

**HSCC (INDIA) LIMITED**

(A Govt. of India Enterprise), A Subsidiary of NBCC (India) Limited

CIN : U74140DL1983GO1015459

**Statement of Standalone Financial Results for the quarter and year ended on March 31, 2020**

(**₹ in Lakhs**)

Particulars	Quarter Ended on			Year Ended	Year Ended
	31.03.2020 (Audited)	31.12.2019 (Unaudited)	31.03.2019 (Audited)	31.03.2020 (Audited)	31.03.2019 (Audited)
<b>1. Income from Operations</b>	71,681.84	47,854.73	58,063.87	212,509.19	204,946.25
(a) Net Sales / Income from Operations	13.75	10.07	77.60	32.29	91.28
(b) Other Operating Income	71,695.59	47,864.80	58,141.48	212,541.48	205,037.53
<b>Income from Operations (Net)</b>					
Other Income	263.45	27.22	249.92	634.87	776.35
<b>Total Income</b>	<b>71,959.04</b>	<b>47,892.02</b>	<b>58,391.40</b>	<b>213,176.35</b>	<b>205,813.88</b>
<b>2. Expenses</b>					
(a) Work & Consultancy expenses	68,546.07	45,350.93	55,187.56	200,972.73	194,317.88
(b) Employee benefits expenses	1,030.38	1,202.91	853.06	4,237.78	3,948.28
(c) Finance Costs	0.70	-	-	0.70	-
(d) Depreciation and amortisation expense	48.77	37.82	9.54	161.56	43.63
(e) Other Expenses	247.08	248.53	449.41	809.36	844.77
(f) Provision for Expected Credit Loss	449.41	197.89	(1,102.12)	569.87	(1,289.90)
<b>Total Expenses</b>	<b>70,322.41</b>	<b>47,038.08</b>	<b>55,397.45</b>	<b>206,752.00</b>	<b>197,864.65</b>
<b>3. Profit / (Loss) from operations before Exceptional Items &amp; Tax (1 - 2)</b>	<b>1,636.63</b>	<b>853.94</b>	<b>2,993.95</b>	<b>6,424.35</b>	<b>7,949.22</b>
4. Exceptional Items (Net)	-	-	-	-	-
<b>5. Profit / (Loss) before Tax (3 - 4)</b>	<b>1,636.63</b>	<b>853.94</b>	<b>2,993.95</b>	<b>6,424.35</b>	<b>7,949.22</b>
<b>6. Tax Expense</b>					
(a) Current Tax	409.09	(229.73)	1,337.61	1,149.81	1,581.61
(b) Deferred Tax	(18.65)	469.67	(281.44)	1,638.77	1,183.37
(c) Taxation in respect of earlier years	(41.03)	(5.88)	202.87	(127.23)	202.87
<b>7. Net Profit / (Loss) for the period (5 - 6)</b>	<b>1,287.22</b>	<b>619.88</b>	<b>1,734.91</b>	<b>3,763.00</b>	<b>4,981.37</b>
<b>8. Other Comprehensive Income (Net of Tax Expense)</b>					
(a)(i) Items that will not be reclassified to Profit or Loss	(50.21)	-	-	(50.21)	-
(a)(ii) Income tax relating to items that will not be reclassified to Profit or Loss	12.64	-	-	12.64	-
(b)(i) Items that will be reclassified to Profit or Loss	-	-	-	-	-
(b)(ii) Income tax relating to items that will be reclassified to Profit or Loss	-	-	-	-	-
<b>9. Total Comprehensive Income (7 + 8)</b>	<b>1,249.65</b>	<b>619.88</b>	<b>1,734.91</b>	<b>3,725.43</b>	<b>4,981.37</b>
10. Paid up Equity Share Capital (Face Value of Rs. 100 per share)	180.01	180.01	180.01	180.01	180.01
11. Other Equity	10,798.07	9,548.42	13,690.19	10,798.07	13,690.19
<b>12. Earnings Per Share from continuing &amp; discontinuing operations</b>					
(a) Basic	715.07	344.35	963.76	2,090.39	2,767.21
(b) Diluted	715.07	344.35	963.76	2,090.39	2,767.21

**Notes to standalone financial results:**

- The above results are prepared and approved by the Board of Directors at their meeting held on June 24, 2020
- The company has adopted Ind AS 116, "Leases" effective April 1, 2019 and applied this standard to its leases. This new standard Ind AS 116, "Leases" do not have any financial impact on profits and retained earnings of the company. On transition to Ind AS 116 "Leases", the company has recognised the carrying value of right-of-use assets presented in property, plant and equipment amounting to Rs. 382.26 lakhs and lease liability of Rs. 8.71 lakhs presented in other financial liabilities on April 1, 2019.
- The company has adopted amendment to Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments effective April 1, 2019. This amendment to Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments do not have any financial impact on profits and retained earnings of the company.
- During the year ended March 31, 2020, the effective corporate tax rate has been reduced from 34.944% to 25.168%. By virtue of this tax rate reduction, the net deferred tax asset available to company has been decreased and corresponding tax expense has been increased significantly. The profit of company is decreased by Rs. 1082.60 lakhs.
- The Final Dividend of Rs. 1660.33 per equity share for the financial year 2018-19 was approved in Annual General Meeting held on September 17, 2019 and the same was paid on October 4, 2019. The company has paid interim dividend Rs. 1389 per equity share on August 14, 2019 for the financial year 2019-20.
- Reconciliation of two bank accounts with Indian Overseas Bank are still pending, hence the un-reconciled bank balances may have impact on Profit & Loss and Balance Sheet of the company and will be accounted in the year in which the un-reconciled transaction will be identified.
- During the year ended March 31, 2020, in the process of reconciliation of various head of accounts four unidentified transaction were noticed which were confirmed with the banks amounting to Rs. 189.07 lakhs. A complaint has been lodged with SSP, Gautam Budh Nagar on May 13, 2019. The bank has paid the said amount of Rs. 189.07 lakhs to company on December 31, 2019.
- A global challenge has emerged in the form of global health pandemic COVID-19. This global health pandemic may cause multiple contingencies in future as well as provides opportunity to companies engaged in healthcare and its related services. The company is involved in rendering professional services as consulting and executing agency for construction activities in healthcare in India. The company is also a zero debt company and only non fund based facilities are availed. There is no impact of COVID-19 on the business of the company in accordance with assessment made by the company.
- Figures for the quarter ending March 31, 2020 are the balancing figures between year to date figures in respect of the year ended on March 31, 2020 and year to date figures upto third quarter i.e. December 31, 2019 of the current financial year.
- The figures have been regrouped/ reclassified wherever necessary, to make them comparable.

As per our Report of even date attached

For Datta Singla & Co.  
Chartered Accountants  
(ICAI Firm Reg. No. 006185)

Sandeep Datta  
Partner  
Membership No. 092413

Place: Noida  
Date : 24/06/2020



For and on behalf of the Board of Directors

(Gyanesh Pandey)  
Managing Director  
(DIN : 03555957)

(Suresh Chandra Garg)  
Director (Engineering)  
(DIN : 08684289)

(Mahesh Chand Bansal)  
Chief Financial Officer

(Sonia Singh)  
Company Secretary  
(M.No.: ACS-24442)

(Ravi Kumar Jain)  
AGM (F & A)

(Ajay Suri)  
DGM (F & A)

(Tejpal Garg)  
DGM (F & A)



<b>HSCC (INDIA) LIMITED</b>					
(A Govt. of India Enterprise), A Subsidiary of NBCC (India) Limited					
CIN : U74140DL1983GOI015459					
Statement of Standalone Segment Results for the quarter and year ended on March 31, 2020					
( ₹ in Lakhs)					
Particulars	Quarter Ended on			Year Ended	
	31.03.2020 (Audited)	31.12.2019 (Unaudited)	31.03.2019 (Audited)	31.03.2020 (Audited)	31.03.2019 (Audited)
<b>1. Segment Revenue</b>					
(a) PMC	71,681.84	47,854.73	58,063.87	212,509.19	204,946.25
(b) Real Estate	-	-	-	-	-
(c) EPC	-	-	-	-	-
<b>Total</b>	<b>71,681.84</b>	<b>47,854.73</b>	<b>58,063.87</b>	<b>212,509.19</b>	<b>204,946.25</b>
Less: Inter Segment Revenue	-	-	-	-	-
<b>Net Sales / Income from Operations</b>	<b>71,681.84</b>	<b>47,854.73</b>	<b>58,063.87</b>	<b>212,509.19</b>	<b>204,946.25</b>
<b>2. Segment Results</b>					
<b>Profit before tax and Interest</b>					
(a) PMC	1,637.33	853.94	2,993.95	6,425.05	7,949.22
(b) Real Estate	-	-	-	-	-
(c) EPC	-	-	-	-	-
(d) Unallocated	-	-	-	-	-
<b>Total</b>	<b>1,637.33</b>	<b>853.94</b>	<b>2,993.95</b>	<b>6,425.05</b>	<b>7,949.22</b>
Less: Finance Costs	0.70	-	-	0.70	-
<b>Total Profit before tax</b>	<b>1,636.63</b>	<b>853.94</b>	<b>2,993.95</b>	<b>6,424.35</b>	<b>7,949.22</b>
<b>3. Segment Assets</b>					
(a) PMC	343,167.27	330,706.21	346,348.50	343,167.27	346,348.50
(b) Real Estate	-	-	-	-	-
(c) EPC	-	-	-	-	-
(d) Unallocated	-	-	-	-	-
<b>Total Segment Assets</b>	<b>343,167.27</b>	<b>330,706.21</b>	<b>346,348.50</b>	<b>343,167.27</b>	<b>346,348.50</b>
<b>4. Segment Liabilities</b>					
(a) PMC	332,189.19	320,977.78	332,478.30	332,189.19	332,478.30
(b) Real Estate	-	-	-	-	-
(c) EPC	-	-	-	-	-
(d) Unallocated	-	-	-	-	-
<b>Total Segment Liabilities</b>	<b>332,189.19</b>	<b>320,977.78</b>	<b>332,478.30</b>	<b>332,189.19</b>	<b>332,478.30</b>

The company has reported segment information as per Ind AS 108 "Operating Segments". The company has identified only one segment i.e. Project Management Consultancy (PMC). The identification of operating segments is consistent with performance assessment and resource allocation by the management.

As per our Report of even date attached

For Datta Singla & Co.  
Chartered Accountants  
(ICAI Firm Reg. No: 006185N)

Sandeep Datta  
Partner  
Membership No. 092413

Place: Noida  
Date : 24/06/2020



For and on behalf of the Board of Directors

(Gyanesh Pandey)  
Managing Director  
(DIN : 03555957)

(Sonia Singh)  
Company Secretary  
(M.No.: ACS-24442)

(Suresh Chandra Garg)  
Director (Engineering)  
(DIN : 08684289)

(Ravi Kumar Jain)  
AGM (F &A)

(Ajay Suri)  
DGM (F &A)

(Mahesh Chand Bansal)  
Chief Financial Officer

(Tejpal Garg)  
DGM (F &A)

**HSCC (INDIA) LIMITED**  
(A Govt. of India Enterprise), A Subsidiary of NBCC (India) Limited  
Balance Sheet as at March 31, 2020

( ₹ in Lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>I. ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Property, Plant and Equipment	3	7,364.88	7,494.15
(b) Intangible assets	4	0.75	2.09
(c) Intangible assets under development	5	13.16	13.16
(d) Financial Assets			
(i) Other Financial Assets	6	42.70	32.73
(e) Deferred Tax Asset (Net)	7	2,311.26	3,950.02
(f) Other Non Current Assets	8	5,919.64	550.03
		<b>15,652.39</b>	<b>12,042.17</b>
<b>2 Current Assets</b>			
(a) Financial Assets			
(i) Trade Receivables	9	8,120.94	8,534.19
(ii) Cash and Cash Equivalents	10	8,057.49	19,663.88
(iii) Other Bank Balances	11	276,497.92	258,419.63
(iv) Other Financial Assets	12	14,298.72	24,923.94
(b) Current Tax Assets (Net)	13	980.97	568.49
(c) Other Current Assets	14	19,558.84	22,196.19
		<b>327,514.88</b>	<b>334,306.33</b>
<b>TOTAL ASSETS</b>		<b>343,167.27</b>	<b>346,348.50</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share capital	15	180.01	180.01
(b) Other Equity		10,798.07	13,690.19
<b>Total Equity</b>		<b>10,978.08</b>	<b>13,870.20</b>
<b>2 Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Other Financial Liabilities	16	6.28	-
(b) Provisions	17	888.63	962.05
		<b>894.91</b>	<b>962.05</b>
<b>3 Current Liabilities</b>			
(a) Financial Liabilities			
(i) Trade Payables	18	479.39	760.04
- outstanding dues of micro enterprises and small enterprise		73,116.29	68,019.65
- outstanding dues of creditors other than micro enterprises and small enterprises		36,264.09	43,570.74
(ii) Other Financial Liabilities	19	217,300.77	215,353.34
(b) Other Current Liabilities	20	4,133.74	3,812.49
(c) Provisions	21	331,294.28	331,516.25
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>343,167.27</b>	<b>346,348.50</b>

Summary of Significant Accounting Policies and Other Explanatory Information Note 1 to 53

As per our Report of even date attached

For and on behalf of the Board of Directors


For Datta Singla & Co.  
Chartered Accountants  
(ICAI Firm Reg. No. 006185N)

Sandeep Datta  
Partner  
Membership No. 092413

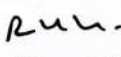
Place: Noida  
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Managing Director  
(DIN : 03555957)


  
(Sonia Singh)  
Company Secretary  
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Chief Financial Officer

  
(Tejpal Garg)  
DGM (F &A)



**HSCC (INDIA) LIMITED**  
(A Govt. of India Enterprise), A Subsidiary of NBCC (India) Limited  
Statement of Profit and Loss For the period ended on March 31, 2020

(₹ in Lakhs)

Particulars	Note No.	For the year ended on March 31, 2020	For the year ended on March 31, 2019
<b>I. Revenue From Operations</b>			
Value of Services	22	212,509.19	204,946.25
Other Operating Revenues	23	32.29	1,381.18
<b>II. Other Income</b>	24	634.87	776.35
<b>III. Total Income (I + II)</b>		<b>213,176.35</b>	<b>207,103.78</b>
<b>IV. Expenses:</b>			
Work & Consultancy Expenses	25	200,972.73	194,317.88
Employee Benefits Expense	26	4,237.78	3,948.28
Finance Costs	27	0.70	-
Depreciation and Amortisation Expense	28	161.56	43.63
Other Expenses	29	1,379.23	770.18
Write Offs	30	-	74.59
<b>Total Expenses (IV)</b>		<b>206,752.00</b>	<b>199,154.56</b>
<b>V. Profit before Exceptional Items and Tax (III-IV)</b>		<b>6,424.35</b>	<b>7,949.22</b>
<b>VI. Exceptional Items</b>		-	-
<b>VII. Profit before Tax (V - VI)</b>		<b>6,424.35</b>	<b>7,949.22</b>
<b>VIII. Tax Expense:</b>	31		
(1) Current Tax		1,149.81	1,581.61
(2) Deferred Tax		1,638.77	1,183.37
(3) Taxation in respect of Earlier Years		(127.23)	202.87
<b>IX. Profit / Loss for the Period (VII-VIII)</b>		<b>3,763.00</b>	<b>4,981.37</b>
<b>X. Other Comprehensive Income</b>	32		
A (i) Income/(Expenses) that will not be reclassified into Profit & Loss		(50.21)	-
(ii) Income tax relating to items that will not be reclassified to profit/loss		12.64	-
B (i) Income/(Expenses) that will be reclassified into Profit & Loss		-	-
(ii) Income tax relating to items that will be reclassified to Profit & Loss		-	-
<b>XI. Total Comprehensive Income for the period (IX+X)</b>		<b>3,725.43</b>	<b>4,981.37</b>
<b>XII. Earnings per Share (Face value of ₹ 100/- per Equity Share)</b>	33		
(1) Basic (in ₹)		2,090.39	2,767.21
(2) Diluted (in ₹)		2,090.39	2,767.21

Summary of Significant Accounting Policies and Other Explanatory Information Note 1 to 53

As per our Report of even date attached

For and on behalf of the Board of Directors


For Datta Singla & Co.  
Chartered Accountants  
(ICAI Firm Reg. No. 806185N)

Sandeep Datta  
Partner  
Membership No. 092413

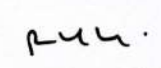
Place: Noida  
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(Gyanesh Pandey)  
Managing Director  
(DIN : 03555957)

  
(Sonia Singh)  
Company Secretary  
(M.No.: ACS-24442)

  
(Suresh Chandra Garg)  
Director (Engineering)  
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Chief Financial Officer

  
(Tejpal Garg)  
DGM (F & A)



**HSCC (INDIA) LIMITED**  
(A Govt. of India Enterprise), A Subsidiary of NBCC (India) Limited  
Statement of Changes in Equity As at March 31, 2020

**A Equity Share Capital**

(₹ in Lakhs)

Particulars	Balance at the beginning of the Reporting Year	Changes in Equity Share Capital during the year	Balance at the end of Reporting Year
Balance as at March 31, 2020	180.01	-	180.01
Balance as at March 31, 2019	180.01	-	180.01

**B Other Equity**

(₹ in Lakhs)

Particulars	Reserves and Surplus			Other Comprehensive Income	Total
	General Reserve	Capital Redemption Reserve	Retained Earnings	Remeasurement of Defined Benefit Plans	
Balance as at April 1, 2018	3,335.53	60.00	6,668.34	-	10,063.87
Profit for the year	-	-	4,981.37	-	4,981.37
Dividends paid including Interim Dividend and Dividend Distribution Tax	-	-	(1,355.05)	-	(1,355.05)
<b>Balance as at March 31, 2019</b>	<b>3,335.53</b>	<b>60.00</b>	<b>10,294.66</b>	<b>-</b>	<b>13,690.19</b>
Profit for the year	-	-	3,763.00	-	3,763.00
Re-measurement gains (losses) on defined benefit plans	-	-	-	(50.21)	(50.21)
Income Tax on Items of OCI	-	-	-	12.64	12.64
Dividends paid including Interim Dividend and Dividend Distribution Tax	-	-	(6,617.55)	-	(6,617.55)
<b>Balance as at March 31, 2020</b>	<b>3,335.53</b>	<b>60.00</b>	<b>7,440.11</b>	<b>(37.57)</b>	<b>10,798.07</b>

Summary of Significant Accounting Policies and Other Explanatory Information Note 1 to 53

As per our Report of even date attached

For and on behalf of the Board of Directors

For Datta Singla & Co.

Chartered Accountants

(ICAI Firm Reg. No. 006185N)



Sandeep Datta

Partner

Membership No. 092413

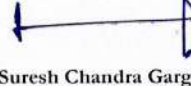
Place: Noida

Date: 24/06/2020



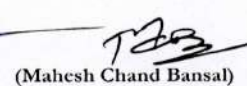

(Gyansh Pandey)

Managing Director  
(DIN : 03555957)



(Suresh Chandra Garg)

Director (Engineering)  
(DIN : 08684289)



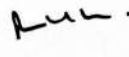
(Mahesh Chand Bansal)

Chief Financial Officer



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(Ravi Kumar Jain)

AGM (F &A)



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DGM (F &A)



(Tejpal Garg)

DGM (F &A)

**HSCC (India) Limited**  
(A Govt. of India Enterprise), A Subsidiary of NBCC (India) Limited  
Cash Flow Statement for the year ended on March 31, 2020

(₹ in Lakhs)

Particulars	For the year ended on March 31, 2020	For the year ended on March 31, 2019
<b>A. Cash flows from operating activities</b>		
Net profit before tax and extraordinary items	6,424.35	7,949.22
Adjustment for:		
Depreciation on property, plant and equipment	153.81	38.80
Depreciation on Right-of-Use Assets	6.41	-
Amortisation on intangible assets	1.33	4.83
Finance Cost	0.70	-
Interest Income	(632.93)	(776.35)
<b>Operating Profit before Working Capital Changes</b>	<b>5,953.67</b>	<b>7,216.50</b>
Adjustment for:		
Decrease/(Increase) in Other Non-Current Assets	(5,369.61)	1,479.34
Decrease/(Increase) in Other Financial Assets (Non Current)	(9.97)	2.85
Decrease/(Increase) in Trade receivables	413.25	2,493.38
Decrease/(Increase) in Other Financial Assets (Current)	10,625.22	18,520.00
Decrease/(Increase) in Other Current Assets	2,637.35	(4,239.78)
(Decrease)/ Increase in Provisions (Non Current)	(73.42)	91.92
(Decrease)/Increase in Trade payables	4,815.99	29,707.26
(Decrease)/Increase in Other Financial Liabilities (Current)	(7,307.91)	(15,016.87)
(Decrease)/ Increase in Provisions (Current)	271.04	(16.27)
(Decrease)/Increase in Other Current Liabilities	1,947.43	24,155.69
<b>Cash generated from Operations before Extra Ordinary Items and tax</b>	<b>13,903.06</b>	<b>64,394.02</b>
Direct Taxes Paid	(1,422.42)	(1,730.55)
<b>Net Cash from Operating Activities (A)</b>	<b>12,480.64</b>	<b>62,663.47</b>
<b>B. Cash Flows from Investing Activities:</b>		
Purchase of property, plant and equipment	(22.32)	(6,851.09)
Sale of property, plant and equipment	0.06	-
Purchase of intangible assets	-	(0.67)
Flexi Deposits having Original Maturity more than 3 months and upto 12 months	(107,199.13)	(13,124.80)
Fixed Deposits having original maturity more than 3 months and upto 12 months	88,708.66	(31,180.99)
Interest Received	1,045.12	(646.05)
<b>Net Cash from Investing Activities: (B)</b>	<b>(17,467.62)</b>	<b>(51,803.60)</b>
<b>C. Cash Flows from Financing Activities:</b>		
Repayment of lease liability	(1.86)	-
Dividend Paid (including dividend distribution tax)	(6,617.55)	(1,355.06)
<b>Net Cash from Financing Activities (C)</b>	<b>(6,619.41)</b>	<b>(1,355.06)</b>
<b>Net Increase in Cash and Cash Equivalent (A) + (B) + (C)</b>	<b>(11,606.39)</b>	<b>9,504.81</b>
<b>Cash and Cash Equivalents - Opening</b>	<b>19,663.88</b>	<b>10,159.06</b>
<b>Cash and Cash Equivalents - Closing</b>	<b>8,057.49</b>	<b>19,663.88</b>
<b>i) Cash and Cash Equivalents Includes:</b>		
Balances with Banks in Current Account	834.98	3,131.72
Cash in hand	-	0.05
<u>On behalf of Ministries / Clients</u>		
Balances in saving account with Banks	7,202.73	16,532.11
Flexi Deposits upto 3 months Original Maturity	19.78	-
	<b>8,057.49</b>	<b>19,663.88</b>

i) Figures in brackets indicate cash outgo

iii) Refer note 46 for movement in liabilities of financing activities

As per our Report of even date attached

For and on behalf of the Board of Directors

For Datta Singla & Co.  
Chartered Accountants  
(ICAI Firm Reg. No. 006185N)

Sandeep Datta  
Partner  
Membership No. 092413

Place: Noida  
Date: 24/06/2020



(Gyanesh Pandey)  
Managing Director  
(DIN : 03555957)

(Sania Singh)  
Company Secretary  
(M.No.: ACS-24442)

(Suresh Chandra Garg)  
Director (Engineering)  
(DIN : 08684289)

(Ravi Kumar Jain)  
AGM (F &A)

(Mahesh Chand Bansal)  
Chief Financial Officer

(Ajay Suri)  
DGM (F &A)

(Tejpal Garg)  
DGM (F &A)



## **1. CORPORATE INFORMATION**

### **1.1 NATURE OF PRINCIPAL ACTIVITIES**

HSCC (India) Limited, a Mini Ratna (Category I company), is a Government of India Enterprise engaged in rendering comprehensive range of professional services as consulting and executing agency for construction activities in healthcare & other social sectors in India and abroad that includes Conceptual Studies, Management consultancy, Project Management, Logistics & Installation, Procurements, Information Technology, design & engineering and Healthcare facility design.

### **1.2 GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH IND AS**

The Company is incorporated and domiciled in India with registered office at New Delhi. The Company is headquartered in New Delhi, India.

The Financial Statements of the Company have been prepared in accordance with the Companies (Indian Accounting Standards) Rules 2015 issued by Ministry of Corporate Affairs ('MCA'). The Company has uniformly applied the Accounting Policies during the period presented..

The decision of Strategic Disinvestment of the Company to NBCC India Ltd. has been taken by Govt. of India vide letter no. F. No. 3/8/2016-DIPAM-II-A (pt.) dated 13/09/2018 & D.O. No. 3/8/2016-DIPAM-IIA (pt.) dated 13/09/2018. The 100 percent paid up equity share capital of the Company along with Management control has been transferred to NBCC (India) Limited at a price of Rs 285 Crores.

Unless otherwise stated, all amounts are stated in Lakhs of Rupees.

The Standalone Financial Statement for the year ended 31 March 2020 are authorized and approved for issue by the Board of Directors on June 24, 2020.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared using the Accounting Policies and measurement basis summarized below.

### **2.1 FOREIGN CURRENCY TRANSLATION**

#### **Functional and Presentation Currency**

The financial statements are presented in Indian Rupee ('INR'), which is company's functional Currency.

#### **Foreign Currency Transactions and Balances**

Foreign Currency transactions are 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.

Foreign Currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items which are measured in terms of historical cost denominated in a Foreign Currency are reported using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items of the Company at rates different from those at which they were initially recorded during the year, or reported in previous Financial Statements, are recognized as income/ expenses in the year in which they arise. Where such transactions are on behalf of clients, the gain / loss is transferred to respective clients' accounts



## 2.2 REVENUE RECOGNITION

The Company derives revenues primarily from Project Management Consultancy and Procurement services. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over a product or service to a customer.

### a) Project Management Consultancy

In case of PMC contracts, the Company undertakes to perform tasks such as geotechnical investigations, topographical surveys, resource-planning, preparing detailed engineering designs and supervising execution of works etc. Due to the high degree of interdependence between the various elements related to these services, they are accounted for as a single performance obligation and the revenue is recognized over time based on the input method of measuring progress, as the customer receives and uses the benefits simultaneously.

Revenue in respect of design, engineering, Studies, DPR, MOU, Training, Information Technologies is recognized as income over the period based on the input method of the cost incurred for which the bills are raised in respect of fees due as per terms of agreement with the client.

### b) Procurement service

The Company undertakes to purchase an asset on behalf of the customer and the revenue is recognized on net basis over time based on the input method of measuring progress as the Company' has ability to make reliable estimates, arising from its significant historical experience on similar systems.

Revenue includes:

1. Work done for which only letters of intent have been received, however, formal contracts / agreements are in the process of execution.
2. Work executed and measured by the Company pending certification by the client
3. Work executed but not measured/ partly executed is accounted for at engineering estimate.
4. Extra / Substituted items and the Claims lodged against clients to the extent considered realizable.

## 2.3 OTHER INCOME

Interest income is reported on an accrual basis using the Effective Interest Rate method. Interest income on mobilisation advances given to contractors recoverable is recognised using simple interest method which approximates the effective interest rate. Interest income on mobilisation advances given to contractors is netted off from interest payable to client on mobilisation advances received.

Interest income on bank deposits held on behalf of client is netted off from interest payable to client on such deposits.

## 2.4 INTANGIBLE ASSETS

### Recognition

Intangible assets are initially measured at cost of acquisition thereof. 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. Any trade discount and rebates are deducted in arriving at the purchase price.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Intangible assets as at 1 April 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangible Assets.





### Subsequent Measurement (Amortization)

Amortization on Intangible Assets is charged on the straight line method on the basis of rates arrived at with reference to the useful life of the assets evaluated and approved by the Management.

Asset category	Estimated useful life (in years)
<b>Intangible Assets</b>	
Computer Software	3 Years

### De-recognition

An item of Intangible Asset or any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss Account when the asset is derecognised.

## 2.5 PROPERTY, PLANT AND EQUIPMENT

### Recognition

Properties Plant and Equipment are stated 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. Any trade discount and rebates are deducted in arriving at the purchase price.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Property, Plant and Equipment recognised as at 1 April 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the Property, Plant and Equipment.

### Subsequent measurement (Depreciation)

Depreciation on Property, Plant and Equipment is charged on straight line method either on the basis of rates arrived at with reference to the useful life of the assets evaluated by the Management or rates arrived at based on useful life prescribed under Part C of Schedule II of the Companies Act, 2013. The following useful lives are applied:

Asset category	Estimated useful life (in years)
<b>Buildings</b>	
Building(other than factory buildings)	60 Years
Other (including temporary structure, etc.)	03 Years
<b>Plant and Machinery used in civil construction</b>	12 Years
<b>Furniture and fittings</b>	10 Years
<b>Motor Vehicles</b>	08 Years
<b>Office equipment</b>	05 Years
<b>Computers and data processing units</b>	
Servers and networks	06 Years
End user devices viz. desktops, laptops, etc.	03 Years

Premium paid on land where lease agreements have been executed for specified period are written off over the period of lease proportionately.

Property, Plant and Equipment individually costing upto INR 10,000 are fully depreciated in the year of acquisition.



The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### **De-Recognition**

An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss account when the asset is derecognised.

## **2.6 LEASES**

### **Company as a Lessee**

At inception of a contract, the company assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### **Recognition:**

#### **1. "Right of Use (ROU) Asset":**

At the commencement date, the company recognise a right-of-use asset and a lease liability, except

- a. For lease with a term of twelve months or less (Short term leases) and,
- b. Leases for which the underlying asset is of low value.

For short term leases and assets of low value the company recognises the lease payments as an operating expense on a straight-line basis over the term of lease.

#### **2. "Lease Liability"**

At the commencement date, the company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the effective interest rate.

### **Subsequent measurement**

#### **1. "Right of Use (ROU) Asset"**

After the commencement date, the company measures the right-of-use asset at cost less any accumulated depreciation and is subject to impairment losses.

The following useful lives are applied:

<b>Asset category</b>	<b>Lease Term (including extension)</b>
Leasehold Land	90 Years
Buildings	5 Years

#### **2. "Lease Liability"**

After the commencement date, the company measure the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications.

After the commencement date, the interest element of lease payments is charged to Statement of Profit and Loss, as Finance Costs over the period of the lease.

The residual values, useful lives and methods of depreciation of right of use are reviewed at each financial year end and adjusted prospectively, if appropriate.





### **De-Recognition**

A right of use asset initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the right of use asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss account when the right of use asset is derecognised.

### **Company as a Lessor**

#### **Finance Lease**

The company recognises assets held under a finance lease as a receivable at an amount equal to the net investment in the lease. The company further recognises finance income over the lease term, based on straight-line basis reflecting a constant periodic rate of return on the net investment in the lease.

#### **Operating lease**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Assets leased out under operating leases are capitalized. Rental income is recognized on straight-line basis over the lease term except where scheduled increase in rent compensates the Company with expected inflationary costs.

## **2.7 IMPAIRMENT OF NON FINANCIAL ASSETS**

Carrying amount of assets is reviewed at each reporting date where there is any indication of impairment based on internal/ external indicators. An impairment loss is recognised in the Statement of Profit and Loss where carrying amount exceeds recoverable amount of assets. Impairment loss is reversed, if, there is change in recoverable amount and such loss either no longer exists or has decreased or indication on which impairment was recognised no longer exists.

## **2.8 FINANCIAL INSTRUMENTS**

### **Financial Assets**

#### **Initial recognition and measurement**

Financial Assets and Financial Liabilities are recognised when the company becomes a party to the contractual provisions of the Financial Instrument and are measured initially at fair value adjusted for transaction costs.

#### **Subsequent Measurement**

**Debt instruments at Amortised Cost**– A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

After initial measurement, such Financial Assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

#### **De-recognition of Financial Assets**

A Financial Asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.



## **Financial Liabilities**

### **Initial recognition and measurement**

All Financial Liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the Financial Liabilities is also adjusted. Financial Liabilities are classified as amortised cost.

### **Subsequent measurement**

Subsequent to initial recognition, these liabilities are measured at Amortised Cost using the Effective Interest Rate method.

### **De-recognition of Financial Liabilities**

A Financial Liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. Consequently write back of unsettled credit balances and invoked bank guarantee is done on closure of the concerned project or earlier based on the previous experience of Management and actual facts of each case and recognised in Other Operating Revenues.

Further 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 the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

### **Offsetting of 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.

## **2.9 IMPAIRMENT OF FINANCIAL ASSETS**

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for Financial Assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company consider the following –

- All contractual terms of the Financial Assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

### **Trade Receivables**

As a practical expedient the Company has adopted 'simplified approach' using the provision matrix method for recognition of expected loss on trade receivables. The provision matrix is based on three years rolling average default rates observed over the expected life of the trade receivables and is adjusted for forward-looking estimates. These average default rates are applied on total credit risk exposure on trade receivables and outstanding for more than one year at the reporting date to determine lifetime Expected Credit Losses

### **Other Financial Assets**

For recognition of impairment loss on Other Financial Assets and Risk Exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.





## 2.10 INCOME TAXES

Tax expense recognised in Profit and Loss comprises the sum of Current Tax and Deferred Tax not recognised in Other Comprehensive Income or directly in Equity.

Calculation of Current Tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred Income Taxes are calculated using Balance Sheet Approach. The Current Tax and Deferred Tax so calculated are adjusted for the uncertainty of tax treatment by the tax authorities at each reporting date.

Deferred Tax Liabilities are generally recognised in full for all taxable temporary differences.

Deferred Tax Assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

## 2.11 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents comprise Cash in hand, Balances in Bank Account, Remittance in Transit, Cheques in hand and Demand Deposits, together with other short-term, highly liquid investments (original maturity less than 3 months) that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

## 2.12 EQUITY, RESERVES AND DIVIDEND PAYMENTS

Share capital represents the nominal value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from retained earnings, net of any related income tax benefits.

Other components of equity includes Other Comprehensive Income (OCI) arising from actuarial gain or loss on re-measurement of defined benefit liability and return on plan assets

Retained earnings include all current and prior period retained profits. Annual dividend distribution to shareholders is recognised as a liability in the period in which the dividend is approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

## 2.13 POST-EMPLOYMENT BENEFITS AND SHORT-TERM EMPLOYEE BENEFITS

### Defined Contribution Plan

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further contributions, which are recognised as an expense in the period that related employee services are received.

### (a) Provident Fund

Provident fund contributions are made to a trust administered by the PF Trust. 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.



**(b) Pension plan**

Contributions to defined contribution schemes such as superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Contribution to Employees pension scheme is made out of employer's share of Provident Fund

**(c) Medical Facility**

The Company has Medical benefit scheme under which employees on regular pay scales including retired employees are provided medical facilities. The Scheme is funded by the Company and is managed by a separate Trust namely "HSCC Employees' Medical Fund Trust". The contribution to the Trust is recognized in Profit & Loss Account

**Defined Benefit Plan**

**(a) Gratuity:**

The Company provides for retirement / post-retirement benefits in the form of gratuity. The Scheme is funded by the Company and is managed by a separate Trust namely "HSCC Employees' Gratuity Fund Trust". The Company has taken a Group Gratuity cum Life Insurance Policy from the Life Insurance Corporation of India. The liability for the same is recognized on the basis of amount payable to Life Insurance Corporation of India being calculated by them on actuarial valuation using projected unit credit method on annual basis. All actuarial gains and losses in respect of the defined benefit plans are recognised in the Other Comprehensive Income in the year in which they arise.

**Other Long Term Benefits**

**(a) Compensated absence:**

Company's liability towards Earned Leave and Half Pay Leave is determined by independent actuary, at the year-end using the Projected Unit Credit Method.). The Scheme is unfunded and the obligation is recognized in Profit & Loss Account on the basis of independent actuarial valuation using projected unit credit method on annual basis Actuarial gains or losses are recognised in the Profit and Loss

**(b) Travelling Allowance**

Company's liability towards Travelling Allowance is determined by independent actuary, at the year-end using the Projected Unit Credit Method.). The Scheme is unfunded and the obligation is recognized in Profit & Loss Account on the basis of independent actuarial valuation using projected unit credit method on annual basis Actuarial gains or losses are recognised in the Profit and Loss

**Other short Term Employee Benefits**

Short term benefits comprise of employee costs such as Salaries, Bonus, PRP etc. are measured at undiscounted value and are accrued in the year in which the associated services are rendered by employees of the Company.

**Employee Separation Costs**

Ex-gratia to employees who have opted for retirement under the Voluntary Retirement Scheme of the Company is charged to Statement of Profit and Loss in the year of acceptance of the option by the management.

**2.14 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions recognised by the Company include provisions for Warranties, Research & Development, Sustained development, Contingencies, and Corporate Social Responsibility (CSR). A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.





Provisions are discounted to their present values, where the time value of money is material.  
Contingent Liabilities are disclosed on basis of judgment of management after a careful evaluation of facts and legal aspects of matter involved.  
Contingent Assets are disclosed when probable and recognised when realization of income is virtually certain.

#### **2.15 ARBITRATION AWARDS**

Arbitration / Court's awards along with related interest receivable/payable are, to the extent not taken into accounts at the time of initiation, are recognized after it becomes decree. Permanent Machinery of Arbitration, Govt of India, is accounted for on finalisation of award by the appellate authority. Interest to/from in these cases are accounted when the payment is probable which the point is when matter is considered settled by management.

#### **2.16 LIQUIDATED DAMAGES**

Liquidated Damages / Compensation for delay in respect of clients/ contractors, if any, are accounted for when payment is probable which is the point when matter is considered settled by management.

#### **2.17 PRIOR PERIOD EXPENDITURE/ INCOME**

Expenditures / Incomes relating to prior periods and considered not material has been accounted for in the respective head of accounts in the current year.

#### **2.18 SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY**

Financial Statements are prepared in accordance with GAAP in India which require management to make estimates and assumptions that affect the reported balances of assets, liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of income & expenses during the periods. Although these estimates and assumptions used in accompanying Financial Statements are based upon management's evaluation of relevant facts and circumstances as of date of Financial Statements which in management's opinion are prudent and reasonable, actual results may differ from estimates and assumptions used in preparing accompanying Financial Statements. Any revision to accounting estimates is recognized prospectively from the period in which results are known/ materialise in accordance with applicable Indian Accounting Standards.

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

The following are Significant Management Judgements in applying the Accounting Policies of the Company that have the most significant effect on the Financial Statements.

**Recognition of Deferred Tax Assets** - The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

**Evaluation of indicators for Impairment of Assets** - The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**Property, Plant and Equipment** - Management assess the remaining useful lives and residual value of property, plant and equipment and believes that the assigned useful lives and residual value are reasonable





### **Estimation Uncertainty**

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

**Recoverability of Advances/ Receivables** – The Project heads, Zonal heads and Regional/Strategic Business groups from time to time review the recoverability of advances and receivables. The review is done at least once in a financial year and such assessment requires significant management judgement based on financial position of the counter-parties, market information and other relevant factors.

**Defined Benefit Obligation (DBO)** - Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may impact the DBO amount and the annual defined benefit expenses.

**Contingencies** -Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

**Liquidated Damages** -Liquidated Damages receivables are estimated and recorded as per contractual terms; estimate may vary from actuals as levy on contractor.

## **2.19 STANDARDS ISSUED & EFFECTIVE**

### **a. Ind AS 116 Leases:**

On 30 March 2019, the Ministry of Corporate Affairs (MCA) notified Indian Accounting Standards (Ind AS) 116, Leases as part of the Companies (Ind AS) Amendment Rules, 2019. Ind AS 116 replaces existing standard on leases i.e. Ind AS 17, Leases with effect from accounting periods beginning on or after 1 April 2019. The new standard has major impact for lessees. It eliminates the classification of leases as either finance leases or operating leases as required by Ind AS 17. It introduces a single on-balance sheet accounting model that is similar to current finance lease accounting model. A lessor would be required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

The company has adopted the standard on April 1, 2019 by using using modified retrospective transition method. Accordingly, comparatives have not been restated. Detailed disclosures as mandated by the standard are incorporated in the financial statements (Refer Note 46).

### **b. Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The Current Tax and Deferred Tax so calculated are adjusted for the uncertainty of tax treatment by the tax authorities at each reporting date. The Appendix C, Uncertainty over Income Tax Treatments to Ind AS 12 do not have any transitional impact on financial statements of the Company. (Refer Note 31B)





**HSCC (INDIA) LIMITED**  
(A Govt. of India Enterprise), A Subsidiary of NBCC (India) Limited  
Notes to the financial statements for the year ended on March 31, 2020

Note -3

Details of the Company's Property, Plant and Equipment and reconciliation of their carrying amounts from beginning to end of reporting period are as follows:

Particulars	Gross Carrying Amount (At Cost)				Accumulated Depreciation			Net Book Value As at March 31, 2020		
	As at March 31, 2019	On transition to Ind AS 116	Additions	Disposals	As at March 31, 2020	As at March 31, 2019	On Disposals		As at March 31, 2020	
	(₹ in Lakhs)									
<b>a Tangible Assets</b>										
Buildings*	7175.06	-	-	-	7,175.06	203.95	-	113.53	317.49	6,857.58
Furniture and Fixtures	221.21	-	0.88	-	222.09	137.38	-	9.87	147.25	74.84
Vehicles	11.48	-	-	-	11.48	9.85	-	0.28	10.13	1.35
Office Equipment	200.73	-	13.33	-	214.06	167.37	-	16.61	183.98	30.08
Computers and Data processing units	227.92	-	8.15	1.23	234.84	197.32	-	13.52	209.66	25.18
Leasehold Land	446.65	(446.65)	-	-	-	73.10	(73.10)	-	-	-
<b>Total (i)</b>	<b>8283.06</b>	<b>(446.65)</b>	<b>22.36</b>	<b>1.23</b>	<b>7,857.53</b>	<b>788.97</b>	<b>(73.10)</b>	<b>153.81</b>	<b>868.51</b>	<b>6,989.03</b>
<b>b Right-of-Use Assets</b>										
Leasehold Land**	-	446.65	-	-	446.65	-	73.10	4.96	-	368.59
Buildings	-	8.71	-	-	8.71	-	-	1.45	-	7.26
<b>Total (ii)</b>	<b>-</b>	<b>455.36</b>	<b>-</b>	<b>-</b>	<b>455.36</b>	<b>-</b>	<b>73.10</b>	<b>6.41</b>	<b>-</b>	<b>375.84</b>
<b>TOTAL (i+ii)</b>	<b>8,283.06</b>	<b>8.71</b>	<b>22.36</b>	<b>1.23</b>	<b>8,312.89</b>	<b>788.97</b>	<b>-</b>	<b>160.23</b>	<b>948.03</b>	<b>7,364.88</b>

Particulars	Gross Carrying Amount (At Cost)				Accumulated Depreciation			Net Book Value As at March 31, 2019	
	As at March 31, 2018	Additions	Disposals	As at March 31, 2019	As at March 31, 2018	Charge for the Year	On Disposals		As at March 31, 2019
	(₹ in Lakhs)								
<b>a Tangible Assets</b>									
Buildings*	340.07	6,834.99	-	7,175.06	198.22	5.74	-	203.96	6,971.10
Furniture and Fixtures	218.83	2.37	-	221.20	127.69	9.67	-	137.36	83.84
Vehicles	11.48	-	-	11.48	9.57	0.28	-	9.85	1.63
Office Equipment	196.71	4.02	-	200.73	161.52	5.70	-	167.22	33.51
Computers and Data processing units	218.20	9.72	-	227.92	184.95	12.45	-	197.40	30.52
<b>Total (i)</b>	<b>985.29</b>	<b>6851.10</b>	<b>-</b>	<b>7836.39</b>	<b>681.95</b>	<b>33.83</b>	<b>-</b>	<b>715.79</b>	<b>7120.60</b>
<b>b Tangible Assets (Under Lease)</b>									
Land**	446.65	-	-	446.65	68.14	4.96	-	73.10	373.55
<b>Total (ii)</b>	<b>446.65</b>	<b>-</b>	<b>-</b>	<b>446.65</b>	<b>68.14</b>	<b>4.96</b>	<b>-</b>	<b>73.10</b>	<b>373.55</b>
<b>TOTAL (i+ii)</b>	<b>1,431.94</b>	<b>6,851.10</b>	<b>-</b>	<b>8,283.04</b>	<b>750.09</b>	<b>38.80</b>	<b>-</b>	<b>788.89</b>	<b>7,494.15</b>

\*The Company has capitalised building of Rs 6,834.99 lakh pending registration in the name of the Company.

\*\*The above leasehold land includes plots no. E-13 and E-14 at Sector - 1 Noida, as per clause no. 4 of the deed of the lessee i.e. HSCC (India) Ltd. shall have to erect and complete the construction of building on the demised land within the specified period of four years unless the lessor allows extension of time. As per lease deed clause allowed time for constructions has already expired on 21-04-2017 and the Company has neither applied for extension of time nor constructed the building. Therefore, the Company has provided a liability for FY 2019-20 of Rs. 11.30 lakhs (FY 2018-19: Rs. 21.95 lakhs) as extension fee as per the lease deed extension charges clause payable to New Okhla Industrial Development Authority.



**HSCC (INDIA) LIMITED**  
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Notes to the financial statements for the year ended on March 31, 2020

**Note - 4**

Details of the Company's Intangible assets and reconciliation of their carrying amounts from beginning to end of reporting period are as follows:

Intangible assets	Gross Carrying Amount (At Cost)				Accumulated Amortisation		Net Book Value As at March 31, 2020
	As at March 31, 2019	Additions	Disposals	As at March 31, 2020	As at March 31, 2019	charged for the year	
a Software	26.51	-	-	26.51	24.43	1.33	25.76
<b>TOTAL</b>	<b>26.51</b>	<b>-</b>	<b>-</b>	<b>26.51</b>	<b>24.43</b>	<b>1.33</b>	<b>25.76</b>

Intangible assets	Gross Carrying Amount (At Cost)				Accumulated Amortisation		Net Book Value As at March 31, 2019
	As at March 31, 2018	Additions	Disposals	As at March 31, 2019	As at March 31, 2018	charged for the year	
a Software	25.84	0.67	-	26.51	19.60	4.83	24.43
<b>TOTAL</b>	<b>25.84</b>	<b>0.67</b>	<b>-</b>	<b>26.51</b>	<b>19.60</b>	<b>4.83</b>	<b>24.43</b>

**Note -5**

Intangible Assets under Development

Details of the Company's Intangible asset under development and reconciliation of their carrying amounts from beginning to end of reporting period are as follows:

Particulars	Amount
<b>As at March 31, 2018</b>	
Additions during the year	13.16
Capitalised during the year	-
<b>As at March 31, 2019</b>	13.16
Additions during the year	-
Capitalised during the year	-
<b>As at March 31, 2020</b>	13.16





**HSCC (INDIA) LIMITED**

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Notes to the financial statements for the year ended on March 31, 2020

**Note -6**

Other Financial Assets (Non -Current)	As at March 31, 2020		As at March 31, 2019	
<b>Security Deposits</b>				
- Considered good	21.95		21.95	
- Considered doubtful	0.78		0.78	
	22.73		22.73	
Less: Impairment Allowance	(0.78)	21.95	(0.78)	21.95
Advance recoverable from staff		20.75		10.78
<b>Total</b>		<b>42.70</b>		<b>32.73</b>

**Note -7**

**Movements in Deferred Tax Assets**

Deferred Tax Assets (Net)	As at March 31, 2019	Charged / Credited to Profit & Loss	Charged / Credited to OCI	As at March 31, 2020
<b>Deferred Tax Assets</b>				
Arising on account of Temporary difference in:				
Provision for Employee Benefits	372.70	(102.25)	-	270.45
Provision for expected credit losses	517.82	(1.44)	-	516.38
Profit Related Pay (PRP) Provisions	215.59	(6.93)	-	208.66
Provision for other contingencies	1,074.90	(300.72)	-	774.19
Deferred revenue (net of unbilled receivable)	1,875.75	(1,332.37)	-	543.38
Other	-	212.57	-	212.57
<b>Deferred Tax Liabilities</b>				
Arising on account of Temporary difference in Depreciation	106.74	107.63	-	214.37
<b>Total</b>	<b>3,950.02</b>	<b>(1,638.77)</b>	<b>-</b>	<b>2,311.26</b>

**Movements in Deferred Tax Assets**

Deferred Tax Assets (Net)	As at March 31, 2018	Charged / Credited to Profit & Loss	Charged / Credited to OCI	As at March 31, 2019
<b>Deferred Tax Assets</b>				
Arising on account of Temporary difference in:				
Provision for Employee Benefits	324.38	48.32	-	372.70
Provision for expected credit losses	949.93	(432.11)	-	517.82
Profit Related Pay (PRP) Provisions	127.29	88.30	-	215.59
Provision for other contingencies	1,064.57	10.33	-	1,074.90
Deferred revenue (net of unbilled receivable)	2,664.72	(788.97)	-	1,875.75
<b>Deferred Tax Liabilities</b>				
Arising on account of Temporary difference in Depreciation	(2.51)	109.25	-	106.74
<b>Total</b>	<b>5,133.40</b>	<b>(1,183.37)</b>	<b>-</b>	<b>3,950.02</b>

**Note -8**

Other Non-Current Assets	As at March 31, 2020		As at March 31, 2019	
<b>Advances other than capital advances:</b>				
Advances to Suppliers & Others		5,753.70		328.78
Prepaid Expenses		165.94		221.25
<b>Total</b>		<b>5,919.64</b>		<b>550.03</b>



**HSCC (INDIA) LIMITED**  
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**Note -9**

(₹ in Lakhs)

<b>Trade Receivables</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Unsecured:		
- Considered Good	9,633.76	9,460.44
- Trade Receivables which have significant increase in credit risk	-	-
- Credit impaired	496.62	513.33
Impairment Allowance	10,130.38	9,973.77
- Unsecured, Considered Good	(1,512.82)	(926.25)
- Unsecured, credit impaired	(496.62)	(513.33)
<b>Total</b>	<b>8,120.94</b>	<b>8,534.19</b>

**Note -10**

(₹ in Lakhs)

<b>Cash and Cash Equivalents</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Balances in banks account with bank*	834.98	3,131.72
Cash in hand	-	0.05
<b>On behalf of Ministries / Clients</b>		
Balances in bank account with bank	7,202.73	16,532.11
Flexi Deposits upto 3 months Original Maturity	19.78	-
<b>Total</b>	<b>8,057.49</b>	<b>19,663.88</b>

\* Includes balances in:

- Unpaid dividend account	-	1,124.01
- Research and development fund	16.77	16.77
- Sustainable development fund	12.91	12.91

**Note -11**

(₹ in Lakhs)

<b>Bank Balance Other Than Above</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Other Bank Balances</b>		
Flexi Deposits having original maturity more than 3 months and upto 12 months (refer note (i) and (ii) below)	1,128.53	-
Fixed Deposits having original maturity more than 3 months and upto 12 months (refer note (i) and (ii) below)	20,346.65	24,403.39
<b>On behalf of Ministries / Clients</b>		
Flexi Deposits having Original Maturity more than 3 months and upto 12 months (refer note (iii) below)	119,699.64	13,629.04
Fixed Deposits having Original Maturity more than 3 months and upto 12 months (refer note (iii) below)	135,323.10	220,387.20
<b>Total</b>	<b>276,497.92</b>	<b>258,419.63</b>

Notes:

- (i) Includes interest accrued on deposits  
(ii) Includes deposits pledged against bank guarantee  
(iii) Includes interest accrued on deposits



240.84	653.03
1,606.82	1,835.50
3,767.95	4,367.65



**HSCC (INDIA) LIMITED**

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Notes to the financial statements for the year ended on March 31, 2020

**Note -12**

Other Financial Assets	As at March 31, 2020		As at March 31, 2019	
Earnest Money & Security Deposits				
- Considered good	142.48		182.58	
- Considered Doubtful	14.44		14.44	
	156.92		197.02	
Less: Impairment Allowance	(14.44)	142.48	(14.44)	182.58
Advance Recoverable from Staff*		24.57		46.43
<u>Claim Recoverable from clients</u>				
- Considered Doubtful	13.01		13.01	
Less: Impairment Allowance	(13.01)	-	(13.01)	-
Recoverable from Clients		1,602.38		1,477.76
Other Recoverables		14.12		14.12
Unbilled revenue**		9,415.82		17,471.05
Interest recoverable		357.29		357.29
Recoverable from Holding Company		-		11.58
Receivable from others		2,742.06		5,363.12
<b>Total</b>		<b>14,298.72</b>		<b>24,923.94</b>

\* Includes interest accrued on advance

2.61

10.27

\*\* Unbilled revenue includes value of work done pertaining to construction done and billed in subsequent months

**Note -13**

Current Tax Assets (Net)	As at March 31, 2020		As at March 31, 2019	
Advance Income Tax		9,968.96		14,025.11
Less: Provision for Taxation		8,987.99		13,456.62
<b>Total</b>		<b>980.97</b>		<b>568.49</b>

**Note -14**

Other Current Assets	As at March 31, 2020		As at March 31, 2019	
Advances to Suppliers & Others		19,457.09		21,177.94
Prepaid Expenses		62.07		61.34
Balances with Government Authorities		21.16		944.17
Others		18.52		12.75
<b>Total</b>		<b>19,558.84</b>		<b>22,196.19</b>



**HSCC (INDIA) LIMITED**  
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**Notes to the financial statements for the year ended on March 31, 2020**

**Note -15**

Equity Share Capital	As at March 31, 2020		As at March 31, 2019	
	Number	Amount	Number	Amount
<b>Authorised:</b> Equity Shares of ₹ 100/- (Previous Year ₹ 100) each	500,000	500.00	500,000	500.00
<b>Issued, Subscribed &amp; Paid up:</b> Fully paid up Equity Shares of ₹ 100/- (Previous Year ₹ 100) each	180,014	180.01	180,014	180.01
<b>Total</b>	<b>180,014</b>	<b>180.01</b>	<b>180,014</b>	<b>180.01</b>

**Note -15 A**

Equity Share Capital	Equity Shares		Equity Shares	
	As at March 31, 2020		As at March 31, 2019	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	180,014	180.01	180,014	180.01
Add/(Less) : Shares issued/(buy back) during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>180,014</b>	<b>180.01</b>	<b>180,014</b>	<b>180.01</b>

**Note -15 B**

**Shareholders holding more than 5% of fully paid-up equity shares:**

Name	( ₹ in Lakhs)			
	As at March 31, 2020		As at March 31, 2019	
	No. Of Shares	Percentage	No. Of Shares	Percentage
NBCC (India) Limited*	180,014	100%	180,014	100%

\* Includes 42 (no.) Shares held by the nominees of NBCC (India) Limited

**Note -15 C**

The Company has only one class of Equity Shares having a par value of ₹ 100 per share. Each shareholders is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**Note -15 D**

During the year 2003-04, 1,20,009 Equity Shares of 100/- each were issued as fully paid Bonus Shares with rights pari passu with existing Equity Shares.  
 During the year 2008-09, 80006 Equity Shares of 100/- each were issued as fully paid Bonus Shares with rights pari passu with existing Equity Shares.  
 During the year 2017-18, 60,004 Equity Shares of 100/- each were issued as fully paid buy back Shares with rights pari passu with existing Equity Shares.

**Note -15 E**

Other Equity	As at March 31, 2020	As at March 31, 2019
General Reserve	3,335.53	3,335.53
Capital Redemption Reserve	60.00	60.00
Retained Earnings	7,440.11	10,294.66
Other Comprehensive Income (Remeasurement of Defined Benefit Plans)	(37.57)	-
<b>Total</b>	<b>10,798.07</b>	<b>13,690.19</b>

**Reserves and Surplus**

**Nature and purpose of Other Reserves**

**Retained Earnings**

Retained Earnings represent the undistributed profits of the Company.

**General Reserve**

General Reserve represents the statutory reserve, this is in accordance with Corporate law wherein a portion of profit is apportioned to general reserve. Under Companies Act, 1956 it was mandatory to transfer amount before a company can declared dividend, however under Companies Act, 2013 transfer of any amount to General Reserve is at the discretion of the Company.

**Capital Redemption Reserve**

This reserve represents reserve created on buy-back of equity shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.





**HSCC (INDIA) LIMITED**  
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Notes to the financial statements for the year ended on March 31, 2020

**Note -16**

Other Non-Current Financial Liabilities	( ₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Lease Liabilities (Non Current)	6.28	-
<b>Total</b>	<b>6.28</b>	<b>-</b>

**Note -17**

Provisions- Non Current	( ₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Provisions for Employee Benefits :		
Leave Encashment	887.23	960.94
Leave travelling allowance	1.40	1.11
<b>Total</b>	<b>888.63</b>	<b>962.05</b>

For movements in each class of Provision and Employee Benefits note refer note 36 & 38 respectively.

**Note -18**

Trade Payables	( ₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Due to Micro, Small and Medium Enterprises		
- Trade Payables for Works & Services	479.39	760.04
Due to others		
- Trade Payables for Works & Services	35,113.15	38,440.48
Amount withheld	38,003.14	29,579.16
<b>Total</b>	<b>73,595.68</b>	<b>68,779.69</b>

**Note -19**

Other Current Financial Liabilities	( ₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Book Overdraft	8,744.03	5,971.70
Current maturities of Lease Liabilities	1.26	-
Earnest Money & Security	20,336.96	17,728.11
Dividend	-	1,124.01
Amount payable to Holding Company	41.63	-
Other Payables	7,140.21	18,746.91
<b>Total</b>	<b>36,264.09</b>	<b>43,570.74</b>

**Note -20**

Other Current Liabilities	( ₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Taxes Payable	2,436.70	3,480.47
Dividend Distribution Tax Payable	-	231.04
Advance fees from Clients	499.56	699.70
Deposit from Clients	207,246.63	202,825.34
Deferred Revenue	7,117.88	8,116.78
<b>Total</b>	<b>217,300.77</b>	<b>215,353.34</b>

**Note -21**

Provisions-Current	( ₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits:		
Gratuity	52.41	36.20
Leave Encashment	145.47	52.75
Leave travelling allowance	1.06	0.84
Provision for Performance Related Pay (PRP)	829.05	616.95
Research & Development Fund	16.77	16.77
Sustained Development Fund	12.91	12.91
Provision for other contingencies	3,076.07	3,076.07
<b>Total</b>	<b>4,133.74</b>	<b>3,812.49</b>

For movements in each class of Provision and Employee Benefits note refer note 36 & 38 respectively.



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Notes to the financial statements for the year ended on March 31, 2020

## Note -22

(₹ in Lakhs)

Revenue from Operations	For the year ended on March 31, 2020	For the year ended on March 31, 2019
<b>Value of Services</b>		
Value of Work Done	212,509.19	204,946.25
<b>Total</b>	<b>212,509.19</b>	<b>204,946.25</b>

## Note -23

(₹ in Lakhs)

Other Operating Revenues	For the year ended on March 31, 2020	For the year ended on March 31, 2019
Sale of Tender Documents	31.86	26.58
Provisions Written Back	-	1,347.85
Miscellaneous Receipts	0.43	6.75
<b>Total</b>	<b>32.29</b>	<b>1,381.18</b>

## Note -24

(₹ in Lakhs)

Other Income	For the year ended on March 31, 2020	For the year ended on March 31, 2019
Banks Interest Gross	632.93	773.03
Interest received on behalf of client*	16,388.79	15,097.31
Less: interest passed to Clients*	(16,388.79)	(15,097.31)
Interest from Advance to Staff	632.93	773.03
	1.94	3.32
<b>Total</b>	<b>634.87</b>	<b>776.35</b>

\* Includes interest income earned on client's fund and passed to client amounting to Rs. 844.60 lakhs during the year ended on March 31, 2020 calculated on estimation/provisional basis.

## Note -25

(₹ in Lakhs)

Work and Consultancy Expenses	For the year ended on March 31, 2020	For the year ended on March 31, 2019
Work Expenses (with material)	200,972.73	194,317.88
<b>Total</b>	<b>200,972.73</b>	<b>194,317.88</b>





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Notes to the financial statements for the year ended on March 31, 2020

Note -26

(₹ in Lakhs)

Employee Benefits Expense	For the year ended on March 31, 2020	For the year ended on March 31, 2019
Salaries and Incentives	3,356.48	3,104.87
Contributions to Provident and Other Fund	454.48	484.19
Gratuity fund contributions*	4.66	38.82
Leave Encashment	339.58	205.31
Travelling Allowance	1.36	1.95
Staff Welfare Expenses	25.14	49.18
Contribution for Medical Benefit	56.08	63.96
<b>Total</b>	<b>4,237.78</b>	<b>3,948.28</b>

\*Refer Note 38 &amp; Note 47 for expenses recognized in Statement of Profit and Loss

The Company has not made provision for contribution to medical and welfare trust during the FY 2019-20 (Previous Year: Nil) as trusty has decided sufficient amount of fund available in both medical & welfare trust and there is no requirement of the additional contribution to respective funds.

**Note -26A****Remuneration of Key Managerial Personnel**

Remuneration to the Managing Director, Director (Engineering), Chief Financial Officer and Company Secretary during the year is Rs. 122.15 Lakhs (Previous Year Rs. 64.97 Lakhs) as detailed below excluding reimbursement of expenses:-

(₹ in Lakhs)

Particulars	For the year ended on March 31, 2020	For the year ended on March 31, 2019
Salaries and Incentives*	104.48	56.54
Contributions to Provident and Other Fund	8.54	6.95
Gratuity fund contributions**	0.19	-
Leave Encashment	8.86	1.39
Travelling Allowance	0.01	-
Contribution for Medical Benefit	0.08	0.09
<b>Total</b>	<b>122.15</b>	<b>64.97</b>

\*Profit related pay is calculated on estimation basis.

\*\*Gratuity expenses of KMPs are calculated without considering actuarial assumptions.

**Note -27**

(₹ in Lakhs)

Finance Cost	For the year ended on March 31, 2020	For the year ended on March 31, 2019
Interest cost on lease liability	0.70	-
<b>Total</b>	<b>0.70</b>	<b>-</b>

**Note -28**

(₹ in Lakhs)

Depreciation and amortisation	For the year ended on March 31, 2020	For the year ended on March 31, 2019
Depreciation on property, plant and equipment*	160.23	38.80
Amortisation on intangible assets	1.33	4.83
<b>Total</b>	<b>161.56</b>	<b>43.63</b>

\*The Depreciation on property, plant and equipment comprises depreciation on right-of-use assets of Rs. 6.41 lakhs for the year ended on March 31, 2020.



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Notes to the financial statements for the year ended on March 31, 2020

Note -29

(₹ in Lakhs)		
Other Expenses	For the year ended on March 31, 2020	For the year ended on March 31, 2019
Advertisement	13.03	23.77
Auditor's Remuneration	21.00	25.00
Bank Charges & Guarantee Commission	9.44	18.43
CSR Expenditure	129.25	134.16
Director's Sitting Fee	0.15	-
Exchange Loss	(0.07)	0.07
Insurance	0.96	1.13
Provision for excepted credit loss on trade receivables	569.87	-
Legal & Professional Charges	153.53	126.63
Miscellaneous Expenses	52.86	69.03
Postage & Telephone	10.45	11.53
Printing & Stationery	33.77	35.50
Rates & Taxes	29.79	5.52
Rent**	24.37	36.54
Repairs & Maintenance		
(i) Plant & Machinery/Vehicles	22.37	13.66
(ii) Buildings	62.35	12.14
(iii) Others	25.86	20.04
Travelling & Conveyance	181.14	196.84
Water, Electricity & Allied charges	39.11	40.19
<b>Total</b>	<b>1,379.23</b>	<b>770.18</b>

\*\*Rent includes the lease rental payments made on all leases with a term of not more than twelve months and the underlying asset is of low value.

## Note -29A

(₹ in Lakhs)		
Payment to Auditors	For the year ended on March 31, 2020	For the year ended on March 31, 2019
Audit fee	12.00	12.00
Tax Audit	4.50	4.50
Quarterly Limited Review	4.50	8.50
<b>Total</b>	<b>21.00</b>	<b>25.00</b>

## Note -30

(₹ in Lakhs)		
Write Offs:	For the year ended on March 31, 2020	For the year ended on March 31, 2019
Accrued Interest Written off	-	74.59
<b>Total</b>	<b>-</b>	<b>74.59</b>

During the FY 2018-19, the company had recorded FDR of Rs 410.75 lakhs in the books of accounts during the year by transferring the same to 'Interest accrued'. The balance amount of Rs 74.59 lakhs in interest accrued a/c has been written off.





**HSCC (INDIA) LIMITED****(A Govt. of India Enterprise), A Subsidiary of NBCC (India) Limited****Notes to the financial statements for the year ended on March 31, 2020****Note -31****(₹ in Lakhs)**

<b>Tax Expenses</b>	<b>For the year ended on March 31, 2020</b>	<b>For the year ended on March 31, 2019</b>
<b>Tax expense comprises of:</b>		
Current Income Tax	1,149.81	1,581.61
Deferred Tax*	1,638.77	1,183.37
Taxation in Respect of Earlier Year	(127.23)	202.87
<b>Total</b>	<b>2,661.35</b>	<b>2,967.85</b>

\*During the year ended March 31, 2020, the effective corporate tax rate has been reduced from 34.944% to 25.168% on account of insertion of new section 115BAA of Income Tax Act, 1961. By virtue of this tax rate reduction, the net deferred tax asset available to company has been decreased and corresponding tax expense has been increased significantly. The profit of company is decreased for the year ended on March 31, 2020 by Rs. 1,082.60 lakhs.

**Note -31A Income tax expense directly recognised in equity**

The company has recognised the dividend distribution tax of Rs. 1128.33 lakhs directly in other equity for the final dividends and interim dividends distributed during the FY 2019-20.

**Note -31B: Uncertainty over income tax treatment****a. Income Tax Obligation Under Mauritius Jurisdiction**

The company is evaluating the possibility of income tax obligation on income earned from the project undertaken in Mauritius. However, if there would be any tax obligation as per the Double Taxation Avoidance Agreement with Mauritius, company would claim the tax credit in Indian Income Tax law in accordance with Double Taxation Avoidance Agreement. Presently, the company is paying income tax under Indian Income tax laws on the income earned from the project undertaken in Mauritius. Consequently, the company has not recognised any amount in respect of possible tax obligation and simultaneously tax credit would be available as the same effect will be nullified and Indian income tax has already been paid in respective years.

**b. Appeal pending before Income Tax Appellate Tribunal of FY 2013-14 (AY 2014-15)**

The income tax return of FY 2013-14 (AY 2014-15) went under scrutiny assessment as per the section 143 of Income Tax Act, 1961. The company had claimed the net refund of Rs. 232.60 lakhs in income tax return of said year. The assessing officer had passed adhoc order and reduced the refund to zero. The company went before the CIT (Appeals) against the order of assessing officer. The CIT (Appeals) maintained the order of assessing officer and accepted the no refund order of assessing officer. The company had filed appeal before the Income Tax Appellate Tribunal against the order of CIT (Appeals). The case has still undecided. However, the company has made a contingent liability of Rs. 42 lakhs. The company believes that the orders of CIT (Appeals) will not be maintainable and it is probable that it would successfully defend the ground of appeal before Income Tax Appellate Tribunal. Hence, the company has not recognised any amount in respect of such uncertainty.

**c. Scrutiny Assessment of FY 2017-18 (AY 2018-19)**

The income tax department send the Intimation u/s 143(1) of Income Tax Act, 1961 showing additions to taxable income against the taxable income presented in income tax return of said year. The company has provided the explanation to income tax department for additional taxable income as per the intimation. However, the income tax department has not considered the explanation and further, demand is raised by Income Tax Department of Rs. 394.56 lakhs pertaining FY 2017-18 (AY 2018-19) during FY 2019-20. The case has been selected for scrutiny assessment. The company believes that it would successfully defend the company's tax treatment before the jurisdictional officer on the basis of interpretations of tax law, facts of the case and prior experience of scrutiny assessment cases. Hence, the company has not recognised any amount in respect of such uncertainty.

**d. Expense claimed on provisional/estimation basis**

During the FY 2019-20, the company has interest payable of Rs. 844.60 to client on their fund (See Note no. 24). The said liability is calculated on estimation/provision basis which is disallowable by income tax department. In order to save future penalty/interest, the company will be paying current tax and simultaneously creating deferred tax asset. The final deduction will be claimed whenever the actual interest will be claimed by the client. Hence, there will always be uncertainty over income tax base of Rs. 844.60 lakhs and consequently on current tax expense as well as deferred tax expense on it.

**Note -31C: Reconciliation of effective tax rate**

The major components of Income Tax Expense and the reconciliation of Expected Tax Expense based on the Domestic Effective Tax Rate of the Company and the reported Tax Expense in Profit or Loss are as follows:

<b>Tax Reconciliation</b>	<b>For the year ended on March 31, 2020</b>	<b>For the year ended on March 31, 2019</b>
Accounting Profit before Tax from Continuing Operations	6,424.35	7,949.22
<b>Accounting Profit before Income Tax</b>	<b>6,424.35</b>	<b>7,949.22</b>
At India's Statutory Income Tax Rate	25.168%	34.944%
Income Tax	1,616.88	2,777.78
Effect of Non-Deductible Expenses	8.78	53.26
Effects due to change in deferred tax rate	1,082.60	(66.06)
Taxation in Respect of Earlier Year (On account of permanent difference)	(46.91)	202.87
<b>Tax Expense</b>	<b>2,661.35</b>	<b>2,967.85</b>
<b>Actual Tax Expense</b>	<b>2,661.35</b>	<b>2,967.85</b>
<b>Effective Tax Rate</b>	<b>41.43%</b>	<b>37.34%</b>



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Notes to the financial statements for the year ended on March 31, 2020

## Note -32

(₹ in Lakhs)		
Other Comprehensive Income	For the year ended on March 31, 2020	For the year ended on March 31, 2019
<b>Items that will not be reclassified to profit or loss :</b>		
Re-measurement gains (losses) on defined benefit plans	(50.21)	-
Income tax effect of the above	12.64	-
<b>Total</b>	<b>(37.57)</b>	<b>-</b>

## Note -33

Earning per Share (EPS) is computed in accordance with Indian Accounting Standard (Ind AS-33) on "Earning per Share"

(₹ in Lakhs)

Earnings per Equity Share	For the year ended on March 31, 2020	For the year ended on March 31, 2019
<b>Profit attributable to Equity Holders for basic/diluted earnings (Continuing Operations)</b>	3,763.00	4,981.37
<b>Total number of outstanding equity shares :</b>		
At the beginning of the year (no.)	180,014	180,014
At the end of the year (no.)	180,014	180,014
Weighted average number of Equity shares for basic EPS (no.)	180,014	180,014
Face Value per Equity Share (₹)	100.00	100.00
<b>Earnings per Equity Share:</b>		
(1) Basic (in ₹)	2,090.39	2,767.21
(2) Diluted (in ₹)	2,090.39	2,767.21





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**Note -34**

**I. Contingent Liabilities, Contingent Assets and Commitments (To the extent not provided for)**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
ESI - Claims from Director, Employees State Insurance Corporation, Kanpur falling under ESI Act for the period w.e.f 01.01.1997 to 31.07.2004 not acknowledged as debt	1.83	1.83
<b>Bank Guarantee</b> - Outstanding Performance bank guarantees issued by Banks for Construction projects on behalf of the company.	1,606.82	1,835.50
<b>Demand in respect of taxes not accepted by company</b>		
<b>Service Tax</b>		
i) Demand by Asstt. Commissioner of Central Excise under section 73 for the period Jan 2004 for Contravening provisions of Section 68 read with section 66 of Finance Act 1994 and rule 6(1) and 6(2) of the Service tax rule 1994 and penalty under section 76 of the Act. Appeal Pending before Custom, Excise & Service Tax Appellate Tribunal, R K Puram, Delhi on 29.12.2017. Amount already deposited Rs. 0.46 lakhs against demand of Rs. 2.64 lakhs. HSCC has filled the appeal with Tribunal on 29.12.2017. Now the company has opted and applied under the Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019. The company has paid the requisite amount as per under this scheme.	-	2.64
ii) Disallowance of Cenvat Credit for the period Oct 2009 to Sep 2010. Appeal remand back to Commissioner of Central Tax (Appeal) dt. 28.11.2017. Amount already deposited Rs. 0.40 lakhs, Penalty Rs. 5.29 lakhs, now commissioner has reduced the amount to Rs. 1.45 Lakhs for which appeal is filled before the CESTAT, Allahabad on 31.01.2019. The order of the CESTAT is decided in the favour of company.	-	1.45
iii) Disallowance of Cenvat Credit for the period April 2010 to March 2012. Appeal Pending before Custom, Excise & Service Tax Appellate Tribunal, Allahabad on 28.02.2018. Amount already deposited Rs. 3.18 lakhs. Penalty Rs. 10.05 lakhs. Last date of hearing was 30.08.2018 and order is yet to be received from the Tribunal. The case has been decided in favour of the company	-	10.05
<b>Provident Fund</b>		
Demand raised by Regional Provident Fund Commissioner (RPF) in respect of Contractual employees through contractors engaged by the company during 2004-05 to 2008-09. Appeal Pending before PF Tribunal. Amount already deposited Rs. 5.15 Laes. However, case is still pending on account of lockdown although last date of hearing was 16/04/2020	6.86	6.86
<b>Demand raised by Income Tax Department:</b>		
Income Tax demand for Asstt. Year 2014-15- Appeal pending before ITAT filed on 20.09.2018 w.r.t. disallowance of tds on govt funds. Now the appeal has been filled in ITAT in the month of Sep-2018 and date of hearing is yet to decide.	42.00	42.00
<b>Contingent Assets:</b>		
The company has filed certain cases against the various party before the arbitrator/court/other authorities. There is high probability of winning the cases and it is probable that said benefit may arise.	479.56	446.56

**B.** The company is contingently liable in respect of employees who have been suspended and no provision has been made in respect of liability that may arise after the decision of the disciplinary inquiry as the amount is unascertained.

**C. Capital Commitments**

The company has purchased a building space which are still pending for registration and the cost of registrations charges would approximately be Rs. 500 lakhs.

**II. Contingent Liabilities not provided for Ministries/Client**

**A.** Claims by Suppliers/contractors aggregating to Rs. 15812.98 Lakhs towards supply of material and works contracts (31 March 2019 Rs. 8073.74 lakhs) are under court/arbitration against various clients and interest on above is Rs. 5617.14 lakhs upto March 31, 2020, where HSCC is co-defendant. However, the management does not foresee any liability on the company in these cases.

**B.** As on March 31, 2020 outstanding amount of Foreign Letters of Credit Rs. 516.94 Lakhs (31 March 2019 Rs. 811.64 Lakhs) opened in favour of suppliers for and on behalf of ministries /clients. However, the management does not foresee any liability on the company in these cases.

**Note -35**

**Dividend and Reserves**

(₹ in Lakhs)

Distribution Made, Declared and Proposed	As at March 31, 2020	As at March 31, 2019
<b>Cash Dividends on Equity Share Paid</b>		
Interim Dividend of FY 2019-20 paid (including Dividend Distribution Tax)	3,014.36	-
Final Dividend of FY 2018-19 paid (including Dividend Distribution Tax)	3,603.19	-





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**Disclosure under Ind AS 37 on "Provisions, Contingent Liabilities and Contingent Assets":**

Note - 36 Movements in each class ( Current & Non Current ) of provision during the financial year, are set out below:

Particular	Gratuity	Leave Encashment	Leave travel concession	Provision for PRP	Provision for other contingencies	Research & Development Fund	Sustained Development Fund	Corporate Social Responsibility Fund	
								(₹ in Lakhs)	(₹ in Lakhs)
<b>As at April 1, 2018</b>	<b>288.03</b>	<b>937.30</b>	-	<b>367.81</b>	<b>3,076.07</b>	<b>16.77</b>	<b>12.91</b>	-	-
Provision made during the year	35.76	49.18	1.95	369.61	-	-	-	134.16	-
Less: Reversal made during the year	-	-	-	(0.01)	-	-	-	-	-
Less : Paid during the year	(287.59)	27.20	-	(120.46)	-	-	-	(134.16)	-
<b>As at March 31, 2019</b>	<b>36.20</b>	<b>1,013.68</b>	<b>1.95</b>	<b>616.95</b>	<b>3,076.07</b>	<b>16.77</b>	<b>12.91</b>	-	-
Provision made during the year	52.41	339.59	1.35	212.11	-	-	-	129.25	-
Less: Reversal made during the year	-	-	-	-	-	-	-	-	-
Less : Paid during the year	(36.20)	(320.57)	(0.85)	-	-	-	-	(129.25)	-
<b>As at March 31, 2020</b>	<b>52.41</b>	<b>1,032.70</b>	<b>2.46</b>	<b>829.05</b>	<b>3,076.07</b>	<b>16.77</b>	<b>12.91</b>	-	-

**Note - 37**

**Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") is as under:**

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the group, the following are the details:

S.no.	Particulars	(₹ in Lakhs)	
		As at March 31, 2020	As at March 31, 2019
(i)	The principal amount remaining unpaid as at the end of year	479.39	760.04
(ii)	Interest due on above principal and remaining unpaid as at the end of the year	-	-
(iii)	The amount of interest paid by the buyer in terms of section 16, of the micro, small and medium enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iv)	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 Micro, Small and Medium Enterprise Development Act, 2006.	-	-
(v)	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(vi)	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 Micro Small and Medium Enterprise Development Act, 2006	-	-





**HSCC (INDIA) LIMITED****(A Govt. of India Enterprise), A Subsidiary of NBCC (India) Limited****Notes to the financial statements for the year ended on March 31, 2020****Note - 38****Disclosure under Indian Accounting Standard (Ind AS) - 19 on Employee Benefit as under :****Gratuity**

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity on superannuation, resignation, termination, disablement or on death in accordance with Gratuity Act 1972. The Scheme is funded by the Company and is managed by a separate Trust namely "HSCC Employees' Gratuity Fund Trust". The Company has taken a Group Gratuity cum Life Insurance Policy from the Life Insurance Corporation of India. The liability for the same is recognized on the basis of amount payable to Life Insurance Corporation of India being calculated by them on actuarial valuation using projected unit credit method on annual basis. The liability for the same is recognised on the basis of actuarial valuation and accordingly transferred to Gratuity Trust. The provision for the year ended March 31, 2020 is ₹ 52.41 Lakhs {March 31, 2019: ₹ 36.20 Lakhs}.

**Earned Leave**

The Company has long term benefit plan for Earned Leave Encashment. Provision for Encashment of Earned Leave equivalent to maximum of 300 days (basic pay plus dearness allowance) is provided at the year end and charged to Statement of Profit & Loss. The liability for the year 2019-20 is accounted for on the basis of Actuarial Valuation. The cumulative liability for Earned Leave Encashment as on March 31, 2020 is ₹ 668.04lakhs {March 31, 2019: ₹ 722.11 Lakhs}.

The company has changed the rules for encashment of earned leave during the FY 2019-20. Now, earned encashable leaves and earned available leaves has been merged to single earned leave account. Further, Earned leave can be encashed without any ceiling leaving a minimum balance of 30 days in the account. Earlier, Earned leave could be encashed subject to ceiling of 30 days only.

The above said changes in rule doesn't enhances benefit payable to employees. However, this changes has a impact of higher leave availment rate of 25% (earlier 5%) in actuarial assumptions. The impact on Balance Sheet is much higher the current portion of leave encashment provision in current year comparable to previous year's amount of current portion of leave encashment provision.

**Sick Leave**

The Company has long term benefit plan for Sick Leave Encashment. The encashment of half pay leave on superannuation will be allowed in addition to encashment of earned leave subject to overall limit of 300 days. The cash equivalent payable for Sick leave would be equal to leave salary as admissible for half pay plus DA and to make up the shortfall in earned leave. No commutation of Sick leave shall be allowed for this purpose. The liability for the year 2019-20 is accounted for on the basis of Actuarial Valuation. The cumulative liability for Sick Leave Encashment as on March 31, 2020 is ₹ 364.66 lakhs {31 March 2019: ₹ 291.58 Lakhs}.

**Travelling Allowance**

The cumulative liability for Travelling Allowance to be paid to the employees as on March 31, 2020 is ₹ 2.46 lakhs {31 March 2019: ₹ 1.95 lakhs} based on actuarial valuation.

**a) The amounts recognized in the Balance Sheet is as under:****(₹ in Lakhs)**

Particulars	Period	Gratuity	Earned Leave	Sick Leave	Travelling Allowance
Present value of obligations as at the end of year	2019-20	904.62	668.04	364.66	2.46
	2018-19	-	722.11	291.58	1.95
Fair value of plan assets as at the end of the year	2019-20	852.21	-	-	-
	2018-19	-	-	-	-
Net (Assets)/Liability recognized in balance sheet	2019-20	52.41	668.04	364.66	2.46
	2018-19	-	722.11	291.58	1.95

**b) Expense recognized in Statement of Profit and Loss is as under:****(₹ in Lakhs)**

Particulars	Period	Gratuity*	Earned Leave	Sick Leave	Travelling Allowance
Current Service Cost	2019-20	2.23	67.17	28.62	0.55
	2018-19	-	64.34	22.67	1.95
Interest Cost on Defined Benefit Obligation	2019-20	58.69	55.82	22.60	0.15
	2018-19	-	47.92	24.54	-
Interest Income on Plan Assets	2019-20	(63.08)	-	-	-
	2018-19	-	-	-	-
Fund Management Charges	2019-20	4.35	-	-	-
	2018-19	-	-	-	-
Net Actuarial (Gain) / Loss recognized in the period	2019-20	-	143.52	21.86	0.65
	2018-19	-	116.92	(72.24)	-
Expenses recognized in Statement of Profit and Loss	2019-20	2.20	266.51	73.08	1.35
	2018-19	-	229.18	(25.04)	1.95

\*Refer Note 47 for expenses recognized in Statement of Profit and Loss. Gratuity expense in Statement of Profit and Loss includes gratuity insurance payable to trust of Rs. 2.46 lakhs {March 31, 2019: ₹ 2.62 lakhs}



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c) Expenses recognized in Other Comprehensive Income is as under:

(₹ in Lakhs)

Particulars	Period	Gratuity
Actuarial (Gains)/Loss on Defined Benefit Obligation	2019-20	50.21
Actuarial (Gains)/Loss on Asset	2019-20	-
<b>Actuarial Gain/(Loss) recognized in Other Comprehensive Income</b>	2019-20	<b>50.21</b>

d) Reconciliation of Opening and Closing balances of Defined Benefit Obligation is as under:

(₹ in Lakhs)

Particulars	Period	Gratuity	Earned Leave	Sick Leave	Travelling Allowance
Present Value of Obligations as at beginning of year	2019-20	828.44	722.11	291.58	1.95
	2018-19	-	619.90	317.40	-
Acquisition Adjustment	2019-20	-	-	-	-
	2018-19	-	-	-	-
Interest Cost	2019-20	58.69	55.82	22.60	0.15
	2018-19	-	47.92	24.54	-
Current Service Cost	2019-20	2.23	67.17	28.62	0.55
	2018-19	-	64.34	22.67	1.95
Actuarial (Gains)/Losses arising from					
Changes in Demographic Assumptions	2019-20	-	0.08	0.04	0.00
	2018-19	-	-	-	-
Changes in Financial Assumptions	2019-20	-	50.49	23.80	0.16
	2018-19	-	89.43	32.65	-
Experience Adjustments	2019-20	50.21	92.95	(1.98)	0.49
	2018-19	-	27.49	(104.89)	-
Past Service Cost	2019-20	-	-	-	-
	2018-19	-	-	-	-
Benefits Paid	2019-20	(34.96)	(320.57)	-	(0.85)
	2018-19	-	(126.98)	(0.78)	-
<b>Present value of obligations as at end of year</b>	2019-20*	<b>904.62</b>	<b>668.04</b>	<b>364.66</b>	<b>2.46</b>
	2018-19	-	<b>722.11</b>	<b>291.58</b>	<b>1.95</b>

\*Unpaid liability of Rs.4.28 lakhs of resigned employees is added in total Present value of obligations of Earned Leaves

e) Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets is as under:

(₹ in Lakhs)

Particulars	Period	Gratuity
Fair Value of plan assets as on beginning of year	2019-20	828.44
Interest Income	2019-20	63.08
Re-measurement Gain/(Loss) – return on plan assets excluding amounts included in net interest expense)	2019-20	-
Contributions from the employer	2019-20	-
Fund Management Charges	2019-20	(4.35)
Benefits paid	2019-20	(34.96)
<b>Fair value of Plan Assets at the end of year</b>	2019-20	<b>852.21</b>





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f) Actuarial Assumptions are as under:

Particulars	Period	Gratuity	Earned Leave	Sick Leave	Travelling Allowance
Discount Rate	2019-20	7.25%	6.91%	6.91%	6.91%
	2018-19	-	7.75%	7.75%	7.75%
Expected rate of Future Salary Increase	2019-20	7.00%	7.00%	7.00%	NA
	2018-19	-	7.00%	7.00%	NA
Retirement Age	2019-20	60	60	60	60
	2018-19	-	60	60	60
Cost per Employee (In ₹)	2019-20	NA	NA	NA	14,110
	2018-19	-	NA	NA	14,604
Ages		<b>Withdrawal Rate</b>	<b>Withdrawal Rate</b>	<b>Withdrawal Rate</b>	<b>Withdrawal Rate</b>
Up to 30 Years	2019-20		3.00%	3.00%	3.00%
	2018-19		3.00%	3.00%	3.00%
From 31 to 44 years	2019-20	1% to 3% depending on age	2.00%	2.00%	2.00%
	2018-19		2.00%	2.00%	2.00%
Above 44 years	2019-20		1.00%	1.00%	1.00%
	2018-19		1.00%	1.00%	1.00%
<b>Leave</b>					
Leave Availment Rate	2019-20	NA	2.50%	2.50%	NA
	2018-19	-	2.50%	2.50%	NA
Leave Lapse rate while in service	2019-20	NA	Nil	Nil	NA
	2018-19	-	Nil	Nil	NA
Leave Lapse rate on exit	2019-20	NA	Nil	60.00%	NA
	2018-19	-	Nil	60.00%	NA
Leave encashment Rate while in service	2019-20	NA	25.00%	Nil	NA
	2018-19	-	5.00%	Nil	NA
Mortality rates inclusive of provision for disability :	2019-20	100% of IALM (2006-08)	100% of IALM (2012-14)	100% of IALM (2012-14)	100% of IALM (2012-14)
	2018-19	-	100% of IALM (2006-08)	100% of IALM (2006-08)	100% of IALM (2006-08)

**Risks Associated with Plan Provisions**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow:

<b>Salary Increases</b>	Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
<b>Investment Risk</b>	If Plan is funded then assets & liabilities would mismatch & actual investment return on assets would be lower than the discount rate assumed at the last valuation date which can impact the liability.
<b>Discount Rate</b>	Reduction in discount rate in subsequent valuations can increase the plan's liability.
<b>Mortality &amp; disability</b>	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
<b>Withdrawals</b>	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.



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g) Maturity Profile of Defined Benefit Obligation is as under for the year of March 2020:

(₹ in Lakhs)

Particulars	Period	Gratuity	Earned Leave	Sick Leave	Travelling Allowance
Duration of defined benefit obligation					
Duration (years)					
1	2020-21	211.99	128.42	17.05	1.06
2	2021-22	76.94	31.09	43.87	0.56
3	2022-23	84.06	27.94	47.65	0.46
4	2023-24	38.04	24.84	24.06	0.38
5	2024-25	18.25	20.99	31.81	-
Above 5	2025-26 Onwards	475.35	434.77	200.21	-
Total		<b>904.62</b>	<b>668.04</b>	<b>364.66</b>	<b>2.46</b>

h) Summary of Membership Data:

Particulars	Period	Gratuity	Earned Leave	Sick Leave	Travelling Allowance
Number of Employees	2019-20	189	188	188	184
	2018-19	-	176	176	176
Total Monthly Salary (₹ in Lakhs)	2019-20	132.68	131.29	131.29	NA
	2018-19	-	117.23	117.23	NA
Average Past Service (Years)	2019-20	10.44	10.43	10.43	10.37
	2018-19	-	10.62	10.62	10.62
Average Age (Years)	2019-20	39.16	39.11	39.11	38.86
	2018-19	-	39.68	39.68	39.68
Average remaining Working Life (Years)	2019-20	19.38	20.89	20.89	21.14
	2018-19	-	20.32	20.32	20.32

i) Major Categories of Plan Assets (as percentage of total plan assets) is as under:

(₹ in Lakhs)

Particulars	Period	Gratuity	Earned Leave	Sick Leave	Travelling Allowance
Fund Managed by Insurer	2019-20	100%	-	-	-
	2018-19	-	-	-	-

j) Sensitivity analysis is as under:

Impact of the Change in Discount Rate

(₹ in Lakhs)

Particulars	Period	Gratuity	Earned Leave	Sick Leave	Travelling Allowance
Impact due to Increase of 0.50%	2019-20	(28.77)	(30.92)	(14.51)	(0.11)
Impact due to Decrease of 0.50%	2019-20	30.94	33.88	15.67	0.12

Impact of the Change in Salary Increase

(₹ in Lakhs)

Particulars	Period	Gratuity	Earned Leave	Sick Leave	Travelling Allowance
Impact due to Increase of 0.50%	2019-20	19.61	33.68	(14.51)	NA
Impact due to Decrease of 0.50%	2019-20	(20.20)	(31.04)	15.67	NA

\*Changes in Defined Benefit Obligation due to 0.5% Increase/Decrease in Mortality Rate & Withdrawals Rate, if all other assumptions remain constant is negligible.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.





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Notes to the financial statements for the year ended on March 31, 2020

**Note - 39**

**Related party transactions**

**Holding Co.**

NBCC (India) Limited.

**Key Managerial Personnel (KMP)**

- |   |  |  |
|---|--|--|
| 1. Sri. Pawan Kumar Gupta, Chairman (Add. Director)<br>(w.e.f. October 7, 2019 till date) | 7. Smt. D. Thara, Government Nominee Director<br>(w.e.f. January 01, 2020)                           | 13. Smt. Jyoti Kiran Shukla, Independent Director<br>(w.e.f. April 27, 2020)                       |
| 2. Sri Shivdas Meena, Chairman<br>(w.e.f. April 05, 2019 to October 7, 2019)              | 8. Smt. Nandita Gupta, Government Nominee Director<br>(w.e.f. February 1, 2019 to December 31, 2019) | 14. Sri Mahesh Chand Bansal, Chief Financial Officer<br>(w.e.f. August 07, 2019 till date)         |
| 3. Sri Anoop Kumar Mittal, Chairman<br>(w.e.f. February 01, 2019 to March 31, 2019)       | 9. Smt. Priti Pant, Government Nominee Director<br>(w.e.f. April 23, 2018 to February 01, 2019)      | 15. Sri Chandra Shekhar Gupta, Chief Financial Officer<br>(w.e.f. May 25, 2019 to August 06, 2019) |
| 4. Sri Gyanesh Pandey (Managing Director)   | 10. Smt. Vijaya Srivastava, Government Nominee Director<br>(upto February 01, 2019)                  | 16. Sri Saurabh Srivastava, Chief Financial Officer<br>(w.e.f. February 8, 2019 to May 8, 2019)    |
| 5. Sri. Suresh Chandra Garg, Director (Engineering)<br>(w.e.f. January 15, 2020)          | 11. Shi Navdeep Rinwa, Government Nominee Director<br>(upto April 23, 2018)                          | 17. Smt. Sonia Singh, Company Secretary<br>(w.e.f. November 18, 2019 till date)                    |
| 6. Sri. S.K.Jain Director (Engineering)<br>(upto April 16, 2018)                          | 12. Smt. Vinod Panthi, Independent Director<br>(w.e.f. August 1, 2019 till date)                     |  |

Nature of transactions	(₹ in Lakhs)			
	As at March 31, 2020		As at March 31, 2019	
	Holding Company	Key Managerial Personnel	Holding Company	Key Managerial Personnel
<b>Outstanding balances</b>				
Amount Receivable/(Payable)				
Prepaid expense	(41.63)	-	11.58	-
	221.25	-	276.56	-

Nature of transactions	(₹ in Lakhs)			
	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Holding Company	Key Managerial Personnel	Holding Company	Key Managerial Personnel
Building Maintenance Charges	55.31	-	-	-
Secondment Charges	80.43	-	18.82	-
Purchase of Fixed Assets	-	-	6,834.99	-
Dividend Paid	5,489.22	-	1,124.01	-
Managerial Remuneration	-	122.15	-	64.97
Reimbursement of expenses	35.50	-	-	-
Sitting Fees to Independent Director	-	0.15	-	-

**Details relating to the Managerial Remuneration stated above**

S.No.	Particulars	(₹ in Lakhs)			
		For the year ended March 31, 2020			
		Short Term Employees Benefit	Post Employment Benefits	Long Term Employee Benefits	Total
1.	Sri Gyanesh Pandey, Managing Director	66.98	6.71	6.91	80.60
2.	Sri Suresh Chandra Garg, Director (Engineering)	7.23	1.05	1.28	9.56
3.	Sri Saurabh Srivastava, Chief Financial Officer	2.69	0.53	0.35	3.57
4.	Sri Chandra Shekhar Gupta, Chief Financial Officer	4.73	-	-	4.73
5.	Sri Mahesh Chand Bansal, Chief Financial Officer	20.18	-	-	20.18
6.	Smt. Sonia Singh, Company Secretary	2.75	0.44	0.33	3.52
	<b>Total</b>	<b>104.56</b>	<b>8.72</b>	<b>8.87</b>	<b>122.15</b>

S.No.	Particulars	(₹ in Lakhs)			
		For the year ended March 31, 2019			
		Short Term Employees Benefit	Post Employment Benefits	Long Term Employee Benefits	Total
1.	Sri Gyanesh Pandey, Managing Director	47.86	6.07	3.75	57.68
2.	Sri. S.K.Jain, Director (Engineering)	1.64	0.24	0.56	2.44
3.	Sri Saurabh Srivastava, Chief Financial Officer	4.11	0.64	0.10	4.85
	<b>Total</b>	<b>53.61</b>	<b>6.95</b>	<b>4.41</b>	<b>64.97</b>



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**Note -40**

**Disclosure as per Indian Accounting Standard (Ind AS) 108 Segments**

In accordance with Ind AS 108, the Board of directors being the Chief operating decision maker of the Company has determined its only business segment as project management service.

Since the Company's business is from project management services and there are no other identifiable reportable segments. Thus, the segment revenue, segment results, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge for depreciation during the year is as reflected in the financial statement.

**Geographical segment**

The operations of the Company are mainly carried out within the country and therefore, geographical segments are not disclosed.

**Revenue as per customers (more than 10% of revenue):**

During the year ended March 31, 2020 revenue of approximately 54.50% (previous year : 69.24%) are derived from a single external customer in the Project Management Consultancy Segment

**Note -41**

**Disclosure relating to Corporate Social Responsibility**

Particulars	For the year ended on March 31, 2020	For the year ended on March 31, 2019
<b>Annual CSR Allocation</b>	<b>129.25</b>	<b>134.16</b>
Actual Amount Spent	129.25	134.16
<b>I. Construction/acquisition of any assets</b>	-	-
<b>II. On purposes other than (i) above</b>		
Donation to PM CARES (Prime Minister's Citizen Assistance and Relief in Emergency Situations) Fund of COVID-19.	129.25	-
Donation to Swachh Kumbh Kosh, Prayagraj Mela Pradhikaran	-	84.16
Donation For Treatment Of Gaucher Disease At AIIMS (AIIMS Patient Treatment A/C)	-	50.00
<b>Total</b>	<b>129.25</b>	<b>134.16</b>





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**Note -42**

**Financial Assets and Liabilities**

**Fair value disclosures**

**(i) Fair Value Hierarchy**

Financial Assets and Financial Liabilities measured at fair value in the Balance Sheet are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: The fair value of Financial Instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**(ii) Financial assets and liabilities measured at fair value - recurring fair value measurements**

The Company does not have any financial instruments which are measured at Fair value either through statement of profit and loss or through other comprehensive income.

**(iii) Fair value of instruments measured at amortised cost**

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

(₹ in Lakhs)

Particulars	Note Reference	As at March 31, 2020		As at March 31, 2019	
		Amortised cost	Fair Value	Amortised cost	Fair Value
<b>Financial Assets</b>					
Trade Receivables	Note -9	8,120.94	8,120.94	8,534.19	8,534.19
Cash and Cash	Note -10	8,057.49	8,057.49	19,663.88	19,663.88
Other Bank Balances	Note -11	276,497.92	276,497.92	258,419.63	258,419.63
<b>Other Financial Assets:</b>					
Current	Note -12	14,298.72	14,298.72	24,923.94	24,923.94
Non-Current	Note -6	42.70	42.70	32.73	32.73
<b>Total Financial Assets</b>		<b>307,017.77</b>	<b>307,017.77</b>	<b>311,574.38</b>	<b>311,574.38</b>

(₹ in Lakhs)

Particulars	Note Reference	As at March 31, 2020			As at March 31, 2019		
		FVTPL	Amortised cost	Fair Value	FVTPL	Amortised cost	Fair Value
<b>Financial Liabilities</b>							
Trade Payables	Note -18	-	73,595.68	73,595.68	-	68,779.69	68,779.69
Other Financial Liabilities	Note -19	-	36,262.83	36,262.83	-	43,570.74	43,570.74
<b>Lease Liabilities:</b>	Note -16						
Current		-	1.26	1.26	-	-	-
Non-Current		-	6.28	6.28	-	-	-
<b>Total Financial Liabilities</b>		<b>-</b>	<b>109,866.05</b>	<b>109,866.05</b>	<b>-</b>	<b>112,350.42</b>	<b>112,350.42</b>

The management assessed that cash and cash equivalents, trade receivables, other receivables, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.



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**Note - 43**

**Financial Risk Management**

The Company's activities expose it to credit risk, liquidity risk and market risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the Financial Statements.

**(A) Credit Risk**

The Company is exposed to credit risk from its Operating Activities ( Primarily Trade Receivables ) and from its Investing Activities including Deposits with Banks and Financial Institutions and other Financial Instruments.

**(i) Credit Risk Management**

The Company assesses and manages credit risk of Financial Assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of Financial Assets.

A: Low Credit Risk on financial reporting date

B: Moderate Credit Risk

C: High Credit Risk

The Company provides for Expected Credit Loss based on the following:

Asset group	Basis of categorisation	Provision for expenses credit loss
Low Credit Risk	Cash and Cash Equivalents, other Bank Balances and other Financial Assets	12 month expected credit loss
Moderate Credit Risk	Trade Receivables	Lifetime expected credit loss
High Credit Risk	Trade Receivables and other Financial Assets	Lifetime expected credit loss or fully provided for

In respect of Trade Receivables, the company recognises a provision for lifetime Expected Credit Loss.

Based on business environment in which the Company operates, a default on a Financial Asset is considered when the counter party fails to make payments within the agreed time period as per contract or decided later based upon the factual circumstances on case to case basis. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in Statement of Profit and Loss.

Credit rating	Particulars	( ₹ in Lakhs)	
		As at March 31, 2020	As at March 31, 2019
A: Low credit risk	Cash and cash equivalents, other bank balances and other financial assets	298,896.83	303,040.19
B: Moderate Credit Risk	Trade receivables	9,633.76	9,460.44
C: High credit risk	Trade receivables and other financial assets	524.85	541.56

**Concentration of Trade Receivables**

The Company's Major Exposure to Credit Risk for Trade Receivables are from various Government Departments/ Ministries

**Credit Risk Exposure**

**Provision for Expected Credit Losses**

The Company provides for Expected Credit Loss based on 12 month and lifetime Expected Credit Loss basis for following Financial Assets –

**A: Low Credit**

**Risk**

**As at March 31, 2020**

Particulars	Note reference	Carrying Amount	Impairment	( ₹ in Lakhs)
				Carrying Amount net of Impairment Provision
Cash and Cash Equivalents	Note -10	8,057.49	-	8,057.49
Other Bank Balances	Note -11	276,497.92	-	276,497.92
Other Financial Assets	Note -6,12	14,341.42	-	14,341.42

**As at March 31, 2019**

Particulars	Note reference	Carrying Amount	Impairment	( ₹ in Lakhs)
				Carrying Amount net of
Cash and Cash Equivalents	Note -10	19,663.88	-	19,663.88
Other Bank Balances	Note -11	258,419.63	-	258,419.63
Other Financial Assets	Note -6,12	24,956.67	-	24,956.67





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**B: Moderate Credit Risk**

Expected Credit Loss for Trade Receivables under simplified approach

As at March 31, 2020

Ageing	Note reference					(₹ in Lakhs)
		Upto 1 year	Between 1 and 2 years	Between 2 and 3 years	Above 3 years	Total
Gross Carrying Amount	Note -9	4,824.50	2,126.73	1,597.45	1,085.07	9,633.75
Expected Credit Losses (Loss Allowance Provision)		-	305.90	437.47	769.45	1,512.82
Carrying Amount of Trade Receivables (Net of Impairment)		4,824.50	1,820.82	1,159.98	315.62	8,120.93

As at March 31, 2019

Ageing	Note reference					(₹ in Lakhs)
		Upto 1 year	Between 1 and 2 years	Between 2 and 3 years	Above 3 years	Total
Gross Carrying Amount	Note -9	6,018.58	2,115.00	933.74	393.12	9,460.44
Expected Credit Losses (Loss Allowance Provision)		-	390.05	313.91	222.28	926.25
Carrying Amount of Trade Receivables (Net of Impairment)		6,018.58	1,724.95	619.83	170.83	8,534.19

**C: High Credit Risk**

Expected Credit Loss for Trade Receivables under simplified approach

As at March 31, 2020

(₹ in Lakhs)

Particulars	Note reference	Carrying Amount	Impairment	Carrying Amount net of Impairment Provision
Trade Receivables	Note -9	496.62	496.62	-
Other Financial Assets	Note -6,12	28.23	28.23	-

As at March 31, 2019

(₹ in Lakhs)

Particulars	Note reference	Carrying Amount	Impairment	Carrying Amount net of Impairment Provision
Trade Receivables	Note -9	513.33	513.33	-
Other Financial Assets	Note -6,12	28.23	28.23	-

Reconciliation of Loss Provision – Trade Receivables (High and Moderate Risk)

(₹ in Lakhs)

Reconciliation of Loss Allowance	Loss allowance
Loss allowance on March 31, 2018	2,729.48
Impairment Loss Recognised	-
Reversal	(1,289.90)
Loss allowance on March 31, 2019	1,439.58
Impairment Loss Recognised	-
Reversal	569.87
Loss Allowance on March 31 2020	2,009.44



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**(B) Liquidity Risk**

The Company's principal sources of liquidity are Cash and Cash Equivalents which are generated from Cash Flow from Operations. The Company has no outstanding Bank Borrowings. The Company Consider that the Cash Flows from Operations are sufficient to meet its current liquidity requirements.

**Maturities of Financial Liabilities**

The tables below analyse the Company's Financial Liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is insignificant.

(₹ in Lakhs)				
As at March 31, 2020	Note reference	Up to one year	More than one year	Total
Lease Liabilities*				
Trade Payable	Note -16	1.26	6.28	7.54
Earnest Money & Security Deposits	Note -18	73,595.68	-	73,595.68
Amount payable to Holding Company	Note -19	20,336.96	-	20,336.96
Book Overdraft	Note -19	41.63	-	41.63
Other Payables	Note -19	8,744.03	-	8,744.03
<b>Total</b>		<b>109,859.77</b>	<b>6.28</b>	<b>109,866.05</b>

\* For detailed maturity profile of lease liability refer note 46

(₹ in Lakhs)				
As at March 31, 2019	Note reference	Up to one year	More than one year	Total
Trade Payable	Note -18	68,779.69	-	68,779.69
Earnest Money & Security Deposits	Note -19	17,728.11	-	17,728.11
Dividend Payable	Note -19	1,124.01	-	1,124.01
Book Overdraft	Note -19	5,971.70	-	5,971.70
Other Payables	Note -19	18,746.91	-	18,746.91
<b>Total</b>		<b>112,350.42</b>	<b>-</b>	<b>112,350.42</b>

**Foreign currency risk**

**Unhedged foreign currency exposures**

**Particulars of unhedged foreign currency exposures as at the reporting date**

Particulars	As at March 31, 2020		As at March 31, 2019	
	Amount (₹ in Lakhs)	Foreign currency	Amount (₹ in Lakhs)	Foreign currency
Trade Receivable	666.42	USD 884,721	747.51	USD 1,076,376

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ in Lakhs)			
USD sensitivity	As at March 31, 2020	As at March 31, 2019	
<b>INR/USD- increase by:</b>			
(31 March 2020 5%)	33.32	37.38	
(31 March 2019 5%)			
<b>INR/USD- decrease by:</b>			
(31 March 2020 5%)	(33.32)	(37.38)	
(31 March 2019 5%)			

\*Holding all other variables constant

**(C.) Market Risk**

The Company is not exposed to any market risk.

**Note -44**

**Capital Management**

The Company's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt (net debt comprises of borrowings less cash and cash equivalents). Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio.

(₹ in Lakhs)		
Particulars	As at March 31, 2020	As at March 31, 2019
Equity Share Capital	180.01	180.01
Other Equity	10,798.07	13,690.19
<b>Total Equity</b>	<b>10,978.08</b>	<b>13,870.20</b>

The Company has no outstanding debt as at the end of the respective years. Accordingly company has Nil. Capital gearing ratio as at March 31, 2020 and March 31, 2019.





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**Note -45**

**Note on Revenue Recognition Under Ind AS 115**

**1 Disaggregation of revenue**

Revenue recognised mainly comprises of sale of service through Project Management Consultancy. Set out below is the disaggregation of the Company's revenue from contracts with customers:

Description	( ₹ in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>(A) Sale of service</b>		
(a) Project Management consultancy service	212,509.19	204,946.25
<b>(B) Other ancillary revenue</b>		
(a) Sale of Tender Documents	31.86	26.58
<b>Total revenue</b>	<b>212,541.05</b>	<b>204,972.84</b>

\* The Company operates in single segment i.e. sale of service- Project management consultancy

The table below presents disaggregated revenues from contracts with customers based on nature, amount and timing for the year ended 31 March 2020 and 31 March 2019:

S.No.	Types of Services by Nature	Types of Services by Contract Type	Types of Services by timing	( ₹ in Lakhs)	
				For the year ended March 31, 2020	For the year ended March 31, 2019
1	Project Management Consultancy	Cost plus contracts	Over the period of time	212,509.19	204,946.25
				<b>212,509.19</b>	<b>204,946.25</b>

**2 Assets and liabilities related to contracts with customers**

The following table provides information about receivables, contract assets and contract liabilities from contract with customers:

Description	( ₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
	Current	Current
<b>Contract liabilities related to sale of service</b>		
Advance from customers	207,746.19	203,525.04
Revenue received in advance	7,117.88	8,116.78
	<b>214,864.07</b>	<b>211,641.82</b>
<b>Contract Assets related to sale of service</b>		
Trade receivables	10,130.38	9,973.77
Less: Allowance for expected credit loss	(2,009.44)	(1,439.58)
<b>Net receivables</b>	<b>8,120.94</b>	<b>8,534.19</b>
Unbilled revenue	9,415.82	17,471.05
	<b>17,536.76</b>	<b>26,005.25</b>

A receivable is a right to consideration that is unconditional upon passage of time. Revenue from the contracts is recognized upon satisfaction of Performance obligation.

Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Revenue in excess of billing is recorded as unbilled revenue and is classified as a contract asset. Any amount previously recognised as a contract asset is reclassified to trade receivables on satisfaction of the condition attached i.e. future service which is necessary to achieve the billing milestone.

Invoicing in excess of revenue recognised is classified as revenue received in advance. Any amount previously recognised as revenue received in advance is recognised to revenue on satisfaction of the performance obligation over the construction period.



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**3 Revenue recognised in relation to contract liabilities**

The following table shows how much of the revenue recognised in the current reporting period relates to the carried forward contract liabilities

(₹ in Lakhs)

Description	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue recognised that was included in contract liabilities at the beginning of the year	96,213.91	182,202.02
Performance obligations satisfied in previous years	-	-
<b>Total</b>	<b>96,213.91</b>	<b>182,202.02</b>

**4 Significant changes in contract assets and liabilities**

(₹ in Lakhs)

Contract liabilities - Advance from customers	As at March 31, 2020	As at March 31, 2019
Opening balance of Contract liabilities - Advance from customers	203,525.04	179,166.30
Less: Amount of revenue recognised against opening contract liabilities	(93,498.87)	(194,858.94)
Add: Net Addition in balance of contract liabilities for current year	97,720.02	219,217.68
<b>Closing balance of Contract liabilities - Advance from customers</b>	<b>207,746.19</b>	<b>203,525.04</b>

Contract liabilities - Revenue received in advance	As at March 31, 2020	As at March 31, 2019
Opening balance of Contract liabilities - Revenue received in advance	8,116.78	10,515.75
Less: Amount of revenue recognised against opening contract liabilities	(2,715.04)	(3,035.72)
Add: Net Addition in balance of contract liabilities for current year	1,716.14	636.75
<b>Closing balance of Contract liabilities - Revenue received in advance</b>	<b>7,117.88</b>	<b>8,116.78</b>

Contract Assets - Unbilled Revenue	As at March 31, 2020	As at March 31, 2019
Opening balance of Contract Assets - Unbilled Revenue	17,471.05	35,355.42
Less: Amount of revenue recognised against opening contract assets	(11,910.81)	(35,355.42)
Add: Net Addition in balance of contract assets for current year	3,855.58	17,471.05
<b>Closing balance of Contract Assets - Unbilled Revenue</b>	<b>9,415.82</b>	<b>17,471.05</b>

**5 Remaining performance obligation**

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts as the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date. Remaining performance obligation estimates are subject to change and are affected by several factors, such as changes in the scope of contracts, periodic revalidations, terminations and adjustment for revenue that has not materialized.





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Notes to the financial statements for the year ended on March 31, 2020

**Note -46****Note on Leases under Ind AS 116****Nature of Right-of-Use Assets**

- a. Leasehold Land comprises plots no. E-6A, E-13 and E-14 at Sector – 1, Noida, allotted to HSCC (India) Limited for a period of 90 years from the date of Lease deed starting from 1996 valuing Rs. 57.49 lakhs and from 2006 valuing Rs. 389.16 lakhs respectively.
- b. The company leases office facilities which is being used as registered office of the company. The lease term is of 3 years with an option to extend with mutual consent of lessor and lessee.

**Amount recognised in Statement of Profit or Loss**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020
Depreciation charge for right-of-use assets by class of underlying asset	6.41
Interest on lease liabilities	0.70
Expenses relating to short-term leases*	24.37
<b>Total Expenses</b>	<b>31.48</b>

\*Short term leases expenses comprise the lease of different site offices for a period less than or equal 12 months. These lease arrangements, which are cancellable, are generally renewable by mutual consent.

**Total cash outflows for leases**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020
cash outflows against lease liabilities	1.86
cash outflows for short-term leases	24.37
<b>Total cash outflows</b>	<b>26.23</b>

**Movement in Lease Liability**

(₹ in Lakhs)

Particulars	As at March 31, 2020
Balance as at March 31, 2019	8.71
Additions	-
Accretion of interest	0.70
Deletions	-
Payment of Lease Liability	(1.86)
<b>Balance as at March 31, 2020</b>	<b>7.55</b>
Non Current	6.28
Current	1.26
<b>Balance as at March 31, 2020</b>	<b>7.55</b>

**Contractual maturities of lease liabilities**

Particulars	As at March 31, 2020
Within 1 year	1.26
1-3 years	2.87
More than 3 years	3.41
<b>Balance as at March 31, 2020</b>	<b>7.55</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.



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Notes to the financial statements for the year ended on March 31, 2020

### Extension Option

As described in nature of right of use assets of registered office premises, the lease term is of 3 years with an option to extend with mutual consent of lessor and lessee. The company assesses that it will be using such premises for a period of five year from the end of current reporting period (i.e. March 31, 2020) as the office premises is being used as the registered office of the company. Hence, there is a reasonable certainty of extension option which have been accounted for in lease liability whose cash outflow is Rs. 4.81 lakhs . This extension option has further been exercised whose cash outflow would be 1.86 lakhs per year as per the current rate of lease agreement.

### Transitional Provision

This note explains the impact of the adoption of Ind AS 16 Leases on the company's financial statements:

On April 1, 2019, the company has adopted Ind AS 116, Leases, applied to all lease contracts outstanding as at April 1, 2019. The transition was effected using modified retrospective transition method. Accordingly, comparatives have not been restated.

### **Measurement of right-of-use assets and lease liability**

On adoption of Ind AS 116, the company has recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of April 1, 2019. The lessee's incremental borrowing rate applied to the lease liabilities on April 1, 2019 was 8.55%. The company has recognised the lease liability of Rs. 8.71 lakhs on the date of initial application.

The company has recognised Right of Use Asset equal to leases liability recognised on the date of initial application in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17 Leases. Hence, The company has recognised the Right of Use Asset of Rs. 8.71 lakhs on the date of initial application.

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. On transition to Ind AS 116 "Leases", the company has recognised the carrying value of right-of-use assets presented in property, plant and equipment amounting to Rs. 373.55 lakhs as on date of initial application with no corresponding lease liability, as Right of Use Asset comprises prepayment before the initial date of application.

The company presents Right-of-Use Assets in "Property, Plant and Equipment" and lease liability under "Other Financial Liabilities".

### **Reconciliation of measurement of lease liabilities**

( ₹ in Lakhs)

	As at April 1, 2019
Lease commitments as per Ind AS 17 as on 31 March 2019 (future lease rent of building)	35.53
Less: short-term leases not recognised as a liability	(24.37)
Less: Total interest Expenses	(2.45)
<b>Lease liability as on 1 April 2019</b>	<b>8.71</b>
Of Which are:	
Non Current	7.55
Current	1.16
<b>Lease liability as on 1 April 2019</b>	<b>8.71</b>

The following is the summary of practical expedients elected on initial application:

1. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
2. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
3. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.





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Notes to the financial statements for the year ended on March 31, 2020

**Note -47****Correction of error in Gratuity Expenses**

The company has discovered an error in booking of gratuity expenses due to misinterpretation of actuarial reports. Gain/loss of remeasurement of defined benefit plans was booked in statement of profit or loss instead of other comprehensive income. It is impracticable to determine the cumulative amount of an error in terms of actuarial gain/loss on account of non-availability of complete information. Hence, the company has corrected the error prospectively and consequently comparative information is not restated.

The company had also booked current service cost of gratuity paid in advance in Employee benefit expense instead of prepaid expense which led to overstatement of expenditure in FY 2018-19. In context of concept of materiality, the company has corrected error prospectively and consequently the company has underbooked the current year expense of "Gratuity fund contributions" under Employee Benefit Expenses in FY 2019-20.

**Note -48**

- I. During the test check by Comptroller and Auditor General (CAG) of transactions of company's account during the FY 2017-18 at Indian Overseas Bank, Noida, significant transactions amounting to Rs. 2926 lakhs were noticed which can be termed as "Transactions of Doubtful Reliability." Provision of Rs. 2926 lakhs was made from the reserves as at 01st April 2017 as transactions pertain to the period prior to FY 2016-17.

The details of transaction are as under:

- (i) An amount of Rs 301 lakhs (Rs. 242 lakhs and Rs. 59 lakhs) was detected in 4th quarter of FY 2016-17 on account of fraudulent transfer. However, the fraud were occurred in FY 2014-15 and FY 2015-16 respectively.
- (ii) An amount of Rs 352.00 lakhs was included in 'interest receivable' under the head other current financial assets, even though the same was received in October 2014.
- (iii) An amount of Rs 11.00 lakhs being the sale tax deposited during 2013-14 by the company on its client behalf was accounted as recoverable from client.
- (iv) A fixed deposit of Rs 197.00 lakhs which was opened in April 2014 and encashed in July 2014, earned an interest of Rs 6.00 lakhs. It was observed that in the bank ledger of the company, Rs 197.00 lakhs was debited (received) twice against a single encashment.
- (v) An amount of Rs 783.00 lakhs was credited in bank account from a Client on 12 April 2014 and the same was shown in the company's accounts under the head deposits from Clients. Thereafter, multiple debit and credit entries of this amount were made in the client ledger during 2014-15 on the pretext of rectifications and reversals. The client ledger which is of liability nature was showing debit balance of Rs 712.00 lakhs in the company's books on 31 March 2018.
- (vi) A fixed deposit (FD) of Rs 1,282.00 lakhs in Company's account at UCO Bank was encashed in August 2013 along with interest of Rs 110 lakhs. An entry for receipt of encashment proceedings was made 31 March 2014 in Company's account at Indian Overseas Bank, however, in the same voucher, amount received on FD encashment was reversed. Thus, nullify the receipt of FD encashment.

The Company had engaged a firm of chartered accountants in April 2017 for checking all bank payments and verification of bank fixed deposit receipts related to financial year 2013-14 and 2014-15 and the report from firm of chartered accountants has not been submitted. The firm of chartered accountant has not completed the assigned work and subsequently withdrawn himself from engagement.

Further, NBCC (India) Limited (Holding Company) has appointed forensic/management auditor during the year ended March 31, 2020. The forensic/management auditor has not submitted audit report.

During the year ended March 31, 2020, The bank has paid Rs. 59.55 lakhs to company which belongs to unidentified transactions. However, the amount of provision has been kept intact amounting to Rs. 2926 lakhs and is subject to final results of forensic/management audit.

- II. During the FY. 2019-20, in the process of reconciliation of various head of accounts four unidentified transaction were noticed which were confirmed with the banks as mentioned below:

S. No.	Name of payee	Date of payment	Amount (Rs. In lakhs)
1	M/s MS Enterprises	16-Sep-16	22.97
2	M/s MS Enterprises	16-Sep-16	26.98
3	M/s MS Enterprises	20-Sep-16	68.87
4	M/s MS Enterprises	20-Sep-16	70.25
	<b>Total</b>		<b>189.07</b>

A complaint has been lodged with SSP, Gautam Budh Nagar on May 13, 2019. Subsequently, the aforesaid amount of Rs. 189.07 lakhs has been paid by bank to company during the year ended March 31, 2020. The amount is lying still unadjusted.



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**Notes to the financial statements for the year ended on March 31, 2020**

**Note -49**

There are projects which have been completed and handed-over to the Ministry/ Clients but financial closure of these Projects in the books of the Company have not been done. Further, there are Projects which have been completed but handing over and taking over process for the same has not yet taken place. The impact of this on the profit or loss, if any will be accounted in the year in which the financial closure takes place.

**Note -50**

Amount lying in Interest receivable from Banks, Retention Money, Client Deposit Funds, Trade Receivables, Trade Payables, EMD, Security Deposit (receivable & payable both), balances of ministries, Clients and Government dues with respect to direct taxes, indirect taxes and other state taxes are not confirmed & reconciled. The un-reconciled balances, if any, may have an impact on profit & loss and balance sheet of the company. The same will be accounted for in the year in which the financial reconciliation of all the above items takes place.

**Note -51**

**Unreconciled Bank Balances**

Bank Reconciliation doesn't include the unmatched and untraceable entries, hence the unmatched and untraceable entries may have impact on Profit & Loss and Balance Sheet of the company and will be accounted in the year in which the un-reconciled transaction will be identified. Bank reconciliation of following bank balance is still pending.

S. No.	Name of the Bank	Branch	Project Name	A/c No.
1	Indian Overseas Bank	Sector-1, Noida	Ayush, New Delhi	172502000000644
2	Indian Overseas Bank	Sector-1, Noida	HSCC Bank A/C	172502000000151

**Note -52**

**Uncertainties relating to the global health pandemic from COVID-19**

A global challenge has emerged in the form of global health pandemic COVID-19. This global health pandemic may cause multiple contingencies in future as well as provides opportunity to companies engaged in healthcare and its related services. The company is involved in rendering comprehensive range of professional services as consulting and executing agency for construction activities in healthcare & other social sectors in India. The company is also a zero debt company and only non fund based facilities are availed. There is no impact of COVID-19 on the business of the company in accordance with assessment made by the company.

**Note -53**

Previous year figures have been regrouped and/or reclassified, wherever, necessary to conform to those of the current year grouping and/or classification. Negative figures have been shown in brackets.

**For Datta Singla & Co.**

Chartered Accountants  
 (ICAI Firm Reg. No: 006)

**Sandeep Datta**  
 Partner  
 Membership No. 092413



*(Signature)*  
**(Gyanesh Pandey)**  
 Managing Director  
 (DIN : 03555957)

*(Signature)*  
**(Sonia Singh)**  
 Company Secretary  
 (M.No.: ACS-24442)

*(Signature)*  
**(Suresh Chandra Garg)**  
 Director (Engineering)  
 (DIN : 08684289)

*(Signature)*  
**(Ravi Kumar Jain)**  
 AGM (F &A)

*(Signature)*  
**(Ajay Suri)**  
 DGM (F &A)

*(Signature)*  
**(Mahesh Chand Bansal)**  
 Chief Financial Officer

*(Signature)*  
**(Tejpal Garg)**  
 DGM (F &A)

Place: Noida  
 Date : 24/06/2020