considered good- secured		-	-
Loans considered good- unsecured		194.33	1,984.29
Loans which have significant increase in credit risk		-	-
Loans- credit impaired		-	-
Total		**194.33**	**1,984.29**
Loss allowance		-	-
Total loans		**194.33**	**1,984.29**

Note 7.1 In compliance of Regulation 34 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 the required information is given as under:

Loans and advance in the nature of loans given to subsidiaries (as defined under the Act) for business purposes.

` crore

Name of the entity	Outstanding balance		Maximum balance outstanding during the year	
	As at March 31, 2019	As at March 31, 2018	**Year ended March 31, 2019**	Year ended March 31, 2018
i) HCC Infrastructure Company Limited ^	-	1,281.40	1,512.08	1,281.40
ii) HCC Real Estate Limited (HREL) ^^	-	428.19	514.30	428.19
iii) Lavasa Corporation Limited ^^^	-	152.56	185.04	152.56
iv) HCC Mauritius Enterprises Limited	112.36	97.47	112.36	97.47
v) Highbar Technologies Limited	2.39	2.39	2.39	2.39
vi) HCC Mauritius Investments Limited	35.91	-	36.66	-
vii) HRL Township Developers Limited	0.36	-	0.44	-
viii) Maan Township Developers Limited	17.01	-	21.17	-
Total	**168.03**	**1,962.01**	**2,384.44**	**1,962.01**

^ Represents inter-corporate deposit given to HCC Infrastructure Company Limited which has been classified as deemed investment under Ind AS during the current year.

^^ Inter-corporate deposit given to HCC Real Estate Limited aggregating ` 440.07 crore has been written off during the year (Refer note 31.1)

^^^ Inter-corporate deposit given to Lavasa Corporation Limited aggregating ` 185.04 crore has been written off during the year (Refer note 31.1)

Note 7.2 Investment by the loanee in the Company's/ subsidiary companies shares [Refer note (i) below]

HCC Infrastructure Company Limited has invested in following subsidiary companies:

` crore

Name of the entity	**As at March 31, 2019**	As at March 31, 2018
Equity shares		
HCC Concessions Limited ^	573.48	573.48
HCC Power Limited	0.50	0.50
Dhule Palesner 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 Real Estate Limited has invested in following subsidiary companies:

` crore

Name of the entity	**As at March 31, 2019**	As at March 31, 2018
Equity shares		
Lavasa Corporation Limited	-	452.23
Maan Township Developers Limited	-	11.70
HRL (Thane) Real Estate Limited	19.50	19.50
Charosa Wineries Limited	-	23.63
HCC Realty Limited	-	0.03
Preference shares		
Lavasa Corporation Limited	-	75.60
Total	**19.50**	**582.69**

Note 7.2 Investment by the loanee in the Company's / subsidiary companies shares [Refer note (i) below]...contd.

Lavasa Corporation Limited has invested in following subsidiary companies:

` crore

Name of the entity	**As at March 31, 2019**	As at March 31, 2018
Equity shares		
Dasve Business Hotel Limited	-	0.05
Dasve Convention Centre Limited	-	0.05
Dasve Hospitality Institutes Limited	-	5.55
Lakeshore Watersports Company Limited	-	0.05
Lakeview Clubs Limited	-	0.05
Lavasa Hotel Limited	-	0.05
Dasve Retail Limited	-	0.05
Full Spectrum Adventure Limited	-	0.05
Lavasa Bamboocrafts Limited	-	0.05
My City Technology Limited	-	14.93
Reasonable Housing Limited	-	0.05
Rhapsody Commercial Spaces Limited	-	0.05
Verzon Hospitality Limited	-	0.41
Future City Multiservices SEZ Limited	-	0.05
Valley View Entertainment Limited	-	0.05
Warasgaon Tourism Limited	-	0.05
Our Home Service Apartments Limited	-	0.05
Warasgaon Power Supply Limited	-	5.05
Sahyadri City Management Limited	-	0.05
Kart Racers Limited	-	0.05
Warasgaon Infrastructure Providers Limited	-	0.05
Hill City Service Apartments Limited	-	0.05
Nature Lovers Retail Limited	-	0.05
Warasgaon Valley Hotels Limited	-	0.05
Rosebay Hotels Limited	-	0.05
Mugaon Luxury Hotels Limited	-	0.05
Warasgaon Assets Maintenance Company Limited	-	702.97
Hill View Parking Services Limited	-	0.05
Spotless Laundry Services Limited ^	-	7.08
Green Hills Residences Limited	-	3.38
Whistling Thrush Facilities Services Limited ^	-	0.23
Preference shares		
Dasve Business Hotels Limited	-	23.40
Dasve Convention Center Limited	-	51.78
Dasve Hospitality Institutes Limited	-	17.06
Lakeshore Watersports Company Limited	-	10.98
Lakeview Clubs Limited	-	19.36
Dasve Retail Limited	-	78.91
Lavasa Bamboocrafts Limited	-	7.90

Note 7.2 Investment by the loanee in the Company's / subsidiary companies shares [Refer note (i) below]...contd.

Lavasa Corporation Limited has invested in following subsidiary companies:

` crore

Name of the entity	**As at March 31, 2019**	As at March 31, 2018
Reasonable Housing Limited	-	19.66
Future City Multiservices SEZ Limited	-	1.69
Warasgaon Tourism Limited	-	9.84
Sahyadri City Management Limited	-	38.71
Hill City Service Apartments Limited	-	10.33
Nature Lovers Retail Limited	-	1.73
Warasgaon Assets Maintenance Company Limited	-	0.71
Total	**-**	**1,032.81**

^ Subsidiary as per the Act; however, classified as a Joint Venture under Ind AS

HCC Mauritius Enterprise Limited has invested in following subsidiary company:

` crore

Name of the entity	**As at March 31, 2019**	As at March 31, 2018
Equity shares		
Steiner AG [Refer note (ii) below]	224.43	211.12
Total	**224.43**	**211.12**

HCC Mauritius Investment Limited has invested in following subsidiary company:

` crore

Name of the entity	**As at March 31, 2019**	As at March 31, 2018
Equity shares		
Steiner AG [Refer note (ii) below]	30.97	29.14
Total	**30.97**	**29.14**

Note (i) Investments include adjustments carried out under Ind AS
Note (ii) Includes increase / decrease in investments on account of exchange rate fluctuations

NOTE 8 OTHER FINANCIAL ASSETS

` crore

			As at March 31, 2019	As at March 31, 2018
Non-current				
a)	Receivables from related parties (Refer note 39)			
	-	against sale of assets	56.83	56.83
		Less: impairment allowance (Also refer note 30)	(1.85)	-
			54.98	**56.83**
	-	interest receivable (Also refer note 34)	9.25	201.60
		Less: written off (Also refer note 31.1)	(9.25)	-
			-	**201.60**
b)	Margin money deposits		3.03	2.46
Total non-current financial assets			**58.01**	**260.89**
Current				
a)	Unbilled work-in-progress^ (Refer notes 6.4 and 35)		-	2,699.89
b)	Receivables from related parties (Refer note 39)		57.75	46.91
	Less: impairment allowance (Refer note 30)		(6.63)	-
			51.12	**46.91**
c)	Interest accrued on deposits / advances		5.90	3.98
d)	Others		1.40	0.58
Total current financial assets			**58.42**	**2,751.36**
^ Net off advance received against work bill Nil (31 March 2018: ` 199.23 crore)				
Total other financial assets			**116.43**	**3,012.25**

NOTE 9 INCOME TAX ASSETS (NET)

i. The following table provides the details of income tax assets and liabilities as at 31 March 2019 and 31 March 2018:

` crore

		As at March 31, 2019	As at March 31, 2018
a)	Income tax assets	375.40	277.67
b)	Current income tax liabilities	195.89	198.29
Net balance		**179.51**	**79.38**

ii. The gross movement in the current tax asset for the years ended 31 March 2019 and 31 March 2018 is as follows:

` crore

	Year ended March 31, 2019	Year ended March 31, 2018
Net current income tax asset at the beginning	79.38	26.46
Income tax paid	101.13	73.06
Current income tax expense	(1.00)	(20.14)
Net current income tax asset at the end	**179.51**	**79.38**

NOTE 9 INCOME TAX ASSETS (NET)...contd.

iii. Income tax expense comprises:

` crore

	Year ended March 31, 2019	Year ended March 31, 2018
Current tax	1.00	20.14
Deferred tax ^	(631.47)	14.30
Income tax expenses (net) in Statement of Profit and Loss	**(630.47)**	**34.44**
Deferred income tax credit in Other Comprehensive Income	1.62	-
Income tax expenses (net)	**(632.09)**	**34.44**

^ Deferred income taxes for the years ended 31 March 2019 and 31 March 2018 relates to origination and reversal of temporary differences and is net of MAT credit entitlement of Nil (31 March 2018: ` 19.99 crore)

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 March 31, 2019	Year ended March 31, 2018
(Loss) / Profit before income tax	(2,592.22)	111.97
Applicable income tax rate	34.944%	34.608%
Computed expected tax expense / (credit)	(905.83)	38.74
Tax expense / (income) of joint operations	4.74	(12.33)
Effect of expenses not allowed for tax purpose	272.41	5.14
Effect of income not considered for tax purpose	(2.17)	2.89
Impact of change in tax rate	0.38	-
Income tax expense charged to the Statement of Profit and Loss	**(630.47)**	**34.44**

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

` crore

	As at March 31, 2019	As at March 31, 2018
(a) Deferred income tax assets		
- Business loss / unabsorbed depreciation / MAT credit entitlements	2,212.69	1,449.06
- Impairment allowance for receivables / other assets	118.77	-
- Timing difference on tangible and intangible assets depreciation and amortisation	53.15	30.17
- Others	79.51	45.07
	2,464.12	**1,524.30**
(b) Deferred income tax liabilities		
- Claims / arbitration awards / retention	(1,867.14)	(1,554.34)
- Others	(1.37)	(7.44)
	(1,868.51)	**(1,561.78)**
Total deferred tax assets / (liabilities) (net)	**595.61**	**(37.48)**

NOTE 9 INCOME TAX ASSETS (NET)...contd.

vi Movement in deferred tax assets/(liabilities)

` crore

	Business loss / unabsorbed depreciation / MAT credit entitlement	Impairment allowance for receivables / other assets	Timing difference on tangible and intangible assets depreciation and amortisation	Claims / arbitration awards / retention	Others (net)	Total
At 1 April 2017	1,140.17	-	17.79	(1,217.24)	36.10	(23.18)
(Charged) / credited						
- to profit or loss	308.89	-	12.38	(337.10)	1.53	(14.30)
- to other comprehensive income	-	-	-	-	-	-
At 31 March 2018	**1,449.06**	**-**	**30.17**	**(1,554.34)**	**37.63**	**(37.48)**
(Charged) / credited						
- to profit or loss	763.63	118.77	22.98	(312.80)	38.89	631.47
- to other comprehensive income	-	-	-	-	1.62	1.62
At 31 March 2019	**2,212.69**	**118.77**	**53.15**	**(1,867.14)**	**78.14**	**595.61**

NOTE 10 OTHER ASSETS

` crore

	As at March 31, 2019	As at March 31, 2018
Non-current		
a) Capital advances	8.42	4.74
b) Balances with government authorities	99.22	111.35
c) Prepaid expenses	0.00*	0.25
d) Financial guarantees	-	11.41
Total other non-current assets	**107.64**	**127.75**
Current		
a) Advance to suppliers and sub-contractors	117.00	89.80
b) Unbilled work-in-progress^ (Refer notes 6.4, 31.1 and 35)	1,974.13	-
c) Balances with government authorities	112.19	99.89
d) Prepaid expenses	10.72	13.81
e) Financial guarantees	-	4.55
f) Other current assets	3.03	4.29
Total other current assets	**2,217.07**	**212.34**
Total other assets	**2,324.71**	**340.09**

^ Net off advance received against work bill ` 146.51 crore (31 March 2018: Nil)

NOTE 11 INVENTORIES

` crore

	As at March 31, 2019	As at March 31, 2018
a) Construction materials, stores, spares and embedded goods	192.24	175.41
b) Fuel	4.92	3.92
Total inventories	**197.16**	**179.33**

NOTE 12 CURRENT INVESTMENTS

` crore

	As at March 31, 2019	As at March 31, 2018
Investments in unquoted equity shares valued at deemed cost, fully paid up		
a) In a subsidiary company in India	-	50.02
b) In joint ventures in India	3.00	27.70
Total current investments	**3.00**	**77.72**

Note 12.1 Detailed list of current investments

` crore

	As at March 31, 2019	As at March 31, 2018
Investments in unquoted equity shares valued at deemed cost, fully paid up		
a) In a subsidiary company in India		
- Panchkutir Developers Limited 1,400,000 (31 March 2018: 1,400,000) equity shares of ` 10 each	50.02	50.02
Less: Assets classified as held for sale (Refer note 15)	(50.02)	-
	-	**50.02**
b) In joint ventures in India		
- Raiganj Dalkhola Highways Limited (Refer notes 12.2 and 12.3) 3,000,000 (31 March 2018: 3,000,000) equity shares of ` 10 each	3.00	3.00
- Baharampore Farakka Highways Limited (Refer notes 12.2 and 12.3) 100 (31 March 2018: 11,700,000) equity shares of ` 10 each	0.00*	11.70
- Farakka Raiganj Highways Limited (Refer notes 12.2 and 12.3) 100 (31 March 2018: 13,000,000) equity shares of ` 10 each	0.00*	13.00
- Dhule Palesner Tollways Limited 100 (31 March 2018: 100) equity shares of ` 10 each fully paid	0.00*	0.00*
	3.00	**27.70**
Total current investments (a + b)	**3.00**	**77.72**

Note 12.2 The Company has pledged the following shares in favour of the lenders as a part of the financing agreements for facilities taken by joint ventures as indicated below:

Name of the Company	No. of equity shares pledged	
	As at March 31, 2019	As at March 31, 2018
Raiganj Dalkhola Highways Limited ('RDHL')	510,000	510,000
Baharampore Farakka Highways Limited ('BFHL')	-	510,000
Farakka Raiganj Highways Limited ('FRHL')	-	510,000

Note 12.3 - Pursuant to Shareholders Agreement (SHA) executed on 9 August 2011, the Company is required to hold 100% equity stake in HCC Infrastructure Company Limited (HIL) until Private Equity Investor gets an exit from HCC Concessions Limited (HCL) through means as specified in the SHA and there are certain other customary restrictions on pledging / creation of any encumbrance over shares / assets of HIL/ BOT SPVs. The Company has given inter alia an undertaking in respect of investment in BFHL, FRHL, DPTL and RDHL 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.

NOTE 12 CURRENT INVESTMENTS...contd.

During the current year, the Company has transferred 11,699,900 shares already held in BFHL and 12,999,900 shares held in FRHL to HCL in accordance with the sale agreement, the consideration for which was received in earlier years. In respect of RDHL, the Company has received full consideration of ` 3.00 crore (31 March 2018: ` 3.00 crore) from HCL for transfer of the shares at book value, subject to necessary approvals and consents to the extent required.

Name of the BOT SPV	**As at March 31, 2019**		As at March 31, 2018	
	No. of shares	**` crore**	No. of shares	` crore
Baharampore Farakka Highways Limited	100	0.00*	11,700,000	11.70
Farakka Raiganj Highways Limited	100	0.00*	13,000,000	13.00
Raiganj Dalkhola Highways Limited	3,000,000	3.00	3,000,000	3.00
Dhule Palesner Tollways Limited	100	0.00*	100	0.00*
Total	**3,000,300**	**3.00**	**27,700,100**	**27.70**

NOTE 13 CASH AND CASH EQUIVALENTS

` crore

		As at March 31, 2019	As at March 31, 2018
a)	Balances with banks		
	- Current accounts in Indian rupees	104.93	62.39
	- Current accounts in foreign currency	1.83	0.92
	- in deposit account (with original maturity upto 3 months)	25.00	-
b)	Cash on hand	0.57	0.62
c)	Cheques on hand	0.64	58.10
Total cash and cash equivalents		**132.97**	**122.03**

NOTE 14 OTHER BANK BALANCES

` crore

		As at March 31, 2019	As at March 31, 2018
a)	Deposits with maturity of more than 3 months and less than 12 months^	23.13	14.19
b)	Earmarked balances with banks for:		
	- Margin money deposits with original maturity of more than 3 months and remaining maturities of less than 12 months	68.30	60.97
	- Balances with bank for unpaid dividend ^^	0.00 *	0.25
Total other bank balances		**91.43**	**75.41**

^ Includes deposits of ` 8.55 crore (31 March 2018: ` 6.43 crore) earmarked against Debenture Redemption Reserve

^^ Includes ` 7,600 (31 March 2018: Nil) 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 2019.

NOTE 15 ASSETS CLASSIFIED AS HELD FOR SALE

` crore

		As at March 31, 2019	As at March 31, 2018
(a)	Investments in equity shares of Panchkutir Developers Limited, unqouted (Refer note 15.1)		
	- 1,400,000 equity shares of ` 10 each, fully paid	50.02	-
(b)	Aircraft [Refer notes 15.2 and 17.1 (E)(iii)]	77.72	-
	Less: Impairment loss	(71.85)	-
		5.87	**-**
Total assets classified as held for sale		**55.89**	**-**

Note 15.1- On 14 June 2018, the Company has signed a definitive agreement for sale of Panchkutir Developers Limited (PDL) for an aggregate consideration of ` 105 crore, which is subject to completion of certain condition precedents as specified in the agreement. As at 31 March 2019, the Company has received ` 12 crore as advance towards sale of investment in PDL.

Note 15.2- During the current year, the Company initiated identification and evaluation of potential buyers for its Hawker 4000 aircraft and all related avionics, appurtenances and equipment. The Company anticipates completion of the sale by March 2020 and accordingly the same has been reclassified under 'Assets classified as held for sale'. On reclassification, the aircraft has been measured at the lower of carrying amount and fair value less cost to sell and consequently, an impairment loss of ` 71.85 crore has been recognized in the statement of profit and loss for the year ended 31 March 2019, under exceptional items (Also refer note 31)

NOTE 16 EQUITY SHARE CAPITAL

` crore

		As at March 31, 2019	As at March 31, 2018
Authorised share capital			
2,000,000,000	Equity shares of ` 1 each (31 March 2018: 1,250,000,000 equity shares of ` 1 each)	200.00 ^	125.00
10,000,000	Redeemable cumulative preference shares of ` 10 each (31 March 2018: 10,000,000 preference shares of ` 10 each)	10.00	10.00
Total authorised equity share capital		**210.00**	**135.00**
Issued, subscribed and paid-up equity share capital:			
1,513,028,244	Equity shares of ` 1 each fully paid up (31 March 2018: 1,015,462,926 equity shares of ` 1 each)	151.30	101.54
	Add : 13,225 Forfeited equity shares (31 March 2018: 13,225 equity shares)	0.01	0.01
Total issued, subscribed and paid-up equity share capital		**151.31**	**101.55**

^ On 8 October 2018, the shareholders of the Company at its Extra-ordinary General Meeting approved the increase in Authorised share capital of the Company from ` 1,350,000,000 (divided into 1,250,000,000 Equity shares of ` 1 each and 10,000,000 Redeemable cumulative preference shares of ` 10 each) to ` 2,100,000,000 (divided into 2,000,000,000 Equity shares of ` 1 each and 10,000,000 Redeemable cumulative preference shares of ` 10 each).

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

	Number	` crore
As at 1 April 2017	**1,010,703,635**	**101.07**
Issued during the year [Refer note 16(g)]	4,759,291	0.47
As at 31 March 2018	**1,015,462,926**	**101.54**
Issued during the year [Refer note 16(h)]	497,565,318	49.76
As at 31 March 2019	**1,513,028,244**	**151.30**

NOTE 16 EQUITY SHARE CAPITAL...contd.

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 of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by subsidiary company:

Western Securities Limited, a subsidiary company, holds 52,000 equity shares (31 March 2018: 52,000 equity shares) in the Company.

d. Shareholding of more than 5%:

Name of the Shareholder	**As at March 31, 2019**		As at March 31, 2018	
	% held	**No. of shares**	% held	No. of shares
Promoter:				
Arya Capital Management Private Limited	16.28%	246,255,617	0.01%	65,000
Hincon Holdings Limited	14.28%	216,023,600	21.27%	216,023,600
Non-promoter:				
Asia Opportunities IV (Mauritius) Limited	8.19%	123,875,000	-	-
HDFC Trustee Company Limited	5.88%	88,992,219	6.87%	69,732,622

e. Shares reserved for issue under Employee Stock Options Scheme (ESOP):

As at 31 March 2019, there are Nil (31 March 2018: 300,000) stock options granted during the year and 300,000 (31 March 2018: 300,000) stock options are outstanding and convertible into equal number of equity shares of ` 1 each convertible at an exercise price of ` 31.15 per share [Refer note e(i) below].

During the year ended 31 March 2019, none of the options were exercised / converted into equity shares and Nil (31 March 2018: 120,180) stock options got lapsed.

i. Options granted

The ESOP Compensation Committee of the Company at its Meeting held on 20 March 2018 had approved a grant of 300,000 options, in accordance with the terms and conditions contained in the existing HCC Employee Stock Option Scheme of the Company ('Scheme') (each option carrying entitlement for one equity share of the face value of ` 1 each) at an exercise price of ` 31.15 per equity share, in line with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI Regulations").

ii. Settlement Through Equity Shares

iii. Options vested Nil (31 March 2018: Nil) remain vested and outstanding as at 31 March 2019

f. Bonus shares / buy back / shares for consideration other than cash issued during past five years:

(i) Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash- Nil [Also refer note 16(g)]

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

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

g. Pursuant to the approval of the shareholders at the Extra Ordinary General Meeting held on 5 January 2017, the allotment committee of the Board of Directors at its meetings held on 6 January 2017 and 19 January 2017 alloted collectively to the lenders 231,544,729 equity shares of face value of ` 1 each at a premium of ` 33.92 per share aggregating ` 808.55 crore and 14,414,874 optionally convertible debentures (OCDs) of face value of ` 1,000 each at par (carrying coupon rate of 0.01% p.a.) aggregating ` 1,441.49 crore. Further, pursuant to the approval of the shareholders at the Annual General Meeting held on 6

NOTE 16 EQUITY SHARE CAPITAL...contd.

July 2017, the allotment committee of the Board of Directors at its meeting held on 17 July 2017 allotted to a lender 4,759,291 equity shares of face value of ` 1 each at a premium of ` 40.61 per share aggregating ` 19.80 crore and 256,716 OCDs of face value of ` 1,000 each at par (carrying coupon rate of 0.01% p.a.) aggregating ` 25.67 crore on preferential basis as part of the Scheme for Sustainable Structuring of Stressed Assets (S4A Scheme).

The implementation of the S4A Scheme and the consequent allotment of equity shares/ OCDs have been made in respect of all the lenders except for few lenders who will be alloted equity shares and OCDs once they exercise their option. Number of equity shares/OCDs to be alloted will be determined based on the share price prevailing at the time of such allotment.

h. On 27 December 2018, the Company has issued and allotted 497,565,318 equity shares of face value ` 1 each at the price of ` 10 per equity share (including a premium of ` 9 per share) aggregating ` 497.57 crores (including securities premium of ` 447.81 crore) to the eligible equity shareholders on rights basis in the ratio of 49 equity shares for every 100 equity shares held.

The funds raised by way of rights issue were utilised as follows:

	` crore
Amounts raised through rights issue	497.57
Utilisation	
Working capital requirements	367.50
General corporate purpose	98.03
Issue related expenses	7.03
Total	**472.56**
Unutilised amounts kept in fixed deposits with banks	25.01

NOTE 17 BORROWINGS

` crore

	As at March 31, 2019	As at March 31, 2018
Non-current portion:		
Secured		
(A) Non-Convertible Debentures (RTL-1)	46.80	67.37
(B) Rupee Term Loans (RTL-A)		
(i) From Banks	56.67	83.97
(ii) From Others	20.78	47.12
(C) Rupee Term Loans (RTL-1)		
(i) From Banks	75.44	135.22
(ii) From Others	19.50	138.01
(D) Rupee Term Loans (RTL-2)		
(i) From Banks	204.35	359.62
(ii) From Others	26.09	90.09
(E) Working Capital Term Loans (WCTL-2)		
(i) From Bank	4.20	6.49
(ii) From Others	7.28	12.32
(F) Foreign Currency Term Loans		
(i) From Bank	17.57	6.42
(ii) From Others	32.90	-
(G) 0.01% Optionally Convertible Debentures (OCDs) [Refer note 16 (g)]		
(i) From Banks	1,084.24	1,090.66
(ii) From Others	246.12	246.12
Total non-current borrowings (A+B+C+D+E+F+G)	**1,841.94**	**2,283.41**

NOTE 17 BORROWINGS...contd

` crore

	As at March 31, 2019	As at March 31, 2018
Current maturities of long-term borrowings		
Secured		
(A) Non-Convertible Debentures (RTL-1)	57.02	42.87
(B) Rupee Term Loans (RTL-A)		
(i) From Bank	23.36	8.13
(ii) From Others	8.04	5.07
(C) Rupee Term Loans (RTL-1)		
(i) From Banks	49.81	38.06
(ii) From Others	16.03	40.42
(D) Rupee Term Loans (RTL-2)		
(i) From Banks	144.17	101.51
(ii) From Others	16.49	27.80
(E) Working Capital Term Loans (WCTL-2)		
(i) From Bank	1.97	1.26
(ii) From Others	5.04	4.20
(F) Foreign Currency Term Loans		
(i) From Bank	22.98	144.95
(ii) From Others	32.89	-
Total current maturities of long-term borrowings (A+B+C+D+E+F) (Refer note 18)	**377.80**	**414.27**
Total borrowings	**2,219.74**	**2,697.68**

Note: For security details and terms of repayment, refer note 17.1 below.

17.1 Details of security and terms of repayment

I. Secured

(A) Non-Convertible Debentures

i) Axis

These debentures are classified as RTL-1. These debentures carry an interest yield of 11.50% p.a. and are repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. These are secured by way of registered mortgage over 231.66 acres of Lavasa land situated in 5 villages namely Village Admal, Bhode, Gadle, Padalghar and Ugavali in taluka Mulshi, District Pune, Maharashtra.

ii) LIC

These debentures are classified as RTL-1. These debentures carry an interest yield of 11.50% p.a. and are repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. Refer note 17.1.1 for security details.

(B) Rupee Term Loans (RTL-A)

RTL-A carries interest rate of 11.75% p.a. (Individual Bank's Base Rate + Applicable Spread), 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.

17.1 Details of security and terms of repayment ...contd

(D) Working Capital Term Loan (WCTL-2)

Working Capital Term Loan (WCTL-2) carries an interest rate ranging from 11.10% p.a. to 11.75% p.a. (floating) linked to Monitoring Institution's base rate. These are repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. Refer note 17.1.1 for security details.

(E) Foreign Currency Term Loan

(i) Asia Opportunities (IV) Mauritius Limited - External Commercial Borrowings (ECB) USD 13.36 million

During the current year, Standard Chartered Bank has transferred the rights and benefits of its ECB Facility to Asia Opportunities (IV) Mauritius Limited. The said loan is repayable in three quarterly instalments commencing from 31 December 2019. As at 31 March 2019, the ECB loan carries an interest rate of 6.10% p.a (3 month LIBOR plus 350 basis points). The facility is secured by first charge by way of hypothecation of plant and machinery acquired under the facility described in the first schedule to the memorandum of hypothecation executed on 10 November 2009.

(ii) Development Bank of Singapore - ECB USD 10.18 million

As at 31 March 2019, the ECB loan from Development Bank of Singapore carries an interest rate of 6.10% p.a (3 month libor+ 385 basis points). This loan is repayable in 1 quarterly instalments commencing 5 October 2014 and ending on 5 October 2018. The facility is secured by first charge by way of hypothecation of plant and machinnery and heavy vehicles acquired under the facility described in the schedule 1 (2) to the deed of hypothecation executed on 29 April 2010. During the current year, the ECB with Development Bank of Singapore has been repaid completely.

(iii) Export Import Bank of United States ('US EXIM') - ECB USD 6.20 million

During the current year, the Company has entered into settlement terms with US EXIM wherein the parties have agreed to renegotiate and settle the outstanding amounts for USD 6.20 Million. The amounts will be payable in 26 monthly instalments commencing from 31 May 2019 and ending on 30 June 2021. Under terms of Settlement Agreement, there would be no interest accruing on the facility going forward. The facility is secured by first priority mortgage and security interest to and in favour of Wilmington Trust Company (the security trustee) on a Hawker model 4000 airframe bearing manufacture's serial number RC-26 together with two installed model PW208 engines more particularly described under Clause 2.1 as per the Aircraft Charge Agreement executed on 6 January 2011. Also refer note 31 (d)

(F) Optionally Convertible Debentures (OCDs)

OCDs have been issued to the lenders as part of the S4A Scheme with a tenor of 10 years and a coupon of 0.01% with an interest yield of 11.50% p.a. in yield equalization compounded on a quarterly basis. After the expiry of eighteen months from the issuance, the OCDs were to be converted into non-convertible debentures in case of non-occurrence of event of default as per the guidelines of the S4A Scheme. Pursuant to the exemption provided by the Securities and Exchange Board of India ('SEBI') from the application of Regulation 75 of SEBI ICDR regulations to the Company, the tenure of 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. Also refer note 17.1.2 for security details.

Date of Repayment	` in crores
30 September 2022	285.51
30 September 2023	279.91
30 September 2024	260.99
30 September 2025	253.90
30 September 2026	250.05

Note 17.1.1 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 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. HCC Real Estate Limited (HREL) has provided Corporate guarantee for the above outstanding facilities of HCC
2. First pari-passu charge on 154,151,669 shares of the Company and second charge on 85,767,617 equity shares of the Company held by Hincon Holdings Limited and Hincon Finance Limited.
3. Personal guarantee of the Chairman and Managing Director of the Company.

Note 17.1.2 Optionally Convertible Debentures (OCDs) are secured in the form of:

1. First ranking pari passu charge on all of the Company's Property, plant and equipment (immovable and movable) [excluding the Specified Assets and Excluded Assets]; and
2. Second ranking and pari passu security interest by way of a legal mortgage over the First, Second and the Fifth Mortgaged Properties as specified in the mortgage deed. The security perfection has been completed on the OCD facilities issued as part of the S4A scheme.

Collateral security pari-passu with all S4A lenders:

1. HCC Real Estate Limited (HREL) has provided Corporate guarantee for the above outstanding facilities of HCC
2. First par-passu charge on Pledge of 85,767,617 equity shares of the Company and second charge on 154,151,669 equity shares of the Company held by Hincon Holdings Limited and Hincon Finance Limited.
3. Personal guarantee of the Chairman and Managing Director of the Company.

Note 17.1.3 As at 31 March 2019, in relation to Term Loans, contractual loan principal amounting to ` 15.96 crore (31 March 2018: ` 90.15 crore) and contractual interest amounting to ` 8.60 crore (31 March 2018: ` 6.16 crore) are due and outstanding pertaining to the period 1 April 2018 to 31 March 2019.

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 for the year ended 31 March 2019 is as follows:

` crore

	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents	132.97	122.03
Current borrowings	(1,079.98)	(1,027.72)
Non-current borrowings	(2,888.27)	(2,990.86)
Net debts	**(3,835.28)**	**(3,896.55)**

	Other assets	Liabilities from financing activities		Total
	Cash and Cash equivalents	Non-current borrowings	Current borrowings	
Net debt as at 1 April 2018	**122.03**	**(2,990.86)**	**(1,027.72)**	**(3,896.55)**
Cash flows	10.94	463.86	(52.26)	422.54
Interest expense	-	(324.66)	(118.99)	(443.65)
Interest paid	-	(36.61)	118.99	82.38
Net debt as at 31 March 2019	**132.97**	**(2,888.27)**	**(1,079.98)**	**(3,835.28)**
Net debt as at 1 April 2017	77.64	(3,417.56)	(1,148.58)	(4,488.50)
Cash flows	44.39	550.43	120.86	715.68
Interest expense	-	(358.03)	(113.53)	(471.56)
Interest paid	-	234.30	113.53	347.83
Net debt as at 31 March 2018	**122.03**	**(2,990.86)**	**(1,027.72)**	**(3,896.55)**

NOTE 18 OTHER FINANCIAL LIABILITIES

` crore

		As at March 31, 2019	As at March 31, 2018
Non-current			
a)	Financial liabilities of erstwhile subsidiary assumed (Refer notes 18.1 and 31.1)	497.00	-
b)	Interest accrued but not due	490.63	-
c)	Financial guarantees	-	12.05
Total non-current financial liabilities		**987.63**	**12.05**
Current			
a)	Current maturities of long-term borrowings (Refer note 17)	377.80	414.27
b)	Interest accrued but not due	169.30	287.01
c)	Interest accrued and due	8.60	6.17
d)	Unpaid dividends ^	0.00*	0.25
e)	Advance towards sale of investments (Refer notes 12.3 and 15.1)	15.00	37.70
f)	Financial guarantees	-	3.18
g)	Financial liabilities of erstwhile subsidiary assumed (Refer notes 18.1 and 31.1)	147.23	-
h)	Others		
	i) Due to employees	71.46	112.19
	ii) Interest payable on contractee advances	122.94	93.01
	iii) Due to related parties (Refer note 39)	1.79	1.54
	iv) Liability for capital goods	30.22	106.29
	v) Other liabilities	31.37	46.60
Total current financial liabilities		**975.71**	**1,108.21**
Total other financial liabilities		**1,963.34**	**1,120.26**
^ Includes ` 7,600 (31 March 2018: Nil) which is held in abeyance due to legal cases pending			
Other financial liabilities carried at amortised cost		1,963.34	1,120.26
Other financial liabilities carried at FVPL		-	-

Note 18.1 Details of security and terms of repayment

Liability towards invocation of put options and corporate guarantees by lenders of Lavasa Corporation Limited ('LCL')

(i) Pursuant to settlement agreements entered with lenders of LCL, liabilities aggregating ` 497 crore have been taken over by the Company during the current year. As per the sanction letters, these liabilities carry an interest of 9.5% p.a. compounded quarterly and are to be repaid from realization of certain identified claims by 31 March 2023. However, as per the Resolution Plan approved by HCC Consortium lenders, in the eventuality such identified claims are not realized by 31 March 2023, 50% of the settlement amount will be paid in that year and the balance 50% by 31 March 2028.

The revised sanction letters with the modification in repayment terms is awaited from lenders of LCL. These identified claims are currently charged in favour of lenders of HCC. Post the receipt of sanctions from HCC lenders for release of charge in favour of lenders of LCL, the security on such identified claims will be created.

(ii) In addition to the above, lenders of LCL have invoked corporate guarantees of the Company during the year. Accordingly, the liability of ` 147.23 crore has been recognised by the Company.

(iii) Includes ` 16.73 crore and ` 84.97 crore in respect of non-current interest accrued but not due and current interest accrued but not due respectively, towards financial liabilities of LCL as mentioned above.

NOTE 19 PROVISIONS

` crore

	As at March 31, 2019	As at March 31, 2018
Non-current		
Provision for employee benefits (Refer note 37)		
- Gratuity	26.45	27.06
- Leave entitlement and compensated absences	13.01	14.26
Total non-current provisions	**39.46**	**41.32**
Current		
a) Provision for employee benefits (Refer note 37)		
- Gratuity	4.25	8.14
- Leave entitlement and compensated absences	1.88	2.75
b) Provision for foreseeable losses	13.98	20.22
Total current provisions	**20.11**	**31.11**
Total provisions	**59.57**	**72.43**

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

	March 31, 2019	March 31, 2018
I. Secured		
Rupee Loan from Banks (Refer note 20.1 below)		
(i) Cash credit facilities (Repayable on demand)	1,046.19	982.24
(ii) Working capital demand loan (Repayable on demand)	32.87	32.87
(iii) Buyer's credit	-	10.89
II. Unsecured (Repayable on demand)		
Loans from related parties (Refer note 39)	0.92	1.72
Total current borrowings (I+II)	**1,079.98**	**1,027.72**

Note 20.1 Security and terms for Cash Credit Facilities, Working Capital Demand Loan and Buyer's Credit:

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 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 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.

NOTE 20 CURRENT BORROWINGS ...contd

Collateral security pari-passu with lenders defined in MRA are same as indicated in note 17.1.1.

The Company has provided first charge over specific property, plant and equipment of the Company for the loan extended by Export Import Bank of India (EXIM Bank) to HCC Mauritius 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 Company.

The cash credit facilities carry an average interest rate of 11.60% p.a., which are repayable on demand.

Working Capital Demand Loans carry an interest rate of 11.50% p.a. which are repayable on demand.

Loans from related parties carry an interest rate of 12.50% p.a. which are repayable on demand.

NOTE 21: TRADE PAYABLES

` crore

	As at March 31, 2019	As at March 31, 2018
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer note 21.1 below)	16.59	5.15
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	1,791.86	1,804.99
	1,808.45	**1,810.14**

Note 21.1 : Dues to Micro and Small Enterprise

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

` crore

		As at March 31, 2019	As at March 31, 2018
(a)	The principal amount and the interest due thereon remaining unpaid to supplier as at the end of year:		
	- Principal amount due to micro and small enterprises	16.59	5.15
	- Interest due	4.76	0.35
(b)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	1.36
(c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	0.36	0.35
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	1.67	0.35
(e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	5.12	3.45

Note 21.2 Trade payables are non-interest bearing and are normally settled as per the payment terms stated in the contract.

NOTE 22 OTHER CURRENT LIABILITIES

` crore

		As at March 31, 2019	As at March 31, 2018
a)	Advance from contractees	1,898.57	1,651.88
b)	Statutory dues payable	29.08	59.84
c)	Due to customers (Refer note 39)	238.16	247.72
d)	Other liabilities	15.64	19.34
Total other current liabilities		**2,181.45**	**1,978.78**

NOTE 23 REVENUE FROM OPERATIONS

` crore

		Year ended March 31, 2019	Year ended March 31, 2018
a)	Contract revenue	3,894.86	3,993.24
	Add: Company's share of turnover in integrated joint ventures	23.25	19.90
		3,918.11	**4,013.14**
b)	Other operating revenue	422.89	561.94
Total revenue from operations		**4,341.00**	**4,575.08**

Disaggregated revenue information

Contract revenue represents revenue from Engineering and Construction contracts wherein the performance obligation is satisfied over a period of time. Further, the Company's entire business falls under one operational segment of 'Engineering and Construction'. Accordingly, disclosure of revenue recognised from contracts disaggregated into categories has not been made.

Contract balances

` crore

	As at March 31, 2019	As at March 31, 2018
Trade receivables	4,125.25	3,772.92
Unbilled work in progress (contract assets)	1,974.13	2,699.89
Due to customers (contract liabilities)	238.16	247.72

During the year ended 31 March 2019, the Company has recognized revenue of ` 8.28 crore arising from opening due to customers (contract liabilities)

Performance obligations

The aggregate value of performance obligations that are completely or partially unsatisfied as at 31 March 2019 is ` 18,554 crore, of which approximately 19% is expected to be recognized as revenue within the next one year and the remaining thereafter.

NOTE 24 OTHER INCOME

` crore

		Year ended March 31, 2019	Year ended March 31, 2018
a)	Interest received on:		
	- financial assets carried at amortised cost (Refer note 39)	80.63	244.06
	- bank deposits	4.03	2.11
	- income tax refund	2.64	1.30
	- sales tax refund	0.42	-
		87.72	**247.47**
b)	Dividend from long-term investments	0.03	0.03
c)	Other non-operating income		
	- Profit on sale of investments (net)	-	0.03
	- Profit on sale of property, plant and equipment (net)	5.13	-
	- Excess provision no longer required written back	8.80	1.72
	- Rental income	-	1.28
	- Miscellaneous (Refer note 27.1)	16.45	0.47
Total other income		**118.13**	**251.00**

NOTE 25 COST OF CONSTRUCTION MATERIALS CONSUMED

` crore

	Year ended March 31, 2019	Year ended March 31, 2018
Stock at beginning of the year	175.41	225.13
Add: Purchases	872.98	1039.27
	1,048.39	**1,264.40**
Less: Sale of scrap and unserviceable material	39.56	16.33
	1,008.83	**1,248.07**
Less: Stock at the end of the year	192.24	175.41
Total cost of construction materials consumed	**816.59**	**1,072.66**

NOTE 26 CONSTRUCTION EXPENSES

` crore

		Year ended March 31, 2019	Year ended March 31, 2018
a)	Power, fuel and water	110.29	117.65
b)	Insurance	24.86	40.14
c)	Rates and taxes	39.59	124.90
d)	Rent (Refer note 26.1)	66.87	43.33
e)	Transportation	37.89	47.09
f)	Others	63.38	34.44
Total construction expenses		**342.88**	**407.55**

Note 26.1 The Company has taken certain construction equipment under non-cancellable operating leases. The following is the summary of the future minimum lease payments in respect of these operating leases as at 31 March 2019 :

` crore

		As at March 31, 2019	As at March 31, 2018
Minimum lease rental payments			
i)	Payable not later than one year	0.93	3.47
ii)	Payable later than one year and not later than five years	-	0.98
iii)	Payable later than five years	-	-
		0.93	**4.45**

The lease agreement provides for an option to the Company to renew the lease period at the end of the non-cancellable period. There are no exceptional / restrictive covenants in the lease agreements.

Total operating lease expenses debited to Statement of Profit and Loss is ` 66.87 crore (31 March 2018: ` 43.33 crore)

Further, the Company has entered into cancellable operating lease for office premises and employee accommodation. Tenure of leases generally vary between one year to four years. Terms of the lease include operating terms for renewal, terms of cancellation etc.

NOTE 27 EMPLOYEE BENEFITS EXPENSE

` crore

		Year ended March 31, 2019	Year ended March 31, 2018
a)	Salaries and wages	351.84	391.40
b)	Contribution to provident and other funds [Refer notes 33(A)(vi) and 37(B)(a)]	20.22	22.46
c)	Staff welfare	21.62	24.11
Total employee benefits expense		**393.68**	**437.97**

Note 27.1 Pursuant to notification of the Companies (Amendment) Act, 2017 with effect from 12 September 2018, amending Section 197 of the Companies Act, 2013 ('the Act'), the application for approval in respect of excess amounts accrued / paid in respect of financials years 2014-15 and 2015-16, made by the Company to the Ministry of Corporate Affairs ('the Ministry') for approval of managerial remuneration of Chairman and Managing Director (CMD) which were paid / accrued in excess of the prescribed limit for these financial years stand abated. The Company is in the process of seeking requisite approvals, as may be required under the Act, for the payment of remuneration in respect of the years ended 31 March 2015 and 31 March 2016. Necessary adjustments, if required, will be made based on the outcome of such approvals.

The Company had paid / accrued remuneration for the aforesaid years based on the approval by shareholders and the applications filed with the Ministry as detailed below:

` crore

Financial Year	Remuneration accrued	Remuneration Paid	Remuneration as per prescribed limit	Excess remuneration paid held in trust
2014-15	10.66	Not paid	1.95	-
2015-16	10.66	10.66	1.97	8.69

Further, the Company had paid managerial remuneration to the CMD aggregating ` 10.66 crore during the financial year 2013-14, out of which ` 8.74 crore was in excess of the limits specified under Schedule XIII to the erstwhile Companies Act, 1956. In absence of response from the Ministry for the Company's application for reconsideration of the excess amount paid, the Company has proposed to recover the excess amount held in trust by the CMD and the same has been included under Other Income. Such sum is refundable to the Company within two years or such lesser period as allowed by the Company in terms of Section 197 of the Act and until such sum is refunded, the same will be continued to be disclosed as recoverable from the CMD.

NOTE 28 FINANCE COSTS

` crore

		Year ended March 31, 2019	Year ended March 31, 2018
a)	**Interest expense on:**		
	- debentures	209.33	189.79
	- others	411.22	420.47
b)	**Other borrowing costs**		
	- guarantee commission	49.04	38.78
	- finance charges	29.32	10.93
Total finance costs		**698.91**	**659.97**

NOTE 29 DEPRECIATION AND AMORTISATION EXPENSE (REFER NOTES 3 AND 4)

` crore

		Year ended March 31, 2019	Year ended March 31, 2018
a)	Depreciation of tangible assets	144.28	122.37
b)	Amortisation of intangible assets	0.25	0.57
Total depreciation and amortisation expense		**144.53**	**122.94**

NOTE 30 OTHER EXPENSES

` crore

			Year ended March 31, 2019	Year ended March 31, 2018
a)	Stationery, postage, telephone and advertisement		6.12	6.33
b)	Travelling and conveyance		13.18	13.20
c)	Professional		42.67	34.32
d)	Repairs and maintenance- building		4.54	4.75
e)	Repairs and maintenance- others		5.13	6.58
f)	Computer maintenance and development		9.93	10.41
g)	Directors' sitting fees (Refer note 39)		1.01	0.70
h)	Auditors' remuneration (Refer note 30.1):			
	i) Audit fees	1.35		1.35
	ii) Tax audit fees	0.20		0.20
	iii) Limited review fees	0.70		0.70
	iv) Certification fees	0.49		0.60
	v) Reimbursement of out of pocket expenses	0.02		0.02
			2.76	**2.87**
i)	Loss on sale of property, plant and equipment (net)		-	0.57
j)	Exchange loss (net)		4.37	10.51
k)	Loss allowance on financial assets (Refer note 39)		8.48	-
l)	Miscellaneous		22.50	21.53
Total other expenses			**120.69**	**111.77**

Note 30.1 - Excludes ` 0.35 crore paid during the year towards fees for certifications relating to Right Issue of equity shares, which has been charged off against Securities premium.

Note 30.2 - The Company is not liable to incur any expenses on Corporate Social Responsibility as per section 135 of the Companies Act, 2013.

NOTE 31 EXCEPTIONAL ITEMS

` crore

		Year ended March 31, 2019	Year ended March 31, 2018
a)	Investments in / advances to Lavasa Corporation Limited and HCC Real Estate Limited written off (Refer note 31.1 below)	2,011.13	-
b)	Loss provision in respect of arbitration awards and claims (Refer note 31.2 below)	331.40	-
c)	Impairment loss in respect of asset classified as held for sale (Refer notes 3 and 15)	71.85	-
d)	Gain on settlement of debts	(14.08)	-
Total exceptional items		2,400.30	-

Note 31.1: Loss on impairment/write off of investments in/and advances from Lavasa Corporation Limited ('LCL') and HCC Real Estate Limited ('HREL')

The National Company Law Tribunal, Mumbai (NCLT) vide Order dated 30 August 2018, has admitted an application filed against LCL by an operational creditor and initiated the Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code 2016 ('IBC'). In accordance with the provisions of IBC, the powers of the Board of Directors of LCL shall stand suspended and the management of LCL presently vests with the Resolution Professional ('RP') appointed under the provisions of IBC. HREL, a wholly owned subsidiary of the Company, is presently holding 68.70% equity stake in LCL. The Company took over liabilities aggregating ` 745.94 crore pursuant to settlement agreements entered/ negotiations by the Company with the lenders of LCL in connection with the put options/ corporate guarantees issued for borrowings of LCL. In view of uncertainties associated with the outcome of CIRP and as a matter of prudence, the Company had impaired/ written off its exposure in both these entities during the year as stated below.

(` crore)

Particulars	HREL	LCL	Total
Non-current investments	612.40	18.43	630.83
Non-current loans	440.07	185.04	625.11
Other financial assets	6.24	3.01	9.25
Liability for put option/ corporate gurantee	-	745.94	745.94
Total	**1,058.71**	**952.42**	**2,011.13**

Note 31.2:

During the year, the Company signed terms with a consortium of investors, whereby it has agreed to assign the beneficial interest/ rights in a portfolio of identified arbitration awards and claims (Specified Assets) of the Company, for an aggregate consideration of ` 1,750 crore. The transaction closure is subject to obtaining requisite approvals and completion of conditions precedent. The Specified Assets will be assigned in favour of a separate company (SPV) controlled by the investors. This SPV will raise funds from the investors through issue of Non-Convertible Debentures (NCDs), the proceeds of which would be paid to the Company as consideration for Specified Assets assigned.

Of the consideration of ` 1750 crore, ` 1,250 crore is proposed to be utilized by the Company towards repayment of term loans/ OCDs and the balance towards working capital, general corporate expenses and transaction costs. The Company will also issue a corporate guarantee (CG) of ` 625 crore in favour of the NCD Holders to provide comfort on the expected cash flow arising from the Specified Assets. The CG will reduce progressively on repayment of the NCDs as and when the Specified Assets are realized.

NOTE 32 EARNINGS PER SHARE (EPS)

			Year ended March 31, 2019	Year ended March 31, 2018
Basic and diluted EPS				
A.	Profit computation for basic earnings per share of ` 1 each			
	Net profit / (loss) as per the Statement of Profit and Loss available for equity shareholders	(` crore)	(1,961.75)	77.53
B.	Weighted average number of equity shares for EPS computation	(Nos.)	1,144,979,453	1,058,134,003
C.	EPS- Basic and Diluted EPS	(`)	(17.13)	0.73

Notes:

(a) The options granted to employees under the Employee stock option (ESOP) plan and the optionally convertible debentures do not qualify as potential equity shares outstanding during the periods, based on the present conditions prevalent, and hence have not been considered in the determination of diluted earnings per share.

(b) Further equity shares to be issued to certain lenders pursuant to implementation of S4A Scheme [refer note 16(g)] and to lenders pursuant to Right to Recompense (Refer note 17.2) do not presently qualify as potential equity shares and hence have not been considered in the determination of diluted earnings per share.

(c) Basic and diluted EPS for the year ended 31 March 2018 have been retrospectively adjusted for effect of Rights Issue stated in note 16(h).

NOTE 33 CONTINGENT LIABILITIES AND COMMITMENTS

A. Contingent liabilities

` crore

			As at March 31, 2019	As at March 31, 2018
(i)	Claims not acknowledged as debts by the Company		27.93	22.28
(ii)	Income tax liability that may arise in respect of which the Company is in appeals		17.99	17.99
(iii)	Sales tax liability / Works Contract Tax liability / Service Tax / Customs liability that may arise in respect of matters in appeal		210.41	184.72
(iv)	Corporate Guarantees:			
	The Company has provided an undertaking to pay in the event of default on loan given by lenders to the following related parties:			
	a)	Lavasa Corporation Limited	-	376.58
	b)	HCC Mauritius Enterprises Limited	39.05	44.64
	c)	HCC Mauritius Investment Limited	162.17	185.31
(v)	Counter indemnities given to banks in respect of contracts executed by subsidiaries and joint ventures		15.39	30.06
(vi)	Provident Fund:			
	Based on the judgement by the Honorable Supreme Court dated 28 February 2019, past provident fund liability, is not determinable at present, in view of uncertainty on the applicability of the judgement to the Company with respect to timing and the components of its compensation structure. In absence of further clarification, the Company has been advised to await further developments in this matter to reasonably assess the implications on its financial statements, if any.			

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above contingent liabilities except in respect of matter stated in (iv) above. Future cash outflows in respect of the above are determinable only on receipt of judgments/ decisions pending with various forums/ authorities. The Company does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof.

NOTE 33 CONTINGENT LIABILITIES AND COMMITMENTS...contd.

B. Commitments

` crore

		As at March 31, 2019	As at March 31, 2018
(i)	Capital Commitment (net of advances)	34.94	25.58
(ii)	Put option given to lenders of subsidiary company to sell debentures to the Company in the event of default (including interest and penal charges thereon)	-	709.82

Note 34 - The Company, as at 31 March 2019, has a non-current investment amounting to ` 1,559.28 crore (31 March 2018: ` 2.24 crore), non-current loans amounting to Nil (31 March 2018: ` 1,281.40 crore) and other non-current financial assets amounting to Nil (31 March 2018: ` 158.18 crore) in its subsidiary HCC Infrastructure Company Limited (HIL) which is holding 85.45% in HCC Concessions Limited (HCL) having various Build, Operate and Transfer (BOT) SPVs under its fold. While HIL has incurred losses and consolidated net-worth as at 31 March 2019 has been substantially eroded, the underlying projects are expected to achieve adequate profitability on substantial completion. The net-worth of this subsidiary does not represent its true market value as the value of the underlying investments/ assets, based on valuation report of an independent valuer, is higher. Further BOT SPV's have several claims including favorable arbitration awards against its customers mainly in respect of cost- overrun arising due to client caused delays, termination of contracts and change in scope of work which are under various stages of negotiation/ discussion with clients or under arbitration/ litigation wherein management has been legally advised that it has good case on merits. Therefore, based on certain estimates like future business plans, growth prospects as well as considering the contractual tenability, progress of negotiation/ discussion/ arbitration/ litigations and legal advise, the management believes that the realizable amount of the subsidiary is higher than the carrying value of the non-current investments due to which these are considered as good and recoverable.

Note 35 'Unbilled work-in-progress (Other current assets)', 'Non-current trade receivables' and 'current receivables' include ` 416.49 crore (31 March 2018: ` 686.24 crore), ` 54.14 crore (31 March 2018: ` 123.39 crore) and ` 320.94 crore (31 March 2018: ` 214.38 crore), respectively, outstanding as at 31 March 2019 which represent various claims raised earlier, based on the terms and conditions implicit in the contracts and other receivables in respect of closed / suspended projects. These claims are mainly in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work; for which Company is at various stages of negotiation / discussion with the clients or under arbitration/ litigation. Considering the contractual tenability, progress of negotiations / discussions / arbitration / litigations, 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 as at 31 March 2019 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
	March 31, 2019	March 31, 2018		
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
Max - HCC Joint Venture	40.00	-	MAX Group, Bangladesh	Bangladesh/ Construction
HCC- HDC Joint Venture	55.00	-	Hyundai Development Company	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 March 31, 2019	As at March 31, 2018
ii)	**Summarised balance sheet**		
	Total assets	70.17	29.73
	Total liabilities	136.25	68.30
iii)	**Contingent liability/ capital commitment as at reporting date**		
	Contingent liability	5.52	7.05
	Capital and other commitment	0.28	-

` crore

		Year ended March 31, 2019	Year ended March 31, 2018
iv)	**Summarised statement of profit and loss**		
	Revenue from operations	23.25	19.90
	Other income	0.92	0.83
	Total expenses (including taxes)	38.07	38.39

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	xiii)	HCC- Halcrow Joint Venture
ii)	Samsung- HCC Joint Venture	xiv)	HCC- Laing- Sadbhav
iii)	L & T- HCC Joint Venture	xv)	HCC- MEIL- NCC- WPIL Joint Venture
iv)	HCC- KBL Joint Venture	xvi)	HCC- DSD- VNR Joint Venture
v)	HCC- NCC Joint Venture	xvii)	MEIL- IVRCL- HCC- WPIL Joint Venture
vi)	HCC- CEC Joint Venture	xviii)	Alstom Hydro France- HCC Joint Venture
vii)	HCC- NOVA Joint Venture	xix)	HCC- MMS (MMRCL) Joint Venture
viii)	HCC- CPL Joint Venture	xx)	HCC- LCESPL (Bistan Lift) Joint venture
ix)	HCC- MEIL- CBE Joint Venture	xxi)	HCC- HSEPL Joint Venture
x)	HCC- MEIL- BHEL Joint Venture	xxii)	HCC- AL FARA'A Joint Venture
xi)	HCC- MEIL- SEW- AAG Joint Venture	xxiii)	HCC- URCC Joint Venture
xii)	HCC- MEIL- SEW Joint Venture		

Classification of work executed on sharing basis

Contracts executed in joint venture under work sharing arrangement (consortium) is accounted to the extent work executed by the Company as that of an independent contract.

NOTE 36 INTERESTS IN OTHER ENTITIES...contd.

c) Jointly controlled entity (joint venture)

The Compan's joint venture as at 31 March 2019 is set out below. It has share capital consisting solely of equity shares and the proportion of ownership interests held equals the voting rights held by the Company. The principal place of business of this joint venture is in India and is engaged in tolling operations.

Name of the entity	Name of the joint venture partner	% of ownership interest held by the Company	
		As at March 31, 2019	As at March 31, 2018
Farakka Raiganj Highways Limited	Hindustan Construction Company Limited	85.45%	89.23%
	HCC Concessions Limited		
Baharampore Farakka Highways Limited	Hindustan Construction Company Limited	85.45%	89.23%
	HCC Concessions Limited		
Raiganj Dalkhola Highways Limited	Hindustan Construction Company Limited	86.91%	86.91%
	HCC Concessions Limited		

` crore

		As at March 31, 2019	As at March 31, 2018
i)	**Summarised balance sheet**		
	Total assets	2,532.19	2,589.63
	Total liabilities	2,189.78	2,195.62
	Equity	342.41	394.01
ii)	**Contingent liability/ capital commitment as at reporting date**		
	Contingent liability	2,073.13	1,831.56
	Capital and other commitment	274.31	58.04

` crore

		Year ended March 31, 2019	Year ended March 31, 2018
iii)	**Summarised statement of profit and loss**		
	Revenue from operations	331.56	510.88
	Other income	0.70	4.08
	Total expenses (including taxes)	371.49	573.67

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 March 31, 2019	Year ended March 31, 2018
a)	**Changes in defined benefit obligations**		
	Present value of obligation as at the beginning of the year	29.30	30.98
	Interest cost	2.29	2.25
	Current service cost	2.51	2.82
	Remeasurements- Net actuarial (gains) / losses	4.63	(3.57)
	Benefits paid	(10.08)	(3.18)
		28.65	**29.30**
	Add: Provision for separated employees ^	2.05	5.90
	Present value of obligation as at the end of the year	**30.70**	**35.20**

^ represents provisions not valued by an actuary

` crore

		Year ended March 31, 2019	Year ended March 31, 2018
b)	**Expenses recognised in the Statement of Profit and Loss**		
	Interest cost	2.29	2.25
	Current service cost	2.51	2.82
	Total	**4.80**	**5.07**
c)	**Remeasurement (gains) / losses recognised in OCI**		
	Actuarial changes arising from changes in financial assumptions	0.49	(1.07)
	Experience adjustments	4.14	(2.30)
	Changes in demographic assumptions	-	(0.20)
	Total	**4.63**	**(3.57)**

		March 31, 2019	March 31, 2018
d)	**Actuarial assumptions**		
	Discount rate	7.54% p.a.	7.82% p.a.
	Salary escalation rate (over a long-term)	8.00% p.a.	8.00% p.a.
	Mortality rate	Indian assured lives mortality (2006-08)	Indian assured lives mortality (2006-08)
	Average future working lifetime	11 Years	11 Years
	Attrition rate :		
	- For services 4 years and below	8% p.a.	8% p.a.
	- For services 5 years and above	4% p.a.	4% p.a.

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

NOTE 37 DISCLOSURE RELATING TO EMPLOYEE BENEFITS AS PER IND AS 19 'EMPLOYEE BENEFITS'...contd.

e) Quantities sensitivity analysis for significant assumption is as below:

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

The methods and type of assumptions used in preparing the sensitivity analysis did not change compared to the previous year

` crore

		Year ended March 31, 2019	Year ended March 31, 2018
		1% increase	
i.	Discount rate	(1.67)	(1.79)
ii.	Salary escalation rate	1.84	1.98
iii.	Attrition rate	(0.08)	(0.05)
		1% decrease	
i.	Discount rate	1.87	2.00
ii.	Salary escalation rate	(1.68)	(1.81)
iii.	Attrition rate	0.08	0.05

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

	Year ended March 31, 2019	Year ended March 31, 2018
Within the next 12 months	2.19	2.23
Between 2 and 5 years	14.03	9.31
Over 5 years	34.27	42.90
Total expected payments	**50.49**	**54.44**

II Provident fund

In respect of certain employees, provident fund contributions are made to a trust administered by the Company. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. Accordingly, the contribution paid or payable and the interest shortfall, if any, is recognised as an expense in the period in which services are rendered by the employee. In accordance with an actuarial valuation of provident fund liabilities 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 details of fund and plan assets are given below:

` crore

	Year ended March 31, 2019
Fair value of plan assets	149.17
Present value of defined benefit obligations	144.82
Net excess	**4.35**

NOTE 37 DISCLOSURE RELATING TO EMPLOYEE BENEFITS AS PER IND AS 19 'EMPLOYEE BENEFITS'...contd.

The plan assets have been primarily invested in Government securities and corporate bonds.

The principal assumptions used in determining the present value obligation of interest guarantee under the deterministic approach are as follows:

	Year ended March 31, 2019
Discount rate	7.54% p.a.
Reinvestment period on maturity	5 years
Guaranteed rate of return	8.65% p.a.

B Defined contribution plans

a) The Company has recognised the following amounts in the Statement of Profit and Loss for the year:

` crore

		March 31, 2019	March 31, 2018
(i)	Contribution to provident fund	16.71	18.45
(ii)	Contribution to super annuation fund	3.51	4.01
		20.22	**22.46**

b) The expenses for leave entitlement and compensated absences is recognized in the same manner as gratuity and provision of ` 14.89 crore (31 March 2018: ` 17.01 crore) has been made as at 31 March 2019.

C Current/ non-current classification

` crore

	As at March 31, 2019	As at March 31, 2018
Gratuity		
Current	4.25	8.14
Non-current ^	26.45	27.06
	30.70	**35.20**
Leave entitlement (including sick leave)		
Current	1.88	2.75
Non-current	13.01	14.26
	14.89	**17.01**

^ includes ` 2.05 crore (31 March 2018: ` 5.90 crore) provided in respect of separated employees which has not been valued by an actuary

NOTE 38 FINANCIAL INSTRUMENTS

The fair value of the financial assets are included at amounts at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value:

(a) Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments

(b) Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

NOTE 38 FINANCIAL INSTRUMENTS...contd.

A Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2019 were as follows:

` crore

Particulars	Refer note	Amortised cost	Fair value through profit or loss		Fair value through Other Comprehensive Income		Total carrying value
Assets:							
Investments							
Investments in equity shares (unquoted)	5A	-	-	-	14.07	-	14.07
Investments in equity shares (quoted)	5A	-	-	-	3.58	-	3.58
Trade receivables	6	4,125.25	-	-	-	-	4,125.25
Loans	7	194.33	-	-	-	-	194.33
Others financial assets	8	116.43	-	-	-	-	116.43
Cash and cash equivalents	13	132.97	-	-	-	-	132.97
Other bank balances	14	91.43	-	-	-	-	91.43
Liabilities:							
Borrowings (including current maturities of long-term borrowings)	17, 20	3,299.72	-	-	-	-	3,299.72
Trade payables	21	1,808.45	-	-	-	-	1,808.45
Other financial liabilities	18	1,585.54	-	-	-	-	1,585.54

The carrying value and fair value of financial instruments by categories as at 31 March 2018 were as follows:

` crore

Particulars	Refer note	Amortised cost	Fair value through profit or loss		Fair value through Other Comprehensive Income		Total carrying value
Assets:							
Investments							
Investments in equity shares (unquoted)	5A	-	-	-	20.86	-	20.86
Investments in equity shares (quoted)	5A	-	-	-	3.26	-	3.26
Trade receivables	6	3,772.92	-	-	-	-	3,772.92
Loans	7	1,984.29	-	-	-	-	1,984.29
Others financial assets	8	3,012.25	-	-	-	-	3,012.25
Cash and cash equivalents	13	122.03	-	-	-	-	122.03
Other bank balances	14	75.41	-	-	-	-	75.41
Liabilities:							
Borrowings (including current maturities of long-term borrowings)	17, 20	3,725.40	-	-	-	-	3,725.40
Trade payables	21	1,810.14	-	-	-	-	1,810.14
Other financial liabilities	18	705.99	-	-	-	-	705.99

B Fair value hierarchy

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

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

NOTE 38 FINANCIAL INSTRUMENTS...contd.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31 March 2019:

` crore

Particulars	March 31, 2019			March 31, 2018		
	Level 1	**Level 2**	**Level 3**	Level 1	Level 2	Level 3
Assets						
Investments in equity shares (quoted)	**3.58**	**-**	**-**	3.26	-	-
Investments in equity shares (unquoted)	**-**	**14.07**	**-**	-	20.86	-

NOTE 39 DISCLOSURE IN ACCORDANCE WITH IND-AS 24 RELATED PARTY TRANSACTIONS

A. Names of related parties and nature of relationship

Name of the entity	Country of incorporation	Company's holding as at^		Subsidiaries of
		March 31, 2019	March 31, 2018	
a) Subsidiaries				
Western Securities Limited	India	97.87	97.87	Hindustan Construction Company Limited
HCC Real Estate Limited ('HREL')	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 **(effective 1 June 2018)** HCC Real Estate Limited **(upto 31 May 2018)**
Maan Township Developers Limited	India	100.00	100.00	Hindustan Construction Company Limited **(effective 1 June 2018)** HCC Real Estate Limited **(upto 31 May 2018)**
Lavasa Corporation Limited ^^	India	68.70	68.70	HCC Real Estate Limited ^^
HRL (Thane) Real Estate Limited	India	100.00	100.00	HCC Real Estate Limited
Nashik Township Developers Limited	India	100.00	100.00	HCC Real Estate Limited
Charosa Wineries Limited	India	-	100.00	HCC Real Estate Limited **(upto 6 February 2019)**
Powai Real Estate Developer Limited	India	100.00	100.00	HCC Real Estate Limited
HCC Realty Limited	India	100.00	100.00	HCC Real Estate Limited
HCC Aviation Limited	India	100.00	100.00	HCC 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

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
		March 31, 2019	March 31, 2018	
HCC Energy Limited	India	100.00	100.00	HCC Power 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^^
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^^
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

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
		March 31, 2019	March 31, 2018	
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	95.00	Steiner- AG
Steiner India Limited	India	100.00	100.00	Steiner- AG
Manufakt8048 AG	Switzerland	100.00	100.00	Steiner Promotions et Participations SA (w.e.f. 22 January 2019)

^ including through subsidiary companies

		Country of incorporation	Company's holding as at (%) ^	
			March 31, 2019	March 31, 2018
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	89.23
	Farakka-Raiganj Highways Limited	India	85.45	89.23
	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
	Nirmal BOT Limited	India	-	22.22
c)	**Associates**			
	Warasgaon Lake View Hotels Limited	India	24.56^^	24.56
	Knowledge Vistas Limited	India	49.00	49.00
	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 (w.e.f. 12 October 2017)	Switzerland	30.00	30.00
	Highbar Technocrat 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, the Company no longer has control or significant influence on the subsidiaries / associates / joint venture of these entities.

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
	Arya 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
Mr. Rajas R. Doshi	Independent Director
Mr. Ram P. Gandhi	Independent Director
Mr. Sharad M. Kulkarni	Independent Director
Mr. Anil C. Singhvi	Independent Director
Mr. Omkar Goswami	Independent Director
Mr. N. R. Acharyulu	Non Executive Director
Mr. Praveen Sood	Group Chief Financial Officer (upto 31 December 2018)
Mr. Arun V. Karambelkar	President and Chief Executive Officer- E&C (upto 31 January 2018)
Mr. Shailesh Sawa	Chief Financial Officer (w.e.f. 7 February 2019)
Mr. Amit Uplenchwar	Chief Executive Officer- E&C ((w.e.f. 31 January 2018)
Mr. Sangameshwar Iyer	Company Secretary (upto 8 May 2017)
Mr. Venkatesan Arunachalam	Company Secretary (upto 6 November 2018)
Mr. Ajay Singh	Company Secretary (w.e.f. 7 February 2019)
Ms. Harsha Bangari	Nominee Director (upto 6 February 2019)
Mr. Samuel Joseph	Nominee Director (w.e.f. 7 February 2019)

C. Nature of Transactions

` crore

Transactions with related parties:	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations		
- Joint Venture	**120.96**	350.86
Interest income on Inter corporate deposits		
- Subsidiaries	**73.00**	232.70
Finance Income on corporate guarantees		
- Subsidiaries	**6.02**	3.18
Remuneration written back		
- Key Management Personnel	**8.74**	-
Reimbursment of expenses		
- Subsidiaries	**2.69**	4.40
- Joint Venture	**0.54**	0.54
- Associates	**-**	0.02
- Other related parties	**0.52**	0.52
	3.75	5.48

NOTE 39 DISCLOSURE IN ACCORDANCE WITH IND-AS 24 RELATED PARTY TRANSACTIONS...contd.

` crore

Transactions with related parties:	Year ended March 31, 2019	Year ended March 31, 2018
Finance costs on corporate guarantee		
- Subsidiaries	-	4.54
Interest expense on Inter Corporate deposit taken		
- Subsidiaries	0.13	0.14
- Joint Venture	0.06	0.06
	0.19	0.20
Professional charges		
- Subsidiaries	3.98	3.10
- Associates	2.00	1.35
- Other related parties	0.48	0.48
	6.46	4.93
Financial liabilities assumed (Refer note 31.1)		
- Subsidiaries	745.93	-
Investments (including deemed investment) written off (Refer note 31.1)		
- Subsidiaries	1,376.76	-
Inter corporate deposits and other receivables written-off (Refer note 31.1)		
- Subsidiaries	634.36	-
Investment in equity instruments (including deemed investment)		
- Subsidiaries	3.99	-
Inter corporate deposits given during the year		
- Subsidiaries	352.95	206.64
Inter corporate deposits recovered/ adjusted		
- Subsidiaries	20.12	7.10
Inter corporate deposits converted into deemed investment		
- Subsidiaries	1,557.04	-
Inter corporate deposits repaid		
- Subsidiaries	0.22	-
- Joint Venture	0.58	-
	0.80	-
Inter corporate deposits taken during the year		
- Subsidiaries	-	0.02
Security deposits taken against sale of old equipments		
- Subsidiaries	0.90	-
Impairment allowance		
- Subsidiaries	8.48	-
Remuneration paid / payable during the year		
- Key Management Personnel	18.50	18.37
Directors' sitting fees paid / payable during the year		
- Key Management Personnel	1.01	0.70

NOTE 39 DISCLOSURE IN ACCORDANCE WITH IND-AS 24 RELATED PARTY TRANSACTIONS...contd.

` crore

Outstanding balances:	**As at March 31, 2019**	As at March 31, 2018
Outstanding receivables		
Trade Receivable (net of advances)		
- Joint Venture	**245.73**	284.77
Unbilled work-in-progress		
- Joint Venture	**476.89**	471.21
Interest receivable		
- Subsidiaries	**-**	201.60
Receivable towards reimbursements		
- Subsidiaries	**48.55**	46.38
- Joint Venture	**0.15**	0.15
- Associates	**0.27**	0.43
- Other related parties	**2.62**	2.28
	51.59	49.24
Inter-corporate deposits given		
- Subsidiaries	**168.03**	1,962.01
Security deposits given		
- Subsidiaries	**0.50**	0.50
Advance against sale of assets		
- Subsidiaries	**54.98**	56.83
Financial guarantee given on behalf of Company		
- Subsidiaries	**-**	15.96
Outstanding payables		
Inter corporate deposits taken		
- Subsidiaries	**0.92**	1.14
- Joint Venture	**-**	0.58
	0.92	1.72
Security deposits taken against sale of old equipment		
- Subsidiaries	**0.90**	-
Payable to related parties		
- Subsidiaries	**0.08**	0.07
- Joint Venture	**109.72**	149.79
- Other related parties	**1.79**	1.54
	111.59	151.40
Financial Guarantee given by Company		
- Subsidiaries	**-**	15.23
Due to customers		
- Joint Venture	**217.05**	213.65
Corporate guarantees given and outstanding at the end of the year		
- Subsidiaries	**201.22**	606.53

NOTE 39 DISCLOSURE IN ACCORDANCE WITH IND-AS 24 RELATED PARTY TRANSACTIONS...contd.

` crore

Outstanding balances:	**As at March 31, 2019**	As at March 31, 2018
Corporate guarantees taken and outstanding at the end of the year		
- Subsidiaries	**9,833.77**	7,616.59
Counter indemnities given and outstanding at the end of the year		
- Joint Venture	**15.39**	29.06
Remuneration payable (net)		
- Key Management Personnel	**6.55**	16.88

Notes

(i) The above figure does not include provisional gratuity liability valued by an actuary, as separate figures are not available.

(ii) Refer notes 17.1 and 20.1 for personal guarantee provided by CMD, shares pledged and other security created in respect of borrowing by the Company or the related parties.

(iii) Refer notes 5.2, 5.3 and 12.2 for pledge of shares for facilities taken by joint venture.

(iv) Refer note 6.4 in respect of charge created on certain assets for subsidiary HCC Operation and Maintenance Limited

NOTE 40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

i Market risk

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

a Interest rate risk

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

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit / (loss) before tax is affected through the impact on floating rate borrowings, as follows:

` crore

	March 31, 2019	March 31, 2018
Increase in basis points	50 basis points	
Effect on profit before tax, decrease by	7.04	7.27
Decrease in basis points	50 basis points	
Effect on profit before tax, increase by	7.04	7.27

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

b Foreign currency risk

The Company has several balances in foreign currency and consequently the Company is exposed to foreign exchange risk. The exchange rate between the rupee and foreign currencies has changed substantially in recent years, which has affected the results of the Company, and may fluctuate substantially in the future. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

NOTE 40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES...contd.

The following table analyses foreign currency risk from financial instruments as at 31 March 2019:

(currency in crore)

Particulars	USD	EUR	SEK
Liabilities			
Loans from banks	1.53	-	-
Buyers' credit	-	-	-
Advance from contractee	0.41	0.62	-
Trade payables	0.40	0.26	0.11
Interest accrued on loans	0.02	-	-
	2.36	**0.88**	**0.11**
Assets			
Inter corporate deposits and interest thereon	2.43	-	-
Advance to suppliers	0.08	0.00 *	-
Trade receivables	-	0.24	-
Bank balances	0.01	0.01	-
Unbilled work-in-progress	-	0.16	-
	2.52	**0.41**	**-**
Net liabilities / (assets)	**(0.16)**	**0.47**	**0.11**

The following table analyses foreign currency risk from financial instruments as at 31 March 2018:

(currency in crore)

Particulars	USD	EUR	SEK
Liabilities			
Loans from banks	2.31	-	-
Buyers' credit	0.14	0.02	-
Advance from contractee	0.16	0.62	-
Trade payables	1.32	0.34	0.10
Interest accrued on loans	0.12	-	-
	4.05	**0.98**	**0.10**
Assets			
Inter corporate deposits and interest thereon	1.79	-	-
Advance to suppliers	0.02	-	-
Trade receivables	-	0.23	-
Bank balances	0.00 *	0.00 *	-
Unbilled work-in-progress	-	0.36	-
	1.81	**0.59**	**-**
Net liabilities	**2.24**	**0.39**	**0.10**

* represents amount less than ` 1 lakh.

Sensitivity analysis

The Company's exposure in foreign currency is not material and hence the impact of any significant fluctuation in the exchange rates is not expected to have a material impact of the operating profits / (losses) of the Company.

NOTE 40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES...contd.

c Equity price risk

The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

Sensitivity analysis

As at 31 March 2019, the exposure to listed equity securities at fair value was ` 3.58 crore (31 March 2018: ` 3.26 crore). A decrease of 10% on the NSE market index could have an impact of approximately ` 0.36 crore on the OCI or equity attributable to the Company. An increase of 10% in the value of the listed securities would also impact OCI and equity equally. These changes would not have a material effect on the profit or loss of the Company.

ii Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. The maximum exposure of the financial assets are contributed by trade receivables and other financial assets.

(a) Trade Receivables

Trade receivables are typically unsecured and are derived from revenue earned from two main classes of trade receivables i.e receivables from sale to government promoted corporations and receivables from sales to private third parties. Most of the Company's trade receivables are from government promoted corporations customers having strong credit worthiness.

	As at March 31, 2019		As at March 31, 2018	
	` crore	**%**	` crore	%
Trade Receivables (including unbilled work-in-progress)				
- from government promoted corporation	6,057.07	99.31%	6,408.45	99.01%
- from private third parties	42.31	0.69%	64.36	0.99%
Total trade receivables (including unbilled work-in-progress)	**6,099.38**	**100.00%**	**6,472.81**	**100.00%**

(b) Financial assets other than trade receivables

Financial assets other than trade receivables comprise of cash and cash equivalents, other bank balances, loan to subsidiaries/ employees and other financial assets. The Company monitors the credit exposure on these financial assets on a case-to-case basis. Based on the Company's historical experience, the credit risk on other financial assets is also low.

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

` crore

	March 31, 2019	March 31, 2018
Revenue from top customer	538.89	410.43
Revenue from top five customers	1,751.93	1,850.52

For the year ended 31 March 2019, two (31 March 2018: one) 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.

NOTE 40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES...contd.

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

` crore

Particulars	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
As at 31 March 2019					
Borrowings (including current maturities of long-term borrowings)	1,079.98	377.80	1,077.00	764.94	3,299.72
Trade payables	387.03	1,221.28	200.14	-	1,808.45
Interest accrued	8.60	169.30	490.63	-	668.53
Other financial liabilities	374.79	45.22	497.00	-	917.01
Total	**1,850.40**	**1,813.60**	**2,264.77**	**764.94**	**6,693.71**
As at 31 March 2018					
Borrowings (including current maturities of long-term borrowings)	1,106.98	335.01	1,514.55	768.86	3,725.40
Trade payables	418.44	1,391.70	-	-	1,810.14
Interest accrued	6.17	287.01	-	-	293.18
Other financial liabilities	253.59	109.47	47.66	2.09	412.81
Total	**1,785.18**	**2,123.19**	**1,562.21**	**770.95**	**6,241.53**

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 divided by total capital (equity).

` crore

	As at March 31, 2019	As at March 31, 2018
Total debt	3,299.72	3,725.40
Total equity	1,293.00	2,774.94
Total debt to equity ratio (Gearing ratio)	**2.55**	**1.34**

In the long run, the Company's strategy is to maintain a gearing ratio of less than 1.25.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure requirements. Breaches in meeting the financial covenants would permit the lenders to immediately call loans and borrowings. Subsequent to restructuring of the borrowings, there have been no communications from the banks in this regard which might have a negative impact on the gearing ratio.

Note 42 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 43 Disclosure of unhedged foreign currency exposure as at 31 March 2019 and 31 March 2018

Particulars	Currency	**March 31, 2019**		March 31, 2018	
		Foreign currency in crore	**` crore**	Foreign currency in crore	` crore
Assets					
Inter corporate deposits and interest thereon					
- Non-current	USD	2.16	148.27	1.51	97.47
- Current	USD	0.27	18.59	0.28	17.81
Advance to suppliers	USD	0.08	5.27	0.02	1.22
	EUR	0.00 *	0.10	-	-
Trade receivables	EUR	0.24	18.31	0.23	18.16
Bank balances	USD	0.01	0.68	0.00 *	0.46
	EUR	0.01	1.15	0.00 *	0.46
Unbilled work-in-progress	EUR	0.16	12.46	0.36	28.32
Liabilities					
Loans from banks					
- Non-current	USD	0.73	50.47	0.10	6.42
- Current	USD	0.80	55.87	2.21	144.95
Buyers' credit	USD	-	-	0.14	9.07
	EUR	-	-	0.02	1.82
Advance from contractee	USD	0.41	28.57	0.16	10.70
	EUR	0.62	48.92	0.62	50.30
Trade payables	USD	0.40	28.03	1.32	86.44
	EUR	0.26	20.06	0.34	27.40
	SEK	0.11	0.86	0.10	0.81
Interest accrued on loans	USD	0.02	1.08	0.12	7.92
Net liabilities			**(29.03)**		**(181.93)**

Note 44 * represents amount less than ` 1 lakh.

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

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

Rakesh R. Agarwal
Partner
Membership No.: 109632

Place : Mumbai
Dated : May 9, 2019

Shailesh Sawa
Chief Financial Officer

Ajay Singh
Company Secretary
ACS 5253

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*
Shalaka Gulabchand Dhawan	DIN: 00011094	*Whole-Time Director*
Rajas R. Doshi	DIN: 00050594	*Directors*
Ram P. Gandhi	DIN: 00050625	
Sharad M. Kulkarni	DIN: 00003640	
Anil C. Singhvi	DIN: 00239589	
Samuel Joseph	DIN: 02262530	
Omkar Goswami	DIN: 00004258	
N. R. Acharyulu	DIN: 02010249	

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 and joint ventures, which comprise the Consolidated Balance Sheet as at 31 March 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, except for the possible effects of the matter 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 (consolidated financial position) of the Group as at 31 March 2019, and its consolidated loss (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. As stated in Note 42 to the consolidated financial statements, Lavasa Corporation Limited (LCL), a subsidiary of HCC Real Estate Limited (HREL) which is a wholly owned subsidiary of the Holding Company, was admitted under the Corporate Insolvency and Resolution Process (CIRP) in accordance with the Insolvency and Bankruptcy Code, 2016 (IBC) on 30 August 2018 and a Resolution Professional was appointed. The Board of Directors of LCL were suspended with effect from 30 August 2018, and the Holding Company and HREL therefore, did not exercise either control or significant influence over LCL from this date onwards. Owing to unavailability of financial statements and/or financial information of LCL and its subsidiaries, associates and jointly controlled entity ('LCL Group') for the period 1 April 2018 to 30 August 2018 ('cut-off period'), the financial statements of LCL Group for the cut-off period have not been included in the consolidated financial statements of the Holding Company and the assets and liabilities of LCL Group have been derecognized at their respective carrying values as at 31 March 2018 instead of 30 August 2018. The said accounting treatment by the Group is not in compliance with Ind AS 110- Consolidated Financial Statements. In the absence of sufficient audit evidence, we are unable to comment upon the compliance of Ind AS 110 – Consolidated Financial Statements and its consequential impact on the consolidated financial statements for the year ended 31 March 2019.

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 paragraph 20 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matters

5. We draw attention to Note 29.1 to the consolidated financial statements, regarding excess managerial remuneration accrued/paid to the Chairman and Managing Director (CMD) aggregating ` 17.40 crore for the financial years ended 31 March 2015 and 31 March 2016, in excess of the limits prescribed under the provisions of the erstwhile Companies Act, 1956 and the Act, for which Holding Company had filed applications seeking approval of the Central Government, as required by the relevant provisions of the Act and rules thereunder. Further, as discussed in the aforementioned note, pursuant to the notification of the effective date of Section 67 of the Companies (Amendment) Act, 2017 amending Section 197, Overall maximum managerial remuneration and managerial remuneration in case of absence or inadequacy of profits, of the Act, the aforesaid applications pending with the Central Government stand abated and the Holding Company is in the process of seeking requisite approvals required in accordance with the provisions of section 197 of the Act. Our opinion is not modified in respect of this matter.

6. We draw attention to Note 39 of the consolidated financial statements on following emphasis of matter included in the audit report on the financial statements of Badarpur Faridabad Tollway Limited (BFTL), a joint venture of the Holding Company, issued by an independent firm of Chartered Accountants, vide their report dated 3 May 2019, on matter which is relevant to our opinion on the

consolidated financial statements of the Group, and reproduced by us as under:

"Attention is drawn to Notes 18 and 31 to the financial statements, Canara Bank has vide letter dated 31 October 2018 has recalled entire amount of financial assistance extended to the Company. As per the cited letter, Bank has mentioned an amount of ` 902.96 crore as total dues outstanding as on 31 October 2018. Whereas per books of accounts of the Company, total outstanding dues to lenders as at 31 March 2019 are ` 617.04 crore. Pending reconciliation of outstanding dues to the lenders, difference amount has been disclosed as contingent liability. Our opinion is not modified in respect of this matter".

7. We draw attention to Note 40 of the consolidated financial statements on following emphasis of matter included in the audit report on the financial statements of Baharampore Farakka Highways Limited (BFHL), a joint venture of the Holding Company, issued by an independent firm of Chartered Accountants, vide their report dated 3 May 2019, on matter which is relevant to our opinion on the consolidated financial statements of the Group, and reproduced by us as under:

   "Note 33 of notes to accounts, National Highways Authority of India had served "Intention to Issue Termination Notice" vide letter dated 24 August 2017 and the Company refuted all the alleged defaults. The Independent Engineer has recommended the Authority to withdraw intention to issue termination notice on 5 February 2019. Our opinion is not modified in respect of this matter."

8. We draw attention to Note 41 of the consolidated financial statements on following emphasis of matter included in the audit report on the financial statements of Raiganj Dalkhola Highways Limited (RDHL), a joint venture of the Holding Company, issued by an independent firm of Chartered Accountants, vide their report dated 3 May 2019, on matter which is relevant to our opinion on the consolidated financial statements of the Group, and reproduced by us as under:

   "Note 7 to the notes to accounts, National Highways Authority of India (NHAI) has served notice of termination of contract to the Company vide letter dated 31 March 2017 due to delay in re-start of work at project. For the reasons mentioned in the note, as the Company is confident of full recovery of its claims of ` 368 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 this matter".

Key Audit Matters

9. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

10. In addition to the matters described in the Basis for Qualified Opinion 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
Assessment of impairment of investment in joint venture (Refer note 36 of the consolidated financial statements)	
The Group, as at 31 March 2019, has non-current investment of ` 137.23 crores in HCC Concessions Limited ('HCL'), a joint venture of HCC Infrastructure India Limited ('HICL') a wholly owned subsidiary. HICL has an investment of 85.45% in 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 2019 has substantially eroded. Given the losses incurred by HCL, the management was required to assess its investment for impairment. As at 31 March 2019, the management has obtained valuation of HCL from an independent valuer and relied upon legal opinion for certain receivables which are disputed by its customers. This involves significant judgements with respect to estimating future cashflows of the BOT SPVs, determining key assumptions, including the growth in traffic projections, operating costs, long-term growth rates and discount rates applied. Judgement is also required to assess the ultimate outcome of on-going dispute resolution proceedings with customers.	Our audit procedures included, but were not limited to, the following: • Obtained an understanding of the management process for identification of possible impairment indicators and process followed by the management for impairment testing; • Discussed extensively with management regarding impairment indicators and evaluated the design and testing operating effectiveness of controls; • Assessed the methodology used by the management to estimate the recoverability of investment and ensured that it is consistent with applicable accounting standards; • Evaluated 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 Group and the industry;

Key audit matter	How our audit addressed the key audit matter
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 financial statements. **Emphasis of Matter** Considering this matter is fundamental to the understanding of the users of the financial statements, we draw attention to Note 36 of the consolidated financial statement, regarding the Group's non-current investment in HCC Concessions Limited.	• Tested mathematical accuracy of the projections and applied independent sensitivity analysis to the key assumptions mentioned above to determine and focus on inputs leading to high estimation uncertainty of the cash flow projections; • Evaluated the legal opinion obtained by management from independent legal counsel, with respect to receivables disputed by customers; • Involved auditor's experts to assist in evaluating the assumptions and appropriateness of the valuation methodology used by the management; • 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; • Assessed that the disclosures made by the management are in accordance with applicable accounting standards.
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 Group, as at 31 March 2019, has unbilled work-in-progress (other current assets), non-current trade receivables and current trade receivables amounting to ` 416.49 crore, ` 54.14 crore and ` 320.94 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 from independent legal counsel, is of the view that no provision is required to be recognised for these receivables. Considering the materiality of the amounts involved, uncertainty associated with the outcome of the negotiations/ discussions/ arbitration/ litigation and significant management judgement involved in its assessment of recoverability, this was considered to be a key audit matter in the audit of the financial statements. **Emphasis of Matter** Considering this matter is fundamental to the understanding of the user of financial statement, we draw attention to Note 38 of the consolidated financial statement, regarding uncertainties relating to recoverability of above discussed receivables.	Our audit procedures included, but were not limited to, the following: • Obtained an understanding of the management process for assessing the recoverability of unbilled work-in-progress (other current assets), non-current trade receivables and current trade receivable; • Discussed extensively with management regarding steps taken for recovering the amounts and evaluated the design and testing operating effectiveness of controls; • Assessed the reasonability of judgements exercised and estimates made by management in recognition of these receivables and validating them with corroborating evidence; • Verified contractual arrangements to support management's position on the tenability and recoverability of these receivables; • Obtained 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; • Reviewed the legal opinion obtained by management from independent legal counsel with respect to certain contentious matters; • 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
Assessment of corporate guarantees invoked and put options exercised by lenders of Lavasa Corporation Limited ('LCL') and Warasgaon Assets Maintenance Limited ('WAML') against HCC Real Estate Limited ('HREL') (Refer note 37 of the consolidated financial statements)	
HREL, a wholly owned subsidiary of the Holding Company, had issued corporate guarantees to lenders of LCL and WAML and accepted to act as a counter party for the put option issued in respect of the Compulsory Convertible Preference Shares (CCPS) by LCL. These loans have been secured through charge created on land situated at various villages together constituting "Lavasa Land" and hypothecation on the current assets including receivables of WAML. Pursuant to the initiation of Corporate Insolvency Resolution Process ('CIRP') against LCL and WAML by Hon'ble National Company Law Tribunal, Mumbai ('NCLT'), the lenders of the LCL and WAML as at 31 March 2019, have invoked the aforementioned corporate guarantees and exercised the put options aggregating ` 3,868.69 crore HREL's obligation on account of the above is dependent on the final outcome of the CIRP proceedings, which are in progress. Considering the above, management is unable to measure the amount of obligation with sufficient reliability. Accordingly, as per Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets, the above liability has been disclosed by management as a contingent liability as at 31 March 2019 in the consolidated financial statements. Considering the materiality of the amounts involved and uncertainty associated with the outcome of the CIRP proceedings, this was considered to be a key audit matter in the audit of the consolidated financial statements. **Emphasis of Matter** Considering this matter is fundamental to the understanding of the users of financial statements, we draw attention to Note 37 of the consolidated financial statements, regarding assessment of the corporate guarantees invoked and put options exercised.	Our audit procedures included, but were not limited to, the following: • Verified contractual arrangements with respect to the corporate guarantees invoked and put options exercised; • Obtained an understanding of the status of the CIRP proceedings against LCL and WAML from management as well as independently from information available from public domain; • Obtained an understanding of the existing uncertainties resulting in management's inability to measure the quantum of obligation with sufficient reliability and the consequent non-provisioning of liability; • Obtained appropriate representations from management in this regard; • Assessed that the disclosures made by the management are in accordance with applicable accounting standards.
Recognition of contract revenue, margin and contract costs (Refer note 2.1(xxi) of the consolidated financial statements)	

Group's revenue primarily arises from construction contracts which, by its nature, are complex given the significant judgements involved in the assessment of current and future contractual performance obligations.
 	
Effective 1 April 2018, the Group has adopted Ind AS 115 Revenue from Contracts with Customers, using the cumulative catch-up transition method. Revenue for the Group, majorly comprises of revenue from construction contracts. Accordingly, the Group recognizes revenue and margins based on the stage of completion which is determined on the basis of the proportion of value of goods or services transferred as at the Balance Sheet date, relative to the value of goods or services promised under the contract. All the projects of the Group satisfy the criteria for recognition of revenue over time (using the percentage of completion method) since the control of the overall asset (property/site/project) lies with the customer who directs the Group. Further, the Group has assessed that it does not have an alternate use of these assets.
	Our audit of the recognition of contract revenue, margin and related receivables and liabilities included, but were not limited to, the following:
	
	• Evaluated the appropriateness of the Group's revenue recognition policies;
	• Assessed the design and implementation of key controls over the recognition of contract revenue and margin, and testing the operating effectiveness of these controls;
	• For a sample of contracts, tested the appropriateness of amount recognized by evaluating key management judgements inherent in the forecasted contract revenue and costs to complete that drive the accounting under the percentage of completion method, including:
	  - reviewed the contract terms and conditions;
	  - evaluated the identification of performance obligation of the contract;

Key audit matter	How our audit addressed the key audit matter
The recognition of contract revenue, contract costs and the resultant profit/loss therefore rely on the estimates in relation to forecast contract revenue and the total cost. These contract estimates are reviewed by the management on a periodic basis. In doing so, the management is required to exercise judgement in its assessment of the valuation of contract variations and claims and liquidated damages as well as the completeness and accuracy of forecast costs to complete and the ability to deliver contracts within contractually determined timelines. The final contract values can potentially be impacted on account of various factors and are expected to result in varied outcomes. Changes in these judgements, and the related estimates as contracts progress can result in material adjustments to revenue and margins. As a result of the above judgements, complexities involved and material impact on the related financial statements, this area has been considered a key audit matter in the audit of the financial statements.	- evaluated the appropriateness management's assessment that performance obligation was satisfied over time and consequent recognition of revenue using percentage of completion method; - tested the existence and valuation of claims and variations within contract costs via inspection of correspondence with customers; - reviewed legal and contracting experts' reports received on contentious matters; - obtained an understanding of the assumptions applied in determining the forecasted revenue and cost to complete; - assessed the ability of the Company to deliver contracts within budgeted timelines and exposures, if any, to liquidated damages for late delivery; and • Assessed that the disclosures made by the management are in accordance with applicable accounting standards.

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

11. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

    Our opinion on the consolidated financial statements does not cover the other information and we 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 when it becomes available 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.

    When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

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

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

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

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

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group, its associates and joint ventures(covered under the Act) have adequate internal financial controls system in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
    - 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.

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

Other Matters

20. We did not audit the financial statements / financial information of fifteen (15) subsidiaries, whose financial statements / financial information reflects total assets of ` 3,753.44 crore and net assets of ` 186.53 crore as at 31 March 2019, total revenues of ` 6,004.71 crore and net cash outflows amounting to ` 117.20 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 ` 13.39 crore for the year ended 31 March 2019, as considered in the consolidated financial statements, in respect of five (5) associates and five (5) joint ventures, whose financial statements / financial information have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, associates and joint ventures, is based solely on the reports of the other auditors.

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

21. We did not audit the financial statements / financial information of eight (8) joint operations whose financial statements / financial information reflect total assets and net liabilities of ` 70.17 crore and ` 66.08 crore, respectively as at 31 March 2019 and total revenues

and net cash inflows of ` 23.25 crore and ` 4.19 crore, respectively for the year ended on that date, as considered in the 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 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 Institute of Chartered Accountants of India. 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, in so far as it relates to the such joint operations, is based on the reports of such 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 other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done by, and the reports of the, other auditors.

22. We did not audit the financial statements / financial information of a subsidiary, whose financial statements / financial information reflects total assets of Nil and net liabilities of Nil as at 31 March 2019, total revenues of ` 1.38 crore and net cash inflows amounting to ` 0.16 crore for the year ended on that date, as considered in the consolidated financial statements. This financial statements are reviewed by us and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary are based solely on such reviewed financial statements. In our opinion and according to the information and explanations given to us by the management, this financial statements is not material to the Group.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial statements/financial information certified by the management and reviewed by us.

Report on Other Legal and Regulatory Requirements

23. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 20, on separate financial statements of the subsidiaries, associate and joint ventures, we report that the Holding Company covered under the Act 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 seventeen (17) subsidiary companies, an 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 ten (10) subsidiary companies and four (4) associate companies covered under the Act, since none of such companies is a public company as defined under section 2(71) of the Act.

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

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

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except for the possible effects of the matter described in paragraph 3 of the Basis for Qualified Opinion paragraph with respect to the financial statements of the Holding Company and HREL, a subsidiary 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 matter described in the Basis for Qualified Opinion paragraph, 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, 5, 6, 7 and 8 under the Basis for Qualified Opinion and Emphasis of Matters paragraph, in our opinion, may have an adverse effect on the functioning of the Holding Company, HREL group and HICL group, subsidiaries of the Holding Company;

    f) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, associate companies and joint venture 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 2019 from being appointed as a director in terms of Section 164(2) of the Act.

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

h) With respect to the adequacy of the internal financial controls over financial reporting 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 I'; 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 and joint ventures:

   i. Except for the possible effect of the matter described in paragraph 3 of the Basis for Qualified Opinion paragraph, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures, as detailed in notes 7.1, 35A(i) to (iv), 35A(vi), 36 to 41 and 43 to the consolidated financial statements;

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

   iii. there has been no delay in transferring amounts, 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 during the year ended 31 March 2019; and

   iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are 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

Place: Mumbai
Date: May 9, 2019

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of the Hindustan Construction Company Limited ('the Holding Company') and its subsidiaries, (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and its joint ventures as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company, its seventeen (17) subsidiary companies, an associate company and six (6) joint ventures, which are companies covered under the Act, as at that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its seventeen (17) subsidiary companies, an associate company and six (6) joint ventures, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India (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 the company's assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company, its subsidiary companies, its associate company and joint venture companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion on the IFCoFR of the Holding Company, its subsidiary companies, its associate company and joint venture companies, as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Basis for Qualified Opinion

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

   The Holding Company's internal financial control with respect to financial statements preparation process towards consolidation activity in compliance with the Ind

AS 110, "Consolidated Financial Statements" and other accounting principles generally accepted in India were not operating effectively, which has resulted in a material misstatement in carrying value and classification of assets and liabilities and its consequential impact on earnings, reserves and related disclosures in the consolidated financial statements, as explained in Note 42 to the accompanying Consolidated Financial Statements.

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

Qualified Opinion

10. In our opinion and based on the consideration of the reports of the other auditors on IFCoFR of the five (5) subsidiary companies, an associate company and five (5) joint venture companies, the Holding Company, its seventeen (17) subsidiary companies, an associate company and six (6) joint ventures, which are companies covered under the Act, have, in all material respects, maintained adequate IFCoFR as at 31 March 2019, based on internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI, and except for the effects of the material weakness described above on the achievement of the objectives of the control criteria, the IFCoFR were operating effectively as at 31 March 2019.

11. We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the consolidated financial statements of the Group and its associate and joint venture companies, which are companies covered under the Act as at and for the year ended 31 March 2019, and the material weakness has affected our opinion on the consolidated financial statements of the Group and its associate and joint venture companies, which are companies covered under the Act, and we have issued a qualified opinion on the consolidated financial statements.

Other Matters

12. We did not audit the IFCoFR in so far as it relates to five (5) subsidiary companies, which are companies covered under the Act, whose financial statements/financial information reflect total assets of ` 310.46 crore and net assets of ` 0.66 crore as at 31 March 2019, total revenues of ` 90.85 crore and net cash outflows amounting to ` 3.75 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 ` 14.66 crore for the year ended 31 March 2019, in respect of an associate company and five (5) joint venture companies which are companies covered under the Act, whose IFCoFR have not been audited by us. The IFCoFR in so far as it relates to such subsidiary companies, associate company and joint ventures have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company, its seventeen (17) subsidiary companies, its associate company and six (6) joint ventures, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies, associate company and joint venture companies is based solely on the reports of the auditors of such companies.

    Our opinion is not modified in respect of this matter with respect to our reliance on the work done, by and on the reports of, the other auditors.

13. We did not audit the IFCoFR in so far as it relates to a subsidiary, which is a company covered under the Act, whose financial information reflect total assets of Nil and net assets of Nil as at 31 March 2019, total revenues of ` 1.38 crore and net cash inflows amounting to ` 0.16 crore for the year ended on that date, as considered in the consolidated financial statements. The IFCoFR in so far as it relates to such subsidiary company is unaudited and our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company, its seventeen (17) subsidiary companies, its associate company and six (6) joint ventures, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company is based solely on representation provided by the management. In our opinion and according to the information and explanations given to us by the management, these financial statements/financial information is not material to the Group.

    Our opinion is not modified in respect of this matter with respect to our reliance on representation provided by the management

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

Rakesh R. Agarwal
Partner
Membership No.: 109632

Place: Mumbai
Date: May 9, 2019

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

` crore

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	508.95	1,556.10
Capital work-in-progress	3	169.06	1,713.92
Investment property	4	2.73	2.73
Goodwill	5	3.38	134.40
Other Intangible assets	5	59.52	36.05
Biological assets	3	-	1.49
Investments in associates and joint ventures	6	157.51	363.16
Financial assets			
Investments	6A	19.82	28.74
Trade receivables	7	642.49	1,375.13
Loans	8	37.65	79.60
Other financial assets	9	3.02	8.18
Income tax assets (net)	10	216.51	120.64
Deferred tax assets (net)	10	454.01	0.72
Other non-current assets	11	107.64	117.10
Total non-current assets		**2,382.29**	**5,537.96**
Current assets			
Inventories	12	631.67	2,504.06
Financial assets			
Investments	13	3.56	25.19
Trade receivables	7	3,545.71	2,465.28
Cash and cash equivalents	14	270.70	404.18
Other bank balances	15	585.72	547.91
Loans	8	26.77	19.98
Other financial assets	9	44.86	4,584.19
Other current assets	11	4,087.58	455.37
		9,196.57	**11,006.16**
Assets classified as held for sale	16	5.87	-
Total current assets		**9,202.44**	**11,006.16**
TOTAL ASSETS		**11,584.73**	**16,544.12**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	151.31	101.55
Other equity		(1,087.48)	(1,169.63)
Equity attributable to owners of the parent		**(936.17)**	**(1,068.08)**
Non-controlling interest		-	(482.99)
Total equity		**(936.17)**	**(1,551.07)**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	18	2,461.98	3,661.66
Other financial liabilities	19	1,127.55	0.28
Provisions	20	199.40	170.14
Deferred tax liabilities (net)	10	-	40.23
Other non-current liabilities	21	0.06	0.06
Total non-current liabilities		**3,788.99**	**3,872.37**
Current liabilities			
Financial liabilities			
Borrowings	22	1,174.40	1,123.24
Trade payables	23		
- Total outstanding dues of micro enterprises and small enterprises		16.59	5.87
- Total outstanding dues of creditors other than micro enterprises and small enterprises		3,694.72	3,641.08
Other financial liabilities	19	1,151.46	6,361.05
Other current liabilities	21	2,604.28	2,937.53
Provisions	20	90.46	154.05
Total current liabilities		**8,731.91**	**14,222.82**
TOTAL EQUITY AND LIABILITIES		**11,584.73**	**16,544.12**

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

Shailesh Sawa
Chief Financial Officer

Ajay Singh
Company Secretary
ACS 5253

Place : Mumbai
Dated : May 9, 2019

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*
Shalaka Gulabchand Dhawan	DIN: 00011094	*Whole-Time Director*
Rajas R. Doshi	DIN: 00050594	*Directors*
Ram P. Gandhi	DIN: 00050625	
Sharad M. Kulkarni	DIN: 00003640	
Anil C. Singhvi	DIN: 00239589	
Samuel Joseph	DIN: 02262530	
Omkar Goswami	DIN: 00004258	
N. R. Acharyulu	DIN: 02010249	

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

` crore

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
Income			
Revenue from operations	24	10,321.56	10,132.46
Other income	25	75.01	56.08
Total income		**10,396.57**	**10,188.54**
Expenses			
Cost of materials consumed	26	818.21	1,073.69
Purchase of traded goods		-	0.18
Subcontracting expenses		7,054.48	6,437.95
Change in inventories	27	(2.82)	49.85
Construction expenses	28	389.46	476.61
Employee benefits expense	29	1,007.74	1,021.61
Finance costs	30	808.36	1,525.38
Depreciation and amortisation expense	31	177.36	201.33
Other expenses	32	290.73	303.06
Total expenses		**10,543.52**	**11,089.66**
Loss before exceptional items, share of loss of associates and joint ventures and tax		(146.95)	(901.12)
Exceptional items	33	(527.37)	(160.19)
Loss before share of loss of associates and joint ventures and tax		**(674.32)**	**(1,061.31)**
Share of loss of associates and joint ventures		(151.31)	(38.90)
Loss before tax		**(825.63)**	**(1,100.21)**
Tax expense / (credit)	10		
Current tax		7.41	29.22
Deferred tax		(491.90)	(39.43)
		(484.49)	**(10.21)**
Loss for the year (A)		**(341.14)**	**(1,090.00)**
Other comprehensive income (OCI)			
(a) Items that will not be reclassified subsequently to statement of profit and loss (net of tax)			
- Gain / (loss) on fair value of defined benefit plans as per actuarial valuation		(30.05)	38.16
- Loss on fair value of equity instruments		(6.51)	(15.00)
(b) Items that will be reclassified subsequently to statement of profit and loss (net of tax)			
- Loss on exchange fluctuations		(120.42)	(29.43)
Total other comprehensive loss for the year, net of tax (B)		**(156.98)**	**(6.27)**
Total comprehensive loss for the year, net of tax (A+B)		**(498.12)**	**(1,096.27)**
Net loss for the year attributable to:			
Owners of the parent		(341.14)	(815.68)
Non controlling interest		-	(274.32)
Other comprehensive loss for the year attributable to:			
Owners of the parent		(156.98)	(4.69)
Non controlling interest		-	(1.58)
Total comprehensive loss for the year attributable to:			
Owners of the parent		(498.12)	(820.37)
Non controlling interest		-	(275.90)
Earnings per equity share of nominal value ` 1 each			
Basic and diluted (in `)	34	(2.98)	(7.69)

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

Place : Mumbai
Dated : May 9, 2019

Shailesh Sawa
Chief Financial Officer

Ajay Singh
Company Secretary
ACS 5253

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*
Shalaka Gulabchand Dhawan	DIN: 00011094	*Whole-Time Director*
Rajas R. Doshi	DIN: 00050594	*Directors*
Ram P. Gandhi	DIN: 00050625	
Sharad M. Kulkarni	DIN: 00003640	
Anil C. Singhvi	DIN: 00239589	
Samuel Joseph	DIN: 02262530	
Omkar Goswami	DIN: 00004258	
N. R. Acharyulu	DIN: 02010249	

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

` crore

	Particulars	**Year ended March 31, 2019**	Year ended March 31, 2018
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net loss before tax	(825.63)	(1,100.21)
	Adjustments for		
	Depreciation and amortisation expense	177.36	201.33
	Finance costs	808.36	1,525.38
	Interest income	(36.90)	(26.59)
	Profit on sale of non-current investments	-	(0.08)
	Gain on loss of control in subsidiary	(141.97)	-
	Loss on divestment of stake in subsidiary	67.82	-
	Loss provision in respect of arbitration awards and claims	331.40	-
	Impairment of financial and non-financial assets	212.35	160.19
	Impairment loss in respect of asset held for sale	71.85	-
	Gain on settlement of debts	(14.08)	-
	Share of loss of associates and joint ventures	151.31	38.90
	Provision for warranty	40.23	58.45
	Loss allowance on financial assets	7.74	8.12
	Dividend income	(0.53)	(0.48)
	Unrealised foreign exchange loss/ (gain) (net)	7.02	7.71
	Profit on sale of property, plant and equipment (net)	(5.08)	(0.62)
	Excess provision no longer required written back	(9.22)	(2.83)
		1,667.66	**1,969.48**
	Operating profit before working capital changes	842.03	869.27
	Adjustments for changes in working capital:		
	Increase in trade receivables	(361.40)	(103.61)
	(Increase) / Decrease in current/ non-current financial and other assets	(145.78)	255.00
	(Increase) / Decrease in inventories	(16.52)	103.87
	Increase / (Decrease) in trade payables and other financial/ other liabilities	(98.30)	458.74
	Increase / (Decrease) in advance from contractees	68.93	(118.07)
		(553.07)	**595.93**
	Cash generated from operations	288.96	1,465.20
	Direct taxes paid (net of refunds received)	(103.28)	(24.41)
	Net cash generated from operating activities	**185.68**	**1,440.79**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment (including capital work in progress and capital advances)	(42.50)	44.16
	Proceeds from sale of property, plant and equipment	17.79	12.96
	Proceeds from sale of investments	3.94	6.87
	Net investments in bank deposits (having maturity of more than three months)	(32.65)	(17.24)
	Interest received	48.31	24.02
	Dividend received	0.53	0.48
	Net cash generated from/ (used in) investing activities	**(4.58)**	**71.25**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

` crore

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from issue of equity share capital (including securities premium)	490.54	19.81
	Repayment of non-current borrowings (net)	(522.61)	(207.26)
	Proceeds from / (Repayment of) current borrowings (net)	51.16	(117.12)
	Interest and other finance charges	(333.49)	(1,030.92)
	Dividend paid	(0.25)	(0.16)
	Net cash used in financing activities	**(314.65)**	**(1,335.65)**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(133.55)**	**176.39**
	Cash and cash equivalents at the beginning of the year	404.18	227.74
	Unrealised foreign exchange gain	0.07	0.05
	Cash and cash equivalents at the end of the year (Refer note 14)	**270.70**	**404.18**

Note:-

1. The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows. Effective 1 April 2017, the Group adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.
2. Additions to property, plant and equipment include movements of capital work-in-progress, capital advances and capital creditors respectively during the year.

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

Shailesh Sawa
Chief Financial Officer

Ajay Singh
Company Secretary
ACS 5253

Place : Mumbai
Dated : May 9, 2019

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*
Shalaka Gulabchand Dhawan	DIN: 00011094	*Whole-Time Director*
Rajas R. Doshi	DIN: 00050594	*Directors*
Ram P. Gandhi	DIN: 00050625	
Sharad M. Kulkarni	DIN: 00003640	
Anil C. Singhvi	DIN: 00239589	
Samuel Joseph	DIN: 02262530	
Omkar Goswami	DIN: 00004258	
N. R. Acharyulu	DIN: 02010249	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

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 2017	1,010,651,635	101.07	13,225	0.01	1,010,664,860	101.08
Issued during the year [Refer note 17(f)]	4,759,291	0.47	-	-	4,759,291	0.47
As at 31 March 2018	**1,015,410,926**	**101.54**	**13,225**	**0.01**	**1,015,424,151**	**101.55**
Issued during the year [Refer note 17(g)]	497,565,318	49.76	-	-	497,565,318	49.76
As at 31 March 2019	**1,512,976,244**	**151.30**	**13,225**	**0.01**	**1,512,989,469**	**151.31**

b) Other equity

` in crore

Particulars	Reserves and surplus							Other comprehensive income		Non-controlling interest	Total equity attributable to equity holders
	Capital reserve	Forfeited debentures account	Securities premium	Debenture redemption reserve	Foreign currency monetary translation reserve	General reserve	Retained earnings	Equity instruments at fair value through other comprehensive income	Loss on exchange fluctuations		
As at 1 April 2017	**53.05**	**0.02**	**2,108.65**	**85.46**	**1.37**	**180.24**	**(3,135.86)**	**7.77**	**16.86**	**(207.09)**	**(475.35)**
Deferred tax adjustment (Refer note 10.1)	-	-	-	-	-	-	106.29	-	-	-	106.29
Restated balance as at 1 April 2017	**53.05**	**0.02**	**2,108.65**	**85.46**	**1.37**	**180.24**	**(3,029.57)**	**7.77**	**16.86**	**(207.09)**	**(369.07)**
Loss for the year	-	-	-	-	-	-	(1,090.00)	-	-	(274.32)	(815.68)
Other comprehensive income/(loss) for the year	-	-	-	-	-	-	38.16	(15.00)	(29.43)	(1.58)	(4.69)
Impact of acquisition/disposal of partial interest in subsidiary	-	-	-	-	-	-	30.46	-	-	-	30.46
Addition / (deletion) during the year	-	-	-	-	-	-	(29.25)	-	-	-	(29.25)
- Issue of share capital [Refer note 17(f)]	-	-	19.33	-	-	-	-	-	-	-	19.33
- Restatement of foreign currency monetary translation items	-	-	-	-	(0.09)	-	-	-	-	-	(0.09)
- Amortization of foreign currency monetary translation items	-	-	-	-	(0.64)	-	-	-	-	-	(0.64)
As at 31 March 2018	**53.05**	**0.02**	**2,127.98**	**85.46**	**0.64**	**180.24**	**(4,080.20)**	**(7.23)**	**(12.57)**	**(482.99)**	**(1,169.63)**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

` in crore

Particulars	Reserves and surplus							Other comprehensive income			
	Capital reserve	Forfeited debentures account	Securities premium	Debenture redemption reserve	Foreign currency monetary translation reserve	General reserve	Retained earnings	Equity instruments at fair value through other comprehensive income	Loss on exchange fluctuations	Non-controlling interes	Total equity attributable to equity holders
Loss for the year	-	-	-	-	-	-	(341.14)	-	-	0.00*	(341.14)
Other comprehensive loss for the year	-	-	-	-	-	-	(30.05)	(6.51)	(120.42)	0.00*	(156.98)
Impact of deconsolidation of subsidiary (Refer note 42)	(21.56)	-	-	(30.47)	-	-	535.02	-	-	482.99	-
Impact of transition to Ind AS 115 ^	-	-	-	-	-	-	140.74	-	-	-	140.74
Addition / (deletion) during the year:											
- Issue of share capital (net of share issue expenses) [Refer note 17(g)]	-	-	440.78	-	-	-	-	-	-	-	440.78
- Restatement of foreign currency monetary translation items	-	-	-	-	6.24	-	-	-	-	-	6.24
- Amortisation of foreign currency monetary translation items	-	-	-	-	(7.49)	-	-	-	-	-	(7.49)
As at 31 March 2019	**31.49**	**0.02**	**2,568.76**	**54.99**	**(0.61)**	**180.24**	**(3,775.63)**	**(13.74)**	**(132.99)**	**0.00 ***	**(1,087.48)**

^ Effective 1 April 2018, the Group has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that has not completed as of 1 April 2018. In accordance with the cumulative catch up transition method, the comparitives have not been retrospectively adjusted. The adoption of Ind AS 115 has resulted in the increase of opening reatined earnings of the Group by ` 140.74 crore

* represents amount less than ` 1 lakh.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

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 (the 'Act').

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 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 items 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. Loss on Exchange Fluctuations

The Group recognised exchange differences arising on translation of the foreign operations in other comprehensive income and accumulated in 'loss on exchange fluctuations' in other equity.

The accompanying notes are an integral part of the consolidated financial statements
This is the statement of changes in equity referred to in our audit report of even date

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

Rakesh R. Agarwal
Partner
Membership No.: 109632

Shailesh Sawa
Chief Financial Officer

Ajay Singh
Company Secretary
ACS 5253

Place : Mumbai
Dated : May 9, 2019

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*
Shalaka Gulabchand Dhawan	DIN: 00011094	*Whole-Time Director*
Rajas R. Doshi	DIN: 00050594	*Directors*
Ram P. Gandhi	DIN: 00050625	
Sharad M. Kulkarni	DIN: 00003640	
Anil C. Singhvi	DIN: 00239589	
Samuel Joseph	DIN: 02262530	
Omkar Goswami	DIN: 00004258	
N. R. Acharyulu	DIN: 02010249	

NOTE 1 CORPORATE INFORMATION

Hindustan Construction Company Limited (the "Holding Company" or "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 2019 were authorised for issue in accordance with resolution of the Board of Directors on 9 May 2019.

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

ii. Operating cycle for current and non-current classification:

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

iii. Principles of Consolidation

The financial statements have been prepared on the following basis:

a. Subsidiaries

- The consolidated financial statements incorporate the financial statements of the Holding Company and its subsidiaries. For this purpose, an entity which is, directly or indirectly, controlled by the Parent Company is treated as subsidiary. The Parent Company together with its subsidiaries constitute the Group. Control exists when the Parent Company, directly or indirectly, has power over the investee, is exposed to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

- Consolidation of a subsidiary begins when the Parent Company, directly or indirectly, obtains control over the subsidiary and ceases when the Parent Company, directly or indirectly, loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Statement of Profit and Loss from the date the Parent Company, directly or indirectly, gains control until the date when the Parent Company, directly or indirectly, ceases to control the subsidiary.

- The consolidated financial statements of the Group combines financial statements of the Parent Company and its subsidiaries line-by-line by adding together the like items of assets, liabilities, income and expenses. All intra-group assets, liabilities, income, expenses and unrealised profits/losses on intra-group transactions are eliminated on consolidation. The accounting policies of subsidiaries have been harmonised to ensure the consistency with the policies adopted by the Parent Company. The consolidated financial statements have been presented to the extent possible, in the same manner as Parent Company's standalone financial statements.

  Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests and have been shown separately in the financial statements.

- Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Company.

- The gains/losses in respect of part divestment/ dilution of stake in subsidiary companies not resulting in ceding of control, are recognised directly in other equity attributable to the owners of the Parent Company.

- The gains/losses in respect of divestment of stake resulting in ceding of control in subsidiary companies are recognised in the Statement of Profit and Loss. The investment representing the interest retained in a former subsidiary, if any, is initially recognised at its fair value with the corresponding effect recognised in the Statement of Profit and Loss as on the date the control is ceded. Such retained interest is subsequently accounted as an associate or a joint venture or a financial asset.

b. Investments in joint venture and associates

When the Group has with other parties joint control of the arrangement and rights to the net assets of the joint arrangement, it recognises its interest as joint venture. Joint control exists when the decisions about the relevant activities require unanimous consent of the parties sharing the control. When the Group has significant influence over the other entity, it recognises such interests as associates. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control over the entity.

The results, assets and liabilities of joint venture and associates are incorporated in the consolidated financial statements using equity method of accounting after making necessary adjustments to achieve uniformity in application of accounting policies, wherever applicable. An investment in associate or joint venture is initially recognised at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the joint venture or associate. Gain or loss in respect of changes in other equity of joint ventures or associates resulting in dilution of stake in the joint ventures and associates is recognised in the Statement of Profit and Loss. On acquisition of investment in a joint venture or associate, any excess of cost of investment over the fair value of the assets and liabilities of the joint venture, is recognised as goodwill and is included in the carrying value of the investment in the joint venture and associate. The excess of fair value of assets and liabilities over the investment is recognised directly in equity as capital reserve. The unrealised profits/losses on transactions with joint ventures are eliminated by reducing the carrying amount of investment.

The carrying amount of the equity accounted investments are tested for impairment in accordance with the policy.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

c. Interests in joint operations

In accordance with Ind AS 111 Joint Arrangements, when the Group has joint control of the arrangement based on contractually determined right to the assets and obligations for liabilities, it recognises such interests as joint operations. Joint control exists when the decisions about the relevant activities require unanimous consent of the parties sharing the control. In respect of its interests in joint operations, the Group recognises its share in assets, liabilities, income and expenses line-by-line in the standalone financial statements of the entity which is party to such joint arrangement which then becomes part of the consolidated financial statements of the Group when the financial statements of the Parent Company and its subsidiaries are combined for consolidation.

d. Business Combination/ Goodwill on consolidation

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

Goodwill on consolidation is allocated to cash generating units or group of cash generating units that are expected to benefit from the synergies of the acquisition.

Goodwill arising on consolidation is not amortised, however, it is tested for impairment annually. In the event of cessation of operations of a subsidiary, the unimpaired goodwill is written off fully.

Business combinations arising from transfers of interests in entities that are under common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

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

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

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. 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 various assumptions are considered by the management such as (i) Work will be executed in the manner expected so that the project is completed timely (ii) consumption norms will remain same (iii) Assets will operate at the same level of productivity as determined (iv) Wastage will not exceed the normal % as determined etc. (v) Estimates for contingencies (vi) There will be no change in design and the geological factors will be same as communicated and (vii) price escalations etc. Due to such complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

b. Recoverability of claims

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

c. 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.

d. 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.

e. 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. 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.

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 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.

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. 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 Companies Act, 2013 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.

x. 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 and trade marks. Computer software represents license fees and implementation cost for software and other application software acquired / developed for in-house use. Costs relating to trademark and design have been treated as intangible assets which also comprise license fees, other implementation costs for software and application software acquired for in-house use.

xi. 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.

xii. Depreciation / 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.
Biological plant (Bearer Plant)	4 to 20	Based on technical evaluation by management's expert.
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 and Other expenses.

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 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 ('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 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.

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. 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.

xv. Inventories

a. Raw material, Stores, Spares, Fuel

The stock of construction materials, stores, spares and embedded goods 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. Finished Goods (including Traded and Semi-finished goods)

Finished Goods, traded goods and semi-finished goods are valued at the lower of the cost and NRV. Cost is determined on weighted average basis and include all applicable cost of bringing the goods in their present location and condition. NRV is the estimated selling price in ordinary course of business less the estimated cost necessary to make the sale.

c. Project work in progress

Land and construction / development expenses are accumulated under "Project work-in-progress" and the same are valued at cost or net realizable value, whichever is lower.

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.

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 Group. 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. 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'.

xviii. 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.

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 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.

xx. 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.

xxi. Revenue Recognition

Effective 1 April 2018, the Group has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that has not completed as of 1 April 2018. In accordance with the cumulative catch up transition method, the comparatives have not been retrospectively adjusted. The adoption of Ind AS 115 by the Group has resulted in the increase of opening retained earnings of the Group by ` 140.74 crore which has been disclosed under the Consolidated Statement of Changes in Equity.

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.

a. Accounting of Construction Contracts

Revenue from engineering and construction services, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. The Group determines the percentage-of-completion on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled work-in-progress) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenue).

Advance payments received from contractee for which no services are rendered are presented as 'Advance from contractee'.

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

The Group presents revenues net of indirect taxes in its Statement of Profit and Loss.

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 recognised proportionately over the year in which the services are rendered.

Advance payments received from customers for which no services have been rendered are presented as 'Advance from customers'.

Revenue for sale of user license for software application is recognised on the transfer of title/products, in accordance with the sales contract.

Provision for estimated losses, if any, on uncompleted contracts are recognized in the year in which such losses become probable based on the current estimates.

c. Revenue from real estate development

Revenue from the sale of real estate projects is realised on the transfer of title or the transfer of material risks and rewards to the purchaser.

The separate sale of project development rights and plans is accounted for as sale and the revenue and gains are realised at the time of the transfer of risks and rewards.

Real estate development projects with multiple buyers (i.e. condominium projects) are accounted for according to specific guidance note of IND AS.E.g. revenue is only recognised if the POC is above 25% maximum to the extent of revenue based on cost-to-cost method.

d. Service concession arrangements

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

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

More specifically, Appendix D applies to public-to-private service concession arrangements if the grantor:

i. Controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and

ii. Controls through ownership or otherwise – any significant residual interest in the infrastructure at the end of the term of the arrangement.

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

Group has Toll Road Concession rights where it Designs, Build, Finances, Operates and transfer (DBFOT) infrastructure used to provide public service for a specified period of time. These arrangements may include Infrastructure used in a public-to-private service concession arrangement for its entire useful life.

These arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the Company receives a right (a license) to charge users of the public service. The financial asset model is used when the Company has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component. If the Company performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

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

More specifically, Appendix C applies to public-to-private service concession arrangements if the grantor:

i. Controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and

ii. Controls through ownership or otherwise – any significant residual interest in the infrastructure at the end of the term of the arrangement.

xxii. Other Income

a. Interest Income

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

b. Dividend Income

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

c. Other Income

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

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 Income Tax

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

b. Deferred Income Tax

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

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

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

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

xxv. 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.

xxvi. Trade receivables

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

xxvii. Trade payables

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

xxviii. Earnings Per Share

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

xxix. 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.

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. Share Issue Expenses

Share issue expenses are charged off against available balance in the Securities premium.

xxxii. 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.

xxxiii. 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"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS's which Group has not adopted as they are effective from 1 April 2019.

i. Ind AS - 116 Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

Ind AS 116 will come into force from 1 April 2019. The Group is evaluating the requirement of the new Ind AS and the impact on the financial statements. The effect on adoption of Ind AS 116 is expected to be insignificant.

ii. Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Group does not expect any significant impact of the amendment on its financial statements.

iii. Ind AS 23 – Borrowing Costs

The amendment clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any impact from this amendment.

iv. Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Group will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

NOTE 3 PROPERTY, PLANT AND EQUIPMENT

` crore

Particulars	Freehold land	Leasehold land	Leasehold improvements	Building and sheds	Plant and equipment	Furniture fixtures and equipment	Vehicles	Helicopter / Aircraft	Speed boat	Computers	Total	Biological Assets
Gross carrying value (at deemed cost)												
As at 1 April 2017	18.08	20.12	12.54	877.19	754.74	94.46	35.49	128.74	1.04	3.08	1,945.48	1.87
Additions	-	29.62	-	29.71	128.98	5.84	7.91	-	-	2.46	204.50	-
Disposals	-	(0.68)	-	(0.55)	(20.33)	(0.29)	(0.49)	-	-	(1.70)	(24.03)	-
Adjustments [Refer sub note (iii)]	-	-	-	-	0.30	-	-	0.23	-	-	0.54	-
As at 31 March 2018	**18.08**	**49.06**	**12.54**	**906.35**	**863.69**	**100.01**	**42.91**	**128.97**	**1.04**	**3.84**	**2,126.49**	**1.87**
Adjustments [Refer sub notes (iii)]	34.15	(34.15)	-	-	8.40	8.10	0.07	3.03	-	0.88	20.48	-
Additions	-	-	-	-	29.58	5.39	7.74	-	-	1.14	43.85	-
Disposals	-	-	(1.23)	-	(10.32)	(0.06)	(1.98)	(4.76)	-	-	(18.35)	(1.87)
Derecognition of assets of subsidiaries	(13.94)	(14.91)	(8.46)	(798.16)	(117.75)	(27.00)	(0.92)	-		(0.93)	(982.07)	-
Transferred to assets held for sale (Refer note 16)	-	-	-	-	-	-	-	(112.98)	-	-	(112.98)	-
As at 31 March 2019	**38.29**	**-**	**2.85**	**108.19**	**773.60**	**86.44**	**47.82**	**14.26**	**1.04**	**4.93**	**1,077.42**	**-**
Accumulated depreciation												
As at 1 April 2017	-	(0.10)	4.30	108.59	212.88	25.92	13.78	20.92	0.22	0.16	386.67	0.25
Depreciation charge	-	1.49	0.43	44.37	115.46	14.50	7.24	10.57	0.11	1.67	195.84	0.13
Accumulated depreciation on disposals	-	(0.07)	-	(0.41)	(8.90)	(0.28)	(0.21)	-	-	(1.68)	(11.55)	-
Adjustments [Refer sub note (iii)]	-	-	-	-	(0.62)	-	-	-	-	0.00	(0.62)	-
Impairment loss	-	-	-	0.02	-	0.02	-	-	-	-	0.05	-
As at 31 March 2018	**-**	**1.32**	**4.73**	**152.58**	**318.82**	**40.18**	**20.81**	**31.49**	**0.33**	**0.14**	**570.38**	**0.38**
Depreciation charge	-	-	0.39	13.05	130.54	12.17	4.73	10.42	0.10	0.98	172.38	0.12
Accumulated depreciation on disposals	-	-	(0.98)	-	(2.60)	(0.05)	(1.53)	(1.85)	-	-	(7.01)	(0.50)
Adjustments [Refer sub note (iii)]	-	-	-	-	-	5.64	0.10	-	-	1.22	6.96	-
Derecognition of assets of subsidiaries	-	(1.32)	(3.33)	(82.05)	(22.48)	(28.46)	(0.69)	-	-	(0.65)	(138.98)	-
Transferred to assets held for sale (Refer note 16)	-	-	-	-	-	-	-	(35.26)	-	-	(35.26)	-
As at 31 March 2019	**-**	**-**	**0.81**	**83.58**	**424.28**	**29.48**	**23.42**	**4.80**	**0.43**	**1.69**	**568.47**	**-**
Net carrying value												
As at 31 March 2018	18.08	47.74	7.81	753.77	544.87	59.83	22.10	97.49	0.71	3.70	1,556.10	1.49
As at 31 March 2019	**38.29**	**-**	**2.04**	**24.61**	**349.32**	**56.96**	**24.40**	**9.47**	**0.61**	**3.24**	**508.95**	**-**

Net carrying value	**March 31, 2019**	31 March 2018
Property, plant and equipment	508.95	1,556.10
Biological assets (bearer plants)	-	1.49
Capital work-in-progress	169.06	1,713.92

Notes:

(i) Refer notes 18.1 and 22.1 for information of property, plant and equipment pledged as security against borrowings of the Group.

(ii) Refer note 35(B) for disclosure of contractual commitments for acquisition of Property, plant and equipment.

(iii) Adjustments represents inter head adjustments and exchange loss arising on long-term foreign currency monetary items.

NOTE 4 INVESTMENT PROPERTY

` crore

Particulars	Land	Building	Total
Gross carrying value (at deemed cost)			
As at 1 April 2017	1.94	2.36	4.30
Additions	-	-	-
Disposals	-	-	-
Adjustments [Refer sub note (iii)]	0.11	-	0.11
As at 31 March 2018	**2.05**	**2.36**	**4.41**
Additions	-	-	-
Disposals	-	-	-
Adjustments [Refer sub note (iii)]	0.04	-	0.04
As at 31 March 2019	**2.09**	**2.36**	**4.45**
Accumulated depreciation			
As at 1 April 2017	-	1.55	1.55
Depreciation charge	-	0.13	0.13
As at 31 March 2018	**-**	**1.68**	**1.68**
Depreciation charge	-	0.04	0.04
As at 31 March 2019	**-**	**1.72**	**1.72**
Net carrying value			
As at 31 March 2018	2.05	0.68	2.73
As at 31 March 2019	**2.09**	**0.64**	**2.73**

Information regarding income and expenditure of Investment Property

` crore

	Year ended March 31, 2019	Year ended March 31, 2018
Rental Income derived from investment property	0.06	0.06
Direct operating expenses (including repairs and maintenance) generating rental income	(0.22)	(0.22)
Loss arising from investment properties before depreciation and indirect expenses	(0.16)	(0.16)
Less : Depreciation	(0.04)	(0.13)
Loss arising from investment properties before indirect expenses	(0.20)	(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 2018: ` 2.06 crore (CHF 300,000).

(ii) The fair value of the Building situated in Mumbai, Maharashtra, India as at the Balance Sheet date is ` 13.36 crore (31 March 2018: ` 13.36 crore).

(iii) Adjustments represent exchange loss arising on long-term foreign currency monetary items.

NOTE 5 INTANGIBLE ASSETS

` crore

Particulars	Computer software (A)	Trade marks (B)	Other intangible assets C = A+B	Goodwill (D)	Total intangible assets E = C+D
Gross carrying value (at deemed cost)					
As at 1 April 2017	35.90	0.87	36.77	124.49	161.26
Additions	16.42	-	16.42	30.46	46.88
Adjustment	-	-	-	-	-
Disposals	-	-	-	-	-
As at 31 March 2018	**52.32**	**0.87**	**53.19**	**154.95**	**208.14**
Additions	25.50	-	25.50	-	25.50
Adjustments	5.21	-	5.21	-	5.21
Derecognition of assets of subsidiaries	(2.97)	(0.87)	(3.84)	(131.02)	(134.86)
As at 31 March 2019	**80.06**	**-**	**80.06**	**23.93**	**103.99**
Accumulated amortisation					
As at 1 April 2017	10.82	0.73	11.55		11.55
Amortisation charge	5.24	-	5.24	-	5.24
Impairment loss	-	-	-	30.46	30.46
Adjustments	0.35		0.35	(9.91)	(9.56)
As at 31 March 2018	**16.41**	**0.73**	**17.14**	**20.55**	**37.69**
Amortisation charge	4.82	-	4.82	-	4.82
Derecognition of assets of subsidiaries	(2.72)	(0.73)	(3.45)	-	(3.45)
Adjustments	2.03	-	2.03	-	2.03
As at 31 March 2019	**20.54**	**-**	**20.54**	**20.55**	**41.09**
Net carrying value					
As at 31 March 2018	35.91	0.14	36.05	134.40	170.45
As at 31 March 2019	**59.52**	**-**	**59.52**	**3.38**	**62.90**

Note 5.1 Impairment testing for goodwill

Goodwill is tested for impairment annually in accordance with the Group's procedure for determining the recoverable amount of such assets. The recoverable amount is determined based on the fair value of the underlying net assets of the entity. The fair value measurement has been categorised as level 3 fair value based on the inputs to the valuation technique used. Based on the above, no impairment provision is considered necessary as the recoverable value exceeded the carrying value.

NOTE 6 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

` crore

		As at March 31, 2019	As at March 31, 2018
I.	**Investments at deemed cost**		
	i) in associates in India	7.12	17.65
	ii) in associates outside India	13.16	13.18
	iii) in joint venture in India	137.23	330.68
II.	**Deemed investment in associates and joint ventures**	-	1.65
Total investments in associates and joint ventures		**157.51**	**363.16**

Note 6.1 Detailed list of investments in associates and joint ventures

` crore

		As at March 31, 2019	As at March 31, 2018
I.	**Investments at deemed cost, unquoted and fully paid up**		
i)	**In associates in India**		
	Highbar Technocrat Limited 99,940 (31 March 2018: 99,440) equity shares of ` 10 each	7.12	5.52
	Knowledge Vistas Limited Nil (31 March 2018: 310,481) equity shares of ` 10 each	- ^	13.19
	Warasgaon Lakeview Hotels Limited Nil (31 March 2018: 140,897) equity shares of ` 10 each	- ^	12.13
		7.12	30.84
	Less: Impairment allowance	-	(13.19)
		7.12	**17.65**
ii)	**In associates outside India**		
	Evostate AG 300 (31 March 2018: 30) equity shares of CHF 1,000 each	3.39	0.18
	Projektentwicklungsges, Parking AG Basel 850 (31 March 2018: 850) equity shares of CHF 1,000 each	6.49	3.51
	MCR Managing Corp 30 (31 March 2018: 30) equity shares of CHF 1,000 each	3.28	9.49
		13.16	**13.18**
iii)	**In joint ventures in India**		
	HCC Concessions Limited (Refer note 36) 50,000 (31 March 2018: 50,000) equity shares of ` 10 each; and	573.48	573.48
	2,867,151 (31 March 2018: 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 ventures accounted under equity method		(722.23)	(566.65)
		137.23	**292.81**
Ecomotel Hotel Limited Nil (31 March 2018: 10,096,289) equity shares of ` 10 each		- ^	6.00
Whistling Thrush Facilities Services Limited Nil (31 March 2018: 27,540) equity shares of ` 10 each		- ^	0.00*
Spotless Laundry Services Limited Nil (31 March 2018: 96,437) equity shares of ` 10 each		- ^	0.00 *
Bona Sera Hotels Limited Nil (31 March 2018: 122,563) equity shares of ` 10 each		- ^	0.00*
Starlit Resort Limited Nil (31 March 2018: 49,400) equity shares of ` 10 each		- ^	3.89
Andromeda Hotels Limited Nil (31 March 2018: 61,470) equity shares of ` 10 each		- ^	2.90
Apollo Lavasa Health Corporation Limited Nil (31 March 2018: 626,808) equity shares of ` 10 each		- ^	25.08
		137.23	**330.68**

^ Refer Note 49.1(i)

Note 6.1 Detailed list of investments in associates and joint ventures...contd.

` crore

		As at March 31, 2019	As at March 31, 2018
II.	**Deemed investment in associates and joint ventures**		
	Fair valuation of corporate guarantee		
	(a) In joint venture	-	0.40
	(b) In associates	-	1.25
		-	1.65
		157.51	**363.16**

Note 6.2 The Group's share of (loss)/profit from associates and joint ventures is as follows:

` crore

	As at March 31, 2019	As at March 31, 2018
From joint ventures		
HCC Concessions Limited	(722.23)	(566.65)
Ecomotel Hotel Limited	-^	-
Whistling Thrush Facilities Services Limited	-^	(0.23)
Spotless Laundry Services Limited	-^	(7.08)
Bona Sera Hotels Limited	-^	-
Starlit Resort Limited	-^	(0.37)
Andromeda Hotels Limited	-^	1.07
Apollo Lavasa Health Corporation Limited	-^	(22.14)
From associates		
Highbar Technocrat Limited	7.11	5.52
Knowledge Vistas Limited	-^	(1.14)
Warasgaon Lakeview Hotels Limited	-^	(0.78)
Evostate AG	(19.23)	(22.44)
MCR Managing Corp	3.28	9.49
Projektentwicklungsges, Parking AG Basel	2.61	(0.37)
	(728.46)	**(605.12)**

^ Refer note 49.1(i)

Note 6A Non-current investments

` crore

		As at March 31, 2019	As at March 31, 2018
I.	**Investments in equity shares at deemed cost**	-	-
II.	**Investments in preference shares at amortised cost**	-	-
III.	**Deemed investments**	-	-
IV.	**Other investments in equity shares at fair value through Other Comprehensive Income**		
	In India	17.65	24.17
	Outside India	2.17	4.57
Total Non-Current Investments		**19.82**	**28.74**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Note: Detailed list of non-current investments

` crore

		As at March 31, 2019	As at March 31, 2018
I.	**Investments in equity shares at deemed cost, unquoted and fully paid up**		
	Lavasa Corporation Limited	452.24	-
	546,844,900 (31 March 2018: 546,844,900) equity shares of ` 10 each		
	Less: Impairment allowance	(452.24)	-
		-	**-**
II.	**Investments in preference shares at amortised cost**		
	Lavasa Corporation Limited	75.60	-
	22,400,125 (31 March 2018: 22,400,125) preference shares of ` 10 each, fully paid		
	Less: Impairment allowance	(75.60)	-
		-	**-**
III.	**Deemed investments**		
	Fair valuation of corporate guarantee		
	Lavasa Corporation Limited	799.49	-
	Less: Impairment allowance	(799.49)	-
		-	**-**
IV.	**Other investments in equity shares at fair value through Other Comprehensive Income, fully paid up**		
	In India		
	Punjab National Bank Limited Nil (31 March 2018: 4,715) equity shares of ` 2 each, quoted	-^	0.05
	Hubtown Limited Nil (31 March 2018: 10) equity shares of ` 10 each, quoted	-^	0.00*
	Ansal Housing and Construction Limited Nil (31 March 2018: 30) equity shares of ` 10 each, quoted	-^	0.00*
	Ashiana Housing Limited Nil (31 March 2018: 175) equity shares of ` 2 each, quoted	-^	0.00*
	DLF Limited Nil (31 March 2018 : 10) equity shares of ` 2 each, quoted	-^	0.00*
	Indiabulls Real Estate Limited Nil (31 March 2018 : 10) equity shares of ` 10 each, quoted	-^	0.00*
	Mahindra Lifestyle Limited Nil (31 March 2018 : 10) equity shares of ` 10 each, quoted	-^	0.00*
	Peninsula Land Limited Nil (31 March 2018: 50) equity shares of ` 2 each, quoted	-^	0.00*
	Shoba Developers Limited Nil (31 March 2018: 10) equity shares of ` 10 each, quoted	-^	0.00*
	Hindustan Kohinoor Co Op Society Nil (31 March 2018: 45) equity shares of ` 50 each, unquoted	-	0.00*
	Khandwala Securities Limited 3,332 (31 March 2018: 3,332) equity shares of ` 10 each, quoted	0.01	0.01
	Housing Development Finance Corporation Limited 15,220 (31 March 2018: 15,220) equity shares of ` 2 each, quoted	2.99	2.78

Note: Detailed list of non-current investments...contd.

` crore

	As at March 31, 2019	As at March 31, 2018
HDFC Bank Limited 2,500 (31 March 2018: 2,500) equity shares of ` 10 each, quoted	0.58	0.47
Walchand Co-op. Housing Society Limited Nil (31 March 2018: 5) equity shares of ` 50 each, unquoted	-	0.00*
Shushrusha Citizens Co-Op. Hospitals Limited 100 (31 March 2018 : 100) equity shares of ` 100 each, unquoted	0.00*	0.00*
Hincon Finance Limited 120,000 (31 March 2018 : 120,000) equity shares of ` 10 each, unquoted	14.07	20.86
	17.65	**24.17**
* represents amount less than ` 1 lakh. ^ Refer note 49.1(i)		
Outside India		
Radio- und Fernsehgenossenschaft Zürich-Schaffhausen 1 (31 March 2018 : 1) equity shares of CHF 50 each, unquoted	0.00*	0.01
Opernhaus Zürich AG 10 (31 March 2018 : 10) equity shares of CHF 900 each, unquoted	0.04	0.05
Genossenschaft Theater für den Kt. Zürich 1 (31 March 2018 : 1) equity shares of CHF 300 each, unquoted	0.00*	0.00*
Betriebsges. Kongresshaus Zürich AG 30 (31 March 2018 : 30) equity shares of CHF 1,000 each, unquoted	0.29	0.28
AG Hallenstadion Zürich 10 (31 March 2018 : 10) equity shares of CHF 100 each, unquoted	0.00*	0.03
MTZ Medizinishces Therapiezentrum 50 (31 March 2018 : 50) equity shares of CHF 1,000 each, unquoted	0.35	0.33
Mobimo Holding AG 720 (31 March 2018 : 720) equity shares of CHF 29 each, quoted	1.20	1.27
Goldbach Media AG 6,000 (31 March 2018 : 6,000) equity shares of CHF 1.25 each, quoted	0.00*	1.45
MCH Group AG 2,100 (31 March 2018 : 2,100) equity shares of CHF 10 each, quoted	0.29	1.15
	2.17	**4.57**
Total non-current investments (6 + 6A)	**177.33**	**391.90**

* represents amount less than ` 1 lakh.

` crore

		As at March 31, 2019	As at March 31, 2018
Details:			
Aggregate value of non-current investments is as follows:			
(i)	Aggregate value of unquoted investments	1,499.59	384.72
(ii)	Aggregate value of quoted investments and market value thereof	5.07	7.18
(iii)	Aggregate value of impairment of investments	1,327.33	-
(i)	Investments carried at deemed cost	157.51	363.16
(ii)	Investments carried at amortised cost	-	-
(iii)	Investments carried at fair value through Other Comprehensive Income	19.82	28.74

NOTE 7 TRADE RECEIVABLES

` crore

	As at March 31, 2019	As at March 31, 2018
Non-current		
Trade receivables ^ (Refer notes 7.1 and 38)	642.49	1,375.13
[Including retention Nil (31 March 2018: ` 0.79 crore)]		
Total non-current trade receivables	**642.49**	**1,375.13**
Current		
Trade receivables		
- from related parties ^^ (Refer notes 7.1 and 45)	271.10	284.77
[including retention of ` 30.44 crore (31 March 2018: ` 13.76 crore)]		
- from others ^^^ (Refer notes 7.1, 7.4 and 38)	3,274.61	2,180.51
[including retention of ` 619.28 crore (31 March 2018: ` 420.25 crore)]		
Total current trade receivables	**3,545.71**	**2,465.28**
Total trade receivables	**4,188.20**	**3,840.41**

^ Net off advance received against arbitration awards of ` 173.84 crore (31 March 2018: ` 200.02 crore)
^^ Net off advance received against claims of ` 263.48 crore (31 March 2018: ` 439.85 crore)
^^^ Net off advance received against arbitration awards / work bill of ` 2,110.78 crore (31 March 2018: ` 1,509.30 crore)

Break-up of security details

` crore

	As at March 31, 2019	As at March 31, 2018
Trade receivables considered good- secured	-	-
Trade receivables considered good- unsecured	4,188.20	3,840.41
Trade receivables which have significant increase in credit risk	-	-
Trade receivables- credit impaired	4.58	33.24
Total	**4,192.78**	**3,873.65**
Loss allowance	(4.58)	(33.24)
Total trade receivables	**4,188.20**	**3,840.41**

Note 7.1 Non-current trade receivables and current trade receivables as at 31 March 2019 include ` 642.49 crore (net of advances) and ` 2,070.46 crore (net of advances), respectively [31 March 2018: ` 1,375.13 crore (net of advances) and ` 1,431.49 crore (net of advance)] representing claims awarded in favour of the Group and which have been challenged by the customers in High Courts / Supreme Court.

Note 7.2 There are no trade receivables due from any director or any officer of the Group, either severally or jointly with any other person, or from any firms or private companies in which any director is a partner, a director or a member.

Note 7.3 Trade receivables, except receivables on account of claims awarded in arbitration in favour of the Group, are non-interest bearing and are generally on terms of 30 to 90 days.

Note 7.4 The Holding 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 a group entity for ` 138 crore plus IRR of 10.27% to be completed by 30 June 2020. As part of the purchase agreement, the Holding Company has agreed not to create encumbrance by way of first charge on certain identified claims/awards (included under trade receivables ` 156 crore and unbilled work-in-progress ` 64 crore) and also agreed to make available 25% of realized amount from these identified claims / awards to facilitate purchase of these NCDs.

NOTE 8 LOANS

` crore

	As at March 31, 2019	As at March 31, 2018
Non-current		
Loans to related parties (Refer note 45)	10.81	56.89
Security and other deposits		
- related parties (Refer note 45)	2.86	2.51
- others	23.98	20.20
Total non-current loans	**37.65**	**79.60**
Current		
Security and other deposits	26.77	19.98
Total current loans	**26.77**	**19.98**
Total loans	**64.42**	**99.58**

Break-up of security details

` crore

	As at March 31, 2019	As at March 31, 2018
Loans considered good- secured	-	-
Loans considered good- unsecured	64.42	99.58
Loans which have significant increase in credit risk	-	-
Loans- credit impaired	14.14	63.77
Total	**78.56**	**163.35**
Loss allowance	(14.14)	(63.77)
Total loans	**64.42**	**99.58**

NOTE 9 OTHER FINANCIAL ASSETS

` crore

	As at March 31, 2019	As at March 31, 2018
Non-current		
Margin money deposits	3.02	8.18
Application money paid towards share purchase	5.62	5.62
	8.64	13.80
Less: Loss allowance	(5.62)	(5.62)
Total non-current financial assets	**3.02**	**8.18**
Current		
Unbilled work-in-progress^ (Refer note 38)	-	4,565.27
Compensation in lieu of termination	35.19	-
Interest accrued on deposits/ advances	5.49	16.89
Others	11.09	2.03
Total current financial assets	**51.77**	**4,584.19**
Less: Loss allowance	(6.91)	-
	44.86	**4,584.19**
Total other financial assets	**47.88**	**4,592.37**

^ Net off advance received against work bill Nil (31 March 2018: ` 199.23 crore)

NOTE 10 INCOME TAX ASSETS (NET)

i. The following table provides the details of income tax assets and liabilities as at 31 March 2019 and 31 March 2018:

` crore

	As at March 31, 2019	As at March 31, 2018
a) Income tax assets	413.37	330.82
b) Current income tax liabilities	196.86	210.18
Income tax assets (net) [a-b]	**216.51**	**120.64**

ii The gross movement in the current tax asset for the years ended 31 March 2019 and 31 March 2018 is as follows:

` crore

	As at March 31, 2019	As at March 31, 2018
Net income tax asset at the beginning	120.64	69.63
Income tax paid	103.28	80.23
Current income tax expense	(7.41)	(29.22)
Net income tax assets at the end	**216.51**	**120.64**

iii. Income tax expense comprises:

` crore

	Year ended March 31, 2019	Year ended March 31, 2018
Current tax expense	7.41	29.22
Deferred tax credit	(491.90)	(39.43)
Income tax credit (net) in the Statement of Profit and Loss	**(484.49)**	**(10.21)**
Deferred tax (credit) / charge in Other Comprehensive Income	(1.62)	1.89
Income tax credit (net)	**(486.11)**	**(8.32)**

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 March 31, 2019	Year ended March 31, 2018
Loss before income tax	(825.63)	(1,100.21)
Applicable tax rate in India	34.944%	34.608%
Computed expected tax credit	**(288.51)**	**(380.78)**
Tax expense of jointly controlled operations, associates and joint ventures	57.61	0.15
Tax effect of overseas taxes	66.91	18.34
Effect of expenses not allowed for tax purpose	77.89	364.37
Effect of income not considered for tax purpose and deferred tax asset on loss not recognised	(398.77)	(12.55)
Impact of change in tax rate	0.38	0.26
Income tax credit (net) in the Statement of Profit and Loss	**(484.49)**	**(10.21)**

NOTE 10 INCOME TAX ASSETS (NET)...contd.

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

` crore

	As at March 31, 2019	As at March 31, 2018
(A) Deferred tax assets		
(a) Business loss / unabsorbed depreciation / MAT credit entitlements	2,051.79	2,065.55
(b) Impairment allowance for receivables / other assets	118.77	-
(c) Timing difference on tangible and intangible assets' depreciation and amortisation	53.15	(90.54)
(d) Others	98.81	165.12
	2,322.52	**2,140.13**
(B) Deferred tax liabilities		
(a) Claims / arbitration awards / retention	(1,867.14)	(1,554.34)
(b) Deemed equity investment and impact of financial instruments	-	(615.12)
(c) Others	(1.37)	(10.18)
	(1,868.51)	**(2,179.64)**
Deferred tax assets / (liabilities) (A) - (B)	**454.01**	**(39.51)**
Deferred tax liabilities in case of certain entities	-	40.23
Deferred tax assets in case of certain entities	454.01	0.72
Net deferred tax assets / (liabilities)	454.01	(39.51)

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

	Business loss / unabsorbed depreciation / MAT credit entitlements	Impairment allowance for receivables / other assets	Timing difference on tangible and intangible assets' depreciation and amortisation	Claims / arbitration awards / retention	Deemed equity investment and impact of financial instruments	Others	Total
At 1 April 2017	1,990.72	-	(106.71)	(1,217.24)	(958.12)	108.01	(183.34)
- to retained earnings (Refer note 10.1)	-	-	-	-	-	106.29	106.29
Restated balance as at 1 April 2017	**1,990.72**	**-**	**(106.71)**	**(1,217.24)**	**(958.12)**	**214.30**	**(77.05)**
(Charged) / credited							
- to profit or loss	74.83	-	16.17	(337.10)	343.00	(57.47)	39.43
- to other comprehensive income	-	-	-	-	-	(1.89)	(1.89)
At 31 March 2018	**2,065.55**	**-**	**(90.54)**	**(1,554.34)**	**(615.12)**	**154.94**	**(39.51)**
(Charged) / credited							
- deconsolidation of deferred taxes of subsidiary (Refer note 42)	(616.49)	-	120.71	-	615.12	(119.34)	-
- to profit or loss	602.73	118.77	22.98	(312.80)	-	60.22	491.90
- to other comprehensive income	-	-	-	-	-	1.62	1.62
At 31 March 2019	**2,051.79**	**118.77**	**53.15**	**(1,867.14)**	**-**	**97.44**	**454.01**

Note 10.1: During the previous year, the Group restated the financial statements for the year ended 31 March 2017, in accordance with the requirements of Ind AS 8- 'Accounting Policies, Change in Accounting Estimates and Errors' on account of de-recognition of deferred tax liabilities amounting to ` 106.29 crore. The restatement adjustment resulted in a net decrease of ` 106.29 crore to the previously reported net loss for the year ended 31 March 2017 and reduced the deferred tax liabilites by the same amount as at that date. Retained earning as at 1 April 2017 within the Consolidated Statement of Changes in Equity was restated to adjust the impact of such deferred tax adjustments relating to previous years.

NOTE 11 OTHER ASSET

` crore

	As at March 31, 2019	As at March 31, 2018
Non-current		
Capital advances	9.04	5.38
Balances with government authorities	99.22	111.36
Prepaid expenses	0.00*	0.98
	108.26	**117.72**
Less: Loss allowance	(0.62)	(0.62)
Total other non-current assets	**107.64**	**117.10**
Current		
Unbilled work-in-progress^ (Refer notes 7.4 and 38)	3,782.11	-
Advance to suppliers and subcontractors	145.99	289.62
Balances with government authorities	142.27	143.02
Prepaid expenses	11.77	24.44
Other assets	31.18	40.70
	4,113.33	**497.78**
Less: Loss allowance	(25.75)	(42.41)
Total other current assets	**4,087.58**	**455.37**
Total other assets	**4,195.22**	**572.47**

^ Net off advance received against work bill of ` 146.51 crore (31 March 2018: Nil)

NOTE 12 INVENTORIES

` crore

	As at March 31, 2019	As at March 31, 2018
Land and development rights	434.24	2,167.63
Construction material, stores, spares and embedded goods	192.24	175.76
Project work-in-progress	-	154.31
Food and beverages	-	0.16
Fuel and others	5.19	6.20
Total inventories	**631.67**	**2,504.06**

NOTE 13 CURRENT INVESTMENTS

` crore

		As at March 31, 2019	As at March 31, 2018
Investments accounted for using the equity method, unquoted and fully paid up			
I.	**Investment in joint venture**		
	Raiganj Dalkhola Highways Limited ('RDHL') 3,000,000 (31 March 2018: 3,000,000) equity shares of ` 10 each fully paid	2.78	4.11
	Baharampore Farakka Highways Limited ('BFHL') 100 (31 March 2018: 11,700,000) equity shares of ` 10 each fully paid	0.00*	0.45
	Farakka Raiganj Highways Limited ('FRHL') 100 (31 March 2018: 13,000,000) equity shares of ` 10 each fully paid	0.00*	8.92
	Dhule Palesner Tollways Limited ('DPTL') 100 (31 March 2018: 100) equity shares of ` 10 each fully paid	0.00*	0.00*
		2.78	**13.48**
II.	**Investments in others carried at fair value through profit and loss**		
	Investment in mutual funds	0.78	11.71
Total current investments		**3.56**	**25.19**

` crore

		As at March 31, 2019	As at March 31, 2018
Details:			
Aggregate value of current investments is as follows:			
(i)	Aggregate value of unquoted investments	3.56	25.19
(ii)	Aggregate value of quoted investments and market value thereof	-	-
(iii)	Aggregate value of impairment in the value of investments	-	-
(i)	Investments carried at cost	2.78	13.48
(ii)	Investments carried at amortised cost	–	–
(iii)	Investments carried at fair value through profit and loss	0.78	11.71

Note 13.1 Detailed list of current investments

` crore

		As at March 31, 2019	As at March 31, 2018
I.	**The Group's share of loss from equity accounted investments is as follows:**		
	In joint venture in India		
	- Raiganj Dalkhola Highways Limited (Refer note 13.2 and 13.3) 3,000,000 (31 March 2018: 3,000,000) equity shares of ` 10 each fully paid	(2.52)	(1.19)
	- Baharampore Farakka Highways Limited (Refer note 13.2 and 13.3) 100 (31 March 2018: 11,700,000) equity shares of ` 10 each fully paid	-	(16.28)
	- Farakka Raiganj Highways Limited (Refer note 13.2 and 13.3) 100 (31 March 2018: 13,000,000) equity shares of ` 10 each fully paid	-	(16.59)
	- Dhule Palesner Tollways Limited 100 (31 March 2018: 100) equity shares of ` 10 each fully paid	-	-
Total share of loss from equity accounted investments		**(2.52)**	**(34.06)**

Note 13.2 The Group has pledged the following shares in favour of the lenders as a part of the financing agreements for facilities taken by subsidiary companies and joint ventures as indicated below:

` crore

Name of the entity	No. of equity shares pledged	
	As at March 31, 2019	As at March 31, 2018
Raiganj Dalkhola Highways Limited	510,000	510,000
Baharampore Farakka Highways Limited	-	510,000
Farakka Raiganj Highways Limited	-	510,000

Note 13.3 Pursuant to Shareholders Agreement (SHA) executed on 9 August 2011, the Holding Company is required to hold 100% equity stake in HCC Infrastructure Company Limited (HICL) until Private Equity Investor gets an exit from HCC Concessions Limited (HCL) through means as specified in the SHA and there are certain other customary restrictions on pledging / creation of any encumbrance over shares / assets of HICL/ BOT SPVs. The Holding Company has given inter alia an undertaking in respect of investment in BFHL, FRHL, DPTL and RDHL to National Highways Authority of India (NHAI) that it will not transfer its shareholding till the commercial operation date.

During the current year, the Holding Company has transferred 11,699,900 equity shares held in BFHL and 12,999,900 shares held in FRHL to HCL in accordance with the sale agreement, the consideration of ` 24.70 crore was already received in earlier years. In respect of RDHL, the Holding Company as at 31 March 2019 has received full consideration of ` 3.00 crore (31 March 2018: ` 3.00 crore) from HCL for transfer of the shares at book value, subject to necessary approvals and consents to the extent required.

	As at March 31, 2019		As at March 31, 2018	
Name of the BOT SPV	**No. of shares**	**` crore**	**No. of shares**	**` crore**
Baharampore Farakka Highways Limited	100	0.00*	11,700,000	11.70
Farakka Raiganj Highways Limited	100	0.00*	13,000,000	13.00
Raiganj Dalkhola Highways Limited	3,000,000	3.00	3,000,000	3.00
Dhule Palesner Tollways Limited	100	0.00*	100	0.00*
Total	**3,000,300**	**3.00**	**27,700,100**	**27.70**

NOTE 14 CASH AND CASH EQUIVALENTS

` crore

	As at March 31, 2019	As at March 31, 2018
Balances with banks		
- Current accounts in Indian rupees	107.52	74.98
- Current accounts in foreign currency	134.72	269.06
- In deposit account with original maturity upto 3 months	27.07	1.18
Cash in hand	0.75	0.85
Cheques in hand	0.64	58.11
Total cash and cash equivalents	**270.70**	**404.18**

NOTE 15 OTHER BANK BALANCES

` crore

	As at March 31, 2019	As at March 31, 2018
Bank deposits with maturity of more than 3 months and less than 12 months ^	23.13	14.19
Earmarked balances with bank for:		
- Margin money deposits with original maturity of more than 3 months and remaining maturities of less than 12 months	562.59	533.47
- Balances with bank for unpaid dividend ^^	0.00*	0.25
Total other bank balances	**585.72**	**547.91**

^ Includes deposits of ` 8.55 crore (31 March 2018: ` 6.43 crore) earmarked against Debenture Redemption Reserve

^^ As at 31 March 2019, there are no amounts due and outstanding to be credited to the Investor Education and Protection Fund, except ` 7,600 (31 March 2018: Nil) which is held in abeyance due to legal cases pending.

NOTE 16 ASSETS CLASSIFIED AS HELD FOR SALE

` crore

	As at March 31, 2019	As at March 31, 2018
Aircraft [Refer notes 16.1 and 18.1.3(iii)]	77.72	-
Less: Impairment loss	(71.85)	-
Total assets classified as held for sale	**5.87**	**-**

Note 16.1 During the current year, the Holding Company has initiated identification and evaluation of potential buyers for its Hawker 4000 aircraft and all related avionics, appurtenances and equipment. The Holding Company anticipates completion of the sale by March 2020 and accordingly the same has been reclassified under 'Assets classified as held for sale'. On reclassification, the aircraft has been measured at the lower of carrying amount and fair value less cost to sell and consequently, an impairment loss of ` 71.85 crore has been recognized in the Consolidated Statement of Profit and Loss for the year ended 31 March 2019 [Also refer note 33(e)].

NOTE 17 EQUITY SHARE CAPITAL

` crore

		As at March 31, 2019	As at March 31, 2018
Authorised share capital			
2,000,000,000	Equity shares of ` 1 each (31 March 2018: 1,250,000,000 equity shares of ` 1 each)	200.00 ^	125.00
10,000,000	Redeemable cumulative preference shares of ` 10 each (31 March 2018: 10,000,000 preference shares of ` 10 each)	10.00	10.00
Total authorised equity share capital		**210.00**	**135.00**
Issued, subscribed and paid-up equity share capital:			
1,512,976,244	Equity shares of ` 1 each fully paid up (31 March 2018: 1,015,410,926 equity shares of ` 1 each)	151.30	101.54
	Add : 13,225 Forfeited equity shares (31 March 2018: 13,225 equity shares)	0.01	0.01
Total issued, subscribed and paid-up equity share capital		**151.31**	**101.55**

^On 8 October 2018, the shareholders of the Company at its Extra-ordinary General Meeting approved the increase in Authorised share capital of the Company from ` 1,350,000,000 (divided into 1,250,000,000 Equity shares of ` 1 each and 10,000,000 Redeemable cumulative preference shares of ` 10 each) to ` 2,100,000,000 (divided into 2,000,000,000 Equity shares of ` 1 each and 10,000,000 Redeemable cumulative preference shares of ` 10 each)

NOTE 17 EQUITY SHARE CAPITAL...contd.

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

	Number	` crore
As at 1 April 2017	**1,010,651,635**	**101.07**
Issued during the year [Refer note 17(f)]	4,759,291	0.47
As at 31 March 2018	**1,015,410,926**	**101.54**
Issued during the year [Refer note 17(g)]	497,565,318	49.76
As at 31 March 2019	**1,512,976,244**	**151.30**

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 of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shareholding of more than 5%:

Name of the Shareholder	As at March 31, 2019		As at March 31, 2018	
	% held	No. of shares	% held	No. of shares
Promoter				
Arya Capital Management Private Limited	16.28%	246,255,617	0.01%	65,000
Hincon Holdings Limited	14.28%	216,023,600	21.27%	216,023,600
Non-promoter				
Asia Opportunities IV (Mauritius) Limited	8.19%	123,875,000	-	-
HDFC Trustee Company Limited	5.88%	88,992,219	6.87%	69,732,622

d. Shares reserved for issue under Employee Stock Options Scheme (ESOP):

During the year ended 31 March 2019, there are Nil (31 March 2018: 300,000) stock options granted. As at 31 March 2019, there are 300,000 (31 March 2018: 300,000) stock options outstanding and convertible into equal number of equity shares of ` 1 each at an exercise price of ` 31.15 per share [Refer note d(i) below].

During the year ended 31 March 2019, none of the options were exercised / converted into equity shares and Nil (31 March 2018: 120,180) stock options got lapsed.

i. Options granted

The ESOP Compensation Committee of the Company at its Meeting held on 20 March 2018 has approved a grant of 300,000 options, in accordance with the terms and conditions contained in the existing HCC Employee Stock Option Scheme of the Company ('Scheme') (each option carrying entitlement for one equity share of the face value of ` 1 each) at an exercise price of ` 31.15 per equity share, in line with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI Regulations").

ii. Settlement Through Equity Shares

iii. Options vested Nil options (31 March 2018: Nil) remain vested and outstanding as at 31 March 2019

NOTE 17 EQUITY SHARE CAPITAL...contd.

e. Bonus shares/ buy back/ shares for consideration other than cash issued during past five years:

(i) Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash- Nil [Refer note 17(f)]

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

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

f. Pursuant to the approval of the shareholders at the Extra Ordinary General Meeting held on 5 January 2017, the allotment committee of the Board of Directors at its meetings held on 6 January 2017 and 19 January 2017 allotted collectively to the lenders 231,544,729 equity shares of face value of ` 1 each at a premium of ` 33.92 per share aggregating ` 808.55 crore and 14,414,874 optionally convertible debentures (OCDs) of face value of ` 1,000 each at par (carrying coupon rate of 0.01% p.a.) aggregating ` 1,441.49 crore. Further, pursuant to the approval of the shareholders at the Annual General Meeting held on 6 July 2017, the allotment committee of the Board of Directors at its meeting held on 17 July 2017 allotted to a lender 4,759,291 equity shares of face value of ` 1 each at a premium of ` 40.61 per share aggregating ` 19.80 crore and 256,716 OCDs of face value of ` 1,000 each at par (carrying coupon rate of 0.01% p.a.) aggregating ` 25.67 crore on preferential basis as part of the Scheme for Sustainable Structuring of Stressed Assets (S4A Scheme). The implementation of the S4A Scheme and the consequent allotment of equity shares/ OCDs have been made in respect of all the lenders except for few lenders who will be allotted equity shares and OCDs once they exercise their option. Number of equity shares/OCDs to be allotted will be determined based on the share price prevailing at the time of such allotment.

g. On 27 December 2018, the Holding Company issued and allotted 497,565,318 equity shares of face value ` 1 each at the price of ` 10 per equity share (including a premium of ` 9 per share) aggregating ` 497.57 crore (including securities premium of ` 447.81 crore) to the eligible equity shareholders on rights basis in the ratio of 49 equity shares for every 100 equity shares held.

The funds raised by way of rights issue were utilised as follows:

	` crore
Amount raised through rights issue	497.57
Utilisation	
Working capital requirements	367.50
General corporate purpose	98.03
Share issue expenses	7.03
	472.56
Unutilised amount kept in fixed deposits with banks	25.01

NOTE 18 LONG TERM BORROWINGS

` crore

		As at March 31, 2019	As at March 31, 2018
Non-current portion:			
I.	**Secured**		
A.	**Non-Convertible Debentures (Refer note 18.1.1)**	46.80	67.37
B.	**0.01% Optionally Convertible Debentures (OCDs) [Refer notes 18.1.2 and 17(f)]**		
	(i) From banks	1,084.24	1,090.66
	(ii) From others	246.12	246.12
C.	**Foreign Currency Term Loans (Refer note 18.1.3)**		
	(i) From Banks	55.85	51.05
	(ii) From Others	32.90	-
D.	**Rupee Term Loans (RTL-A) (Refer Note 18.1.4)**		
	(i) From Banks	56.67	83.97
	(ii) From Others	20.78	47.12
E.	**Rupee Term Loans (RTL-1) (Refer Note 18.1.5)**		
	(i) From Banks	75.44	135.22
	(ii) From Others	19.50	138.01
F.	**Rupee Term Loans (RTL-2) (Refer Note 18.1.5)**		
	(i) From Banks	204.35	359.62
	(ii) From Others	26.09	90.09
G.	**Working Capital Term Loan from Banks (WCTL-2) (Refer Note 18.1.6)**		
	(i) From Banks	4.20	6.49
	(ii) From Others	7.28	12.32
H.	**Consortium loan from banks (Refer Note 18.1.8)**	-	18.55
I.	**Other Term Loans**		
	(i) From Banks (Refer Note 18.1.9)	282.88	415.57
	(ii) From Others (Refer Note 18.1.10)	-	13.43
Subtotal (I)		**2,163.10**	**2,775.59**
II.	**Unsecured**		
A.	Fully convertible debentures (Refer note 18.2.1)	-	-
B.	Share warrants (Refer note 18.2.2)	-	4.57
C.	Financial institutions/others (Refer note 18.2.3)	298.87	319.50
D.	Compulsory convertible preference shares (Refer note 18.2.4)	-	462.48
E.	Cumulative redeemable preference shares (Refer note 18.2.5)	0.01	99.52
Subtotal (II)		**298.88**	**886.07**
Total non-current borrowings (I+II)		**2,461.98**	**3,661.66**

NOTE 18 LONG TERM BORROWINGS...contd.

` crore

		As at March 31, 2019	As at March 31, 2018
Current maturities of long-term debts:			
I.	**Secured**		
A.	**Non-Convertible Debentures (Refer note 18.1.1)**	57.02	973.13
B.	**Foreign Currency Term Loans (Refer note 18.1.3)**		
	(i) From Banks	22.98	144.95
	(ii) From Others	32.89	-
C.	**Rupee Term Loans (RTL-A) (Refer note 18.1.4)**		
	(i) From Banks	23.36	8.13
	(ii) From Others	8.04	5.07
D.	**Rupee Term Loans (RTL-1) (Refer note 18.1.5)**		
	(i) From Banks	49.81	38.06
	(ii) From Others	16.03	40.42
E.	**Rupee Term Loans (RTL-2) (Refer note 18.1.5)**		
	(i) From Banks	144.17	101.51
	(ii) From Others	16.49	27.80
F.	**Working Capital Term Loan from Banks (WCTL-2) (Refer note 18.1.6)**		
	(i) From Banks	1.97	1.26
	(ii) From Others	5.04	4.20
G.	**Consortium loan from banks (Refer Note 18.1.8)**	-	1,743.01
H.	**Other term loans**		
	(i) From Banks (Refer Note 18.1.9)	93.36	768.39
	(ii) From Others (Refer Note 18.1.10)	-	775.56
Subtotal (I)		**471.16**	**4,631.49**
II.	**Unsecured**		
A.	**Fully Convertible Debentures (Refer Note 18.2.1)**	-	22.18
B.	**Share Warrants (Refer Note 18.2.2)**	-	0.09
C.	**Cumulative Redeemable Preference Shares (Refer Note 18.2.5)**	-	16.91
Subtotal (II)		**-**	**39.18**
Total Current Maturities of long term debt (I+II)		**471.16**	**4,670.67**
Total Borrowings		**2,933.14**	**8,332.33**

Note 18.1 Details of security and terms of repayment

18.1.1 Non-Convertible Debentures (NCDs)

` crore

		As at March 31, 2019	As at March 31, 2018
i)	**Axis**		
	These debentures are classified as RTL-1. These debentures carry an interest yield of 11.50% p.a. and are repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. These are secured by way of registered mortgage over 231.66 acres of land of Lavasa Corporation Limited ('LCL'), situated in 5 villages namely Village Admal, Bhode, Gadle, Padalghar and Ugavali in taluka Mulshi, District Pune, Maharashtra.	30.97	40.38
ii)	**LIC**		
	These debentures are classified as RTL-1. These debentures carry an interest yield of 11.50% p.a. and are repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. Refer note 18.1.7 for security details.	72.85	69.86
iii)	**Jammu & Kashmir Bank**		
	NCDs held by Jammu & Kashmir Bank Limited, carry a coupon rate of 12.50% p.a., payable quarterly. The investor and the Holding Company had a put and call option, respectively to sell and purchase the NCDs at the end of 39th, 48th and 60th month from the closing date (13 May 2010). NCDs were secured by exclusive charge created by English mortgage deed on land situated at village Dhamanhol Taluka Mulshi admeasuring 1 acre. Also, secured by second charge on land of LCL admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon. Pursuant to the exercise of put options by the investor, the Holding Company has entered into a settlement agreement during the current year and the resultant liabiliites have been assumed by the Holding Company [Also refer note 19.1(a)]	-^	146.09
iv)	**India Opportunities II Pte Limited**		
	NCDs held by India Opportunities II Pte Limited have a tenor of 5 years and 9 months and carry a coupon rate of 14% p.a, payable quarterly. These are secured by charge created by English mortgage deed on land of LCL admeasuring 30 acres. NCDs were guaranteed to the extent 100% of outstanding balance given by the Holding Company. Pursuant to invocation of Corporate guarantees by the investor, a Debenture purchase and sale agreement has been entered into by the Group for purchase of these NCDs. Accordingly, the Group has accounted for the resultant liability during the current year [Also refer note 19.1(c)]	-^	51.01
v)	**Asset Reconstruction Company (India) Limited.**		
	NCDs held by ICICI Bank, subsequently assigned to Asset Reconstruction Company (India) Limited ('ARCIL'), carry a coupon of 9% p.a. with a yield to maturity of 16% p.a. These NCDs redeemable on 6 January 2015, carried a put and call option exercisable on 6 January 2013, 6 January 2014 and 6 January 2015. NCDs were secured by charge created by English mortgage deed on 747 acres of land. Pursuant to the exercise of put options by the investor, the Holding Company has entered into a settlement agreement during the current year and the resultant liabiliites have been assumed by the Holding Company [Also refer note 19.1(a)]	-^	563.73

Note 18.1 Details of security and terms of repayment...contd.

` crore

		As at March 31, 2019	As at March 31, 2018
vi)	**SSG Investment Holding India Limited**		
	NCDs held by SSG Investment Holding India Limited were subscribed for the tenor of 5 years and 9 months. These NCDs carried a coupon rate of 14% p.a. payable quarterly. NCDs were secured by first pari passu charge created by English mortgage deed on land of LCL admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon including all present and future moveable assets of the LCL. NCDs were also guaranteed jointly by the Holding Company and other shareholders to the extent of their equity share in LCL. Pursuant to invocation of Corporate guarantees by the investor, a Debenture purchase and sale agreement has been entered into by the Group for purchase of these NCDs. Accordingly, the Group has accounted for the resultant liability during the current year [Also refer note 19.1(c)].	-^	169.43
	Less: Classified under other financial liabilities (Refer note 19)	(57.02)	(973.13)
		46.80	**67.37**

18.1.2 0.01% Optionally Convertible Debentures (OCDs)

OCDs have been issued to the lenders of the Holding Company as part of the S4A Scheme with a tenor of 10 years and a coupon of 0.01% with an interest yield of 11.50% p.a. in yield equalization compounded on a quarterly basis. After the expiry of eighteen months from the issuance, the OCDs were to be converted into non-convertible debentures in case of non-occurrence of event of default as per the guidelines of the S4A Scheme. Pursuant to the exemption provided by the Securities and Exchange Board of India ('SEBI') from the application of Regulation 75 of SEBI ICDR regulations to the Company, the tenure of OCD has been extended for a further 8.5 years beyond the statutorily prescribed period of 18 months. The lenders have an option to convert the OCDs into equity shares of the Company, in accordance with the terms thereof including in case of any event of default or default in payment during the 10 years from the date of issuance of respective OCDs. The repayment of the OCD commences from the 6th anniversary of the allotment date. Details of maturity have been provided below.

Date of Repayment	` in crores
30 September 2022	285.51
30 September 2023	279.91
30 September 2024	260.99
30 September 2025	253.90
30 September 2026	250.05

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.

18.1.3 Foreign Currency Term Loans

` crore

		As at March 31, 2019	As at March 31, 2018
(i)	**Asia Opportunities (IV) Mauritius Limited - External Commercial Borrowings (ECB) USD 13.36 million**		
	During the current year, Standard Chartered Bank has transferred the rights and benefits of its ECB Facility to Asia Opportunities (IV) Mauritius Limited. The said loan is repayable in three quarterly instalments commencing from 31 December 2019. As at 31 March 2019, the ECB loan carries an interest rate of 6.10% p.a (i.e 3 month LIBOR plus 350 basis points). The facility is secured by first charge by way of hypothecation of plant and machinery acquired under the facility described in the first schedule to the memorandum of hypothecation executed on 10 November 2009.	65.79	61.88
(ii)	**Development Bank of Singapore - ECB USD 10.18 million**		
	The ECB loan carried an interest rate of 6.10% p.a (3 month LIBOR+ 385 basis points) and was repayable in quarterly instalments commencing 5 October 2014 and ending on 5 October 2018. The facility was secured by first charge by way of hypothecation of plant and machinery and heavy vehicles acquired under the facility described in the schedule 1 (2) to the deed of hypothecation executed on 29 April 2010. During the current year, the ECB loan has been fully repaid.	-	41.49
(iii)	**Export Import Bank of United States ('US EXIM') - ECB USD 6.20 million**		
	During the current year, the Holding Company has entered into settlement terms with US EXIM wherein the parties have agreed to renegotiate and settle the outstanding amounts for USD 6.20 Million. The amounts will be payable in 26 monthly instalments commencing from 31 May 2019 and ending on 30 June 2021. Under terms of Settlement Agreement, there would be no interest accruing on the facility going forward. The facility is secured by first priority mortgage and security interest to and in favour of Wilmington Trust Company (the security trustee) on a Hawker model 4000 airframe bearing manufacture's serial number RC-26 together with two installed model PW208 engines more particularly described under Clause 2.1 as per the Aircraft Charge Agreement executed on 6 January 2011.	40.55	48.00
(iv)	**Export-Import Bank of India**		
	The loan availed by HCC Mauritius Enterprise Limited, a subsidiary company, carries an interest rate of 3 months LIBOR + 500 basis points and is repayable in 10 quarterly instalments commencing after a moratorium of thirty months from the date of disbursement of the loan. This loan is secured by exclusive charge on (i) pledge of equity shareholding of the borrower held by HCC (ii) a first charge over specific fixed assets of HCC (iii) pledge of 33% equity share holding of Steiner AG, a subsidiary company (iv) undertaking for non-disposal of shareholding in Steiner AG.	38.28	44.63
Less: Classified under other financial liabilities (Refer note 19)		(55.87)	(144.95)
		88.75	**51.05**

18.1.4 Rupee Term Loans (RTL-A)

RTL-A carries interest rate of 11.75% p.a. (Individual Bank's Base Rate + Applicable Spread), 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 (RTL-1) and Rupee Term Loans (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-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 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. HCC Real Estate Limited (HREL) has provided Corporate guarantee for the outstanding facilities of the Holding Company.
2. First pari-passu charge on 154,151,669 shares of the Holding Company and second charge on 85,767,617 equity shares of the Company held by Hincon Holdings Limited and Hincon Finance Limited.
3. Personal guarantee of the Chairman and Managing Director of the Holding Company.

18.1.8 Consortium loan from banks

` crore

		As at March 31, 2019	As at March 31, 2018
(i)	**Term loan from Banks - LCL**	-^	807.77
	Loans carry interest rates ranging from 12.60% p.a. to 16.75% p.a and repayable in 6 to 25 structured instalments between March 2012 to March 2019.		
	These loans are secured by first pari passu charge created by English mortgage deed on land of LCL admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon including all present and future moveable assets of the LCL. These are also guaranteed, to the extent of the 50% of the outstanding balance, by the Holding Company and other shareholders to the extent of their equity share in LCL.		

18.1.8 Consortium loan from banks...contd.

` crore

	As at March 31, 2019	As at March 31, 2018
(ii) Other term loans from banks - LCL These loans carry interest rates ranging from 12.60% p.a. to 13.35% p.a. The loans have a tenor of 20 years (including 2 years of moratorium period and repayment over 18 years) and are repayable in 72 quarterly structured installments begnining 31 December 2017 and ending on 30 September 2035. Term Loans are secured as follows: a. Primary Security- First charge/ hypothecation on the current assets including receivables and on all bank accounts of LCL, including but not limited to the Escrow account to be established by LCL. b. Negative lien on rights acquired in respect of infrastructure assets under the concession agreement executed between the promoter and LCL. Collateral Security: a. Land of 3,366.18 hectares including building across all villages of Mugaon, Bhoini, Admal, Dhamanohol, Mose, Plase, Padalghar, Wadavali, Dasve, Bembatmal, Gadle, Koloshi, Patharset, Saiv, Sakhari, Ugavali & Bhode. b. Immovable and movable fixed assets, Current assets, receivables, investments and all bank accounts c. Share Pledge (on First Pari Passu Basis with existing Lenders of LCL excluding Asset Reconstruction Company (India) Limited) d. Pledge of entire shareholding in the Company by existing shareholders to the lenders of Warasgaon Assets Maintenance Limited ('WAML') and LCL holding on WAML e. Pledge of promoter (LCL) holding in Sahayadri City Management Limited ("SCML")	-^	514.23
These loans carry interest rates ranging from 12.60% p.a. to 13.35% p.a. The loans have a tenor of 20 years (including 2 years of moratorium period and repayment over 18 years) and are repayable in 72 quarterly structured installments begnining 31 December 2017 and ending on 30 September 2035. Term Loans are secured as follows: a. Primary Security:- First charge/hypothecation on the current assets including receivables of WAML b. First charge on all bank accounts of WAML including but not limited to Escrow account to be established by WAML. c. Negative lien on concession right acquired in respect of transportation infrastructure under the concession agreement. Collateral Security: a. First pari passu charge on land including building across all villages of Mugaon, Bhoini, Admal, Dhamanohol, Mose, Plase, Padalghar, Wadavali, Dasve, Bembatmal, Gadle, Koloshi, Patharset, Saiv, Sakhari, Ugavali & Bhode. b. Immovable and movable fixed assets, current assets, receivables, investments and all bank accounts c. Pledge of entire shareholding of LCL in WAML d. Pledge of entire shareholding of LCL in SCML e. Pledge of promoters holding in WAML. f. Pledge of promoter holding in SCML	-^	439.56
Less: Classified under other financial liabilities (Refer note 19)	-	(1,743.01)
	-	**18.55**

^ Refer note 49.1(i)

18.1.9 Other loans from banks

` crore

		As at March 31, 2019	As at March 31, 2018
Nature of security			
i)	Loans carry interest rate ranging from 13.10% p.a. to 15.85% p.a. and were repayable in 12 structured quarterly installments commencing from June 2018 and ending in March 2021. These loans are secured by exclusive registered mortgage of land of Lavasa project admeasuring 614 acres. Also second charge by way of mortgage deed on land of LCL admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon. Corporate guarantees to the extent of 50 %- 100% of outstanding balances have also been issued by promoter and shareholders to the extent of their equity shares in LCL.	-^	477.01
ii)	Loans carry interest rate ranging from 10.56% p.a. to 14.40% p.a. and were repayable in 6 to 14 structured quarterly installments commencing from March 2017 and ending in March 2021. These loans are second charge by way of mortgage deed on land of LCL admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon. Corporate guarantee to the extent 100% of outstanding balance given by promoter.	-^	247.42
iii)	The loan carries an interest rate of 13.35% p.a. and was repayable in 28 structured quarterly installments commencing from June 2018 and ending in March 2025. The above loan has been secured as follows: a) Exclusive charge by way of registered mortgage on retail built up area to provide two time cover for the overdraft facility. The charged would be released as when Dasve Retail Limited ("DRL") sells the built up space. b) The total assets coverage ratio to be maintained at two times during the entire tenor of the facility based on the market value of land and any constructed property thereon. c) Exclusive charge on movable assets, current assets, including entire present and future lease receivables and Escrow/TRA held with the bank. d) Negative lien on entire net block of DRL.	-^	18.64
iv)	Loan carries an interest rate of 11.85% p.a. and was repayable in 28 structured quarterly installments commencing 27 months after the date of initial disbursement i.e. 27 March 2012. The loan has been secured by an exclusive first charge on the current assets and movable fixed assets of Lavasa Hotels Limited ('LHL') and a Negative lien on the immovable fixed asset of LHL.	-^	3.42
v)	Loan carries an interest rate of 13.57% p.a. and was repayable in 28 structured quarterly installments, commencing 36 months after the date of initial disbursement i.e. 28 December 2012. The above loan has been secured as follows: a) Mortgage over all the fixed and current assets including future assets of Charosa Wineries Limited. b) Pledge over 21,00,000 shares held by HCC Real Estate Limited. c) 100% Corporate Guarantee given by Holding Company, HCC Real Estate Limited."	-^	69.71

18.1.9 Other loans from banks...contd.

` crore

		As at March 31, 2019	As at March 31, 2018
vi)	Term Loan from ICICI bank carrying interest rate of ICICI Base Rate (9.25% p.a.) plus 2.25% p.a. This loan is repayable within 10 years in 28 structured quarterly instalments commencing from 15 April 2016 and ending on 15 January 2023. Highbar Technologies Limited, a subsidiary of the Holding Company has agreed to prepay the entire loan on or before 31 December 2019. 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 DHL e) Pledge over 30% shareholding of HCC in Highbar Technologies Limited. f) Corporate Guarantee of HRL (Thane) Real Estate Limited. g) Non disposal undertaking for 70% shares of HRL (Thane) Real Estate Limited held by promoters h) Non disposal undertaking for 70% shares of Highbar Technologies Limited held by promoters.	7.00	9.00
vii.	Rupee Loan are availed from the bank and carry interest @ 12.5% p.a (Base rate plus spread of 2.5%).The loans are repayable in 5 years with moratorium of 24 months followed by structured equal quarterly repayment with 20%, 30% and 50% repayment in 3rd, 4th, and 5th year respectively, commencing from 1 January 2014. The loans are secured by way of : a) Residual charge over identified receivables of Hindustan Construction Company Limited of amounting to ` 626.16 crore. b) Irrevocable and unconditional corporate guarantee of ` 200 crore given by Hindustan Construction Company Limited for securing the loan along with applicable interest. c) Irrevocable and unconditional undertaking given by Hindustan Construction Company Limited and HCC Infrastructure Company Limited to the bank with respect to liquidity events conditions ,conditions related to accelerated repayments. d) Pledge by the Company of 688,637 equity shares and 67,133,349- 0.001% Compulsory Convertible Cumulative Preference shares held by it in HCC Concessions Limited, in favour of the bank for securing the loan of ` 200 crore along with applicable interest. e) Irrevocable and unconditional corporate guarantee of Charosa Wineries Limited for securing the loan of ` 200 crore along with applicable interest. f) Second charge on entire assets of the Company (including moveable and immovable, fixed assets and current assets), excluding investments, both present and future.	11.86	11.86

18.1.9 Other loans from banks...contd.

` crore

	As at March 31, 2019	As at March 31, 2018
viii) Term Loans are repayable in 16 consecutive quarterly instalments commencing from the third year of the loan. These loans are secured by extension of the Charge on the pledge of shares of HCC Infrastructure Company Limited (HICL) in HCC Concessions Limited already charged to the bank at HCC Infrastructure Company Limited. 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 ` 58,00,00,000. Loan has a first Pari Passu Charge on all assets of Borrower. HCC Infrastructure Company Limited has issued a Corporate guarantee of in a form and manner acceptable to the bank.	59.65	51.72
ix) Loan carries an interest rate ranging between 10.65% to 11.25% p.a. The loan has been secured as follows: a. First Pari passu charge on all assets of the Borrower b. Extension of Pledge of Shares HCC Infrastructure Company Limited (HICL) in HCC Concessions Limited already pledged with the bank for the HCC Infrastructure Company Limited c. Unconditional and irrevocable Guarantee from HCC Infrastructure Company Limited d. Unconditional and irrevocable Guarantee from the Company e. Extension of the second pari passu charge over entire assets of HCC Infrastructure Limited f. Pledge over 30% equity shares of HCC Power Ltd held by HCC Infrastructure Company Limited in favour of IDBI g. Trusteeship Services Ltd as Security Trustee for TL1, TL2, TL3 & TL4 sanctioned by lender to HCC Power Limited, to be reduced to 15% on repayment of 50% of the sanctioned facilities. h. Terms of repayment : Term loans are repayable in 20 consecutive quarterly instalments commencing from the third year of the loan as set forth in sanction letter dated 10 December 2015."	260.00	271.00
x) a) Loans have been secured by a first pari passu charge on all assets of the Company. b) Extension of the charge on the pledge of shares of HCC Infrastructure Company Limited in HCC Concessions Ltd already charged to the bank Loan at HICL for loan amount of ` 300,000,000 c) 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 Yes Bank Limited facility at HICL. d) Corporate guarantee of HCC Infrastructure Company Limited in a form and manner acceptable to YBL e) Term loans are repayable in 16 consecutive quarterly instalments commencing from the third year of the loan	37.73	24.18
	376.24	**1,183.96**
Less: Classified under other financial liabilities (Refer note 19)	(93.36)	(768.39)
	282.88	**415.57**

^ Refer note 49.1(i)

18.1.10 Other loans from others

` crore

	As at March 31, 2019	As at March 31, 2018
Nature of security		
i) Loan carries an interest rate of 15.75 % p.a. and was repayable post 3 years 9 months from the effective date of disbursement of loan in 12 structured quarterly installments commencing from June 2018 and ending in March 2021. Loan has been secured by exclusive registered mortgage of land of Lavasa project admeasuring 169 acres. Also, second charge by way of mortgage deed on land of Lavasa project admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon and corporate guarantee to the extent 100% of outstanding balance given by the shareholders.	-^	75.71
ii) Loans carry interest rates ranging from 14% p.a. to 18.50 % p.a. and were repayable in 12- 16 structured in post 2-4 years from the effective date of disbursement of loan. These loans have a first pari passu charge by way of registered mortgage of land of LCL admeasuring 26 acres and corporate guarantee to the extent 100% of outstanding balance given by the shareholders.	-^	110.20
iii) Loan carries an interest rate of 10.56 % p.a. and was repayable in 14 structured quarterly installments commencing from June 2016 and ending in September 2019 Secured by exclusive registered mortgage on piece and parcel of the Land admeasuring 6 acres or thereabout being Lot No. 202 situated on Thicket Street, Survey No. 113, Hissa No. 1, Survey No. 103, Hissa No. 1, of Village Dasve, Taluka Mulshi, District Pune, Maharashtra, and the said twenty two (22) Buildings admeasuring not more than 160,000 sq ft. built up area equivalent to 14,869.88 sq mtrs or thereabout to be constructed on the said Land.	-^	75.07
iv) Loan carries an interest rate of WPSL PLR minus 2.75% p.a. payable monthly. The interest rate was floating and indexed to WPSL PLR and was repayable in 40 structured quarterly installments beginning after 2 years from the effective date. The loan has been secured as follows: a) First charge by way of hypothecation on the entire current assets including receivables of Warasgaon Power Supply Limited (“ ”WPPSL” ”) , present and future. b) First charge on all bank accounts of WPSL including but not limited to the Escrow Account including any Reserve Account to be established by WPSL. c) Second pari-passu charge by way of mortgage on the specific marketable immovable assets of the Lavasa Corporation Limited (Holding Company) so has to maintain a minimum Fixed Asset Coverage Ratio (FACR) of 1.25 times during the currency of the facility based on the market value of security at all point of time. WPSL is in the process of creating the said charge. d) Charge cum assignment of all the project documents including insurance documents. e) Negative lien on concession rights in whatsoever manner acquired in respect of Power Assets at Lavasa under the Concession Agreement executed between the Company and WPSL. f) The Lender and borrower have a put/call option respectively at the end of 5th year from the date of first disbursement and every year thereafter. g) Unconditional and irrevocable corporate guarantee of Lavasa Corporation Limited	-^	259.19

18.1.10 Other loans from others...contd.

` crore

	As at March 31, 2019	As at March 31, 2018
v) Loan has a tenor of 20 years (including 2 years of moratorium period and repayment over 18 years) and was to be repaid in 72 quarterly structured installments starting from 31 December 2017 and ending on 30 September 2035 The Loan has been secured as follows: a) First charge/hypothecation on the current assets including receivables of WAML. b) First charge on all bank accounts of WAML including but no limit to escrow account to be established by WAML c) Negative lien on concession right acquired in respect of transportation infrastructure under the concession agreement. d) First pari passu charge on land of entire land including building across all villages of Mugaon, Bhoini, Admal, Dhamanohol, Mose, Plase, Padalghar, Wadavali, Dasve, Bembatmal, Gadle, Koloshi, Patharset, Saiv, Sakhari, Ugavali and Bhode. e) Immovable and movable fixed assets, current assets, receivables, investments and all bank accounts. f) Corporate guarantee has been given by Lavasa Corporation Limited and HCC Real Estate Limited	-^	46.10
vi) Loan has a tenor of 20 years (including 2 years of moratorium period and repayment over 18 years) and was to be repaid in 72 quarterly structured installments starting from 31 December 2017 and ending on 30 September 2035 The Loan has been secured as follows: a) A first pari passu charge by way of hypothecation charge on all movable fixed assets of WAML both present and future. b) A first pari passu charge by way of hypothecation charge on current assets, book debts, operating cash flows, receivables, commission, revenue whatsoever nature and wherever arising. c) A first pari passu on all of borrower's bank accounts including but not limited to the Trust and Retention Account opened in a designated bank d) Negative lien on concession right acquired in respect of transportation infrastructure under the concession agreement as specified by WAML	-^	222.72
Less: Classified under other financial liabilities (Refer note 19)	-^	(775.56)
	-	**13.43**

^ Refer note 49.1(i)

II. Unsecured

18.2.1 Fully Convertible Debentures (FCD)

` crore

	As at March 31, 2019	As at March 31, 2018
Nil LCL (31 March 2018: 1) 0% Fully Convertible Debenture having face value of ` 120,000,000 Bennett, Coleman & Company Limited subscribed to this FCD on 28 September 2012 for a tenor of 2 years, which was compulsorily convertible into such number of equity shares aggregating 0.150528% of the subscribed and outstanding equity share capital at the end of 2 years from the date of allotment. The Company had an option to redeem the said FCD at redemption value of ` 1,505.28 lakhs at the end of 2 years from the date of allotment. The said option to convert was extended further for a period of 4 years from 27 September 2014.	-^	22.18
Less: Classified under other financial liabilities (Refer note 19)	-^	(22.18)
	-	**-**

18.2.2 Share Warrants - Unsecured

` crore

		As at March 31, 2019	As at March 31, 2018
(a)	Share warrants issued to Bennett Coleman & Company Limited ("BCCL") BCCL subscribed to this share warrant on preferential basis with a warrant subscription price of ` 812,500,000 to subscribe to 2.03125% of the fully diluted equity share capital of the Company as on the date of exercise of the warrant which can be exercised at any time within a further extended period of 2 years over the earlier period of 7 years (warrant exercise period) from the closing date i.e. 30 March 2009. BCCL can exercise the warrant in part or whole for a maximum 5 times during the above warrant exercise period or at the time of Initial Public Offer (IPO). Any non conversion during the above period or part conversion would lead to forfeiture of the warrant subscription price to the extent of unconverted portion.	-^	4.57
(b)	Share warrants issued to Redkite Capital Private Limited ("RCPL") RCPL subscribed to this share warrant amounting to ` 585,000,000 on preferential basis with a warrant subscription price of ` 1,000,000 per warrant. This warrant entitles RCPL to subscribe to 1.4625% of the fully diluted equity share capital of the Company as on the date of exercise of the share warrant which can be exercised at any time till 30 September 2018. RCPL can exercise the share warrant in part or whole for a maximum 5 times during the warrant exercise period or at the time of IPO. Any non conversion during the period or part conversion would lead to forfeiture of the warrant subscription price to the extent of unconverted portion.	-^	0.09
	Less: Classified under other financial liabilities (Refer note 19)	-^	(0.09)
		-	**4.57**

^ Refer note 49.1(i)

18.2.3 Financial Institutions/others

` crore

	As at March 31, 2019	As at March 31, 2018
The loan has been restrucured with a cut-off date of 30 June 2017, bearing an interest rate of LIBOR 3M + 500 bps per annum payable quarterly. The spread over LIBOR would be subject to change in case of (a) drawal beyond availability period and / or (b) changes in market conditions. This loan shall be repaid in 31 quarterly instalments commencing from 30 September 2017 from the date of first drawal ending on 31 March 2025.	158.96	182.13
The subordinated loan of CHF 20.0 million was granted by Mr. Peter Steiner, carrying an interest rate of 5.75% p.a.	139.91	137.37
Less: Classified under other financial liabilities (Refer note 19)	-	-
	298.87	**319.50**

Note 18.2.4 Compulsory convertible preference shares (refer note below)

` crore

	As at March 31, 2019	As at March 31, 2018
Nil (31 March 2018- 525,000,000) 0.001% compulsorily convertible preference shares of ` 10 each fully paid up	-^	462.48
Less: Classified under other financial liabilities (Refer note 19)	-^	-
	-	**462.48**

Note: Compulsorily convertible preference shares

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

i) Compulsorily convertible preference shares

	As at March 31, 2019		As at March 31, 2018	
	No of shares	**` crores**	No of shares	` crores
At the beginning of the year	Refer Note 49.1(i)		525,000,000	52.50
Shares issued during the year			-	-
At the end of the year			**525,000,000**	**52.50**

ii) Compulsorily convertible preference shares

	As at March 31, 2019		As at March 31, 2018	
	No of shares	**` crores**	No of shares	% holding
Axis Bank	Refer Note 49.1(i)		525,000,000	100.00%

iii) Conversion terms, rights and restrictions attached to compulsorily convertible preference shares (CCPS) :

In case of equity raising other than through IPO – the investor will have an option to convert in to equity shares at 20% discount to the last available price of such issuance happens.

In case of equity raising by way of IPO – the investor will mandatory convert into equity shares at 20% discount to the proposed IPO price band.

The CCPS with accrued YTM of 12% p.a. will be mandatorily be converted into equity shares at the end of 20 years. The conversion will happen at higher of price at which last equity raised or at book value as per latest audited balance sheet prior to the date of conversion.

The CCPS instrument holder has a put option on the holding company w.e.f. 30 September 2017 while the holding company has a call option on the CCPS instrument holder.

Note 18.2.5 Cumulative redeemable preference shares (refer note below) ` crore

	As at March 31, 2019	As at March 31, 2018
Nil (31 March 2018- 37,249,997) 6% cumulative redeemable preference shares of ` 10 each fully paid up	-	116.43
Less: Classified under other financial liabilities (Refer note 19)	-	(16.91)
	-	**99.52**

Note

i) Cumulative redeemable preference shares

	As at March 31, 2019		As at March 31, 2018	
	No of shares	**` crores**	No of shares	` crores
At the beginning of the year	Refer Note 33.1		37,249,997	3.72
Shares issued during the year			-	-
At the end of the year			**37,249,997**	**3.72**

ii) Details of shareholders holding more than 5% of preference shares of the Company and shares held by the holding Company.

Redeemable cumulative preference shares	**As at March 31, 2019**		As at March 31, 2018	
	No of shares	**` crores**	No of shares	% holding
HCC Real Estate Company Limited	Refer Note 33.1		22,400,097	60.13%
Avantha Realty Limited			5,600,422	15.03%
Venkateshwara Hatcheries Private Limited			5,152,697	13.83%
Vinay V Maniar			4,094,646	10.99%

iii) Redemption terms :

27,000,000 cumulative redeemable preference shares will be redeemed in 3 instalments on 30 January 2020, 30 January 2021 and 30 January 2022 in proportion of 20%, 40% and 40% of the paid up amount together with premium of ` 10 each respectively.

250,000 cumulative redeemable preference shares will be redeemed in 3 instalments on 5 June 2021, 5 June 2022 and 5 June 2023 in proportion of 20%, 40% and 40% of the paid up amount together with premium of ` 10 each respectively.

9,999,997 redeemable cumulative preference shares, will be redeemed in 3 instalments at the end of 7th, 8th and 9th year (i.e. 1 May 2018, 1 May 2019 and 1 May 2020 respectively) from the date of allotment (2 May 2011) in proportion of 20%, 40% and 40% of the paid up amount together with premium of ` 90 each in the same proportion respectively.

iv) Rights and restrictions :

Dividend on redeemable cumulative preference shares proposed by Board of Directors is subject to approval of the shareholders in the Annual General Meeting. Each holder of preference share is entitled to one vote per share only on resolutions placed before the Company which directly affects the rights attached to preference shares. Cumulative preference shareholders are entitled to vote on every resolution if preference dividend remains unpaid for 2 years. As per the Common Loan Agreement with consortium lenders, the Company has to satisfy the conditions set therein before declaring preference dividend.

Note 18.3 As at 31 March 2019, in case of Holding Company, contractual loan principal amounting to ` 15.96 crore (31 March 2018: ` 90.15 crore) and contractual interest amounting to ` 8.60 crore (31 March 2018: ` 6.16 crore) are due and outstanding pertaining to the period 1 April 2018 to 31 March 2019. In case of the subsidiaries, loan principal amounting to Nil (31 March 2018: ` 1,263.01 crore) and interest amounting to Nil (31 March 2018: ` 931.77 crore) is due and outstanding to be paid as at 31 March 2019.

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 reconcilliation

An analysis of net debt and the movement in net debt for the year ended 31 March 2019 and 31 March 2018 is as follows:

` crore

Particulars	**March 31, 2019**	March 31, 2018
Cash and cash equivalents	270.70	404.18
Current borrowings	(1,174.40)	(1,123.24)
Non-current borrowings (including interest accrued)	(3,615.45)	(9,541.34)
Net debt	**(4,519.15)**	**(10,260.40)**

Note 18.5 Net debt reconcilliation...contd.

` crore

Particulars	Cash and cash equivalents	Liabilities from financing activities		Total
		Non-current borrowings	Current borrowings	
Net debt as at 1 April 2017	**227.74**	**(9,218.46)**	**(1,240.36)**	**(10,231.09)**
Cash flows (net)	176.44	207.26	117.12	500.82
Interest expense	-	(1.273.86)	(287.20)	(1,561.06)
Interest paid	-	743.72	287.20	1,030.92
Net debt as at 31 March 2018	**404.18**	**(9,541.34)**	**(1,123.24)**	**(10,260.40)**
Cash flows (net)	(133.48)	522.61	(51.16)	337.97
Interest expense	-	(597.73)	(118.99)	(716.72)
Impact of deconsolidation of subsidiary	-	5,786.51	-	5,786.51
Interest paid	-	214.50	118.99	333.49
Net debt as at 31 March 2019	**270.70**	**(3,615.45)**	**(1,174.40)**	**(4,519.15)**

NOTE 19 OTHER FINANCIAL LIABILITIES

` crore

	As at March 31, 2019	As at March 31, 2018
Non-current		
Security deposits	0.51	0.28
Interest accrued but not due (Refer note 19.2)	490.63	-
Financial liabilities of erstwhile subsidiary assumed (Refer note 19.1)	575.00	-
Financial guarantees	61.41	-
Total non-current financial liabilities	**1,127.55**	**0.28**
Current		
Current maturities of long-term debts (Refer note 18)	471.16	4,670.67
Interest accrued but not due (Refer note 19.2)	172.66	292.02
Interest accrued and due	19.03	916.98
Unpaid dividends	0.00^	0.25
Advance towards sale of investments (Refer notes 13.3 and 19.3)	15.00	37.70
Security deposits	0.24	3.20
Financial guarantees	0.08	0.94
Financial liabilities of erstwhile subsidiary assumed (Refer note 19.1)	189.23	-
Retention deposit payable	1.91	37.22
Others		
i) Due to employees	72.15	119.33
ii) Interest payable on contractee advances	122.94	93.01
iii) Liability for capital goods	30.22	106.29
iv) Other liabilities	56.84	83.44
Total current financial liabilities	**1,151.46**	**6,361.05**
Total other financial liabilities	**2,279.01**	**6,361.33**
^ Includes ` 7,600 (31 March 2018: Nil) which is held in abeyance due to legal cases pending		
Other financial liabilities carried at amortised cost	2,279.01	6,361.33
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

- Pursuant to settlement agreements entered with lenders of LCL, liabilities aggregating ` 497 crore have been taken over by the Holding Company during the current year. As per the sanction letters, these liabilities carry an interest of 9.5% p.a. compounded quarterly and are to be repaid from realization of certain identified claims by 31 March 2023. However, as per the Resolution Plan approved by Consortium lenders of the Holding Company, in the eventuality such identified claims are not realized by 31 March 2023, 50% of the settlement amount will be paid in that year and the balance 50% by 31 March 2028.

  The revised sanction letters with the modification in repayment terms is awaited from lenders of LCL. These identified claims are currently charged in favour of lenders of the Holding Company. Post the receipt of sanctions from lenders of the Holding Company for release of charge in favour of lenders of LCL, the security on such identified claims will be created.

- In addition to the above, lenders of LCL have invoked corporate guarantees of the Holding Company during the year. Accordingly, the liability of ` 147.23 crore has been recognised by the Holding Company.

- Pursuant to the debenture purchase and sale agreement entered by the Group for purchase of non-convertible debentures (NCDs), ` 18 crore has been paid during the year and balance liability of ` 120 crore has been accounted for by the Group (Refer note 7.4).

Note 19.2: Includes ` 16.73 crore and ` 84.97 crore in respect of non-current interest accrued and current interest accrued, respectively, towards financial liabilities of LCL as mentioned above.

Note 19.3: On 14 June 2018, 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 2019, the Holding Company has received ` 12 crore as advance towards sale of investment.

NOTE 20 PROVISIONS

` crore

	As at March 31, 2019	As at March 31, 2018
Non-current		
Provision for employee benefits		
- Gratuity	26.91	28.72
- Pension fund	104.53	57.79
- Leave entitlement and compensated absences	13.32	14.76
Provision for warranty (Refer note 20.1)	54.64	68.87
Total non-current provisions	**199.40**	**170.14**
Current		
Provision for employee benefits		
- Gratuity	4.98	9.15
- Pension fund	7.29	8.43
- Leave entitlement and compensated absences	2.34	3.83
Provision for warranty (Refer note 20.1)	61.87	77.38
Provision for foreseeable losses	13.98	55.26
Total current provisions	**90.46**	**154.05**
Total provisions	**289.86**	**324.19**

Note 20.1 Detail of provision in respect of warranty is as stated below:

` crore

Particulars	As at March 31, 2019	As at March 31, 2018
Opening provision as at the beginning of the year	146.25	106.63
Addition during the year (Refer note 32)	40.23	58.45
Utilized during the year	(69.97)	(18.83)
Closing provision as at the end of the year	**116.51**	**146.25**
Non current	54.64	68.87
Current	61.87	77.38
Total	**116.51**	**146.25**

This provision represent estimates made towards estimated liability arising out of contractual obligations in respect of warranties. After the handover of the building there is a warranty liability, which lasts between 2 and 10 years, depending on the building and its components. During construction the warranty provision is recorded based on past experience and, in general, remains unchanged during construction. Actual warranty costs are recorded against the warranty provision of projects in warranty phase. On reporting date, future warranty costs are estimated and if needed the warranty provisions are increased or released. The timing of outflows will vary as and when the obligations arise.

NOTE 21 OTHER LIABILITIES

` crore

Particulars	As at March 31, 2019	As at March 31, 2018
Non-Current		
Deferred lease liability	0.06	0.06
Total other non-current liability	**0.06**	**0.06**
Current		
Advance from contractee	1,922.04	1,853.11
Statutory dues payable	40.17	89.12
Due to customers	606.04	963.80
Other liabilities	36.03	31.50
Total other current liabilities	**2,604.28**	**2,937.53**
Total other liabilities	**2,604.34**	**2,937.59**

NOTE 22 SHORT TERM BORROWINGS

` crore

Particulars	As at March 31, 2019	As at March 31, 2018
I. **Secured**		
Rupee Loan from Banks (Refer note 22.1)		
(i) Cash credit facilities (Repayable on demand)	1,048.16	992.04
(ii) Working capital demand loan (Repayable on demand) [Also refer note 22.2 (i)]	120.67	120.30
(iii) Buyer's credit	-	10.90
	1,168.83	1,123.24
II. **Unsecured**		
(i) Loans from others [Refer note 22.2 (ii)]	5.57	-
Total short-term borrowings (I+II)	**1,174.40**	**1,123.24**

Note 22.1 Details of security and terms of repayment:

1. The parcel of land (immovable non-residential property) of the Holding Company admeasuring 22 acres and 24 gunthas at Tara Village, Panvel Taluka described as the First Mortgaged Properties.
2. All the present and future movable assets of the Holding Company (excluding ‘Current Assets’ and ‘Specified Assets’) as the Second Mortgaged Properties.
3. All 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.

The cash credit facilities carry an average interest rate of 11.60% p.a., which are repayable on demand.

Working Capital Demand Loans of ` 32.87 crore (31 March 2018: ` 32.87 crore) carry an interest rate of 11.50% p.a. which are repayable on demand.

Note 22.2 Details of security and terms of repayment in respect of loans availed by Steiner AG:

(i) Working Capital Demand Loan from bank include loan facilities availed by Steiner AG, a subsidiary company, aggregating ` 87.80 crore (31 March 2018: ` 87.43 crore) secured by first charge by way of a (i) mortgage on land in favour of a foreign bank (Project: Vista Nobile) (ii) mortgage on a land in favour of a foreign bank (Project: BASF Wandenswil)

(ii) Loan from Maurice Picard Holding Ltd carries an interest rate of LIBOR 3M + 450 bps per annum. The spread over LIBOR would be subject to change in case of (a) drawl beyond availability period and / or (b) changes in market conditions. This loan shall be repayable by 30 June 2019.

NOTE 23 TRADE PAYABLES

` crore

	Particulars	As at March 31, 2019	As at March 31, 2018
-	Total outstanding dues of micro enterprises and small enterprises (Refer Note 23.1)	16.59	5.87
-	Total outstanding dues of creditors other than micro enterprises and small enterprises	3,694.72	3,641.08
Total trade payables		**3,711.31**	**3,646.95**

Note 23.1 The dues to micro and small enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the group is given below:

The disclosure pursuant to the said Act is as under: ` crore

	Particulars	As at March 31, 2019	As at March 31, 2018
(a)	The principal amount and the interest due thereon remaining unpaid to supplier as at the end of year:		
-	Principal amount due to micro and small enterprises	16.59	5.87
-	Interest due	4.76	1.19
(b)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	0.36	1.49
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	1.67	1.20
(e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	5.12	4.29

Note 23.2 Trade payables are non-interest bearing and are normally settled as per the payment terms stated in the contract.

NOTE 24 REVENUE FROM OPERATIONS

` crore

		Year ended March 31, 2019	Year ended March 31, 2018
a)	Contract revenue	9,791.40	9,433.60
b)	Sale of products	1.38	2.33
c)	Sale of land	-	4.10
d)	Sale of food and beverages	-	7.48
e)	Sale of software products and licenses	21.56	18.75
f)	Income from services	56.43	77.99
g)	Other operating revenue	450.79	588.21
Total revenue from operations		**10,321.56**	**10,132.46**

Disaggregated revenue information

Revenue disaggregation as per industry vertical has been included in segment information (Refer note 50)

` crore

Contract balances	Year ended March 31, 2019	Year ended March 31, 2018
Trade receivables	4,188.20	3,840.41
Unbilled work-in-progress (contract assets)	3,782.11	4,565.27
Due to customers (contract liabilities)	606.04	963.80

Performance obligations

The aggregate value of performance obligation that are completely or partially unsatisfied as at 31 March 2019 is ` 28,208 crore, of which approximately 20% is expected to be recognised as revenue within the next one year and the remaining thereafter.

NOTE 25 OTHER INCOME

` crore

		Year ended March 31, 2019	Year ended March 31, 2018
a)	Interest income:		
	- on financial assets carried at amortised cost	22.21	22.93
	- on bank deposit	4.06	2.20
	- on Income tax refund	2.72	1.46
	- on Sales tax refund	0.42	-
	- on Claim Income	7.49	-
		36.90	**26.59**
b)	Dividend from non-current investments	0.53	0.48
c)	Other non-operating income		
	- Rental Income	3.25	6.58
	- Profit on sale of property, plant and equipment (net)	5.08	-
	- Excess provision no longer required written back	9.22	2.83
	- Gain on fair value of investments	-	1.19
	- Profit on sale of non-current investments (net)	-	0.08
	- Miscellaneous (Refer note 29.1)	20.03	18.33
		37.58	**29.01**
Total other income		**75.01**	**56.08**

NOTE 26 COST OF MATERIALS CONSUMED

` crore

	Year ended March 31, 2019	Year ended March 31, 2018
Inventory at beginning of the year	182.12	236.14
Add: Purchases	873.08	1,036.00
	1,055.20	**1,272.14**
Less: Sale of scrap and unserviceable material	(39.56)	(16.33)
	1,015.64	**1,255.81**
Less: Inventory at the end of the year	(197.43)	(182.12)
Total cost of materials consumed	**818.21**	**1,073.69**

NOTE 27 CHANGE IN INVENTORIES

` crore

	Year ended March 31, 2019	Year ended March 31, 2018
Opening inventory	2,321.95	2,371.80
Less: Deconsolidation of assets of subsidiary (Refer note 33.1)	(1,890.53)	-
Less: Closing inventory	(434.24)	(2,321.95)
Total change in inventories	**(2.82)**	**49.85**

NOTE 28 CONSTRUCTION EXPENSES

` crore

		Year ended March 31, 2019	Year ended March 31, 2018
a)	Power, fuel and water	110.49	125.49
b)	Rates and taxes	40.25	126.95
c)	Insurance	30.25	46.14
d)	Rent (Refer note 28.1)	78.15	89.30
e)	Transportation	66.94	43.33
f)	Land development charge	-	10.97
g)	Others	63.38	34.43
Total construction expenses		**389.46**	**476.61**

Note 28.1 The Group has taken various construction equipment and vehicles under non-cancellable operating leases. The future minimum lease payments in respect of these as at 31 March 2019 are as follows:

` crore

		Year ended March 31, 2019	Year ended March 31, 2018
Minimum lease rental payments:			
i)	Payable not later than one year	38.57	41.95
ii)	Payable later than one year and not later than five years	55.55	82.26
iii)	Payable later than five years	-	4.10
		94.12	**128.31**

The lease agreement provides for an option to the Group to renew the lease period at the end of the non-cancellable period. There are no exceptional/ restrictive covenants in the lease agreements.

Total operating lease expenses debited to Consolidated Statement of Profit and Loss is ` 78.15 crore (31 March 2018: ` 89.30 crore)

Further, the Group has entered into cancellable operating lease for office premises and employee accommodation. Tenure of leases generally vary between one year to four years. Terms of the lease include operating terms for renewal, terms of cancellation etc.

NOTE 29 EMPLOYEE BENEFITS EXPENSE

` crore

		Year ended March 31, 2019	Year ended March 31, 2018
a)	Salaries and wages	870.12	885.23
b)	Contribution to provident and other funds	68.79	67.23
c)	Staff welfare	68.83	69.15
Total employee benefits expense		**1,007.74**	**1,021.61**

Note 29.1 Pursuant to notification of the Companies (Amendment) Act, 2017 with effect from 12 September 2018, amending Section 197 of the Companies Act, 2013 ('the Act'), the application for approval in respect of excess amounts accrued / paid in respect of financial years 2014-15 and 2015-16, made by the Holding Company to the Ministry of Corporate Affairs ('the Ministry') for approval of managerial remuneration of Chairman and Managing Director (CMD) which were paid / accrued in excess of the prescribed limit for these financial years stand abated. The Holding Company is in the process of seeking approvals from the shareholders and lenders, as may be required under the Act, for the payment in respect of the year ended 31 March 2015 and for the waiver of recovery for excess remuneration paid in respect of year ended 31 March 2016. Necessary adjustments, if required, will be made based on the outcome of such approvals.

The Holding Company had paid / accrued remuneration for the aforesaid years based on the approval by shareholders and the applications filed with the Ministry as detailed below:

` crore

Financial Year	Remuneration accrued	Remuneration Paid	Remuneration as per prescribed limit	Excess remuneration paid held in trust
2014-15	10.66	Not paid	1.95	-
2015-16	10.66	10.66	1.97	8.69

Further, the Holding Company had paid managerial remuneration to the CMD aggregating ` 10.66 crores during the financial year 2013-14, out of which ` 8.74 crores was in excess of the limits specified under Schedule XIII to the erstwhile Companies Act, 1956. In absence of response from the Ministry for the Holding Company's application for reconsideration of the excess amount paid, the Holding Company has proposed to recover the excess amount held in trust by the CMD and the same has been included under Other Income. Such sum is refundable to the Holding Company within two years or such lesser period as allowed by the Holding Company in terms of Section 197(9) of the Act and until such sum is refunded, the same will be continued to be disclosed as recoverable from the CMD.

NOTE 30 FINANCE COSTS

` crore

	Year ended March 31, 2019	Year ended March 31, 2018
Interest expense on:		
- debentures	209.33	334.06
- others	515.61	1,129.66
Other borrowing costs		
- guarantee commission	50.13	42.26
- finance charges	33.29	19.40
Total finance costs	**808.36**	**1,525.38**

NOTE 31 DEPRECIATION AND AMORTISATION EXPENSE (REFER NOTES 3, 4 AND 5)

` crore

	Year ended March 31, 2019	Year ended March 31, 2018
a) Depreciation of tangible assets and biological assets	172.50	195.96
b) Depreciation of investment properties	0.04	0.13
c) Amortisation of intangible assets	4.82	5.24
Total depreciation and amortisation expense	**177.36**	**201.33**

NOTE 32 OTHER EXPENSES

` crore

			Year ended March 31, 2019	Year ended March 31, 2018
a)	Stationery, postage, telephone and advertisement		8.10	7.52
b)	Travelling and conveyance		15.46	15.86
c)	Rent		-	-
d)	Professional		52.90	66.41
e)	Repairs and maintenance- building		4.75	6.58
f)	Repairs and maintenance- others		20.63	35.78
g)	Directors' sitting fees (Refer note 45)		1.01	0.70
h)	Auditors' remuneration:			
	i) Audit fees	5.48		4.58
	ii) Tax audit fees	0.21		0.20
	iii) Limited review fees	0.70		0.74
	iv) Certification fees	0.49^		0.89
	v) Reimbursement of out of pocket expenses	0.04		0.04
			6.92	6.45
i)	Office expenses		41.05	29.20
j)	Operation and maintenance		44.82	13.37
k)	Warranty expenses (Refer note 20.1)		40.23	58.45
l)	Selling and distribution expenses		5.73	6.80
m)	Exchange loss (net)		7.10	7.78
n)	Computer maintenance and development		5.83	7.35
o)	Loss allowance on financial assets		7.74	8.12
p)	Loss on sale of property, plant and equipment (net)		-	0.57
q)	Miscellaneous		28.46	32.12
Total other expenses			**290.73**	**303.06**

^ excludes ` 0.35 crore towards fees for certifications relating to rights issue of equity shares, which has been charged off against Securities premium.

Note 32.1 The Group is not liable to incur any expenses on Corporate Social Responsibility as per section 135 of the Companies Act, 2013.

NOTE 33 EXCEPTIONAL ITEMS

` crore

		Year ended March 31, 2019	Year ended March 31, 2018
a)	Gain on loss of control in subsidiary (Refer note 33.1 below)	141.97	-
b)	Loss provision in respect of arbitration awards and claims (Refer note 33.2 below)	(331.40)	-
c)	Loss on divestment of stake in subsidiary (Refer note 33.3 below)	(67.82)	-
d)	Impairment of financial and non-financial assets	(212.35)	(160.19)
e)	Impairment loss in respect of asset held for sale (Refer notes 3 and 16)	(71.85)	-
f)	Gain on settlement of debts	14.08	-
Total exceptional items		**(527.37)**	**(160.19)**

Note 33.1: Gain on loss of control in subsidiary

The National Company Law Tribunal, Mumbai (NCLT) vide order dated 30 August 2018, has admitted an application filed against Lavasa Corporation Limited (LCL) by an operational creditor and initiated the Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code 2016 ('IBC'). In accordance with the provisions of IBC, the powers of the Board of Directors of LCL shall stand suspended and the management of LCL presently vests with the Resolution Professional ('RP') appointed under the provisions of IBC. Accordingly, effective the date of admission to NCLT, the Group has lost control / significant influence over LCL and its subsidiaries, associates and joint ventures (the 'LCL Group').

(A) Analysis of assets and liabilities of LCL Group as at 31 March 2018 which have been derecognised (Refer note 42):

` crore

Particulars		LCL
i)	Non-current liabilities	636.80
ii)	Current liabilities	6,014.46
Total liabilities		**6,651.26**
i)	Non-current assets	2,579.30
ii)	Current assets	2,128.33
Total assets		**4,707.63**
Net liabilities derecognised (A)		**1,943.63**
Loss allowance towards financial and non-financial assets of the Group (B)		
-	Non-current investments	581.39
-	Non-current loans & other financial assets	474.33
-	Liability for put option / corporate guarantee assumed	745.94
Total (B)		**1,801.66**
Net gain on loss of control in subsidiary (A-B)		**141.97**

Note 33.2: During the year, the Holding Company has signed a definitive term sheet with a consortium of investors, whereby it has agreed to assign beneficial interest/ rights in a portfolio of identified arbitration awards and claims (specified assets) of the Company for an aggregate consideration of `1,750 crores, which is presently subject to obtaining requisite approvals, compliance of conditions precedent and documentation as specified in the term sheet. The specified assets will be assigned in favour of a Separate Company (SC), controlled by the investors. SC will raise funds from the investors through issue of Non-Convertible Debentures (NCD's) and the proceeds there from would be paid to the Holding Company towards consideration of specified assets assigned.

Of the consideration of ` 1750 crore, ` 1,250 crore is proposed to be utilized by the Holding Company towards repayment of term loans/OCDs and the balance towards working capital, general corporate expenses and transaction costs. HCC will also issue a corporate guarantee (CG) of ` 625 crore in favour of the NCD Holders to provide comfort on the expected cash flow arising from the Specified Assets. The CG will reduce progressively on repayment of the NCDs as and when the Specified Assets are realized.

Note 33.3: During the current year, the Group has entered into a share subscription and purchase agreement dated 21 December 2018, pursuant to which the Group has transferred its shareholding in Charosa Wineries Limited with effect from 7 February 2019 for an aggregate consideration of ` 1.78 crore. The said transaction has resulted in a net loss of ` 67.82 crore and disclosed as an 'exceptional item' in the consolidated financial statements for the year ended 31 March 2019.

NOTE 34 EARNINGS PER SHARE (EPS)

			Year ended March 31, 2019	Year ended March 31, 2018
Basic and diluted EPS				
A.	Loss computation for basic earnings per share of ` 1 each			
	Net loss as per the Consolidated Statement of Profit and Loss available for equity shareholders	(` crore)	(341.14)	(815.68)
B.	Weighted average number of equity shares for EPS computation	(Nos.)	1,144,914,228	1,058,082,003
C.	EPS- Basic and Diluted	(`)	(2.98)	(7.69)

NOTE 34 EARNINGS PER SHARE (EPS)...contd.

(a) The options granted to employees under the Employee stock option (ESOP) plan and the optionally convertible debentures do not qualify as potential equity shares outstanding during the periods, based on the present conditions prevalent, and hence have not been considered in the determination of diluted earnings per share.

(b) Further equity shares to be issued to certain lenders pursuant to implementation of S4A Scheme [refer note 17(f)] and to lenders pursuant to Right to Recompense (Refer note 18.4) do not presently qualify as potential equity shares and and hence have not been considered in the determination of diluted earnings per share.

(c) Basic and diluted EPS for the year ended 31 March 2018 have been retrospectively adjusted for effect of rights issue stated in note 17(g).

NOTE 35 CONTINGENT LIABILITIES AND COMMITMENTS

` crore

		As at March 31, 2019	As at March 31, 2018
A.	**Contingent liabilities**		
(i)	Claims not acknowledged as debts by the Group	188.53	321.63
(ii)	Income tax liability that may arise in respect of which the Group is in appeals	46.85	55.25
(iii)	Sales tax liability / works contract tax liability / service tax / customs liability that may arise in respect of matters in appeal	211.29	200.75
(iv)	Corporate guarantees (Refer note 37)	3,868.69	3.06
(v)	Counter indemnities given to banks in respect of contracts executed	2,345.84	1,895.59

(vi) Provident Fund:

Based on the judgement by the Honourable Supreme Court dated 28 February 2019, past provident fund liability, is not determinable at present, in view of uncertainty on the applicability of the judgement to the 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

		Year ended March 31, 2019	Year ended March 31, 2018
B.	**Commitments**		
	Capital Commitment (net of advances)	34.94	25.58

Note 36: The Group, as at 31 March 2019, has a non-current investment amounting to ` 137.23 crore (31 March 2018: ` 292.81 crore) in HCC Concessions Limited ('HCL'), a joint venture company of HCC Infrastructure Company Limited ('HICL') (85.45% holding), a wholly owned subsidiary, having various Build, Operate and Transfer (BOT) SPVs under its fold. While HICL has incurred losses and consolidated net-worth as at 31 March 2019 has been substantially eroded, the underlying projects are expected to achieve adequate profitability on substantial completion. The net-worth of this subsidiary does not represent its true market value as the value of the underlying investments / assets, based on valuation report of an independent valuer, is higher. Further BOT SPV's have several claims including favorable arbitration awards against its customers mainly in respect of cost- overrun arising due to client caused delays, termination of contracts and change in scope of work which are under various stages of negotiation/discussion with clients or under arbitration/ litigation wherein management has been legally advised that it has good case on merits. Therefore, based on certain estimates like future business plans, growth prospects as well as considering the contractual tenability, progress of negotiation/ discussion/ arbitration/ litigations and legal advise, the management believes that the realizable amount of HCL is higher than the carrying value of the non-current investments due to which these are considered as good and recoverable.

Note 37 : HCC Real Estate Limited ('HREL'), a subsidiary company, had provided corporate guarantee and put options aggregating ` 3,868.69 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 Resolution Process ('CIRP') in accordance with the Insolvency and Bankruptcy Code, 2016 (IBC) dated 30 August 2018 and 17 December 2018, respectively and Resolution Professionals ('RP') have been appointed by the Committee of Creditors (CoC) of the lenders of respective companies. The lenders, to whom these corporate guarantees and put options were furnished, have filed their claims with RP which is presently under the IBC process and during the current year have also invoked the corporate guarantee / put options issued by HREL. RP is in the process of formulating a resolution plan including identifying potential resolution applicant. The liability of the HREL shall be determined once the debts due to these lenders are settled by RP upon completion of the IBC process. Pending the outcome of the resolution process, no provision has been considered necessary in the consolidated financial statements by the management, as impact, if any is currently unascertainable.

Note 38 : Unbilled work-in-progress, 'Non-current trade receivables' and 'current receivables' include ` 416.49 crore (31 March 2018: ` 686.24 crore), ` 54.14 crore (31 March 2018: ` 123.39 crore) and ` 320.94 crore (31 March 2018: ` 214.38 crore), respectively, outstanding as at 31 March 2019 which represent various claims raised earlier, based on the terms and conditions implicit in the contracts and other receivables in respect of closed / suspended projects. These claims are mainly in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work; for which Company is at various stages of negotiation / discussion with the clients or under arbitration / litigation. Considering the contractual tenability, progress of negotiations / discussions / arbitration / litigations and as legally advised, the management is confident of recovery of these receivables.

Note 39 : Badarpur Faridabad Tollway Limited ('BFTL') has received a recall notice from Lenders letter dated 31 October 2018 demanding repayment of entire loan outstanding amounting to ` 710 crore. BFTL has reverted to the notice and has requested the lenders to reconsider its action of issuing Recall Notice and withdraw it immediately, pending the arbitration proceedings with NHAI for termination dues. Subsequently BFTL has received Letter dated 10 April 2019 demanding outstanding dues along with revised interest amounting to ` 902.96 crore as on 31 October 2018 (computed after reversal of waivers). As per BFTL books of accounts, the total outstanding dues to lenders as at 31 March 2019 stands at ` 617.04 crore. Pending reconciliation of outstanding dues to the lenders, difference has been disclosed as contingent liability.

Note 40 : On 24 August 2017, NHAI had issued an 'Intention to Issue Termination Notice' to Baharampore Farakka Highways Limited (BFHL), a joint venture of the HCL. BFHL has refuted all the alleged defaults and refuted NHAI's intention to terminate as invalid. The Independent Engineer has recommended the Authority to withdraw intention to issue termination notice on 5 February 2019. Based on the legal advice obtained in this respect, management of BFHL is confident of settling this matter with NHAI without any loss.

Note 41: Raiganj Dalkhola Highways Limited ('RDHL'), a subsidiary of HCL, has received a notice from NHAI for termination of the road construction project being carried out under this entity. RDHL has not accepted the contention of NHAI as the requisite land to carry out the desired work was not made available by NHAI. RDHL has preferred a claim of ` 368 crore before arbitration tribunal for wrongful termination of the project by NHAI and based on legal advise it is confident of recovering entire cost incurred on the project. Further, RDHL has also filed claims amounting to ` 802 crore towards losses suffered by it till 31 March 2017 on account of delay in providing land and consequent delay in completion of the project which are presently referred to arbitration for which constitution of Arbitral Tribunal to adjudicate this dispute is awaited. Further the net worth of RDHL, at this juncture, is also positive. Based on the legal advice obtained in this respect, Management is confident of recovering the outstanding receivables of ` 177.42 crore from NHAI and exposure in RDHL is considered to be fully recoverable.

Note 42: The National Company Law Tribunal, Mumbai ('NCLT') vide Order dated 30 August 2018, has admitted an application filed against Lavasa Corporation Limited ('LCL') by an operational creditor and initiated the Corporate insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code 2016 ('IBC'). In accordance with the provisions of IBC, the powers of the Board of Directors of LCL shall stand suspended and the management of LCL presently vests with the Resolution Professional ('RP') appointed under the provisions of IBC. HCC Real Estate Limited ('HREL'), a wholly owned subsidiary of the Holding Company, is presently holding 68.70% equity stake in LCL.

The Holding Company made all the required efforts to obtain requisite standalone and consolidated financial results/ financial information of LCL and its subsidiaries, associates and joint ventures ('LCL group') for the period 1 April 2018 to 30 August 2018 (date up to which the company had control) through appointed RP, for which no response was received from RP. In the absence of the required financial results/ financial information of LCL group, it was practically beyond the control of Holding Company's management to consolidate LCL group up to the date of loss of control i.e. 30 August 2018, in consolidated financial statements of the Holding Company for the year ended 31 March 2019. In view of this, financial statements/ financial information of LCL group for the aforesaid period have not been considered in the consolidated financial statements of the Holding Company for the year ended 31 March 2019. Further, de-recognition of assets and liabilities of LCL group, consequent to aforesaid loss of control, has been carried out based on the latest available financial results of LCL group, i.e. year ended 31 March 2018, in these consolidated financial statements. (Also refer note 33.1)

Note 43: 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 44 INTEREST IN OTHER ENTITIES

a) Joint operations

The Group's share of interest in joint operations as at 31 March 2019 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
	As at March 31, 2019	As at March 31, 2018			
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- Max Joint Venture	40.00	-	MAX Group, Bangladesh	Bangladesh	Construction
HCC- HDC Joint Venture	55.00	-	Hyundai Development Company	India	Construction
ARGE Prime tower	45.00	45.00	Losinger Construction AG	Switzerland	Construction

i) Classification of joint arrangements

The joint venture agreements in relation to the above mentioned joint operations require unanimous consent from all the parties for all relevant activities. All co-venturers have direct rights to the assets of the joint venture and are also jointly and severally liable for the liabilities incurred by the joint venture. These joint ventures are therefore classified as a joint operation and the 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 March 31, 2019	As at March 31, 2018
ii)	**Summarised balance sheet**		
	Total assets	70.17	43.09
	Total liabilities	136.25	74.01
iii)	**Contingent liability as at reporting date**		
	Contingent liability	5.52	7.05
	Capital & other commitment	0.28	-

NOTE 44 INTEREST IN OTHER ENTITIES...contd.

		Year ended March 31, 2019	Year ended March 31, 2018
iv)	**Summarised statement of profit and loss account**		
	Revenue from operations	23.25	19.90
	Other income	0.92	0.83
	Total expenses (including taxes)	**39.17**	**38.39**

b) Joint operations on work sharing basis

Contracts executed in joint venture under work sharing arrangement (consortium) is set out below. The principal place of business of all these arrangements is in India and they are engaged in construction business.

i)	HCC Van Oord ACZ Joint Venture
ii)	Samsung- HCC Joint Venture
iii)	L & T- HCC Joint Venture
iv)	HCC- KBL Joint Venture
v)	HCC- NCC Joint Venture
vi)	HCC- CEC Joint Venture
vii)	HCC- NOVA Joint Venture
viii)	HCC- CPL Joint Venture
ix)	HCC- MEIL- CBE Joint Venture
x)	HCC- MEIL- BHEL Joint Venture
xi)	HCC- MEIL- SEW- AAG Joint Venture
xii)	HCC- MEIL- SEW Joint Venture
xiii)	HCC- Halcrow Joint Venture
xiv)	HCC- Laing- Sadbhav
xv)	HCC- MEIL- NCC- WPIL Joint Venture
xvi)	HCC- DSD- VNR Joint Venture
xvii)	MEIL- IVRCL- HCC- WPIL Joint Venture
xviii)	Alstom Hydro France- HCC Joint Venture
xix)	HCC- MMS (MMRCL) Joint Venture
xx)	HCC- LCESPL (Bistan Lift) Joint venture
xxi)	HCC- HSEPL Joint Venture
xxii)	HCC- AL FARA'A Joint Venture
xxiii)	HCC- URCC Joint Venture

Classification of work executed on sharing basis

Contracts executed in joint venture under work sharing arrangement (consortium) is accounted to the extent work executed by the Group as that of an independent contract.

NOTE 45 DISCLOSURE IN ACCORDANCE WITH IND AS 24 RELATED PARTY DISCLOURES

A. Names of related parties and nature of relationship

		Country of incorporation	Company's holding as at (%)	
			March 31, 2019	March 31, 2018
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	89.23
	Farakka-Raiganj Highways Limited	India	85.45	89.23
	Raiganj-Dalkhola Highways Limited	India	86.91	86.91
	Ecomotel Hotel Limited (w.e.f. 27 March 2018)	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

NOTE 45 DISCLOSURE IN ACCORDANCE WITH IND AS 24 RELATED PARTY DISCLOURES...contd.

		Country of incorporation	Company's holding as at (%)	
			March 31, 2019	March 31, 2018
b)	**Associates**			
	Warasgaon Lake View Hotels Limited	India	24.56 ^^	24.56
	Knowledge Vistas Limited	India	49.00 ^^	49.00
	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

c)	**Other Related Parties**	**Relationship**
	Gulabchand Foundation	Other related party
	Hincon Holdings Limited	Other related party
	Hincon Finance Limited	Other related party
	Shalaka Investment Private Limited	Other related party
	Arya 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
	Mr. Rajas R. Doshi	Independent Director
	Mr. Ram P. Gandhi	Independent Director
	Mr. Sharad M. Kulkarni	Independent Director
	Mr. Anil C. Singhvi	Independent Director
	Mr. Omkar Goswami	Independent Director
	Mr. N. R. Acharyulu	Non-Executive Director
	Mr. Praveen Sood	Group Chief Financial Officer (upto 31 December 2018)
	Mr. Arun V. Karambelkar	President and Chief Executive Officer- E&C (upto 31 January 2018)
	Mr. Shailesh Sawa	Chief Financial Officer (w.e.f. 7 February 2019)
	Mr. Amit Uplenchwar	Chief Executive Officer- E&C (w.e.f. 31 January 2018)
	Mr. Sangameshwar Iyer	Company Secretary (upto 8 May 2017)
	Mr. Venkatesan Arunachalam	Company Secretary (upto 6 November 2018)
	Mr. Ajay Singh	Company Secretary (w.e.f. 7 February 2019)
	Ms. Sree Vidhya Raju	Acting Compliance Officer (w.e.f. 12 November 2018 upto 6 February 2019)
	Ms. Harsha Bangari	Nominee Director (upto 6 February 2019)
	Mr. Samuel Joseph	Nominee Director (w.e.f. 7 February 2019)

^^ Refer note 49.1(i)

NOTE 45 DISCLOSURE IN ACCORDANCE WITH IND AS 24 RELATED PARTY DISCLOURES...contd.

B. Nature of transactions

` crore

	Year ended March 31, 2019	Year ended March 31, 2018
Transactions with related parties:		
Revenue from operations		
Joint Ventures	163.40	350.86
	163.40	**350.86**
Interest income on Inter corporate deposits		
Associates	0.01	-
Joint Ventures	-	7.80
	0.01	**7.80**
Finance Income on corporate guarantees		
Joint Ventures	0.11	-
	0.11	**-**
Interest income on lease deposit		
Other Related Parties	0.35	0.31
	0.35	**0.31**
Rendering of Services		
Joint Ventures	-	0.19
Associates	2.00	3.36
	2.00	**3.55**
Receipts of Services		
Joint Ventures	-	0.19
	-	**0.19**
Remuneration written back		
Key Management Personnel	8.74	-
	8.74	**-**
Other Income		
Joint Ventures	0.69	0.58
Associates	-	0.02
Other related parties	0.52	0.52
	1.21	**1.12**
Rental Income		
Associates	0.20	-
	0.20	**-**

NOTE 45 DISCLOSURE IN ACCORDANCE WITH IND AS 24 RELATED PARTY DISCLOURES...contd.

` crore

	Year ended March 31, 2019	Year ended March 31, 2018
Other Expense		
Joint Ventures	0.39	0.28
Associates	0.48	3.68
	0.87	**3.96**
Professional fees		
Associates	21.80	-
	21.80	**-**
Purchase of intangible assets		
Associates	1.03	-
	1.03	**-**
Advance Given		
Joint Ventrues	0.02	-
	0.02	**-**
Inter corporate deposits received during the year		
Associates	–	0.01
Joint Ventures	-	4.59
	-	**4.60**
Inter corporate deposits given during the year		
Associates	10.81	-
	10.81	**-**
Inter corporate deposits repaid		
Joint Ventures	3.58	-
	3.58	**-**
Inter corporate deposits received back		
Associates	-	2.81
	-	**2.81**
Remuneration paid / payable during the year		
Key Management Personnel	18.50	18.37
	18.50	**18.37**
Directors' sitting fees paid / payable during the year		
Key Management Personnel	1.01	0.70
	1.01	**0.70**

NOTE 45 DISCLOSURE IN ACCORDANCE WITH IND AS 24 RELATED PARTY DISCLOURES...contd.

Outstanding balances:

` crore

	As at March 31, 2019	As at March 31, 2018
Outstanding receivables		
Trade Receivable		
Joint Ventures	270.78	284.77
Associates	0.31	-
	271.10	**284.77**
Unbilled work-in-progress		
Joint Ventures	476.90	471.21
	476.90	**471.21**
Interest receivable		
Associates	0.01	-
Joint Ventures	4.60	12.29
	4.61	**12.29**
Other receivables		
Joint Ventures	0.65	-
Associates	20.99	28.08
Other related parties	2.62	2.28
	24.26	**30.36**
Inter-corporate deposits given		
Associates	10.81	-
Joint Ventures	-	56.89
	10.81	**56.89**
Security Deposit		
Other Related Parties	2.86	2.51
	2.86	**2.51**
Outstanding payables		
Inter corporate deposits taken		
Joint Ventures	-	3.58
	-	**3.58**
Other payables		
Joint Ventures	111.58	42.73
Associates	0.63	-
Other related parties	1.80	1.54
	114.01	**44.27**
Trade payables		
Joint Ventures	-	4.47
	-	**4.47**

NOTE 45 DISCLOSURE IN ACCORDANCE WITH IND AS 24 RELATED PARTY DISCLOURES...contd.

` crore

	As at March 31, 2019	As at March 31, 2018
Retention payables		
Associates	3.06	1.88
	3.06	**1.88**
Due to customers		
Joint Ventures	217.04	213.65
	217.04	**213.65**
Quasi equity investment against inter corporate deposit and interest accrued		
Joint ventures	-	0.94
	-	**0.94**
Corporate guarantees given and outstanding at the end of the year		
Associates	-	0.88
Joint Ventures	-	0.07
	-	**0.94**
Interest payable on inter corporate deposits		
Joint ventures	-	0.21
	-	**0.21**
Remuneration payable (net)		
Key Management Personnel	6.55	15.18
	6.55	**15.18**

Notes:

(i) The above figure does not include provisional gratuity liability valued by an actuary, as separate figures are not available.

(ii) Refer notes 18.1 and 22.1 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 13.2 for pledge of shares for facilities taken by joint venture.

(iv) Refer note 7.4 in respect of charge created on certain assets for subsidiary HCC Operation and Maintenance Limited.

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 2019 were as follows:

` crore

Particulars	Refer note	Amortised cost	Fair value through profit or loss	Fair value through Other Comprehensive Income	Total carrying value
Assets:					
Investments					
Investments in equity shares (unquoted)	6A,13	2.78	-	14.75	17.54
Investments in equity shares (quoted)	6A,13	-	-	5.07	5.07
Investment in mutual funds (unquoted)	13	-	0.78	-	0.78
Trade receivables	7	4,188.20	-	-	4,188.20
Loans	8	64.42	-	-	64.42
Others financial assets	9	47.88	-	-	47.88
Cash and cash equivalents	14	270.70	-	-	270.70
Other bank balances	15	585.72	-	-	585.72
Liabilities:					
Borrowings (including current maturities of long-term debts)	18, 19, 22	4,107.54	-	-	4,107.54
Trade payables	23	3,711.31	-	-	3,711.31
Other financial liabilities	19	1,807.86	-	-	1,807.86

NOTE 46 FINANCIAL INSTRUMENTS...contd.

The carrying value and fair value of financial instruments by categories as at 31 March 2018 were as follows:

` crore

Particulars	Refer note	Amortised cost	Fair value through profit or loss	Fair value through Other Comprehensive Income	Total carrying value
Assets:					
Investments					
Investments in equity shares (unquoted)	6A,13	13.48	-	21.56	35.04
Investments in equity shares (quoted)	6A,13	-	-	7.18	7.18
Investment in mutual funds (unquoted)	13	-	11.71	-	11.71
Trade receivables	7	3,840.41	-	-	3,840.41
Loans	8	99.58	-	-	99.58
Others financial assets	9	4,592.37	-	-	4,592.37
Cash and cash equivalents	14	404.18	-	-	404.18
Other bank balances	15	547.91	-	-	547.91
Liabilities:					
Borrowings (including current maturities of long-term debts)	18, 19, 22	9,455.57	-	-	9,455.57
Trade payables	23	3,646.95	-	-	3,646.95
Other financial liabilities	19	1,690.66	-	-	1,690.66

B Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

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

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31 March 2019:

` crore

Particulars	**March 31, 2019**			March 31, 2018		
	Level 1	**Level 2**	**Level 3**	Level 1	Level 2	Level 3
Assets						
Investments in equity shares (quoted)	5.07	-	-	7.18	-	-
Investments in equity shares (unquoted)	-	14.06	0.69	-	20.86	0.70
Investment in mutual funds (unquoted)	-	0.78	-	-	11.71	-

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.

NOTE 47 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES...contd.

a Interest rate risk

Majority of the long term borrowings of the Group bear fixed interest rate, thus interest rate risk is limited and the will not have a material effect on the profit or loss of the Group.

b Foreign currency risk

The Group has several balances in foreign currency and consequently the Group is exposed to foreign exchange risk. The exchange rate between the rupee and foreign currencies has changed substantially in recent years, which has affected the results of the Group, and may fluctuate substantially in the future. The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

The following table analyses foreign currency risk from financial instruments as at 31 March 2019:

currency in crore

Particulars	USD	EUR	GBP	SEK
Assets				
Advance to suppliers	0.08	-	-	-
Trade receivables	0.48	0.24	-	-
Bank balances	9.02	0.01	-	-
Unbilled work-in-progress	25.96	0.16	-	-
	35.54	**0.41**	**-**	**-**
Liabilities				
Loans from banks	7.71	-	-	-
Buyers' credit	-	-	-	-
Advance from contractee	0.41	0.62	-	-
Trade payables	27.42	0.25	-	0.11
Interest on loans	0.15	-	-	-
	35.69	**0.87**	**-**	**0.11**
Net assets / (liabilities)	**(0.15)**	**(0.46)**	**-**	**(0.11)**

The following table analyses foreign currency risk from financial instruments as at 31 March 2018:

currency in crore

Particulars	USD	EUR	GBP	SEK
Assets				
Advance to suppliers	0.02	0.01	0.00*	-
Trade receivables	0.81	0.23	-	-
Bank balances	11.31	0.00*	-	-
Unbilled work-in-progress	28.72	0.36	-	-
	40.86	**0.60**	**0.00***	**-**
Liabilities				
Loans from banks	9.25	-	-	-
Buyers' credit	0.14	0.02	-	-
Advance from contractee	0.16	0.62	-	-
Trade payables	26.07	0.34	-	0.10
Interest on loans	0.18	-	-	-
	35.80	**0.98**	**-**	**0.10**
Net assets / (liabilities)	**5.06**	**(0.38)**	**0.00***	**(0.10)**

Sensitivity analysis

The Group's exposure in foreign currency is not material and hence the impact of any significant fluctuation in the exchange rates is not expected to have a material impact of the operating profits of the Group.

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 2019, the exposure to listed equity securities including mutual fund at fair value was ` 5.84 crore (31 March 2018: ` 18.89 crore). A movement (decrease / increase) of 10% in the value of listed securities could have an impact of approximately ` 0.58 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 other financial assets.

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.

	As at March 31, 2019		As at March 31, 2018	
	` crore	%	` crore	%
Trade Receivable (including unbilled work-in-progress)				
- from government promoted agencies	6,057.07	76.00	6,408.45	76.24
- from private parties	1,913.24	24.00	1,997.23	23.76
	7,970.31	**100.00**	**8,405.68**	**100.00**

b Financial assets other than trade receivables

Financial assets other than trade receivables comprise of cash and cash equivalents, other bank balances, loan to employees and other financial assets mainly representing unbilled work-in-progress. 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 Company is engaged in business segments viz. Engineering and Construction, Infrastructure, Real Estate, Comprehensive Urban Development and Management and Others.

` crore

	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from external customers:		
In India	4,434.17	4,731.66
Outside India	5,887.39	5,400.80
Total revenue from operations	**10,321.56**	**10,132.46**

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 March 31, 2019	Year ended March 31, 2018
Revenue from top customer	538.89	410.43
Revenue from top five customers	2,282.95	1,850.52

For the year ended 31 March 2019, Nil (31 March 2018: Nil) customers, 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	On demand	Less than 1 year	1- 5 years	More than 5 years	Total
As at 31 March 2019					
Borrowings (including current maturities of long-term debts)	1,168.83	476.73	1,697.04	764.94	4,107.54
Trade payables	387.03	3,124.14	200.14	-	3,711.31
Interest accrued	19.04	295.60	490.63	-	805.26
Other financial liabilities	320.36	45.30	636.92	-	1,002.59
Total	**1,895.26**	**3,941.77**	**3,024.73**	**764.94**	**9,626.70**
As at 31 March 2018					
Borrowings (including current maturities of long-term debts)	1,112.35	4,681.57	2,429.09	1,232.56	9,455.57
Trade payables	418.44	3,228.51	-	-	3,646.95
Interest accrued	916.98	385.03	-	-	1,302.01
Other financial liabilities	243.43	144.93	0.28	-	388.64
Total	**2,691.20**	**8,440.04**	**2,429.37**	**1,232.56**	**14,793.18**

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 divided by total capital plus total debt.

` crore

	As at March 31, 2019	As at March 31, 2018
Total debt	4,107.54	9,455.57
Total equity plus total debt	3,171.37	7,904.50
Total debt to equity ratio (Gearing ratio)	**1.30**	**1.20**

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 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

Name of the entity	Country of incorporation	Ownership interest held by the group (%) ^		Ownership interest held by non controlling interests (%)		Principal activities
		March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018	
Western Securities Limited	India	97.87	97.87	2.13	2.13	Insurance auxlliary services
HCC Real Estate Limited	India	100.00	100.00	-	-	Real Estate Development
Panchkutir Developers Limited	India	100.00	100.00	-	-	Real Estate Development
HCC Mauritius Enterprises Limited	Mauritius	100.00	100.00	-	-	Investment company
HCC Construction Limited	India	100.00	100.00	-	-	Construction
Highbar Technologies Limited	India	100.00	100.00	-	-	Information Technology Consulting
HCC Infrastructure Company Limited	India	100.00	100.00	-	-	Toll Management
HCC Mauritius Investments Limited	Mauritius	100.00	100.00	-	-	Investment company
Lavasa Corporation Limited (upto 30 August 2018)	India	68.70^^	68.70	31.30^^	31.30	Township 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
Nashik Township Developers Limited	India	100.00	100.00	-	-	Real Estate Development
Maan Township Developers Limited	India	100.00	100.00	-	-	Real Estate Development
Charosa Wineries Limited (upto 6 February 2019)	India	-	100.00	-	-	Wineries
Powai Real Estate Developer Limited	India	100.00	100.00	-	-	Real Estate Development
HCC Realty Limited	India	100.00	100.00	-	-	Real Estate Development
HCC Aviation Limited	India	100.00	100.00	-	-	Aircraft services
HCC Operation and Maintenance Limited	India	100.00	100.00	-	-	Operation and Maintenance of Road
Dhule Palesner Operations & Maintenance Limited	India	100.00	100.00	-	-	Operation and Maintenance of Road
HCC Power Limited	India	100.00	100.00	-	-	Power Development

NOTE 49: INTEREST IN OTHER ENTITIES...contd.

Name of the entity	Country of incorporation	Ownership interest held by the group (%) ^		Ownership interest held by non controlling interests (%)		Principal activities
		March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018	
HCC Energy Limited	India	100.00	100.00	-	-	Power Development
Lavasa Hotel Limited	India	100.00 ^^	100.00	- ^^	-	Hotel (Hospitality)
Lakeshore Watersports Company Limited	India	100.00 ^^	100.00	- ^^	-	Watersport operations
Dasve Convention Center Limited	India	100.00 ^^	100.00	- ^^	-	Hospitality services
Dasve Business Hotel Limited	India	100.00 ^^	100.00	- ^^	-	Entertainment and Hospitality
Dasve Hospitality Institutes Limited	India	100.00 ^^	100.00	- ^^	-	Educational services
Lakeview Clubs Limited	India	100.00 ^^	100.00	- ^^	-	Clubs
Dasve Retail Limited	India	100.00 ^^	100.00	- ^^	-	Retail and leasing business
Full Spectrum Adventure Limited	India	90.91 ^^	90.91	9.09 ^^	9.09	Adventure Sports
Lavasa Bamboocrafts Limited	India	100.00 ^^	100.00	- ^^	-	Manufacturing and sale of bamboo articles
My City Technology Limited	India	63.00 ^^	63.00	37.00 ^^	37.00	Information and Communication Technology
Reasonable Housing Limited	India	100.00 ^^	100.00	- ^^	-	Housing business
Future City Multiservices Sez Limited	India	100.00 ^^	100.00	- ^^	-	Development of SEZ
Verzon Hospitality Limited	India	100.00 ^^	100.00	- ^^	-	Hostel services
Rhapsody Commercial Space Limited	India	100.00 ^^	100.00	- ^^	-	Leasing business
Valley View Entertainment Limited	India	100.00 ^^	100.00	- ^^	-	Entertainment services
Warasgaon Tourism Limited	India	100.00 ^^	100.00	- ^^	-	Transport and Tourism
Our Home Service Apartments Limited	India	100.00 ^^	100.00	- ^^	-	Hotel (Hospitality)
Warasgaon Power Supply Limited	India	100.00 ^^	100.00	- ^^	-	Infrastructure-BOT basis
Sahyadri City Management Limited	India	100.00 ^^	100.00	- ^^	-	City management
Hill City Service Apartments Limited	India	100.00 ^^	100.00	- ^^	-	Hotel (Hospitality)
Kart Racers Limited	India	89.90 ^^	89.90	10.10 ^^	10.10	Adventure Sports

NOTE 49: INTEREST IN OTHER ENTITIES...contd.

Name of the entity	Country of incorporation	Ownership interest held by the group (%) ^		Ownership interest held by non controlling interests (%)		Principal activities
		March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018	
Warasgaon Infrastructure Providers Limited	India	100.00 ^^	100.00	- ^^	-	Infrastructure services
Nature Lovers Retail Limited	India	100.00 ^^	100.00	- ^^	-	Retail services
Warasgaon Valley Hotels Limited	India	100.00 ^^	100.00	- ^^	-	Hotel (Hospitality)
Rosebay Hotels Limited	India	100.00 ^^	100.00	- ^^	-	Hotel (Hospitality)
Mugaon Luxury Hotels Limited	India	100.00 ^^	100.00	- ^^	-	Hotel (Hospitality)
Warasgaon Assets Maintenance Limited	India	100.00 ^^	100.00	- ^^	-	Infrastructure- BOT basis
Hill View Parking Services Limited	India	100.00 ^^	100.00	- ^^	-	Parking services
Steiner AG	Switzerland	100.00	100.00	-	-	Real Estate Development
Steiner Promotions et Participations SA	Switzerland	100.00	100.00	-	-	Real Estate Development
Steiner (Deutschland) GmbH	Germany	100.00	100.00	-	-	Real Estate Development
VM + ST AG	Switzerland	100.00	100.00	-	-	Real Estate Development
Steiner Leman SAS	France	100.00	100.00	-	-	Real Estate Development
Eurohotel SA	Switzerland	95.00	95.00	5.00	5.00	Real Estate Development
Steiner India Limited	India	100.00	100.00	-	-	Real Estate Construction
Manufakt8048 AG	Switzerland	100.00	100.00	-	-	Real Estate Development
Green Hills Residences Limited	India	100.00 ^^	100.00	- ^^	-	Hostel Services

^ including through subsidiary companies

^^ 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, associate and joint ventures of the Holding Company.

49.2 Non-controlling interests (NCI)

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

` crore

Particulars	Western Securities Limited		Lavasa Corporation Limited		Full Spectrum Adventure Limited	
	March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018	**March 31, 2019**	March 31, 2018
NCI percentage	**2.13%**	**2.13%**	**- ^**	**31.30%**	**- ^**	**9.09%**
Summarised balance sheet						
Current assets (A)	0.31	0.29	- ^	2,144.02	- ^	0.57
Non-current assets (B)	1.83	2.31	- ^	2,662.76	- ^	3.34
Current liabilities (C)	0.00*	0.20	- ^	6,020.81	- ^	24.09
Non-current liabilities (D)	0.50	0.51	- ^	636.80	- ^	0.02
Net assets (A+B-C-D)	**1.64**	**1.89**	**- ^**	**(1,850.83)**	**- ^**	**(20.20)**
Net assets attributable to NCI	**0.03**	**0.04**	**- ^**	**(579.31)**	**- ^**	**(1.84)**
Summarised statement of profit and loss						
Revenue	0.20	0.20	- ^	64.94	- ^	1.95
Profit/(loss) for the year	(0.21)	0.09	- ^	(943.44)	- ^	(3.31)
Other comprehensive income/(loss)	(0.03)	(0.07)	- ^	(0.01)	- ^	0.00*
Total comprehensive income	**(0.24)**	**0.02**	**- ^**	**(943.45)**	**- ^**	**(3.31)**
Profit/(loss) allocated to NCI	(0.00)*	0.00*	- ^	(295.30)	- ^	(0.30)
OCI allocated to NCI	(0.00)*	(0.00)*	- ^	0.00*	- ^	0.00*
Total comprehensive income allocated to NCI	**(0.00)***	**0.00***	**- ^**	**(295.30)**	**- ^**	**(0.30)**
Summarised cash flows						
Cash flow from operating activities	(0.44)	0.05	- ^	(5.44)	- ^	0.46
Cash flow from investing activities	0.50	(0.07)	- ^	(36.06)	- ^	-
Cash flow from financing activities	-	-	- ^	39.63	- ^	(0.54)
Net increase/ (decrease) in cash and cash equivalents	**0.06**	**(0.02)**	**- ^**	**(1.87)**	**- ^**	**(0.08)**

` crore

Particulars	Kart Racers Limited		My City Technology Limited		Euro hotel SA	
	March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018	**March 31, 2019**	March 31, 2018
NCI percentage	**- ^**	**10.10%**	**- ^**	**37.00%**	**5.00%**	**5.00%**
Summarised balance sheet						
Current assets (A)	- ^	-	- ^	13.31	0.23	0.12
Non-current assets (B)	- ^	-	- ^	0.38	-	-
Current liabilities (C)	- ^	0.23	- ^	4.92	0.75	9.65
Non-current liabilities (D)	- ^	-	- ^	0.00*	-	-
Net assets (A+B-C-D)	**- ^**	**(0.23)**	**- ^**	**8.77**	**(0.52)**	**(9.53)**
Net assets attributable to NCI	**- ^**	**(0.02)**	**- ^**	**3.24**	**(0.03)**	**(0.48)**
Summarised statement of profit and loss						
Revenue	- ^	-	- ^	0.46	-	-
Profit/(loss) for the year	**- ^**	**(0.03)**	**- ^**	**(1.66)**	**0.25**	**(2.08)**

49.2 Non-controlling interests (NCI)...contd.

` crore

Particulars	Kart Racers Limited		My City Technology Limited		Euro hotel SA	
	March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018	**March 31, 2019**	March 31, 2018
Other comprehensive income	- ^	-	- ^	0.00*	-	-
Total comprehensive income	**- ^**	**(0.03)**	**- ^**	**(1.66)**	**0.25**	**(2.08)**
Profit/(loss) allocated to NCI	- ^	(0.00)*	- ^	(0.62)	0.01	(0.10)
OCI allocated to NCI	- ^	-	- ^	0.00*	-	-
Total comprehensive income allocated to NCI	**- ^**	**(0.00)***	**- ^**	**(0.62)**	**0.01**	**(0.10)**
Summarised cash flows						
Cash flow from operating activities	- ^	-	- ^	(0.15)	0.11	0.09
Cash flow from investing activities	- ^	-	- ^	0.15	-	-
Cash flow from financing activities	- ^	-	- ^	-	-	-
Net increase/ (decrease) in cash and cash equivalents	**- ^**	**-**	**- ^**	**(0.01)**	**0.11**	**0.09**

^- Refer note 49.1(i)

49.3 Interest in associates and joint venture

` crore

	Note	Carrying amount as at	
		March 31, 2019	March 31, 2018
Interest in associates	See (A) below	20.28	30.83
Interest in joint ventures	See (B) below	140.01	344.16
		160.29	**374.99**

(A) Interest in associates

The Group's associates as at 31 March 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

` crore

Name of the entity	Country of incorporation	Ownership interest (%)	Carrying amount as at ^^		Principal activities
			31 March 2019	31 March 2018	
Warasgaon Lake View Hotels Limited	India	24.56^	-	12.13	Hospitality
Knowledge Vistas Limited	India	49.00^	-	13.19	Education
Evostate AG	Switzerland	30.00	3.39	0.18	Real estate development
MCR Managing Corporate Real Estate AG	Switzerland	30.00	3.28	9.49	Real estate development
Projektentwicklungsgesellschaft Parking Kunstmuseum AG	Switzerland	39.00	6.49	3.51	Real estate development
Highbar Technocrat Limited	India	49.00	7.12	5.52	IT services
			20.28	44.02	
Less: Impairment allowance			-	(13.19)	
Total			**20.28**	**30.83**	

^Refer note 49.1(i)
^^Unlisted entity- no quoted price available

49.3 Interest in associates and joint venture...contd.

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 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

` crore

Name of the entity	Country of incorporation	Ownership interest (%)	Carrying amount as at ^^		Principal activities
			March 31, 2019	March 31, 2018	
Nirmal BOT	India	100.00	-	-	Toll management
Whistling Thrush Facilities Services Limited	India	51.00^	-	-	Facility management services
Starlit Resort Limited	India	26.00^	-	3.89	Hospitality
Ecomotel Hotel Limited	India	40.00^	-	6.00	Hospital health care services
Andromeda Hotels Limited	India	40.03^	-	2.90	Hospitality
Apollo Lavasa Health Corporation Limited	India	49.00^	-	25.08	Hospital health care services
Bona Sera Hotels Limited	India	26.00^	-	-	Hospitality
Spotless Laundry Services Limited	India	76.02^	-	-	Laundry services
HCC Concessions Limited	India	85.45	137.23	292.81	Concessionaries services
Baharampore-Farakka Highways Ltd	India	85.45	0.00*	0.45	Toll management
Farakka-Raiganj Highways Ltd	India	85.45	0.00*	8.92	Toll management
Raiganj-Dalkhola Highways Ltd	India	86.91	2.78	4.11	Toll management
			140.01	**344.16**	

^Refer note 49.1(i)

^^Unlisted entity- no quoted price available

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:

Name of the entity	**(%) of share holding as at 31 March 2019**
HCC Concessions Limited	85.45
Baharampore-Farakka Highways Limited	85.45
Farakka-Raiganj Highways Limited	85.45
Raiganj-Dalkhola Highways Limited	86.91

49.3 Interest in associates and joint venture...contd.

Group share of capital commitment and contingent liability in relation to its interest in joint ventures is as below:

	As at March 31, 2019	As at March 31, 2018
Contingent liability		
Claims not acknowledged as debts by the Group	2,433.28	2,083.23
Income Tax liability that may arise in respect of which Group is in appeals	7.60	8.55
Sales Tax Liability that may arise in respect of which Group is in appeals	13.44	15.32
Corporate guarantees given to banks	1,053.78	944.23
Commitments		
Capital commitment (net of advances)	318.01	43.51

Note 49.4 Table below provides summarised financial information for associates:

` crore

Particulars	Warasgaon Lake View Hotels Limited		Highbar Technocrat Limited		Evostate AG	
	March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018	**March 31, 2019**	March 31, 2018
Summarised balance sheet						
Current assets (A)	- ^	1.97	32.43	30.83	86.39	0.11
Non-current assets (B)	- ^	112.36	3.63	1.09	-	0.69
Current liabilities (C)	- ^	18.56	17.77	19.25	86.51	0.05
Non-current liabilities (D)	- ^	44.00	3.40	0.51	-	-
Net assets (A+B-C-D)	**- ^**	**51.77**	**14.89**	**12.16**	**(0.12)**	**0.75**
Summarised statement of profit and loss						
Revenue	- ^	14.37	61.03	50.49	-	-
Profit/(loss) for the year (A)	- ^	8.30	5.81	5.39	(0.76)	(0.08)
Other comprehensive income (B)	- ^	-	0.07	(0.03)	-	-
Total comprehensive income (A+B)	**- ^**	**8.30**	**5.88**	**5.36**	**(0.76)**	**(0.08)**

` crore

Particulars	MCR Managing Corporate Real Estate AG		Projektentwickl ungsge sells chaft AG	
	March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018
Summarised balance sheet				
Current assets (A)	19.16	84.17	20.83	28.32
Non-current assets (B)	-	-	-	-
Current liabilities (C)	7.89	39.53	3.99	14.81
Non-current liabilities (D)	-	12.84	-	-
Net assets (A+B-C-D)	**11.27**	**31.80**	**16.84**	**13.51**
Summarised statement of profit and loss				
Revenue	7.40	0.29	30.93	-
Profit/(loss) for the year (A)	5.55	(1.24)	18.94	(1.90)
Other comprehensive income (B)	-	-	-	-
Total comprehensive income (A+B)	**5.55**	**(1.24)**	**18.94**	**(1.90)**

^Refer note 49.1(i)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Note 49.5 Table below provide summarised financial information for joint ventures:

` crore

Particulars	Raiganj-Dalkhola Highways Ltd		Baharampore-Farakka Highways Ltd		Farakka-Raiganj Highways Ltd		HCC Concessions Limited	
	March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018	**March 31, 2019**	March 31, 2018	**March 31, 2019**	March 31, 2018
Summarised balance sheet								
Cash and cash equivalents	0.03	0.02	1.82	11.56	1.46	7.08	19.08	36.83
Other assets	267.42	90.00	82.25	26.74	33.60	29.66	1,709.70	98.47
Current assets (A)	**267.45**	**90.02**	**84.07**	**38.30**	**35.06**	**36.74**	**1,728.78**	**135.30**
Non-current assets (B)	**0.64**	**178.07**	**979.41**	**965.44**	**1,592.15**	**1,600.59**	**1,597.16**	**3,181.27**
Financial liabilities (excluding trade and other payable and provision)	94.33	61.24	100.92	93.80	433.72	398.54	2,205.82	655.56
Other liabiliies	0.07	0.05	134.19	118.17	31.71	9.32	148.39	135.95
Current liabilities (C)	**94.40**	**61.29**	**235.11**	**211.97**	**465.43**	**407.86**	**2,354.21**	**791.51**
Financial liabilities (excluding trade and other payable and provision)	69.36	89.11	691.35	657.30	992.89	998.92	766.41	2,154.14
Other liabiliies	-	-	-	-	71.31	38.10	0.86	38.92
Non-current liabilities (D)	**69.36**	**89.11**	**691.35**	**657.30**	**1,064.20**	**1,037.02**	**767.27**	**2,193.06**
Net assets (A+B-C-D)	**104.33**	**117.69**	**137.02**	**134.47**	**97.58**	**192.45**	**204.47**	**332.00**
Summarised statement of profit and loss								
Revenue (A)	**-**	**-**	**170.95**	**263.62**	**157.88**	**313.50**	**336.69**	**690.58**
Depreciation and amortization	-	-	33.01	33.02	51.21	51.21	84.43	115.67
Finance Cost	12.10	11.47	40.49	54.55	86.65	89.22	195.13	209.45
Other Expenses	1.27	0.38	94.90	179.49	114.88	223.88	220.95	407.18
Total Expenses (B)	**13.37**	**11.85**	**168.40**	**267.06**	**252.74**	**364.31**	**500.51**	**732.30**
Profit before tax (C=A-B)	**(13.37)**	**(11.85)**	**2.55**	**(3.44)**	**(94.86)**	**(50.81)**	**(163.82)**	**(41.72)**
Tax Expense (D)	-	-	-	-	-	-	4.38	(0.00)*
Profit for the year(E=C-D)	**(13.37)**	**(11.85)**	**2.55**	**(3.44)**	**(94.86)**	**(50.81)**	**(168.20)**	**(41.72)**
Other comprehensive income (F)	-	-	-	-	-	-	0.04	0.01
Total comprehensive income (G= E+F)	**(13.37)**	**(11.85)**	**2.55**	**(3.44)**	**(94.86)**	**(50.81)**	**(168.16)**	**(41.71)**

Note 49.5 Table below provide summarised financial information for joint ventures:...contd.

` crore

Particulars	Andromeda Hotels Limited		Whistling Thrush Facilities Services Limited		Starlit Resort Limited		Apollo Lavasa Health Corporation Limited	
	March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018	**March 31, 2019**	March 31, 2018	**March 31, 2019**	March 31, 2018
Summarised balance sheet								
Cash and cash equivalents	- ^	0.00*	- ^	0.00*	- ^	0.00*	- ^	0.00*
Other assets	- ^	-	- ^	6.15	- ^	2.19	- ^	0.87
Current assets (A)	**- ^**	**0.00***	**- ^**	**6.15**	**- ^**	**2.19**	**- ^**	**0.87**
Non-current assets (B)		**12.73**		**1.12**		**14.28**		**75.62**
Financial liabilities (excluding trade and other payable and provision)	- ^	-	- ^	1.40	- ^	0.00*	- ^	0.00*
Other liabiliies	- ^	0.11	- ^	7.41	- ^	1.37	- ^	24.45
Current liabilities (C)	**- ^**	**0.11**	**- ^**	**8.81**	**- ^**	**1.37**	**- ^**	**24.45**
Financial liabilities (excluding trade and other payable and provision)	- ^	5.05	- ^	-	- ^	0.00*	- ^	-
Other liabiliies	- ^	-	- ^	-	- ^	0.03	- ^	-
Non-current liabilities (D)	**- ^**	**5.05**	**- ^**	**-**	**- ^**	**0.03**	**- ^**	**-**
Net assets (A+B-C-D)	**- ^**	**7.57**	**- ^**	**(1.54)**	**- ^**	**15.07**	**- ^**	**52.04**
Summarised statement of profit and loss								
Revenue (A)	**- ^**	**-**	**- ^**	**0.07**	**- ^**	**3.47**	**- ^**	**0.59**
Depreciation and amortization	- ^	0.00*	- ^	0.00*	- ^	-	- ^	0.82
Finance cost	- ^	0.06	- ^	0.22	- ^	0.00*	- ^	1.69
Other expenses	- ^	0.01	- ^	0.14	- ^	3.42	- ^	1.86
Total expenses (B)	**- ^**	**0.07**	**- ^**	**0.36**	**- ^**	**3.42**	**- ^**	**4.37**
Profit before tax (C=A-B)	**- ^**	**(0.07)**	**- ^**	**(0.29)**	**- ^**	**0.05**	**- ^**	**(3.78)**
Tax expense (D)	- ^	-	- ^	-	- ^	-	- ^	-
Profit for the year(E=C-D)	**- ^**	**(0.07)**	**- ^**	**(0.29)**	**- ^**	**0.05**	**- ^**	**(3.78)**
Other comprehensive income (F)	- ^	-	- ^	-	- ^	-	- ^	-
Total comprehensive income (G= E+F)	**- ^**	**(0.07)**	**- ^**	**(0.29)**	**- ^**	**0.05**	**- ^**	**(3.78)**

Note 49.5 Table below provide summarised financial information for joint ventures:...contd.

` crore

Particulars	Spotless Laundry Services Limited		Ecomotel Hotel Limited		Bona Sera Hotels Limited	
	March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018	**March 31, 2019**	March 31, 2018
Summarised balance sheet						
Cash and cash equivalents	- ^	0.01	- ^	0.18	- ^	0.00*
Other assets	- ^	0.06	- ^	1.62	- ^	7.10
Current Assets (A)	**- ^**	**0.07**	**- ^**	**1.80**	**- ^**	**7.10**
Non-Current Assets (B)		**8.46**		**15.46**		**7.43**
Financial liabilities (excluding trade and other payable and provision)	- ^	28.41	- ^	5.70	- ^	0.00*
Other liabiliies	- ^	2.27	- ^	4.58	- ^	14.34
Current liabilities (C)	**- ^**	**30.68**	**- ^**	**10.28**	**- ^**	**14.34**
Financial liabilities (excluding trade and other payable and provision)	- ^	-	- ^	-	- ^	0.00*
Other liabiliies	- ^	-	- ^	0.07	- ^	0.19
Non-current liabilities (D)	**- ^**	**-**	**- ^**	**0.07**	**- ^**	**0.19**
Net assets (A+B-C-D)	**- ^**	**(22.15)**	**- ^**	**6.91**	**- ^**	**(0.00)***
Summarised statement of profit and loss						
Revenue (A)	- ^	0.07	- ^	11.28	- ^	12.03
Depreciation and amortization	- ^	1.46	- ^	1.59	- ^	0.86
Finance cost	- ^	3.61	- ^	1.99	- ^	0.69
Other expenses	- ^	3.43	- ^	10.06	- ^	10.03
Total expenses (B)	**- ^**	**8.50**	**- ^**	**13.64**	**- ^**	**11.58**
Profit before tax (C=A-B)	**- ^**	**(8.43)**	**- ^**	**(2.36)**	**- ^**	**0.45**
Tax expense (D)	- ^	-	- ^	-	- ^	0.16
Profit for the year(E=C-D)	**- ^**	**(8.43)**	**- ^**	**(2.36)**	**- ^**	**0.29**
Other comprehensive income (F)	- ^	-	- ^	0.03	- ^	-
Total comprehensive income (G= E+F)	**- ^**	**(8.43)**	**- ^**	**(2.33)**	**- ^**	**0.29**

^Refer note 49.1(i)

Note 50 Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements

Name of the entity	Country of incorporation	% of voting power as at 31 March 2019	Net assets / (liablities) i.e total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income / (loss)	
			As % of consolidated net assets / (liabilities)	Amount (` crore)	As % of consolidated profit / (loss)	Amount (` crore)	As % of consolidated other comprehensive income	Amount (` crore)	As % of consolidated total comprehensive income	Amount (` crore)
Hindustan Construction Company Limited	India	-	195.11%	1,293.00	156.46%	(1,961.75)	6.04%	(9.48)	139.73%	(1,971.23)
Subsidiaries (held directly)										
Indian										
HCC Real Estate Limited	India	100.00%	-72.92%	(483.24)	-74.59%	935.16	-	-	-66.29%	935.16
HCC Infrastructure Company Limited	India	100.00%	-55.24%	(366.09)	29.57%	(370.78)	-0.03%	0.05	26.28%	(370.72)
HCC Construction Limited	India	100.00%	0.00%	0.01	0.00%	(0.01)	-	-	0.00%	(0.01)
Panchkutir Developers Limited	India	100.00%	6.34%	41.99	0.11%	(1.42)	-	-	0.10%	(1.42)
Maan Township Developers Limited	India	100.00%	-1.28%	(8.49)	0.23%	(2.84)	-	-	0.20%	(2.84)
HRL Township Developers Limited	India	100.00%	-0.06%	(0.38)	0.00%	(0.05)	-	-	0.00%	(0.05)
Western Securities Limited	India	97.87%	0.25%	1.64	0.02%	(0.21)	0.02%	(0.03)	0.02%	(0.24)
Highbar Technologies Limited	India	100.00%	-0.24%	(1.61)	1.24%	(15.60)	-0.05%	0.08	1.10%	(15.53)
Foreign										
HCC Mauritius Enterprises Limited	Mauritius	100.00%	32.33%	214.22	-13.15%	164.89	93.10%	(146.15)	-1.33%	18.74
HCC Mauritius Investments Limited	Mauritius	100.00%	-4.28%	(28.35)	0.10%	(1.20)	0.92%	(1.45)	0.19%	(2.65)
TOTAL			**100.00%**	**662.71**	**100.00%**	**(1,253.80)**	**100.00%**	**(156.98)**	**100.00%**	**(1,410.78)**
a) Adjustments arising out of consolidation				(1,598.88)		(912.66)		-		(912.66)
b) Non-controlling interest in subsidiaries				0.00*		0.00*		0.00*		0.00*
TOTAL				**(936.17)**		**(341.14)**		**(156.98)**		**(498.12)**

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', 'Real Estate' and 'Comprehensive Urban Development and Management'. Other business segments contribute less than 10% of the total revenue and have been grouped as 'Others'.

The segment revenue, segment results, segment assets and segment liabilities include respective amounts identifiable to each of the segment and also amounts allocated on a reasonable basis.

` crore

Particulars	**Year ended March 31, 2019**	Year ended March 31, 2018
Segment revenue		
Engineering and construction	10,228.39	9,975.88
Infrastructure	70.03	72.65
Real Estate	1.38	1.70
Comprehensive urban development and management	-	64.94
Others	21.76	24.34
Less: Inter segment revenue	-	(7.05)
	10,321.56	**10,132.46**
Segment profit/ (loss) before finance cost, exceptional items and tax		
Engineering and construction	664.66	623.75
Infrastructure	4.51	34.41
Real Estate	(38.71)	(13.75)
Comprehensive urban development and management	-	(38.34)
Others	0.93	(8.76)
Less: Unallocable expenditure (net of unallocable income)	(778.34)	(1,498.43)
Profit/ (loss) before share of profit/ (loss) of associates and joint ventures, exceptional items and tax	**(146.95)**	**(901.12)**
Exceptional items		
- Engineering and construction	(389.17)	-
- Comprehensive urban development and management	141.97	(160.19)
- Infrastructure	(137.74)	-
- Real Estate	(142.43)	-
Profit/ (loss) before share of profit/ (loss) of associates and joint ventures and tax	**(674.32)**	**(1,061.31)**

` crore

Particulars	**As at March 31, 2019**	As at March 31, 2018
Segment Assets		
- Engineering and construction	10,010.54	11,306.30
- Infrastructure	62.54	25.24
- Real Estate	6.00	239.61
- Comprehensive urban development and management	-	4,727.01
- Others	22.14	84.56
Unallocable assets	1,483.51	161.40
	11,584.73	**16,544.12**

Note 51...contd.

` crore

Particulars	**As at March 31, 2019**	As at March 31, 2018
Segment Liabilities		
- Engineering and construction	6,362.55	7,173.34
- Infrastructure	444.45	220.23
- Real Estate	31.60	38.08
- Comprehensive urban development and management	-	1,482.84
- Others	3.80	42.86
Unallocable liabilities	5,678.50	9,137.84
	12,520.90	**18,095.19**

The Group is domiciled in India. The amount of its revenue from external customers broken down by location of customers is shown in the below table:

` crore

Particulars	**Year ended March 31, 2019**	Year ended March 31, 2018
Revenue from External Customers		
- In India	4,434.17	4,731.66
- Outside India	5,887.39	5,400.80
	10,321.56	**10,132.46**
Asset		
- In India	8,148.08	13,172.44
- Outside India	3,436.65	3,371.68
	11,584.73	**16,544.12**

Notes:

(i) Segment asset excludes current and non-current investments, deferred tax assets and advance payment of income tax.

(ii) Segment liabilities excludes borrowings (including short term borrowings) and current maturities of long term borrowing, deferred tax liability, accrued interest and non-controlling interests.

Note 52 * represents amount less than ` 1 lakh.

Note 53 Previous year figures have been regrouped or reclassified, to conform to the current year's presentation wherever considered necessary.

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

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

Rakesh R. Agarwal
Partner
Membership No.: 109632

Shailesh Sawa
Chief Financial Officer

Ajay Singh
Company Secretary
ACS 5253

Place : Mumbai
Dated : May 9, 2019

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*
Shalaka Gulabchand Dhawan	DIN: 00011094	*Whole-Time Director*
Rajas R. Doshi	DIN: 00050594	*Directors*
Ram P. Gandhi	DIN: 00050625	
Sharad M. Kulkarni	DIN: 00003640	
Anil C. Singhvi	DIN: 00239589	
Samuel Joseph	DIN: 02262530	
Omkar Goswami	DIN: 00004258	
N. R. Acharyulu	DIN: 02010249	

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 2019
[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	10,396.57	Not Ascertainable (Refer II (e) (ii) below)
	2	Total Expenditure	10,543.52	Not Ascertainable (Refer II (e) (ii) below)
	3	Net Profit/(Loss)	(146.95)	Not Ascertainable (Refer II (e) (ii) below)
	4	Earnings per Share	(2.98)	Not Ascertainable (Refer II (e) (ii) below)
	5	Total Assets	11,584.73	Not Ascertainable (Refer II (e) (ii) below)
	6	Total Liabilities	12,520.90	Not Ascertainable (Refer II (e) (ii) below)
	7	Net Worth	(936.17)	Not Ascertainable (Refer II (e) (ii) below)
	8	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	**Audit Qualification**			
	a.	Details of Audit Qualification:	Auditor's Qualification	
			(A) Independent Auditor's report on Consolidated Financial Statements: As stated in Note 42 to the consolidated financial statements, Lavasa Corporation Limited (LCL), a subsidiary of HCC Real Estate Limited (HREL) which is a wholly owned subsidiary of the Holding Company, was admitted under the Corporate Insolvency and Resolution Process (CIRP) in accordance with the Insolvency and Bankruptcy Code, 2016 (IBC) on 30 August 2018 and a Resolution Professional was appointed. The Board of Directors of LCL were suspended with effect from 30 August 2018, and the Holding Company and HREL therefore, did not exercise either control or significant influence over LCL from this date onwards. Owing to unavailability of financial statements and/or financial information of LCL and its subsidiaries, associates jointly controlled entity ('LCL Group') for the period 1 April 2018 to 30 August 2018 ('cut-off period'), the financial statements of LCL for the cut-off period have not been included in the consolidated financial statements of the Holding Company and the assets and liabilities of LCL Group have been derecognized at their respective carrying values as at 31 March 2018 instead of 30 August 2018. The said accounting treatment by the group is not in compliance with Ind AS 110- Consolidated Financial Statements. In the absence of sufficient audit evidence, we are unable to comment upon on the compliance of Ind AS 110 – Consolidated Financial Statements and its consequential impact on the consolidated financial statements for the year ended 31 March 2019.	
			(B) Auditor's Qualification on the Internal Financial Controls over Financial Reporting relating to matter stated in II(a)A: According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at 31 March 2019: The Holding Company's internal controls over financial reporting with respect to financial statements preparation process towards consolidation activity in compliance with the Ind AS 110, "Consolidated Financial Statements", and other accounting principles generally accepted in India were not operating effectively, which has resulted in a material misstatement in the carrying value and classification of assets and liabilities and its consequential impact on earnings, reserves and related disclosures in the financial statements, as explained in Note 42 to the accompanying consolidated financial statements. A 'material weakness' is a deficiency, or a combination of deficiencies, in IFCoFR, such that there is a reasonable possibility that a material misstatement of the company's annual financial statements will not be prevented or detected on a timely basis.	

b.	Type of Audit Qualification:	Qualified Opinion
c.	Frequency of Qualification:	Qualification II(a)(A) and II(a)(B) have been included for the first time during the year ended 31 March 2019.
d.	For Audit Qualification (s) where the impact is quantified by the auditor, Management views:	Not Applicable
e.	For Audit Qualification (s) where the impact is not quantified by the auditor:	
	i) Management's estimation on the impact of audit qualification:	-
	ii) If management is unable to estimate the impact, reasons for the same:	With reference to above mentioned qualification II (a) A and B: The National Company Law Tribunal, Mumbai ('NCLT') vide Order dated 30 August 2018, has admitted an application filed against Lavasa Corporation Limited ('LCL') by an operational creditor and initiated the Corporate insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code 2016 ('IBC'). In accordance with the provisions of IBC, the powers of the Board of Directors of LCL shall stand suspended and the management of LCL presently vests with the Resolution Professional ('RP') appointed under the provisions of IBC. HCC Real Estate Limited ('HREL'), a wholly owned subsidiary of the Holding Company, is presently holding 68.70% equity stake in LCL. The Holding Company made all the required efforts to obtain requisite standalone and consolidated financial statements/ financial information of LCL and its subsidiaries, associates and joint ventures ('LCL group') for the period 1 April 2018 to 30 August 2018 (date up to which the Holding Company had control) through appointed RP, for which no response was received from RP. In the absence of the required financial statements/ financial information of LCL group, it was practically beyond the control of Holding Company's management to consolidate LCL group up to the date of loss of control i.e. 30 August 2018, in consolidated financial statements of the Holding Company for the year ended 31 March 2019. In view of this, financial statements/ financial information of LCL group for the aforesaid period have not been considered in the consolidated financial statements of the Holding Company for the year ended 31 March 2019. Further, de-recognition of assets and liabilities of LCL group, consequent to aforesaid loss of control, has been carried out based on the latest available financial statements of LCL group, i.e. year ended 31 March 2018, in these consolidated financial statements.
	iii) Auditors' comments on (i) or (ii) above	Included in details of auditor's qualification stated above.

III. Signatories:

For **Hindustan Construction Company Limited**

Ajit Gulabchand
Chairman & Managing Director

Shailesh Sawa
Chief Financial Officer

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

Sharad M. Kulkarni
Audit Committee Chairman

Rakesh R. Agarwal
Partner
Membership No.: 109632

Place: Mumbai
Date: 9 May 2019

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	01.04.2018-31.03.2019	INR	0.05	(0.04)	0.04	0.03	-	-	(0.01)	-	-	(0.01)	-	100%
2	Highbar Techonologies Limited	01.04.2018-31.03.2019	INR	6.25	(13.96)	28.02	35.74	0.00	25.66	(17.26)	-	(0.06)	(17.20)	-	100%
3	Charosa Wineries Limited	01.04.2018-06.02.2019	INR	79.58	(100.17)	28.70	49.29	-	1.38	13.08	-	-	13.08	-	100%
4	Panchkutir Developers Limited	01.04.2018-31.03.2019	INR	1.40	40.59	102.64	60.64	-		(1.42)	-	-	(1.42)	-	100%
5	HCC Operations & Maintenance Limited	01.04.2018-31.03.2019	INR	0.05	37.72	161.85	124.08	0.01	42.33	(6.01)	3.88	-	(9.89)	-	100%
6	HCC Power Limited	01.04.2018-31.03.2019	INR	0.50	(5.30)	310.91	315.71	0.64	-	(2.93)	-	-	(2.93)	-	100%
7	HCC Energy Limited	01.04.2018-31.03.2019	INR	0.05	(0.10)	307.84	307.89	-	-	(0.06)	-	-	(0.06)	-	100%
8	HCC Infrastructure Company Limited	01.04.2018-31.03.2019	INR	0.25	(1,059.96)	1,001.54	2,061.25	867.23	7.20	(52.32)	(0.02)	-	(52.30)	-	100%
9	Dhule Palesner Operations & Maintenance Limited	01.04.2018-31.03.2019	INR	0.50	0.08	150.03	149.45	-	-	(0.62)	0.00	-	(0.62)	-	100%
10	Steiner India Limited	01.04.2018-31.03.2019	INR	7.16	23.05	106.85	76.64	8.13	78.74	(7.30)	-	-	(7.30)	-	100%
11	HCC Real Estate Limited.	01.04.2018-31.03.2019	INR	66.19	(524.31)	109.06	567.18	19.52	-	(18.07)	-	-	(18.07)	-	100%
12	Western Securities Limited	01.04.2018-31.03.2019	INR	2.00	(0.36)	2.15	0.51	0.20	0.20	(0.18)	0.03	-	(0.21)	-	97.87%
13	HCC Aviation Limited	01.04.2018-31.03.2019	INR	0.05	(15.83)	0.07	15.85	-	-	(0.01)	-	-	(0.01)	-	100%
14	HCC Realty Limited	01.04.2018-31.03.2019	INR	0.05	(0.04)	0.02	0.01	-	-	(0.01)	-	-	(0.01)	-	100%
15	HRL (Thane) Real Estate Limited	01.04.2018-31.03.2019	INR	0.10	(18.35)	18.98	37.23	-	-	(4.22)	-	-	(4.22)	-	100%
16	HRL Township Developers Limited	01.04.2018-31.03.2019	INR	0.10	(0.48)	0.18	0.56	-	-	(0.05)	-	-	(0.05)	-	100%
17	Maan Township Developers Limited	01.04.2018-31.03.2019	INR	0.10	(8.59)	10.92	19.41		-	(12.64)	-	-	(12.64)	-	100%
18	Nashik Township Developers Limited	01.04.2018-31.03.2019	INR	0.10	(1.71)	0.12	1.73	-	-	(0.19)	-	-	(0.19)	-	100%
19	Powai Real Estate Developers Limited	01.04.2018-31.03.2019	INR	0.05	(0.06)	0.02	0.02	-	-	(0.01)	-	-	(0.01)	-	100%

Part "A": Subsidiaries

(` in Crore)

Sr. No	Name of the subsidiary	Reporting period	Reporting currency / Exchange rate	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Deferred Tax	Profit after taxation	Proposed Dividend	Extent of Holding (In Percentage)
Foreign Subsidiary Companies															
1	HCC Mauritius Investment Limited	01.04.2018-31.03.2019	INR	6.96	(35.32)	177.96	206.32	30.97	-	(2.65)	-	-	(2.65)	-	100%
			USD	0.10	(0.51)	2.55	2.96	0.44	-	(0.01)	-	-	(0.01)		
2	HCC Mauritius Enterprises Limited	01.04.2018-31.03.2019	INR	34.85	(61.93)	224.61	251.69	224.43	-	(14.89)	-	-	(14.89)	-	100%
			USD	0.50	(0.89)	3.22	3.61	3.22	-	(0.17)	-	-	(0.17)	-	
3	Steiner AG, Zurich	01.04.2018-31.03.2019	INR	274.44	129.07	3,034.04	2,630.53	117.80	5,589.62	(51.08)		-	(51.08)	-	100%
			CHF	4.00	1.88	44.22	38.34	1.72	81.46	(0.74)			(0.74)	-	
4	Steiner (Deutschland)GmbH Paderborn	01.01.2018-31.12.2018	INR	70.82	(18.26)	75.14	22.58	0.17	-	(0.19)	-	-	(0.19)	-	100%
			EUR	1.02	(0.26)	1.09	0.33	0.00	-	-	-	-	-	-	
5	VM & ST AG, Zurich	01.04.2018-31.03.2019	INR	6.86	0.14	7.03	0.03	-	-	(0.04)	-	-	(0.04)	-	100%
			CHF	0.10	-	1.03	0.00	-	-	(0.00)	-	-	(0.00)	-	
6	Steiner Leman SAS	01.04.2018-31.03.2019	INR	0.16	(0.13)	0.06	0.03	-	-	(0.36)	-	-	(0.36)	-	100%
			CHF	0.00	(0.00)	0.00	0.00	-	-	(0.00)	-	-	(0.00)	-	
7	Eurohotel SA, Geneva	01.04.2018-31.03.2019	INR	0.68	(11.16)	0.23	10.71	-	-	(0.08)	-	-	(0.08)	-	95%
			CHF	0.01	(0.16)	0.00	0.16			(0.01)	-	-	(0.01)	-	
8	Steiner Promotions et Participations SA	01.04.2018-31.03.2019	INR	20.58	(1.18)	336.70	317.30	0.69	-	4.53		-	4.53	-	100%
			CHF	0.30	(0.02)	4.90	4.63	0.01	-	0.07		-	0.07	-	
9	Manufakt8048 AG, Zurich	01.04.2018-31.03.2019	INR	0.68	(0.21)	11.38	10.91	-	-	0.03	-	-	0.03	-	100%
			CHF	0.01	(0.00)	0.17	0.16	-	-	-	-	-	-	-	

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	MCR Managing Corporate Real-estate AG	Projecten twicklungs gesellchaft Parking Kunstmeseum Basel AG	HCC Concession Limited	Narmada Bridge Tollway Limited	Badarpur Faridabad Tollway Limited	Baharampore-Farakka Highways Limited	Farakka-Raiganj Highways Limited	Raiganj-Dalkhola Highways Limited	Nirmal BOT Limited
1	Latest audited Balance Sheet Date	31-Mar-19	31-Dec-18	31-Dec-18	31-Dec-18	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19
2	Date on which the Associate or Joint Venture was associated or acquired	21-Jul-16	1-May-10	31-Mar-17	1-May-10	1-Apr-15	1-Apr-15	1-Apr-15	1-Apr-15	1-Apr-15	1-Apr-15	1-Apr-15
3	Shares of Associate/Joint Ventures held by the company at the year end.											
	-Number	99,940	30	30	850	2,867,151	50,000	98,000,000	33,300,000	370,000,000	27,000,000	8,190,000
	-Amount of Investment in Associates/Joint Venture	5.52	0.18	9.49	3.52	292.81	0.05	98.00	33.30	370.00	27.00	4.71
	-Extend of Holding %	49.00%	30.00%	30.00%	38.64%	85.45%	85.45%	85.45%	89.23%	89.23%	86.91%	22.22%
4	Description of how there is significant influence	Associate -Significant Influence over Share Capital	Associate -Significant Influence over Share Capital	Associate -Significant Influence over Share Capital	Associate -Significant Influence over Share Capital	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture
5	Reason why the associate/joint venture is not consolidated.	Consolidated - Equity Method	Consolidated - Equity Method	Consolidated - Equity Method	Consolidated-Equity Method	NA	NA	NA	NA	NA	NA	NA
6	Wheather company has commenced the operations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
7	Networth attributable to Shareholders as per latest audited Balance Sheet	14.87	(0.12)	11.27	16.84	974.25	(8.84)	(279.30)	137.01	97.59	104.33	NA
8	Profit / Loss for the year	5.82	(0.76)	8.55	18.95	0.52	(0.59)	(63.17)	2.55	(94.87)	(13.37)	
	i. Considered in Consolidation	2.85	(0.23)	2.56	7.32	0.45	(0.50)	(53.97)	2.27	(84.65)	(11.62)	NA
	ii. Not Considered in Consolidation	2.97	(0.53)	5.98	11.63	0.08	(0.09)	(9.19)	0.27	(10.22)	(1.75)	NA

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		(936.17)		(855.52)	
	Parent Company					
	Hindustan Construction Company Limited		1,346.26	-143.80%	(1,917.97)	224.19%
	Indian Subsidiary Companies					
1	HCC Construction Limited		0.01	0.00%	(0.01)	0.00%
2	Highbar Techonologies Limited		(7.71)	0.82%	(17.20)	2.01%
3	Charosa Wineries Limited		(20.59)	2.20%	13.08	-1.53%
4	Panchkutir Developers Limited		41.99	-4.49%	(1.42)	0.17%
5	HCC Operations & Maintenance Limited		37.77	-4.04%	(9.89)	1.16%
6	HCC Power Limited		(4.80)	0.51%	(2.93)	0.34%
7	HCC Energy Limited		(0.05)	0.01%	(0.06)	0.01%
8	HCC Infrastructure Company Limited		(1,059.71)	113.20%	(52.30)	6.11%
9	Dhule Palesner Operations & Maintenance Limited		0.58	-0.06%	(0.62)	0.07%
10	Steiner India Limited		30.21	-3.23%	(7.30)	0.85%
11	HCC Real Estate Limited.		(458.12)	48.94%	(18.07)	2.11%
12	Western Securities Limited		1.64	-0.18%	(0.21)	0.02%
13	HCC Aviation Limited		(15.78)	1.69%	(0.01)	0.00%
14	HCC Realty Limited		0.01	0.00%	(0.01)	0.00%
15	HRL (Thane) Real Estate Limited		(18.25)	1.95%	(4.22)	0.49%
16	HRL Township Developers Limited		(0.38)	0.04%	(0.05)	0.01%
17	Maan Township Developers Limited		(8.49)	0.91%	(12.64)	1.48%
18	Nashik Township Developers Limited		(1.61)	0.17%	(0.19)	0.02%
19	Powai Real Estate Developers Limited		(0.01)	0.00%	(0.01)	0.00%
	Foreign Subsidiary Companies					
1	Steiner AG, Zurich	INR	403.51	-43.10%	(51.08)	5.97%
		CHF	5.88		(0.74)	
2	Steiner (Deutschland)GmbH Paderborn	INR	52.56	-5.61%	(0.19)	0.02%
		EUR	0.76		-	
3	VM & ST AG, Zurich	INR	7.00	-0.75%	(0.04)	0.00%
		CHF	0.10		(0.00)	
4	Steiner Leman SAS	INR	0.03	0.00%	(0.36)	0.04%
		EUR	0.00		(0.00)	
5	HCC Mauritius Investment Limited	INR	(28.36)	3.03%	(2.65)	0.31%
		USD	(0.41)		(0.01)	
6	HCC Mauritius Enterprises Limited	INR	(27.08)	2.89%	(14.89)	1.74%
		USD	(0.39)		(0.17)	
7	Eurohotel SA, Geneva	INR	(10.48)	1.12%	(0.08)	0.01%
		CHF	(0.15)		(0.01)	
8	Steiner Promotions et Participations SA	INR	19.40	-2.07%	4.53	-0.53%
		CHF	0.28		0.07	
9	Manufakt8048 AG, Zurich	INR	0.47	-0.05%	0.03	0.00%
		CHF	0.01		-	

(` 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						
1	HCC Concession Limited		832.50	-88.93%	0.45	-0.05%
2	Narmada Bridge Tollway Limited		(7.55)	0.81%	(0.50)	0.06%
3	Badarpur Faridabad Tollway Limited		(238.66)	25.49%	(53.97)	6.31%
4	Baharampore-Farakka Highways Limited		122.26	-13.06%	2.27	-0.27%
5	Farakka-Raiganj Highways Limited		87.08	-9.30%	(84.65)	9.89%
6	Raiganj-Dalkhola Highways Limited		90.68	-9.69%	(11.62)	1.36%
7	Nirmal BOT Limited		NA	NA	NA	NA

Associate Companies						
Indian						
1	Highbar Technocrat Limited		14.87	-1.59%	2.85	-0.33%
Foreign						
1	Evostate AG	INR	(0.04)	0.00%	(0.23)	0.03%
		CHF	(0.00)		(0.00)	
2	MCR Managing Corporate Real Estate AG	INR	3.38	-0.36%	2.56	-0.30%
		CHF	0.05		0.04	
3	Projektentwicklungsgesellschaft Parking Kunstmuseum Basel AG	INR	6.51	-0.70%	7.32	-0.86%
		CHF	0.09		0.10	
4	Evosate Immobilien AG	INR	0.00	0.00%	(0.17)	0%
		CHF	0.00		(0.00)	

NOTES

IMPORTANT FINANCIAL STATISTICS

Year	Paid Up Capital Equity ` Lacs	Preference ` Lacs	Reserves ` Lacs	Debentures ` Lacs	Fixed Assets Gross Block ` Lacs	Net Block ` Lacs	Turnover ` Lacs	Net Profit ` Lacs	Dividend paid on Preference and Equity shares ` 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	15130.00	—	114169.00	10382.00	190284.00	41809.00	434100.00	(197123)	—	—

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Bogibeel Rail-cum-Road Bridge, Assam