AFCONS

Shapoorji Pallonji

ANNUAL REPORT 2019-20

MISSION

"To be a prominent transnational infrastructure company recognised for business innovations, focused on total satisfaction and enhanced value creation for all its stakeholders"

AWARDS

"**Runners up award for Infrastructure Company**" of the Year at the Construction Week India 2019 Annual Awards. Shapoorji Pallonji Group Chairman Mr. Shapoor Mistry received the Hall of Fame Award

Double honours at the 17th Construction World Awards – recognised as a **Top-Ranked International Contractor by ENR** (Engineering News-Record) and named the "**Second Fastest Construction Company (Large Category).**" The awards were received by Managing Director Mr. S. Paramasivan

"**Africa Best Employer Brand Award**" at the sixth Africa Best Employer Brand Awards 2019

Recognised as the "**Best Employer in Bhutan**" at the 14th Employer Branding Awards

Nagpur Metro Reach-3 won the "**Dun & Bradstreet Award**" in Best Railways and Metro Project category. This is the third year in a row Afcons won this prestigious award

Special Appreciation Award for "**Achievement in Bridges or Tunneling Projects**" in the 2nd edition of Rail Analysis India Summit

BOARD OF DIRECTORS

S. P. Mistry - Chairman

K. Subramanian - Executive Vice Chairman

P. S. Mistry

N. D. Khurody

P. N. Kapadia

R. M. Premkumar

U. N. Khanna

R.M. Nentin (Ms.)

S. Paramasivan - Managing Director

Giridhar Rajagopalan - Executive Director (Technical)

Akhil Kumar Gupta - Executive Director (Operations)

AUDIT COMMITTEE MEMBERS

N. D. Khurody - Chairman

P. N. Kapadia

R. M. Premkumar

COMPANY SECRETARY

Gaurang M. Parekh

AUDITORS

M/s. Price Waterhouse Chartered Accountants LLP,
Chartered Accountant
(ICAI registration no. 012754N/N500016)
M/s. HDS & Associates LLP, Chartered Accountants,
(ICAI registration no. W100144)

REGISTERED OFFICE

"AFCONS HOUSE" 16, Shah Industrial Estate,
Veera Desai Road, Azad Nagar P.O.
Andheri (West) Mumbai- 400 053
Website: www.afcons.com
CIN : U45200MH1976PLC019335

Forty-Fourth Annual General Meeting will be held on Wednesday, 30th September, 2020 at 4.30 p.m. IST. through Video Conferencing / Other Audio Visual Means.

BANKERS

State Bank of India

UCO Bank

Punjab National Bank
(erstwhile Oriental Bank of Commerce which amalgamated with PNB on 1st April, 2020)

Axis Bank Ltd.

Bank of India

Bank of Baroda
(erstwhile Dena Bank which amalgamated with BOB on 1st April, 2019)

BNP Paribas

Kotak Mahindra Bank Ltd.

ICICI Bank Ltd.

Union Bank of India

IDBI Bank Ltd.

Standard Chartered Bank

Yes Bank Ltd.

Hongkong and Shanghai Banking Corporation Ltd.

Export Import Bank of India

Indian Bank

DBS Bank Ltd.

REGISTRARS & SHARE TRANSFER AGENT

Cameo Corporate Services Limited
Subramanian Building,
1 Club House Road,
Chennai-600002
Tel. no.: 044-28460390
Fax no.: 044-28460129
Email id.: afcons@cameoindia.com

CONTENTS

BOARDS' REPORT

Dear Members,

Your Directors are pleased to present the Forty-Fourth Annual Report together with the Audited Financial Statements for the year ended 31st March 2020.

1. FINANCIAL RESULTS

Particulars	Consolidated		Standalone	
	₹ in crores		₹ in crores	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Total Income	10,130.69	8,875.68	9,506.01	7,935.29
Profit/(Loss) before Tax	375.62	319.26	378.41	209.86
Provision for Taxation	122.69	80.32	131.25	80.31
(Excess)/short provision for tax in respect of earlier years	5.24	4.50	5.24	4.50
Profit/(Loss) after Tax (before Minority Interest)	247.69	234.44	241.92	125.05
Minority Interest	-2.10	5.66	-	-
Profit/ (Loss) for the year	245.59	240.10	241.92	125.05
Balance brought forward from previous years	1,339.27	1,091.05	1,061.97	923.90
Other items classified to other comprehensive income	-5.82	-2.50	-5.82	-2.50
Other Adjustment	-	17.12	-	22.02
Profit available for Appropriation	1,579.04	1,345.77	1,298.07	1,068.47
Less: Appropriation				
(i) Interim Dividend on Equity	25.19	25.19	25.19	25.19
(ii) Dividend on Preference Shares	0.05	0.05	0.05	0.05
(ii) Tax on Dividend	0.01	0.01	0.01	0.01
(iv) Transferred to/(from) Debenture Redemption Reserve	10.00	-18.75	10.00	-18.75
Balance Carried Forward to Balance Sheet	1,543.79	1,339.27	1,262.82	1,061.97

2. OPERATIONS

(a) Standalone Results

Your Company has achieved total income of ₹ 9,506.01 crores for the year compared to the previous year ₹ 7,935.29 crores showing an increase of 19.80%. The Profit before Tax for the year was ₹ 378.41 crores compared to ₹ 209.86 crores in the previous year resulting in increase of 80.32%. The Profit after Tax for the year was ₹ 241.92 crores compared to ₹ 125.05 crores in the previous year resulting in increase by 93.46%.

(b) Consolidated Results

Your Company has achieved total income of ₹ 10,130.69 crores for the year compared to the previous year's ₹ 8,875.68 crores showing an increase of 14.14%. The EBIDTA for the year was ₹ 929.71 crores compared to ₹ 788.92 crores in the previous year resulting in an increase by 17.85%. The Consolidated Profit before Tax for the year was ₹ 375.62 crores compared to ₹ 319.26 crores in the previous year resulting in an increase of 17.65%. The Consolidated Profit after Tax for the year was ₹ 247.69 crores compared to ₹ 234.44 crores in the previous year resulting in an increase by 5.65%. All intercompany transactions are netted out at the time of consolidation and hence, the profits and revenues are reduced to that extent. Your Company's Order book as on 31st March, 2020 was ₹ 29,156 crores (including L1 orders of approx ₹ 926 crores).

(c) There has been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the Report.

(d) During the year under review, the following major works were completed:

i. Construction of BG single line tunnel (T-74 R) on Katra - Laole section of Udhampur - Srinagar Baramulla Rail Link project at J&K of Ircon International Limited.

ii. Construction of Tunnel T74 R balance work at South Portal from 125/310 to 127/660 on DQ Section of USBRL Project Dharam-Qazikund Section at J&K, of Ircon International Limited.

iii. Construction of 14th and 16th Berth for Multipurpose Cargo (other than liquid container) of Kandla Port Trust.

iv. EPC Contract for a New Owendo International Port Phase II Project, Gabon of GSEZ Mineral Port SA awarded to Afcons Overseas Project Gabon SARL(step-down subsidiary of the Company).

v. Contract UAA-01: Design and construction of five underground stations and associated tunnels from Washermanpet to Egmore, Chennai of Chennai Metro Rail Limited awarded to the Transtonnelstroy Afcons Joint Venture.

vi. Construction of Annaram Barrage at Kaleshwaram Irrigation project across Godavari river in Telangana State of Government of Telangana Irrigation & CAD Department awarded to the Afcons Vijeta PES Joint Venture.

vii. Improvement of AL Awir Road International City Accesses at Dubai of Roads and Transport Authority, Dubai awarded to Afcons Construction Mideast LLC (subsidiary of the Company).

viii. Project on port material handling of GAC Guinea Bauxite, Guinea, of Guinea Alumina Corporation awarded to Afcons Overseas Singapore Pte.Ltd.(subsidiary of the Company).

ix. Construction of Multimodal IWT Terminal at Varanasi, Uttar Pradesh of Inland Waterways Authority of India.

(e) During the year under review, the Company has secured the following major Contracts:

i. Engineering, Procurement, Supply and Construction of LNG Storage Tanks for LNG Import, Storage & Regasification Terminal at Chhara, Gujarat of HPCL Shapoorji Energy Pvt. Ltd. awarded to Consortium of the Company with IHI Corporation, Japan .The Company' share in the Consortium is ₹ 454 crores.

ii. Engineering, Procurement, Supply, Construction and Commissioning of Marine Facilities at Chhara LNG terminal at Chhara, Gujarat of HPCL Shapoorji Energy Pvt. Ltd. of ₹ 279 crores .

iii. Balance Work of Reach 1 stations including Construction of operational room facilities at Mihan and Hingna Depots at Nagpur of Maharashtra Metro Rail Corporation Limited of ₹ 101 crores.

iv. Widening of Al Rebat Road and Mirdiff Interchange Bridges at Dubai of Roads and Transport Authority, Dubai to Afcons Construction Mideast LLC, Dubai (subsidiary of the Company) of ₹ 140 crores.

v. Part Design and Construction of Elevated Viaduct (chainage 12000 M to 24700 M) including the length of the Viaduct for integration of Metro line-4 with Metro line-5 and 7 Elevated Stations of line-5 of Mumbai Metro Rail Project for MMRDA, Mumbai of ₹ 802 crores.

vi. Engineering, Procurement, Supply and Construction of Dry Bulk Cargo Terminal Works for Phase 1 & 2 at San Pedro, Ivory Coast of Terminal Industrial Polyvalent de San Pedro (TIPSP) awarded to Afcons Overseas Singapore Pte.Ltd.(subsidiary of the Company) of ₹ 252 crores.

vii. Construction of Elevated viaduct and 9 Nos. Elevated station, Phase I, Kanpur Metro at Kanpur, Uttar Pradesh of Lucknow Metro Rail Corporation Limited of ₹ 656 crores.

viii. Construction of Balance work of Seven numbers Elevated Metro Stations excluding Viaduct in REACH-2, Nagpur Metro Rail Projects of Maharashtra Metro Rail Corporation Limited of ₹ 160 crores.

ix. Design & Construction of Underground structures (Tunnels & Stations) including allied works and 3 Nos. of UG Metro in Reach-6 line, Bangalore Metro Rail Project, Phase-2 of Bangalore Metro Rail Corporation Limited of ₹ 1,526 crores.

x. Part 1 - Improvement of 4 Lane National Highway from Ashuganj to Sarail of Chaka-Sylet Highway including all structures, earth work, foundation etc. and Part 2- Performance based maintenances of 4 Lane National Highway from Ashuganj to Sarail of Chaka-Sylet Highway at Bangladesh of Government of the People's Republic of Bangladesh, Dhaka of ₹ 477 crores.

xi. Part 1-Improvement of 4 Lane National Highway from Dharkhar to Sarail of Cumilla-Brahmanbaria Highway including all structures, earth work, foundation etc. and Part 2-Performance based maintenances of 4 Lane National Highway from Dharkhar to Sarail of Cumilla-Brahmanbaria Highway at Bangladesh of Government of the People's Republic of Bangladesh, Dhaka of ₹ 1,565 crores.

xii. Debottlenecking of GCPTCL Marine and Onshore Facilties GCPTCL, Dahej, Gujarat of Gujarat Chemical Port Terminal Company Limited of ₹ 14 crores.

3. CREDIT RATING

During the year, ICRA has given us the long term rating of "AA-/Negative" which signifies high safety and short term rating of "A1+" which reflects highest credit quality. Additionally, India Ratings has also given short term rating of "A1+/RWN" indicating strong degree of safety and credit quality.

4. DIVIDEND

The Company has declared an Interim dividend to the equity shareholders @ 35% (i.e. ₹ 3.5 per equity share of ₹ 10 each) on the paid-up capital of ₹ 71,97,02,380 aggregating to total outflow of ₹ 25.19 crores (i.e. Interim dividend amount of ₹ 25.19 crores and dividend distribution tax - Nil). Your Directors recommend the said Interim dividend on the Equity shares as final dividend for the financial year 2019-20.

The Directors recommend, for approval of members, dividend of 0.01% on the Convertible Preference Shares of the Company.

5. SHARE CAPITAL

During the year under review, there was no change in the Company's Share Capital and total paid up share capital of the Company as on 31st March, 2020 was ₹ 5,219,702,380.

6. SUBSIDIARIES/ ASSOCIATE/ JOINT VENTURE

(a) During the year under review, your Company has not incorporated any new Subsidiary Company. On 9th July 2020, the Company has incorporated a limited liability company under the laws of India in the name of Afcons Oil & Gas Services Private Ltd**. ("AOGS")** for undertaking Oil and Gas Process Platform Projects in association with PT.Gunanusa Utama Fabricators of Indonesia **("PTG")**. The Company holds 74% of the equity share capital of AOGS with the balance equity share capital held by PTG. By virtue of the above shareholding of the Company, AOGS shall be subsidiary of the Company under the Companies Act, 2013.

(b) Pursuant to provisions of section 129(3) of the Companies Act, 2013, ("**Act**") and other applicable provisions, if any of the Act read with Rule 5 of Companies (Accounts) Rules, 2014 a statement containing salient features of the financial statements of the Company's subsidiaries, associate company and joint venture in **Form AOC-1** is attached to financial statement of the Company. Pursuant to provision of section 136, copy of separate financial statement of subsidiaries will be made available upon request of any Member of the Company who is interested in obtaining the same.

(c) The consolidated financial statements presented by the Company include financial statement of the Subsidiaries prepared in accordance with the applicable accounting standards.

(d) There are no material changes in the nature of business of the Company or any of its subsidiaries or associates.

7. CORPORATE GOVERNANCE

Your Company, being a value driven organization, believes in coherent and self-regulatory approach in the conduct of its business to achieve the highest levels of good corporate governance practices. Therefore, the Company in the interest of the Stakeholders, voluntarily complies with the requirements of Corporate Governance. A Report on Corporate Governance is attached separately to this Annual Report. The details of Committees of the Board, their composition, terms of reference and details of such committee meetings held are provided in Corporate Governance Report.

8. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review, is presented in a separate section which forms part of this Annual Report.

9. DIRECTORS AND KEY MANAGERIAL PERSONNELS OF THE COMPANY

(a) During the year under review;

i. There was no change in the composition of Board of Directors.

ii. Pursuant to the member's approval vide Postal Ballot obtained on 27th July 2020 the second term of appointment of Mr.N.D.Khurody (DIN: 00007150) and Mr. R.M.Premkumar (DIN: 00328942) respectively, as an Independent Directors of the Company, not liable to retire by rotation is modified and shall be for a period of 5 consecutive years from 27th September 2017 till 26th September 2022.

(b) Mr.Giridhar Rajagopalan (DIN: 02391515) and Mr. Akhil Kumar Gupta (DIN: 03188873), Directors of the Company are liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offer themselves for re-appointment.

(c) Pursuant to the recommendation of the Nomination and Remuneration Committee and subject to Members approval at the ensuing Annual General Meeting, the Board of Directors at its meeting held on 18th June, 2020 have re-appointed Mr.K.Subramanian (DIN: 00047592) as Executive Vice Chairman and Mr.S.Paramasivan (DIN: 00058445) as Managing Director for a further period of 3 (three) years with effect from 1st July 2020 upto 30th June 2023 respectively.

(d) At the Forty-Third Annual General Meeting held on 26th September 2019, the members of the Company had re-appointed and revised remuneration of Mr.Giridhar Rajagopalan (DIN: 02391515) as Executive Director (Technical) and Mr. Akhil Kumar Gupta (DIN: 03188873), Executive Director (Operations) for a period of 3 years from 1st July 2019 to 30th June 2022. Pursuant to the recommendation of the Nomination and Remuneration Committee and subject to Members approval at the ensuing Annual General Meeting, the Board of Directors at its meeting held on 18th June, 2020 have varied the terms of remuneration of Mr. Giridhar Rajagopalan and Mr. Akhil Kumar Gupta with regard to contribution to provident fund, superannuation fund and Gratuity for the remaining tenure of appointment. All other terms of appointment and remuneration of Mr. Giridhar Rajagopalan and Mr. Akhil Kumar Gupta as approved by the members at the aforesaid Forty-Third Annual General Meeting remains unchanged

(e) Details of proposal of the above appointment, re-appointment and variation in terms of remuneration are mentioned in the Notice of the Forty-Fourth Annual General Meeting.

10. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company's policy on Directors' appointment and remuneration and other matters provided in section 178(3) of the Act is posted on the website of Companies at https://www.afcons.com/sites/default/files/2018-10/NRC%20Policy.pdf. Kindly refer to the heading "Nomination and Remuneration Committee" in the Corporate Governance Report for matters relating to constitution, meetings, functions of the Committee and salient features of the Policy.

11. STATEMENT ON EVALUATION OF PERFORMANCE OF DIRECTORS

Pursuant to the provisions of the Act, the Board has carried out the annual performance evaluation of its own performance, Board Committees and that of Individual Directors of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

12. DECLARATION FROM INDEPENDENT DIRECTORS

The Board has received declarations from the Independent Directors as per the requirement of section 149(7) of the Act, that there has been no change in the circumstances which may affect their status as Independent Director during the year and the Board is satisfied that the Independent Directors meet the criteria of independence as mentioned in section 149(6) of the Act.

13. MEETINGS OF BOARD

Three (3) meetings of the Board were held during the financial year on 24th June 2019, 26th September, 2019 and 24th December 2019. The Board meeting scheduled on 31st March 2020 could not be convened due to the nationwide lockdown announced in the wake of COVID-19 pandemic. Pursuant to the General Circular no.11/2020 dated 24th March 2020 of the Ministry of the Corporate Affairs, Government of India **("MCA Circular")** granting one time relaxation to the Corporates by extending the time interval between two consecutive meetings of the Board from 120 days to 180 days, the Company has convened its Board meeting on 18th June 2020. The details of the meetings of the Board and committee thereof held during the financial year is given in the Corporate Governance Report which forms part of this Annual Report. The intervening gap between the meetings was within the period prescribed under the Act and the aforesaid MCA circular.

14. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 134 of the Act, your Directors hereby state and confirm that:

i. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

ii. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. the Directors had prepared the annual accounts on a going concern basis; and

v. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. QUALITY, HEALTH, SAFETY & ENVIRONMENT

The Company firmly believes that the pursuit of excellence is one of the most critical components for a competitive success. With Quality, Health, Safety & Environment being an essential part of the Company's policy, it strives to deliver services by maintaining the highest level of Quality, Health, and Safety & Environmental Standards.

The policy of the Company is to conduct its construction business through an established Quality, Health, Safety & Environmental (QHSE) Management System, which aims to achieve customer satisfaction and in the process a continual improvement of Company's competencies and competitiveness.

The Company is certified for ISO 9001:2015 for Quality management System, ISO: 14001:2015 & ISO 45001:2018 for Occupational Health Safety & Environment Management System. All the three systems are well established, documented, implemented and maintained across the Company.

The Company has a commendable record in terms of safety at our various project sites and has received awards as well as appreciation letters from some of our Clients and other domestic and international Associations which are detailed below:

i. British safety Council has issued International Safety Awards for several project sites of the Company.

ii. Royal Society for Prevention of Accident has issued International Safety Awards for several project sites of the Company.

iii. National Safety Council (Maharashtra Chapter) has issued Certificate of merit to Nagpur Metro Reach-3 project and for Industrial Safety to Butiburi Workshop.

iv. Confederation of Indian Industries has awarded:

   a. Runner up of HSE Excellence Award 2019 for KRCL Bridge Project.

   b. CSD Leadership award in Health & Safety for Ahmedabad Metro Rail Project.

   c. HSE Excellence & 5 star Award 2019 for Kolkata Metro Rail Project.

v. Indian Chamber of Commerce has issued Environment Excellence Award for EPC Marine Facility project Gopalpur.

vi. Synnex group has issued Construction Company of the year 2019 award in HSE Excellence category.

vii. Forum of Behavioral Base safety has awarded Behavioural Base Safety Award 2019 for EPC Marine Facility Project Gopalpur.

These milestones are the reflections of the strict HSE standards followed at the worksite and the commitment of AFCONS' management towards Quality, Health, Safety & Environment.

16. AWARDS AND RECOGNITIONS

During the year, the Company has received several awards and recognitions, some of which are detailed below:

i. Best Employer Brand Award 2019 at the sixth Africa Best Employer Brand Awards by World HRD Congress.

ii. Best Employer in Bhutan at the 14th Employer Branding Awards.

iii. Most Innovative Knowledge Enterprise (MIKE) Award at Global, Asia and India levels in 2019 for its Knowledge Management practices for the second year in a row. This is a successor of the Most Admired Knowledge Enterprise (MAKE) Award, which the Company won in 2016 and 2017 and MIKE 2018 and 2019 awards successively for four years.

iv. Top-Ranked International Contractor by ENR (Engineering News Record) and the Second Fastest Construction Company (Large Category) two awards won at the 17th Construction World Awards.

v. Runners-up award for Infrastructure Company of the Year at the Construction Week India 2019 Annual Awards.

vi. Dun & Bradstreet Awards in Best Railways and Metro Project category for Nagpur Metro Reach-3. This is the third year in a row Company has won this prestigious award.

vii. National Awards to Ms.Bhakti Prasad, Director- HR of the Company, for being the only woman HR leader in the infrastructure industry. She was also named among 101 Fabulous HR Leaders (India) by the World HRD Congress.

viii. ASSOCHAM (Associated Chambers of Commerce and Industry of India) has conferred three awards:

   - Equal Opportunity Enabler Award for Afcons.
   - Outstanding Leadership Award for Ms Bhakti Prasad, Director-HR.
   - Best Talent Management Award for Mr Abhijit Kamthe, Senior Manager-HR.

ix. Public Relations Council of India has at its 14th Global Communication Conclave organised has conferred four awards:

- Chanakya Award to Afcons under category Global Indian Company of the Year.
- Chanakya Award to Mr Bivabasu Kumar, Head-Corporate Communications won the Communicator of the Year (External Communication).
- Award in Best Documentary Category.
- Award in Best English Newsletter Category.

x. Two awards at the 2020 Corporate Communication & PR Excellence Awards.

- AFCONS' Corporate website won the Best Corporate Website of the Year trophy.
- Mr Bivabasu Kumar, Head-Corporate Communications was named the Most Creative Corporate Communications Professional of the Year.

xi. Special Appreciation Award for 'Achievement in Bridges or Tunneling Projects' in the 2nd edition of Rail Analysis India Summit.

17. AUDITOR AND AUDITOR'S REPORT

(a) STATUTORY AUDITORS AND THEIR REPORT

Price Waterhouse Chartered Accountants LLP, Chartered Accountant (ICAI Firm Registration no. 012754N/N500016) **("PWC")** was appointed as one of the Joint Statutory Auditors of the Company at the Forty-First Annual General Meeting held on 27th September, 2017 for a period of five years till the conclusion of the Forty-Sixth Annual General Meeting.

HDS & Associates LLP, Chartered Accountants (ICAI registration no.W100144) **("HDS")** was appointed as one of the Joint Statutory Auditors of the Company at the Fortieth Annual General Meeting held on 29th September, 2016 for a period of five years till the conclusion of the Forty-Fifth Annual General Meeting.

Pursuant to Companies (Amendment) Act, 2017, the provision regarding ratification of appointment of auditors at every annual general meeting by the members is removed vide notification dated 7th May 2018. Therefore, both PWC and HDS continues to hold office up to the conclusion of Forty-Sixth and Forty-Fifth Annual General Meeting respectively without any ratification of their appointment.

PWC and HDS have provided their respective consent, certificates and declarations as required under Section 139 and 141 of the Act and Companies (Audit and Auditors) Rules, 2014.

The Statutory Auditor's Report on the Accounts of the Company for the financial year ended 31st March 2020 does not contain any qualifications.

(b) SECRETARIAL AUDITORS AND THEIR REPORT

Pursuant to Section 204 of the Act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed M/s. Parikh Parekh & Associates, Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2019-20. The report of the Secretarial Auditor is enclosed as **Annexure I** to this Report. The observation made by the Secretarial Auditor in their report is self-expalantory. The Secretarial Audit Report does not contain any other qualifications, reservation or adverse remark. The Company has complied with the Secretarial Standards as applicable to the Company pursuant to the provisions of the Act. The Company has proper system and process to ensure compliance with the provision of all applicable secretarial standards issued by the Institute of Company Secretaries of India and such system are adequate and operating effectively.

(c) COST AUDITOR

In terms of Section 148 of the Act, read with Companies (Cost records and audits) Rules, 2014, as amended, your Company is covered under the ambit of mandatory cost audit.

On recommendation of the Audit Committee, the Board of Directors has re-appointed M/s.Kishore Bhatia & Associates, Cost Accountant (Firm Registration no. 00294) as the Cost Auditors, to carry out the cost audit for the Company in relation to the financial year from 1stApril, 2020 to 31stMarch, 2021. The Company has received consent from M/s.Kishore Bhatia & Associates for their re-appointment. The members consent is being sought at the ensuing Annual General Meeting for ratification of the remuneration of the Cost Auditor for the financial year 2020-21.

18. INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

Your Company has adopted accounting policies which are in line with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 that continue to apply under Section 133 and other applicable provisions, if any, of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 1956, to the extent applicable.

During the year under review, no fraud was reported by the Auditors to the Board of Directors.

19. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of section 124 of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 **("the Rules")** and other applicable provisions if any, the Company is required to transfer the amount of unclaimed/unpaid dividend lying with the Company to Investor Education and Protection Fund **("IEPF")** established by the Central Government. Also,the shares in respect of which dividend is unclaimed for 7 consecutive years, is required to be transferred to IEPF Authority.

The Company has been regularly sending communications to shareholders whose dividends are unclaimed, requesting them to provide/update bank details with RTA/Company, so that the dividends paid by the Company are credited to their account on time. Also, all efforts have been made by the Company in co-ordination with the Registrars to locate the shareholders who have not claimed their dividend.

Despite several reminders to the shareholders vide registered post at their registered postal addresses and also through newspaper advertisements calling upon the shareholders to claim their unclaimed dividends, there were 46 shareholders who haven't claimed dividend aggregating to ₹ 27,216/- (Rupees Twenty Seven thousand Two hundred and Sixteen only) for the financial year 2012-13 and which remained unclaimed for seven years as on 19th May 2020. Also, 17 shareholders holding in aggregate 3080 equity shares (constituting 0.004% of the total equity shareholding) haven't claimed dividend for seven consecutive years from the financial year 2012-13. Hence, the aforesaid unclaimed dividend of ₹ 27,216/- and 3080 equity share have to transferred to IEPF Authority.

Due to nationwide lockdown resulting from COVID-19 pandemic, Ministry of Corporate Affairs, Government of India **("MCA")** vide its General Circular No.16/2020 dated 13th April, 2020 has provided relaxations to the corporates to comply with the filing of the requisite e-forms with MCA for the transfer of unclaimed dividend to IEPF till 30th September 2020.The Company is in the process of transferring the aforesaid unclaimed divided for the financial year 2012-13 and the aforesaid shares to the IEPF.

Subsequent to the transfer of unclaimed dividend and shares, all corporate benefits accruing on such shares including dividend on such shares shall be credited to IEPF. The concerned equity shareholders can claim their aforesaid unclaimed dividend / shares along with the dividend(s) by making an application to IEPF Authority in accordance with the procedure available on www.iepf.gov.in and on submission of such documents as prescribed under the IEPF Rules.

20. PARTICULARS OF EMPLOYEES

In terms of the Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, the name and other particulars of the employees are enclosed to this Annual Report.

21. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

(a) Conservation of energy

Whenever you save energy, you not only save money, you also reduce the demand for such fossil fuels as coal, oil, and natural gas. Less burning of fossil fuels also means lower emissions of gases such as CO2, CO, HFC etc., the primary contributor to global warming, and other pollutants.

i. The Company is continuing its effort to convert all sites from fossil power to grid power thereby minimizing the carbon foot print.

   This has been implemented to all sites as per feasibility. The total conversion of fossil power of 58.65 MVA by Grid power of 21.64 MVA considering the sites. The reduction GHG (Green House Gas) emission by 20429 tonnes.

ii. The steps taken by the company for utilizing alternate sources of energy - NIL

iii. The capital investment on energy conservation equipment - NIL

(b) Technology absorption

1. KWH meter become mandatory in all New and old panels installed at site to monitor energy consumption parameter, the work is in progress.

2. i. Automatic power factor correction panels installed at all sites where grid power is available used for maximum utilization of Energy.

   ii. Replacement of Fluorescent Light fixtures with LED light fixtures at Afcons House building renovation to save energy and enhance life of fixtures, work completed.

   iii. At sites, we have started implementing LED light fixtures for Area lighting & office area instead of Fluorescent Light fixtures

3. Imported technology (imported during the last three years reckoned from the beginning of the financial year) – NIL

(c) FOREIGN EXCHANGE EARNING AND OUTGO (Standalone) (₹ in crores)

	Current year	**Previous year**
Earnings	3,805.21	2,325.94
Outgo	2,991.68	1,971.85

22. PARTICULARS OF LOANS GUARANTEES OR INVESTMENTS

The Company is exempt from the provisions of section 186 of the Act, except sub-section (1), pertaining to loans, guarantees and securities as the Company is engaged in the business of providing infrastructure facilities. In view of non-applicability of section 186 of the Act, the details required to be made thereunder in the financial statements are not applicable in relation to loan made, guarantee given or security provided. The investments covered under the provisions of section 186 of the Act, are disclosed in the financial statements.

23. RELATED PARTY TRANSACTIONS

All related party transactions that were entered during the financial year 2019-20 were on an arm's length basis and were in the ordinary course of business. All related party transactions are placed before the Audit Committee for approval.

In terms of section 134(3)(h) read with section 188(2) of the Act, there are no material related party transactions entered by your Company during the year, that individually or taken together with previous transactions during a financial year, exceed the prescribed limits under Rule 15(3) of Companies (Meeting of Board and its Powers) Rules, 2014, as amended. Accordingly, there being no information to be disclosed in AOC-2 format, the same is not enclosed. The disclosure of related party transactions is made in the financial statements of the Company.

24. EXTRACT OF THE ANNUAL RETURN

The details forming part of the extract of Annual Return as on 31st March, 2020 in prescribed form MGT - 9 is enclosed as **Annexure II** to this Report.

25. VIGIL MECHANISM POLICY

In accordance with section 177(9) of the Act, read with rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014, the Company has established a Vigil Mechanism Policy to provide a framework for responsible whistle blowing and for adequate safeguards against victimization of persons who use such mechanism. The said vigil mechanism policy is available on the website of the Company at https://www.afcons.com/sites/default/files/2018-10/Vigil%20Mechanism%20Policy.pdf.

26. RISK MANAGEMENT

The Company has in place a Risk Management Committee to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business and to ensure sustainable business growth with stability. The Company has formulated and implemented a Risk Management Policy. There is no risk identified which in the opinion of the Board may threaten the existence of the Company.

27. CORPORATE SOCIAL RESPONSIBILITY

The Company is committed to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical. The Company has framed Corporate Social Responsibility (CSR) Policy. A brief outline of the CSR Policy of the Company and the initiatives undertaken by the Company on CSR activities during the financial year is enclosed as Annexure III to this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy is available on the website of the Company at https://www.afcons.com/sites/default/files/2018-10/CSR%20Policy.pdf.

28. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In compliance with the provision of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has in place policy for protection of the rights of Women at Work place. An Internal Complaints committee has also been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The Company periodically conducts sessions for employees across the organization to build awareness about the Policy and the provisions of Prevention of Sexual Harassment Act.

During the year under review, no complaints pertaining to sexual harassment were received by the Company.

29. OTHER DISCLOSURES/REPORTING

a) No disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:
   - Issue of equity shares with differential rights as to dividend, voting or otherwise.
   - Buyback of shares.
   - Scheme of provision of money for the purchase of Company's own shares by employees or by trustees for the benefit of employees
   - Employee Stock Options Scheme.
   - Invitation or Acceptance of fixed Deposit from public or shareholders.
   - Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
   - Neither the Managing Director nor the Whole-Time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

b) There are no significant and material orders passed by the regulator or courts or tribunal impacting the going concern and its operation in future.

c) There is no material change or commitments after closure of the financial year till the date of the report.

30. ACKNOWLEDGEMENT

Your Directors would like to acknowledge with gratitude the continued support and co-operation received by the Company from its Clients, Bankers, Financial Institutions, Government authorities, Employees and its valued Investors.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

S.P.MISTRY
DIN:00010114
CHAIRMAN

Place: Mumbai
Date: 26th August, 2020

Annexure I to Board's Report

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020

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

To,
The Members,
Afcons Infrastructure Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Afcons Infrastructure Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information to the extent provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by The Ministry of Corporate Affairs warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March, 2020, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2020 according to the applicable provisions of:

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

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

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

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

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

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable to the Company during the audit period)

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not applicable to the Company during the audit period)

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; (Not applicable to the Company during the audit period)

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)

(vi) Other laws applicable specifically to the Company namely:-

   1. Contract Labour (Regulation and Abolition) Act, 1970
   2. The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996
   3. Contract Labour (Regulation and Abolition) central rule, 1971

We have also examined compliance with the applicable clauses of the following:

Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings which have been generally complied by the Company.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above except filing of a form MGT-14 with ROC in respect of the board resolution.

We further report that:

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

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

We further report that there are systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines etc.

We further report that during the audit period the following event occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc:

- Redemption of 9.87%, 500, Non-Convertible Debenture of ₹ 10,00,000/- each aggregating to ₹ 50,00,00,000/-

For Parikh Parekh & Associates
Company Secretaries

Sd/-
Mohammad Pillikandlu
Partner

Place: Mumbai
Date : August 26, 2020

FCS No: 10619 CP No: 14603
UDIN: F010619B000621911

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

'Annexure A'

To,

The Members

Afcons Infrastructure Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Parikh Parekh & Associates
Company Secretaries

Sd/-
Mohammad Pillikandlu
Partner

Place: Mumbai
Date : August 26, 2020

FCS No: 10619 CP No: 14603
UDIN: F010619B000621911

Annexure II to Board's Report

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2020

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	U45200MH1976PLC019335
Registration Date	22.11.1976
Name of Company	Afcons Infrastructure Limited
Category/ Sub-Category of the Company	Public Company limited by Share Capital / Indian Non-Government Company
Address of the Registered office and contact details	Afcons House, 16, Shah Industrial Estate, Veera Desai Road, Azad Nagar, P.O., Andheri West, Mumbai-400053 Tel.: +91 22 67191000 Fax: +91 22 26730027 / 1031 / 0047 Email id: gaurang@afcons.com Website : www.afcons.com
Whether Listed company	No
Name, Address and Contact details of Registrar and Transfer agent, if any	Cameo Corporate Service Limited Subramanian Building, 1 Club House Road, Chennai-600002 Tel.no.: 044-28460390 Fax no.: 044-28460129 Email id.: afcons@cameoindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

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

Sr. No.	Name and Description of main products /services	NIC Code of the product / service	% of total turnover of the company
1.	Construction Activities	41001, 42101, 42102, 42201,	100

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN /GLN	Holding / Subsidiary / Associate	% of shares Held *	Applicable section
1.	Shapoorji Pallonji and Company Private Limited 70 Nagindas Master Road, Fort , Mumbai-400023	U45200MH1943PTC003812	Holding	68.23%	2(46)
2.	Hazarat & Company Private Limited Warden House, Sir P.M.Road, Mumbai-400023	U74999MH1982PTC028701	Subsidiary	100%	2(87)(ii)
3.	Afcons Corrosion Protection Private Limited Afcons House, 16,Shah Industrial Estate, Veera Desai Road, Andheri West, Mumbai-400053	U28920MH1985PTC036876	Subsidiary	100%	2(87)(ii)
4.	Afcons Hydrocarbons Engineering Private Limited (formerly Afcons Offshore and Marine Services Private Limited) Afcons House, 16,Shah Industrial Estate, Veera Desai Road, Andheri West, Mumbai-400053	U11101MH1984PTC032807	Subsidiary	100%	2(87)(ii)
5.	Afcons Construction Mideast LLC Suite #1203, Platinum Business Centre, Bagdad Street, Al Nadha, Dubai, UAE	-	Subsidiary	49%	2(87)(i)
6.	Afcons Gulf International Projects Services FZE P O Box 4835, Fujairah, UAE	-	Subsidiary	100%	2(87)(ii)
7.	Afcons Infrastructures Kuwait for Building, Roads and Marine Contracting WLL 14th Floor, Unit A,Olympia Tower, Salmiya Gulf Road, Kuwait City	-	Subsidiary	49%	2(87)(i)
8.	Afcons Mauritius Infrastructure Limited 4th Floor, C.A. Building,19, Poudriere Street, Port Louis, Mauritius	-	Subsidiary	100%	2(87)(ii)
9.	Afcons Overseas Singapore Pte Ltd. 33, UBI Avenue 3, #08-68 Vertex, Singapore 408868	-	Subsidiary	100%	2(87)(ii)
10.	Afcons Infra Projects Kazakhstan LLP Office#509-510,15 Satpaeva Avenue, Republic Square, Almaty 050013, Republic of Kazakhstan	-	Subsidiary	100%	2(87)(ii)
11.	Afcons Sener LNG Construction Projects Pvt.Ltd. Afcons House, 16,Shah Industrial Estate ,Veera Desai Road, Andheri West, Mumbai-400053	U45400MH2015PTC260889	Associate	49%	2(6)
12.	Afcons Overseas Project Gabon SARL Ancien Sobraga, Face entrée Clinique Union Medicale, Rez-de-Chaussee, Imeduble de Iimprimerie, BP20211, Libreville (Gabon)	-	Subsidiary	100%	2(87)(ii)
13.	Afcons Saudi Construction LLC. BO 16560, Riyadh 11474, Riyadh, KSA	-	Subsidiary	95%	2(87)(i)

*** Considered percentage of Equity share capital**

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

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b)Central Govt.	-	-	-	-	-	-	-	-	-
c)State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	49101742	21048429	70150171	97.4710	70153981	-	70153981	97.4763	0.0053
e) Banks /FI	-	-	-	-	-	-	-	-	-
f) Any Other.	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):	49101742	21048429	70150171	97.4710	70153981	-	70153981	97.4763	0.0053
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other.	-	-	-	-	-	-	-	-	-
Sub-total (A) (2) :	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1) +(A)(2)	49101742	21048429	70150171	97.4710	70153981	-	70153981	97.4763	0.0053
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks /FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1) :	-	-	-	-	-	-	-	-	-
(2) Non- Institutions									
a) Bodies Corp.									
i) Indian	-	50000	50000	0.0694	-	50000	50000	0.0694	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 Lakh	140128	180219	320347	0.4451	152908	163629	316537	0.4398	(0.0053)
ii) Individual Shareholders holding nominal share capital in excess of ₹1 Lakh	131744	16549	148293	0.2060	131744	0	131744	0.1830	(0.0230)
c) Others (specify)									
Director and their relatives	110057	0	110057	0.1529	110057	0	110057	0.1529	-
Non Resident Indians	0	0	0	0.0000	16549	0	16549	0.0229	0.0230
Trusts	0	1191370	1191370	1.6553	0	1191370	1191370	1.6553	0.0000
Sub-total (B) (2) :	381929	1438138	1820067	2.5287	461258	1354999	1816257	2.5236	(0.0053)
Total Public Shareholding (B) = (B)(1) +(B)(2)	381929	1438138	1820067	2.5287	461258	1354999	1816257	2.5236	(0.0053)
C. Shares held by the Custodian for GDRs & ADRs									
Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
Public	-	-	-	-	-	-	-	-	-
Total Custodian (C)	-	-	-	-	-	-	-	-	-
Grand Total (A) +(B) +(C)	49483671	22486567	71970238	100.0000	70615239	1354999	71970238	100.0000	0.0000

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1.	SHAPOORJI PALLONJI & COMPANY PRIVATE LIMITED	49101742	68.2250	-	49105552	68.2303	17.2287	0.0053
2.	FLOREAT INVESTMENTS PRIVATE LIMITED	13015929	18.0851	-	13015929	18.0851	-	-
3.	HERMES COMMERCE PRIVATE LIMITED	4016250	5.5804	-	4016250	5.5804	5.5804	-
4.	RENAISSANCE COMMERCE PRIVATE LIMITED	4016250	5.5804	-	4016250	5.5804	5.5804	-
	Total	**70150171**	**97.4709**	**-**	**70153981**	**97.4762**	**28.3895**	0.0053

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1.	SHAPOORJI PALLONJI & COMPANY PRIVATE LIMITED				
	At the beginning of the year	49101742	68.2250	49101742	68.2250
	Purchase 13-Dec-2019	750	0.0010	49102492	68.2260
	Purchase 31-Jan-2020	1920	0.0026	49104412	68.2287
	Purchase 07-Feb-2020	640	0.0009	49105052	68.2296
	Purchase 14-Feb-2020	500	0.0006	49105552	68.2302
	At the end of the Year	49105552	68.2303	49105552	68.2303
2.	FLOREAT INVESTMENTS PRIVATE LIMITED				
	At the beginning of the year (in physical mode)	13015929	18.0851	13015929	18.0851
	Demated 26-Apr-2019				
	At the end of the Year (in demat mode)	13015929	18.0851	13015929	18.0851
3.	HERMES COMMERCE PRIVATE LIMITED				
	At the beginning of the year (in physical mode)	4016250	5.5804	4016250	5.5804
	Demated 25-Oct-2019				
	At the end of the Year (in demat mode)	4016250	5.5804	4016250	5.5804
4.	RENAISSANCE COMMERCE PRIVATE LIMITED				
	At the beginning of the year (in physical mode)	4016250	5.5804	4016250	5.5804
	Demated 25-Oct-2019				
	At the end of the Year (in demat mode)	4016250	5.5804	4016250	5.5804

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	Afcons Shareholding (Holiday Assistance) Trust No.1 Trustee: Homeyar Jal Tavaria* JT1 : S. Kuppuswamy JT2 : Firoze Kavash Bathena				
	At the beginning of the year	50000	0.0694	50000	0.0694
	At the end of the year	50000	0.0694	50000	0.0694
2.	Afcons Shareholding (Holiday Assistance) Trust No.2 Trustee: Homeyar Jal Tavaria* JT1 : S. Kuppuswamy JT2 : Firoze Kavash Bathena				
	At the beginning of the year	50000	0.0694	50000	0.0694
	At the end of the year	50000	0.0694	50000	0.0694
3.	Afcons Shareholding (Holiday Assistance) Trust No.3 Trustee: Homeyar Jal Tavaria* JT1 : S. Kuppuswamy JT2 : Firoze Kavash Bathena				
	At the beginning of the year	50000	0.0694	50000	0.0694
	At the end of the year	50000	0.0694	50000	0.0694
4.	Afcons Shareholding (Educational Assistance) Trust No.1 Trustee: Homeyar Jal Tavaria* JT1 : S. Kuppuswamy JT2 : Firoze Kavash Bathena				
	At the beginning of the year	50000	0.0694	50000	0.0694
	At the end of the year	50000	0.0694	50000	0.0694
5.	Afcons Shareholding (Educational Assistance) Trust No.2 Trustee: Homeyar Jal Tavaria* JT1 : S. Kuppuswamy JT2 : Firoze Kavash Bathena				
	At the beginning of the year	50000	0.0694	50000	0.0694
	At the end of the year	50000	0.0694	50000	0.0694
6.	Afcons Shareholding (Educational Assistance) Trust No.3 Trustee: Homeyar Jal Tavaria* JT1 : S. Kuppuswamy JT2 : Firoze Kavash Bathena				
	At the beginning of the year	50000	0.0694	50000	0.0694
	At the end of the year	50000	0.0694	50000	0.0694
7.	Afcons Shareholding (Health Promotion) Trust No.1 Trustee: Homeyar Jal Tavaria* JT1 : S. Kuppuswamy JT2 : Firoze Kavash Bathena				
	At the beginning of the year	50000	0.0694	50000	0.0694
	At the end of the year	50000	0.0694	50000	0.0694
8.	Afcons Shareholding (Health Promotion) Trust No.2 Trustee: Homeyar Jal Tavaria* JT1 : S. Kuppuswamy JT2 : Firoze Kavash Bathena				
	At the beginning of the year	50000	0.0694	50000	0.0694
	At the end of the year	50000	0.0694	50000	0.0694
9.	Afcons Shareholding (Health Promotion) Trust No.3 Trustee: Homeyar Jal Tavaria* JT1 : S. Kuppuswamy JT2 : Firoze Kavash Bathena				
	At the beginning of the year	50000	0.0694	50000	0.0694
	At the end of the year	50000	0.0694	50000	0.0694
10.	Afcons Shareholding (General Assistance) Trust No.1 Trustee: Homeyar Jal Tavaria* JT1 : S. Kuppuswamy JT2 : Firoze Kavash Bathena				
	At the beginning of the year	50000	0.0694	50000	0.0694
	At the end of the year	50000	0.0694	50000	0.0694

* ceased to be Trustee with effect from 31st December 2019

v) ***Shareholding of Directors and Key Managerial*** *Personnel:*

Sr. No.	Name of the Directors	Shareholding at beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	Mr. S. P. Mistry				
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	-	-	-	-
	At the end of the year	-	-	-	-
2.	Mr. Pallon S Mistry				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.,)	-	-	-	-
	At the end of the year	-	-	-	-
3.	Mr. N. D. Khurody				
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	-	-	-	-
	At the end of the year	-	-	-	-
4.	Ms. Roshen M Nentin				
	At the beginning of the year	3310	0.0045	3310	0.0045
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	-	-	-	-
	At the end of the year	3310	0.0045	3310	0.0045
5.	Mr. P. N. Kapadia				
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	-	-	-	-
	At the end of the year	-	-	-	-
6.	Mr. R. M. Premkumar				
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	-	-	-	-
	At the end of the year	-	-	-	-
7.	Mr. U. N. Khanna				
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	-	-	-	-
	At the end of the year	-	-	-	-
8.	Mr. K. Subramanian				
	At the beginning of the year	58208	0.0808	58208	0.0808
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	-	-	-	-
	At the end of the year	58208	0.0808	58208	0.0808
9.	Mr. S. Paramasivan				
	At the beginning of the year	26280	0.0365	26280	0.0365
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	-	-	-	-
	At the end of the year	26280	0.0365	26280	0.0365

Sr. No.	Name of the Directors	Shareholding at beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
10.	Mr. Giridhar Rajagopalan				
	At the beginning of the year	2400	0.0033	2400	0.0033
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	-	-	-	-
	At the end of the year	2400	0.0033	2400	0.0033
11.	Mr. Akhil Kumar Gupta				
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	-	-	-	-
	At the end of the year	-	-	-	-

Sr. No.	Name of the KMP	Shareholding at beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	Mr. Ashok G. Darak	760	0.0010	10	0.0000
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease- (sale of shares on 13.12.19)	750	0.0010	10	0.0000
	At the end of the year	10	0.0000	10	0.0000
2.	Mr. Gaurang Parekh				
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	-	-	-	-
	At the end of the year	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding /accrued but not due for payment (₹ in **crores)**

	Secured Loan	Unsecured Loan	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal amount	1,214.71	356.57	-	1,571.28
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	1.32	-	1.32
Total (i + ii + iii)	**1,214.71**	**357.89**	**-**	**1,572.60**
Change in indebtedness during the financial year				
• Addition	999.77	818.62	-	1,818.39
• Reduction	848.02	937.89	-	1,785.91
Net Change	**151.75**	**-119.27**	**-**	**32.48**
Indebtedness at the end of financial year				
i) Principal amount	1,366.46	238.62	-	1,605.08
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	**1,366.46**	**238.62**	**-**	**1,605.08**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. *Remuneration to Managing Director, Whole-Time Directors and /or Manager :*

A I. ***(₹ in lacs)***

Sr. No.	Particulars of Remuneration	Mr. K. Subramanian Executive Vice Chairman	Mr. S. Paramasivan Managing Director	Total Amount
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	358.64	315.92	**674.56**
	(b) Value of perquisites u/s 17 (2) of Income-tax Act, 1961	9.40	8.06	**17.46**
	(c) Profits in lieu of salary under section17(3) of Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			-
	- as % of profit	-	-	-
	- others, please specify	-	-	-
5.	Others, please specify	-	-	-
	TOTAL (A I)	**368.04**	**323.98**	**692.02**

A II. ***(₹ in lacs)***

Sr. No.	Particulars of Remuneration	Mr. Giridhar Rajagopalan - Executive Director (Technical)	Mr. Akhil Kumar Gupta - Executive Director (Operations)	Total Amount
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	195.15	187.52	**382.67**
	(b) Value of perquisites u/s 17 (2) of Income-tax Act, 1961	3.23	3.23	**6.46**
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			-
	- as % of profit	-	-	-
	- others, please specify	-	-	-
5.	Others, please specify	-	-	-
	TOTAL (A II)	**198.38**	**190.75**	**389.13**
	TOTAL (A I + A II)	**1,081.15**		
	Ceiling as per the Act #	**3,490.33**		

calculated @10% of the net profits of the Company under section 198 of the Companies Act, 2013.

B. *Remuneration to other Directors :*

1 Independent Directors ***(₹ in lacs)***

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. N. D. Khurody	Mr. R. M. Premkumar	Mr. P. N. Kapadia	
a.	Fees for attending Board/ Committee meetings	8.00	6.00	11.50	**25.50**
b.	Commission	**-**	**-**	**-**	**-**
c.	Others, please specify	**-**	**-**	**-**	**-**
	Total (1)	8.00	6.00	11.50	**25.50**

2. **Other Non-Executive Directors** *(₹ in lacs)*

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. S. P. Mistry	Mr. Pallon S. Mistry	Ms.Roshen M Nentin	Mr. Umesh Khanna	
a.	Fees for attending Board/ Committee meetings	4.00	3.00	3.00	6.50	**16.50**
b.	Commission	-	-	-	-	-
c.	Others, please specify	-	-	-	-	-
	Total (2)	4.00	3.00	3.00	6.50	**16.50**
	TOTAL B =(1+2)	**42.00**				
	Total managerial Remuneration*	**1,123.15**				
	Overall ceiling as per the Act^	**3,839.36**				

* Total Managerial Remuneration means Total remuneration to Managing Director, Whole- time Director and Other Directors (being Total of A and B)

^ Calculated @11% of the net profits calculated under section 198 of the Companies Act, 2013.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD : *(₹ in lacs)*

Sr. No.	Particulars of Remuneration	Key managerial Personnel		Total amount
		Mr. Ashok G. Darak, Chief Financial Officer	Mr. Gaurang M. Parekh, Company Secretary	
1.	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	105.71	35.20	**140.91**
	(b) Value of perquisites u/s 17 (2) Income-tax Act, 1961	1.69	0.22	**1.91**
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	
2.	Stock Option	-	-	
3.	Sweat Equity	-	-	
4.	Commission			
	- as % of profit	-	-	
	- others, please specify	-	-	
5.	Others, please specify	-	-	
	TOTAL	**107.4**	**35.42**	**142.82**

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

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

Annexure III to Boards' Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programmes	:	Afcons' CSR Policy aims at implementing its CSR activities in accordance with section 135 of the Companies Act, 2013 and the Rules thereunder. The CSR Committee shall periodically review the implementation of the CSR. CSR Policy is available on the website of the Company www.afcons.com/ web link: https://www.afcons.com/images/csrpolicy.pdf
2.	The Composition of the CSR Committee	:	Mr. K. Subramanian – Chairman Mr. P. N. Kapadia – Member Mr. Umesh Khanna – Member
3.	Average net profit of the Company for last three financial years	:	**₹ 40.35 crores** In terms of the definition of Net Profit provided in the Companies (Corporate Social Responsibility Policy) Rules 2014, the profits arising out of overseas branches have not been considered.
4.	Prescribed expenditure	:	**₹ 1.05 crores** (as detailed below)
	a. Two per cent.(2%) of the amount as in item 3 above (i.e. ₹ 40.35 cr)		₹ 80.70 lacs
	b. Un spent CSR for F.Y. 2018-19		₹ 24.00 lacs
5.	Details of CSR spent during the financial year 2019-20		**₹ 1.47 crores**
	a) Total amount to be spent for the financial year;	:	**₹ 1.05 crores**
	b) Amount unspent, if any;	:	**NIL**

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

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or Program wise (₹ in crores)	Amount spent on the project or Programs Sub Heads; (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount Spent: direct or through implementing agency
1.	Shrividya Peeta Samvardhana Sabha	Eradicating hunger, poverty and malnutrition amongst the underprivileged section of the society Schedule VII class (i) & Education Schedule VII clause (ii)	(1) Koppa (2) Karnataka	0.43	Direct Expenditure through corporate office	-	Direct
2.	Shri Jagadguru Badari Shankaracharya Samsthanam	Eradicating hunger, poverty and malnutrition Schedule VII class (i) & Education Schedule VII clause (ii)	(1) Koppa (2) Karnataka	0.65	Direct Expenditure through corporate office	-	Direct
3.	Tirumala Tirupati Devasthanam	Promoting health care including preventive health care by way of donation of Multi-specialty ambulance to the Temple for providing medical assistance to the devotee attending the temple. Schedule VII clause (i)	(1) Tirumala, Tirupati (2) Andhra Pradesh	0.22	Direct Expenditure through corporate office	-	Direct

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or Program wise (₹ in crores)	Amount spent on the project or Programs Sub Heads; (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount Spent: direct or through implementing agency
4.	Ashramshala School Project	Promoting education, including special education and employment enhancing Schedule VII clause (ii)	(1) Padare (2) Raigad District, Maharashtra	0.04	Direct Expenditure through corporate office	-	Direct
5.	Film Bug	Promoting education, including special education and employment vocational skills specially amongst underprivileged Children Schedule VII clause (ii)	(1) Mumbai (2) Maharashtra	0.09	Direct Expenditure through corporate office	-	Direct
6.	Phoenix Medical Systems Pvt Ltd	Providing equipments and devices for Blind peoples Schedule VII clause (ii)	(1) Mumbai (2) Maharashtra	0.04	Direct Expenditure through corporate office	-	Direct
	Total			**1.47**			

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report – **N.A.**
7. The implementation and monitoring of Corporate Social Responsibility policy are in compliance with CSR Objectives of the Company.

Sd/-
K. Subramanian
Din: 00047592
Executive Vice Chairman &
Chairman of the CSR Committee

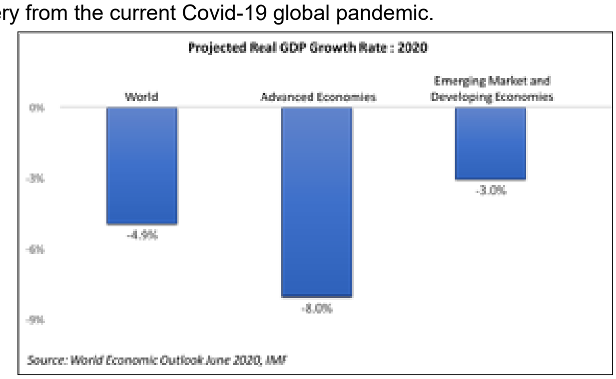
MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY: OVERVIEW

It is widely expected that the global economy will undergo a severe recession, unlike any other economic recessions post the Global Depression of 1930s. IMF predicts that global economy is expected to plunge into worst recession since the Great Depression, far worse than the recent Global Financial crisis 2009. *'The Great Lockdown'*, termed by IMF on the measures taken by countries to contain Covid-19 pandemic, estimates a total cumulative loss to global GDP over 2020 and 2021 at ~ $ 9 trillion – greater than the combined economies of Japan & Germany. Covid-19 pandemic is such an unprecedented event, experienced by most humans for the first time in their life with huge impact on all countries. The Covid-19 pandemic substantially differs from the past instances of economic downturns due to heightened uncertainty about future waves of SARS-CoV-2 virus, spread across most of the countries and impact on all businesses and strata of people.

Global economy is expected to enter in recession in 2020. Global economy, as per IMF, is projected to contract by 4.9% in 2020 due to the Covid-19 pandemic. There is extreme uncertainty surrounding the global growth forecast and it is difficult to predict economic fallout from Covid-19 due to the unpredictable nature of ongoing pandemic. Advanced economies – US, Europe, Japan growth is projected to turn negative substantially in 2020, –8%, as the virus outbreak in these countries is widespread and extreme containment measures are in place. In Emerging market and development economies, although the outbreak is not as severe as in advanced economies, GDP growth is forecasted to drop to –3% in 2020. These countries are handling severe health crisis, experiencing external demand shock and fall in commodity prices, and going through tightening of global financial markets.

The Global growth is expected to rebound in late 2020 / early 2021. Scientists across many countries are working hard to develop vaccine for Covid-19. Several vaccines candidates have started human trial phase and shown promising results. Pharmaceuticals companies are augmenting their manufacturing capabilities to meet huge demand across the globe. Several countries have started to lift stringent lockdowns and businesses are expected to gradually return to normalcy. Faster development of vaccine and gradual rise in business confidence can result in fast recovery from the current Covid-19 global pandemic.



INDIAN ECONOMY: OVERVIEW

Based on the initial estimates, India has grown by ~ 5% in FY 2019–20, dipping to a 11-year low GDP growth rate. This drop in GDP growth was primarily on account of deceleration in manufacturing, construction and agriculture sector. World Bank stated tighter credit conditions, insufficient credit availability and subdued private consumption were contributing to slowdown in economic activity in FY 2019–20.

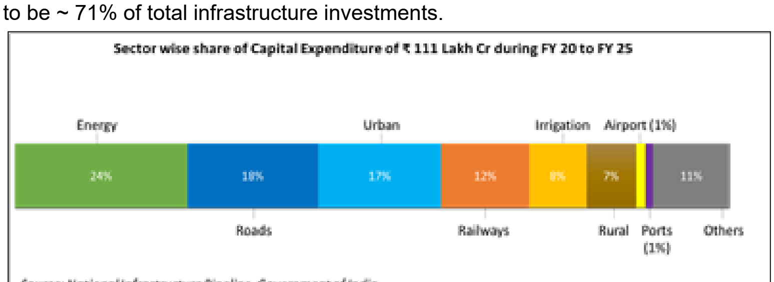
Ongoing Covid-19 pandemic has substantially derailed the Indian economy off the tracks. Indian government announced lockdown measures across the country to curtail the spread of virus and augment healthcare infrastructure. Economic activity was at standstill in the initial phase of lockdown, with businesses expected to return to normalcy gradually over several months. Considering the uncertain and evolving nature of pandemic, it has become highly difficult to forecast the exact impact on India economy and predict GDP growth rate for FY 2020–21. As per IMF, India is expected to contract by 4.5% this fiscal year and return to growth path with GDP growth of 6% in 2021-22. In case of negative growth, this will be first time for India since 1979 to witness such GDP growth rate. This reflects the highly uncertain situation in current financial year.

Union Budget FY 2020 – 21

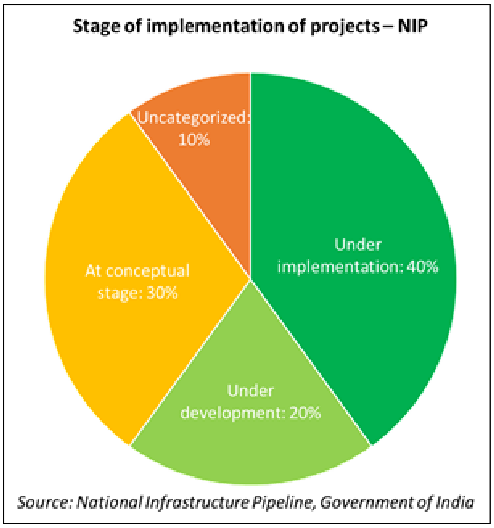
Government of India highlighted three prominent themes of Budget FY 2020–21: Aspirational India, Economic Development for all, and Caring society. Infrastructure continues to be a major contributor towards the theme of Economic Development for all. Essential to achieve a target of $5 trillion economy by 2025, National Infrastructure Pipeline was identified by Government of India.

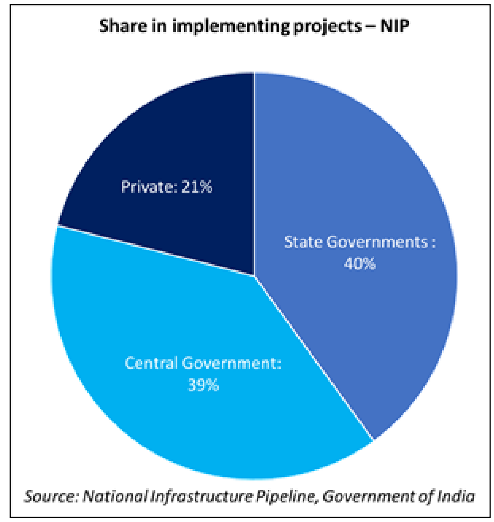
National Infrastructure Pipeline (FY 2019-20 to FY 2024-25)

Government of India has come up with a National Infrastructure Pipeline **(NIP),** a first of its kind government initiative to provide world class infrastructure across country and improve quality of life of all citizens. It aims to improve project preparation, attract investments – domestic and foreign into infrastructure and is extremely crucial to achieve target of $5 trillion economy by 2025. The total capital expenditure in infrastructure sectors in India as per NIP during FY 2020 to FY 2025 is projected ~ ₹ 111 lakh crores. Sectors like Energy, Roads, Urban and Railways are expected to be ~ 71% of total infrastructure investments.



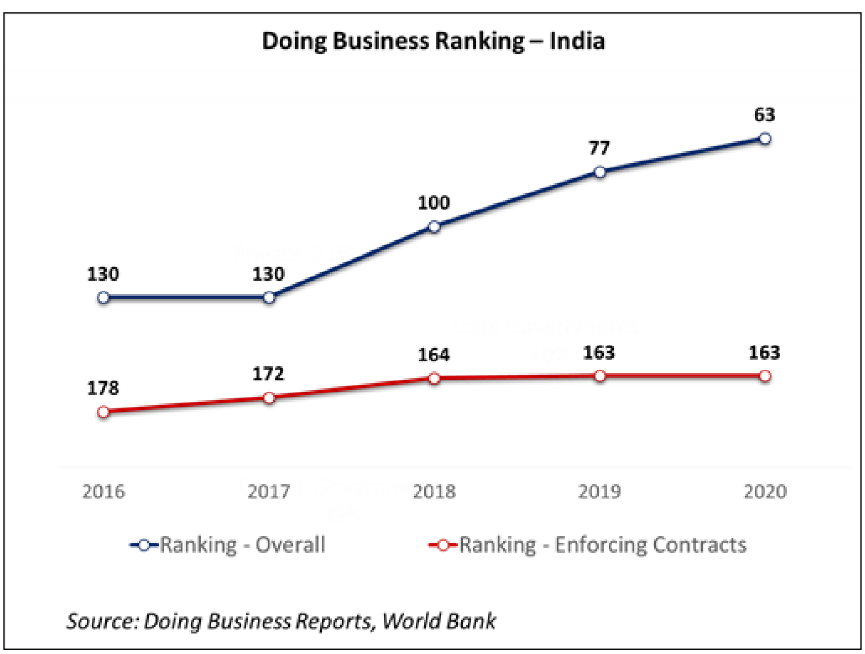
Of the total ₹ 111 lakh crores projects, ~ ₹ 44 lakh crores of projects are already under implementation, ₹ 34 lakh crores of projects under conceptualizations stage and additional ₹ 22 lakh crores worth of projects under development. State Governments (40%) and Central Government are expected almost similar share in implementing NIP, followed by 21% share from private players.





NIP has suggested various measures to finance projects through deepening corporate bond markets, municipal bonds, setting up of Dedicated Financials Institutions for infrastructure sector, accelerating monetization of Infrastructure assets, land monetization. NIP also recommended to set-up three committees: – a committee to monitor NIP progress and eliminate delays; a steering committee in each Infrastructure ministry level for following up implementation; and a steering committee in Department of Economic Affairs for raising financial resources for NIP.

India's rise in World Bank's 'Doing Business' rankings continued this year as well. India jumped 14 places and is ranked 63rd position among 190 countries in 'Doing Business 2020' rankings. India is among top 10 economies that improved most on the ease of doing business this year after implementing regulatory reforms. Starting a business, Dealing with construction permits and Resolving Insolvency are three major areas where India improved its ease of doing business rankings the most. However, India's abysmal performance on Enforcing Contracts parameter continued. India is ranked a dismal 163rd position in Enforcing Contracts this year, no improvement over its previous year performance.



INDIAN CONSTRUCTION INDUSTRY: STRUCTURE AND DEVELOPMENT

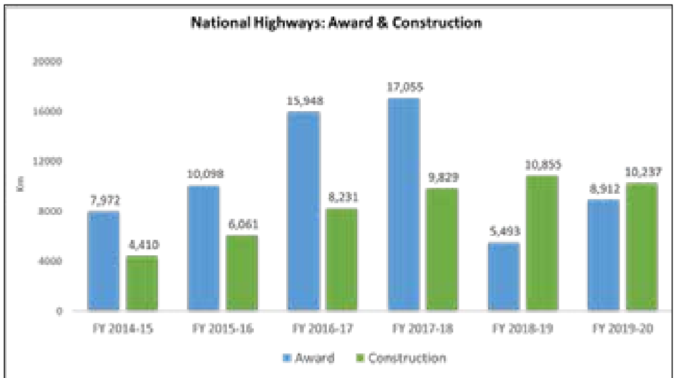
The Construction industry in India is the second largest employer, next to agriculture and is extremely crucial for economic growth. Indian construction industry contributes ~ 7% to GDP. There are numerous industries which are directly and indirectly dependent on the construction sector.

The Construction sector is projected to be ~ 14 lakh crores in FY 2019–20 as per advance estimates, National Accounts, Ministry of Statistics & Programme Implementation. Construction companies are expected to face a simultaneous decline in both demand and supply side on account of Covid-19 pandemic. Current level of high uncertainty, dismal business confidence levels, loss of income and possibility of diversion of government funds towards Covid-19 management is expected to severely impact investments in infrastructure projects.

SURFACE TRANSPORT

Roads

Historically, roads sector has significant share in overall infrastructure investment in India. NHAI accomplished construction of 3,979 km of national highways in FY 2019–20, an all-time high construction since its inception. Total 10,237 km of national highways were constructed in FY 2019 – 20 by NHAI, NHIDCL and MoRTH.



Source: Ministry of Road Transport & Highways (MoRTH)

Union Budget FY 20-21 allocated ₹ 91,823 crores towards total expenditure to Ministry of Road Transport and Highways for 2020–21, ~ 11% higher than previous financial year. Budget stated that accelerated development of highways would be undertaken which will include development of 2,500 km access control highways, 9,000 km of economic corridors, 2,000 Km of coastal and land port roads and 2,000 Km of strategic highways. Government also proposed to monetise at least 12 lots of highway bundles of over 6,000 km by 2024. As per the NIP, total capital expenditure of ~ ₹ 20 lakh crores by both Centre and states is expected between FY 2020 to FY 2025. For mitigating the impact caused by Covid-19 and stimulate economy, Union Minister for Highways & Roads stated that MoRTH has set a target of constructing roads worth ₹ 15 lakh crores over next two years.

NHAI is expected to lean more on private players for highways construction going forward. NHAI has set a target of building 4,500 km of highways in FY 2020–21. ~ 50% of projects are to be executed on EPC basis, 40% on HAM and ~ 5-10% on BOT model. However, there are various issues faced by contractors such as stuck up receivables, lengthy arbitration resolution, burdensome contractual conditions like 10-year DLP period, 1% delay payment. Government should proactively look in to resolve these issues for healthy highway sector and economic development of India.

Capital expenditure over FY 2020 to FY 2025 : Roads *(as per NIP)*

₹ Lakh Cr	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	Total
Centre	2.5	2.6	2.5	1.7	1.7	2.8	13.8
States	0.8	1.2	1.1	0.8	0.7	0.5	6.5
Total	**3.3**	**3.8**	**3.6**	**2.5**	**2.4**	**3.3**	**20.3**

Source: National Infrastructure Pipeline, Government of India

Railways

Indian Railways over the years has made significant investments to enhance safety, augment train speed, improve freight efficiency, enhance passenger amenities and ensure better connectivity. In Union Budget FY 2020 – 21, Government highlighted importance of railways towards economic development. Railways aims to achieve electrification of 27,000 km of tracks. Government proposed on setting up of a large solar power capacity alongside rail tracks, four station redevelopment projects and operation of 150 passenger trains on PPP mode. Government reiterated its commitment to actively pursue Mumbai–Ahmedabad High Speed Rail project.

According to NIP, total expenditures in railways infrastructure is expected to be ~ 13.6 lakh crores over FY 20 to FY 25. Out of the total 724 identified projects, 697 projects worth ~ ₹ 12 lakh crores will be implemented through EPC mode while remaining 27 projects worth ~ ₹ 1.6 lakh crores will be implemented through PPP mode.

Capital expenditure and Project details over FY 2020 to FY 2025 : Railways *(as per NIP)*

Category	No. of Projects	Capex over FY 20 to FY 25 (₹ Lakh Cr)
New lines / Gauge conversion	259	4.4
Capacity augmentation	266	2.5
Dedicated Freight Corridor	7	1.7
Rolling stock	31	2.8
High-speed rail	2	1.1
Others	159	1.2
Total	**724**	**13.6**

Source: National Infrastructure Pipeline, Government of India

MARINE & INDUSTRIAL

India ports sector is critical to economy as ~ 95% of trade activity by volume is carried out through maritime route. India has overall 12 major ports and 200+ minor ports. Over the years, public and private sector has invested in port sector to enhance port connectivity, modernise existing ports and boost port connectivity. Government has launched Sagarmala initiative in 2015 to promote port-led development and enhance port infrastructure. In Union Budget FY20-21, government stated to consider corporatizing at least one major port and its subsequent listing on stock exchanges. On the Inland waterways front, 890 km of Dhubri-Sadiya connectivity is planned to be completed by 2022.

NIP has identified total capital expenditure in port sector worth ₹ 1.2 lakh crores over FY 20 to FY 25. Projects include construction of a new port at Vadhavan, Maharashtra, building dry port at Nashik, Wardha and Jalna, enhancing evacuation capacity at major ports through building roads and rail connectivity and mechanisation of berths.

Capital expenditure over FY 2020 to FY 2025 : Port *(as per NIP)*

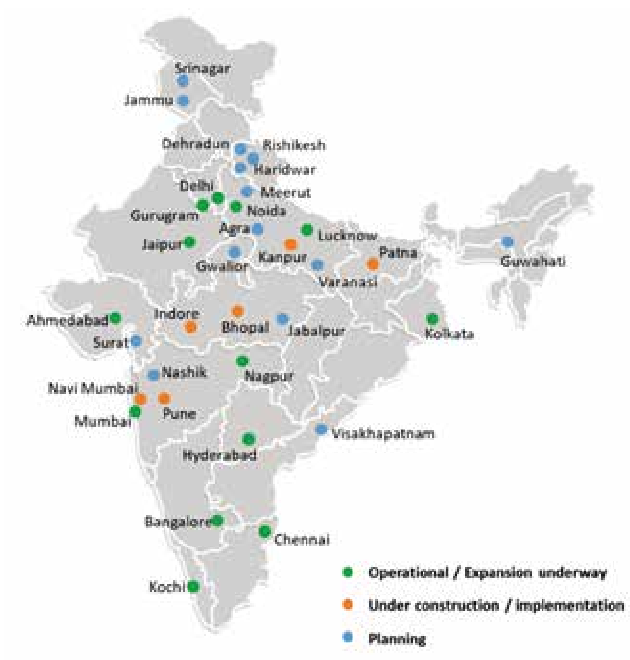
₹ Lakh Cr	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	Total
Centre	0.09	0.11	0.12	0.08	0.03	0.07	0.5
States	0.04	0.07	0.08	0.08	0.05	0.03	0.7
Total	**0.13**	**0.18**	**0.2**	**0.16**	**0.08**	**0.1**	**1.2**

Source: National Infrastructure Pipeline, Government of India

URBAN INFRASTRUCTURE

Metro rail are operational in 13 cities in India and a total 18 cities where Metro Rail Transit System (MRTS) is under construction. India has taken a target to have MRTS available in more than 50 cities by 2025. Government has also recommended to explore alternative transit system – Light Rail, Bus Rapid Transit System considering city population and economic viability.

As per NIP, Central Government has identified infrastructure investments of ~ ₹ 5.8 lakh crores in urban transport / MRTS over FY 20 to FY 25.



Metro in India

Disclaimer: Map not to scale

HYDRO & UNDERGROUND

Hydropower

According to Central Electricity Authority **(CEA)**, India is endowed with economically exploitable hydro-power potential of ~ 148 GW. In addition to this, there is a potential of 96 GW of pumped storage thereby bringing the total hydro power capacity in India including pumped storage to ~ 242 GW (as per 43rd report, Standing Committee on Energy, Ministry of Power). However, the share of hydro power is limited to ~ 13% in total power generation in India.

Government's decision to include hydro projects above 25 MW under renewable energy source would result in cheaper credit and financial assistance for such projects. Union Budget FY 20 -21 allocated ₹ 20,000 crores for power and renewable energy sector.

Water

Central government in association with state governments has identified water crisis as a major issue going ahead. Indian Government has announced four major schemes to resolve water crisis – Har Ghar Jal: Piped water supply for all; River Linking; Namami Gange; and Pradhan Mantri Krishi Sinchai Yojana **(PMKSY)**: Improving irrigation access. Government merged two water related ministries and formed a new Ministry of Jal Shakti to have a holistic approach on water sector in India.

As per NIP, overall capital expenditure of ~ ₹ 9 lakh crores by states and Centre is expected during FY 20 to FY 25 in Irrigation / water sector.

Capital expenditure over FY 2020 to FY 2025 : Irrigation *(as per NIP)*

₹ Lakh Cr	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	Total
Centre	0.4	0.6	0.5	0.5	0.3	0.2	2.5
States	0.7	1.4	1.2	0.9	0.9	0.5	5.6
Total	**1.1**	**2**	**1.8**	**1.4**	**1.2**	**0.7**	**8.1**

Source: National Infrastructure Pipeline, Government of India

OIL & GAS

India is second largest refiner in Asia with state owned entities having ~ 65% in total refining capacity. India is 3rd largest energy and oil consumer in the world after China and US and 4th largest importer of LNG. Oil & Gas sector is expected to attract $ 25 billion investments in exploration and production by 2022.

Indian government is developing strategy and road map to achieve the target of reducing oil import dependence by 10% by 2022. In line with this target, PSUs are expected to undertake significant investments in upstream sector. Various industry players have also lined up plans for refinery expansions and modernization on the onshore oil & gas segment.

GLOBAL CONSTRUCTION INDUSTRY

The Covid-19 pandemic is expected to severely impact the construction industry across the world. Based on the initial estimates, global construction industry is forecasted to grow by 0.9% in calendar year 2020 as per Fitch Solutions. Due to the uncertainty associated with the pandemic and possibility of potential virus outbreaks in the future, severe downside risks are present that can further undermine recovery of global construction industry and can even cause contraction of global construction output.

The Covid-19 pandemic and collapse in oil prices are detrimental to Middle East and North Africa (MENA) economic prospects. Many countries are forecasted to witness contraction in construction sector. The Government's ability to provide stimulus to construction sectors across MENA region remains uncertain, especially due to huge fall in oil prices. UAE construction is forecasted to contract by 1%, whereas Saudi Arabia construction sector is projected to fall by 1.7% as fresh awards of contracts are markedly slowed down. However, Egypt's construction market is expected to grow strongly by 7.5% in 2020.

IMF and World Bank, along with several other bilateral and multilateral financial institutions have mobilized ~ $ 57 billion towards Africa to fight covid-19 pandemic and ensure economies stay afloat. Going ahead, investment in infrastructure, especially towards roads and water are majorly expected across African countries. Sub-Saharan Africa expects to be second fastest growing construction market in 2020. East Africa, countries like Rwanda and Ethiopia will have high construction growth as these countries continue to invest in infrastructure projects focused on the theme of regional integration.

Construction activity across South and South east Asian countries is expected to drag down due to coid-19 crisis. Asian construction sector is expected to expand by 1.7% in 2020 as per Fitch Solutions. With subdued FDI in infrastructure sector, countries where infrastructure is more dependent on FDI such as Myanmar, Bangladesh, Sri Lanka, Cambodia are projected to be adversely affected. Several countries are expected to increase spending on developing infrastructure to stimulate economy once the covid-19 crisis slows down.

BUSINESS OVERVIEW

Afcons bagged new projects worth ₹ 7,350 crores in FY 2019–20, including L1 orders of approx ₹ 926 crores. Pending order book position of company as on 31st March 2020 stands at ₹ 29,156 crores (including above L1 orders of ₹ 926 crores). In line with company strategy of internationalization, significant portion of newer jobs were procured in overseas markets, across Africa, Middle East and South Asia. On the domestic front, Afcons won projects from PSUs, private companies on competitive basis. However, compared to previous year, FY 2019-20 witnessed decline in order booking primarily due to reduced tendering by Government and limited number of new projects by private clients.

Domestic market continues to be intensely competitive as newer players emerge and competes for limited number of orders. On the international markets, Afcons competes with reputed international E&C contractors and strives to achieve success based on business model of delivering projects on time and of high quality. Based on the existing order book, Afcons has a good revenue visibility for next 3 years and will continue to pursue projects that are technically challenging and complex.

Your Company's projects are well spread across countries – India, Africa, Middle East, South Asia. Even in India, projects are located across different states. Afcons' businesses are managed across business units and sub-segment, the projects are diversified and there is no dependence on one geography or a single business unit.

At the core of its strategy, your Company aims to become a Knowledge Enterprise. On its journey towards becoming a Knowledge Enterprise, Afcons has made substantial progress. Afcons won the MIKE (Most Innovative Knowledge Enterprise) award for three levels – Global, Asia and India in 2019. This is the fourth successive year when Afcons has won this prestigious award at all three levels – MAKE award (Most Admired Knowledge Enterprise, now discontinued and followed by MIKE award) in 2016 & 2017 and MIKE award in 2018 & 2019.

RISK AND CONCERNS

A. Global Events

- Uncertainty surrounding Covid-19 pandemic. Recurrent instances of virus outbreaks and subsequent containment measures implemented across the regions impacting operations.
- Prolonged pandemic and subsequent waves further pushing down economic recovery and deepening global recession. Significant uncertainty around intensity on fall in global GDP and shape of recovery – V shaped sharp rapid recovery or U shaped slow comeback or L shaped protracted challenge.
- Priority towards fighting covid-19 and building respective countries' healthcare can result in diversion of government allocated funds from infrastructure sector.
- Proclivity towards localization and favoring local companies can result in discouraging award of new projects to foreign companies.
- Disruption of global supply chain.
- Implementation of protectionist policies and waning of globalization can impact international trade and raise artificial barriers.
- Lockdowns and ban on air transport, nationals from certain countries can pose challenges in manpower mobilization and talent crunch.

- Political tension among countries, especially US and China surrounding trade and covid-19 blame game.
- Volatile nature of oil and commodities prices can severely limit governments' funding resources.

B. Domestic Events

- Subsequent waves of covid-19 and implementing of lockdown measures can significantly derail economic recovery in the second half of FY 2020 – 21.
- Future events of virus outbreaks can lead to lockdown and stoppage of operations.
- Indian Government's stimulus package for economic recovery from covid-19 can raise fiscal deficit thereby limiting funds available for infrastructure investments. Government's ability to fund and spend on infrastructure projects in coming year can be affected.
- Unfavorable contract negotiations regarding extension of time and cost reimbursements during lockdown period.
- Shortage of skilled and semi-skilled labour at construction sites due to large scale labour migration. In the short to medium terms margins can fall with rise in labour costs.
- Continued aversion by banks and financial institutions for lending towards EPC companies.
- Non-release of blocked up capital with government clients on account of arbitration and increased requirement of bank guarantees for new project award can severely worsen working capital position of contractors.
- Disruption of supply chain and possibility of increase in price of raw materials.

OUTLOOK

The Covid-19 pandemic is an unprecedented event in the history of mankind. There is significant risk that the global economy will undergo a great recession, worst recession since the Great Depression of 1930, mush severe than the recent Global Financial crisis of 2009. It is expected that Indian and World economies will continue to face impact from this pandemic for next 3-5 years. The Construction sector in most of the countries is likely to be impacted with varying intensity.

In the current year, your Company will work with utmost priority on business continuity. Afcons would continue its strategy to expand in overseas markets and would further strive to increase international operations. Your Company would continue its journey on becoming a Knowledge enterprise.

Your Company is confident to weather the storm of covid-19 post decent results even in such challenging times.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACIES

The Company is maintaining an effective system of internal control for facilitating accurate, reliable and speedy compilation of financial information, safeguarding the assets and interests of the Company and ensuring compliance with all laws and regulations. The internal control system is managed through continuous internal audit by external professionals who conduct audits of Project sites of the Company throughout the year to test the adequacy of the internal systems and suggest continual improvements. All significant audit observations and follow up actions are reported to the Audit Committee along with Internal Audit reports and managements responses/replies thereon. The operational control exists through well laid out system of checks and balances and hierarchy of reporting from site level to central management groups to the senior management and the Directors.

HUMAN RESOURCES DEVELOPMENT

Your Company continues to excel in the field of Human Capital management with unique practices in the Infrastructure Industry. The Company strives to achieve the highest levels of employee engagement with multiple focussed initiatives towards effective training and development of employees at various levels. The healthy status of the Company's human capital is evident from the trend analysis of achievement, higher productivity with stable employee numbers and sturdy attrition rate vis-a-vis industry competitors.

Our HR policy derives its mission statement from your Company and focuses on:

- **Transnational Presence**: The Afcons family presently comprises employees from 20+ nationalities at our projects in more than 13 countries. We believe in equal opportunity and gender equality. We strive to be an equal opportunity employer and at present, your Company employs more than 110 local women in overseas projects which is a rarity in the infrastructure industry.
- **Innovation**: We are fully equipped for the next level of Human Capital requirement with the digitisation of all processes in an employee lifecycle, starting from recruitment to separation.
- **Value Creation**: We strive to align employees with the strategy & goals of the organization. In a unique employee engagement initiative in 2019, employees were enlightened about the strategic direction of the organization and aligned with the organization's DNA.
- **Stakeholders**: Afcons and Afconians proactively and selflessly participate in community engagement activities. Many initiatives have been taken to boost employee morale & engagement like monthly project magazine – Anubandh and Wall-Of-Unity at all projects. We boasts of a healthy organic follower base (more than 2,00,000) on social media platforms like LinkedIn and YouTube due to a meaningful and enriching experience.

Our efforts towards Human Capital management have been widely appreciated in the infrastructure industry which is evident from various awards, recognitions conferred on the Company. During the year, Associated Chambers of Commerce and Industry of India (ASSOCHAM) conferred "Equal Opportunity Enabler Award" on the Company. Also, the Company has received "Africa' Best Employer Brand Award" and the award for "Best Employer in Bhutan" from the World HRD Congress in 2019. Ms. Bhakti Prasad, Director-HR was honoured for being the "only woman HR leader in the infrastructure industry". She was also named among "101 Fabulous HR Leaders (India)" by the World HR Congress. She is also the recipient of "Outstanding Leadership Award" from ASSOCHAM.

We continue to aspire to provide employees a professional, congenial, and safe work environment with opportunities for personal growth and development. We aspire to innovate and become a strong and positive influence offering a wholesome experience to everyone in the Afcons family.

CAUTIONARY STATEMENT

The statement in Management Discussions and Analysis describing the Company's operations and expectations are "forward looking statements". Actual results may differ owing to environmental dynamics.

REPORT ON CORPORATE GOVERNANCE

I. CORPORATE GOVERNANCE PHILOSOPHY

The Corporate Governance philosophy stems from our belief that corporate governance is a key element in improving efficiency and growth. The Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders in it thereby paving the way for its long term success.

II. BOARD OF DIRECTORS

a. Composition

As on 31st March, 2020 the Board of Directors of the Company comprised of 11 Directors out of which 4 are Executive Directors and the remaining 7 are Non-Executive Directors. The Chairman of the Board is Non-Executive Director and the Board consists of 3 Independent Directors. The composition of the Board is in conformity with the Companies Act, 2013 read with Rules issued thereunder.

All the Directors possess the requisite qualification & experience in Industry, Management, Finance, Research, Law and other allied fields enabling them to contribute effectively in their capacity as Directors of the Company.

b. Board meetings and Attendance

During the year 2019-20, Three (3) Board Meetings were held on 24th June 2019, 26th September, 2019 and 24th December 2019. The Board meeting scheduled on 31st March 2020 could not be convened due to the nationwide lockdown announced in the wake of COVID-19 pandemic.

The notices for the Board Meetings and the detailed agenda papers were circulated to all the Directors well in advance to enable them to attend and take an informed decision at the Meetings.

The minutes of the proceedings of each Board and committee meeting are properly recorded and entered into Minutes book.

There is effective post meeting follow-up, review and reporting process for decision taken by the Board.

None of the Directors are members of more than ten Board level committees nor are they Chairman of more than five committees in which they are members.

The name and category of the Directors on the Board, their attendance at the Board meetings during the year and at the last Annual General Meeting, as also the number of Directorship & Committee memberships held by them in other Companies are given below:

Name of the Director	Category	Total no. of Board Meetings during the year 2019-20		No. of other Directorship(s) in other Public co.[1]	No of Committee position held in other Public co.[2]		Whether attended last AGM held on 26.09.2019
		Held	Attended	Member	Chairman	Member	
Mr. S.P. Mistry	Chairman, Non-Executive Director	3	3	2	-	-	Yes
Mr. K.Subramanian	Executive Vice Chairman	3	2	-	-	-	No
Mr. N.D.Khurody	Independent Director	3	3	1	-	-	No
Mr. P.N.Kapadia	Independent Director	3	3	5	1	5	Yes
Mr. R.M.Premkumar	Independent Director	3	3	2	1	2	Yes
Mr. U.N. Khanna	Non-Executive Director	3	3	1	-	-	Yes
Mr. Pallon S Mistry	Non-Executive Director	3	3	3	-	1	No
Ms. Roshen M Nentin	Non-Executive Director	3	3	-	-	-	Yes
Mr. S.Paramasivan	Managing Director	3	3	-	-	-	Yes
Mr. Giridhar Rajagopalan	Executive Director (Technical)	3	3	-	-	-	Yes
Mr. Akhil Kumar Gupta	Executive Director (Operations)	3	3	-	-	-	Yes

Note:

1. Excludes Directorship in association, Private Companies, Foreign Companies & Companies registered under section 8 of the Companies Act, 2013 **("Act")**.
2. Chairmanships / Memberships of Audit Committee and Stakeholders Relationship Committee in other Public Companies have been considered.

III. AUDIT COMMITTEE

a. The Audit Committee of the Company was constituted on 7th March, 2001.

b. Terms of reference of the Audit Committee:

In compliance with the provisions of section 177 of the Act, and the Rules made thereunder, the Board of Directors of the Company at its meeting held on 24th June, 2014 amended the terms of reference of the Audit Committee which are as under:

- Overseeing the Company's financial reporting process and the disclosure of financial information;
- Recommending the appointment and removal of external auditors and fixing of audit fees;
- Review with management the annual financial statements and auditor's report before submission to the Board;
- Review with management, external and internal auditors, the adequacy of internal controls;

- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters;
- To obtain professional advice from external sources and have full access to information contained in the records of the company;
- To oversee the vigil mechanism;
- In consultation with the Internal Auditor, formulate the scope, functioning, periodicity and methodology for conducting the internal audit;
- All other powers and duties as per section 177 of the Act and the Rules made thereunder;

c. Three Meetings were held during the year on the following dates:

24th June 2019, 26th September, 2019 and 24th December 2019.

It may be noted that the Audit Committee meeting scheduled on 31st March 2020 could not be convened due to the nationwide lockdown announced in the wake of COVID-19 pandemic.

d. As on 31st March, 2020 composition of Audit Committee and particulars of meetings attended by the members of the Audit Committee are given below:

Name of the Director	Category	Position	No. of Meetings	
			Held	Attended
Mr. N.D.Khurody	Independent Director	Chairman	3	3
Mr. P.N. Kapadia	Independent Director	Member	3	3
Mr. R.M. Premkumar	Independent Director	Member	3	3

IV. NOMINATION AND REMUNERATION COMMITTEE

a. The Committee was originally constituted as Remuneration Committee on 25th March, 2003. In compliance with the provisions of Section 178 of the Act and the Rules made thereunder, the Board of Directors of the Company at its meeting held on 24th June, 2014 have renamed the said Committee as "Nomination and Remuneration Committee" (hereinafter "**Committee**").

b. Terms of Reference of the Committee, as amended by the Board of Directors of the Company at its meeting held on 24th June, 2014, are as under:

- To identify persons who are qualified to become directors and who may be appointed in senior management.
- To recommend to the Board the appointment/ removal of the Directors or senior management personnel.
- To carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- To recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other senior employees.
- All other powers and authorities as provided under the provisions of Schedule V and other applicable provision of the Act and the Rules made thereunder and any amendment thereof, if any, in granting the approval of remuneration to Whole Time Directors and the Managing Directors of the Company.

c. As on 31st March, 2020 the composition of Committee and particulars of meetings attended by the members of Committee are given below:

Name of the Director	Category	Position	No. of Meetings	
			Held	Attended
Mr. N.D.Khurody	Independent Director	Chairman	2	2
Mr. P.N. Kapadia	Independent Director	Member	2	2
Mr. S.P Mistry	Non-Executive Director	Member	2	2

d. Two Meetings were held during the year on the following dates:

24th June 2019, 24th December 2019

e. Remuneration Policy

Remuneration policy of the Company is designed to create a high-performance culture. It enables the Company to attract, retain and motivate employees to achieve results.

The Salient feature of the Nomination and Remuneration policy are as under:

- The remuneration to Executive Director, KMP and Senior Management Personnel, shall involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- The remuneration (including payment of minimum remuneration) to Executive Directors shall be within the overall ceiling prescribed under the Act. Within the said overall ceiling of remuneration, the Executive Directors will be entitled to avail of the perquisites under different heads as may be applicable to the other Senior Management Personnel of the Company. Such remuneration to the Executive Directors will be determined by the Committee and recommended to the Board for approval. The remuneration shall be subject to prior/post approval of the shareholders of the Company.
- The annual increments to Executive Directors, will be decided by the Committee and/or the Board of Directors in its absolute discretion and will be merit based and will also take into account Company's performance.
- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and recommend to the Board his / her appointment.
- Due to reasons for any disqualification mentioned in the Act, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director.
- The Committee shall evaluate the performance of the Director as per the requirement of the Act.
- The qualification attributes, terms and conditions of appointment and removal of KMP and Senior Management Personnel as also their remuneration and the evaluation of their performance shall be as decided by the Executive Vice Chairman in line with the Company's policies.
- The Committee shall ratify such appointment and removal of KMP and Senior Management Personnel.

f. Details of Remuneration paid to Directors during the financial year 2019-20:

i. Executive Directors (₹ in p.a.)

Name of Director	Basic Salary	PF/SA	Perquisites	Total Remuneration
Mr.K.Subramanian	70,50,000.00	19,03,500.00	288,54,000.00	378,07,500.00
Mr.S.Paramasivan	61,50,000.00	16,60,500.00	254,82,000.00	332,92,500.00
Mr. Giridhar Rajagopalan	29,40,000.00	7,93,800.00	166,56,693.00	203,90,493.00
Mr. Akhil Kumar Gupta	29,40,000.00	7,93,800.00	158,77,176.00	196,10,976.00
Total	**190,80,000.00**	**51,51,600.00**	**868,69,869.00**	**11,11,01,469.00**

The number of stock options granted till date to the Executive Directors is as under:

Name of the Director	Stock options granted till date
Mr. K.Subramanian	35,040
Mr. S.Paramasivan	26,280

ii. Non-Executive Directors

The Non-Executive Directors were not paid any remuneration except sitting fees for attending the meetings of the Board of Directors and / or Committees thereof. The details of the sitting fees paid to the Non-Executive directors are as under:

Name of the Director	Sitting Fees (in ₹)	Equity Shareholding in the Company	
		No. of Shares	% holding
Mr.S.P. Mistry	4,00,000	-	-
Mr.N.D.Khurody	8,00,000	-	-
Mr.P.N. Kapadia	11,50,000	-	-
Mr.U.N.Khanna	6,50,000	-	-
Mr.R.M.Premkumar	6,00,000	-	-
Mr. P.S. Mistry	3,00,000	-	-
Ms. R. M. Nentin	3,00,000	3,310	0.0046
Total	**42,00,000**	**3,310**	**0.0046**

The Company does not have any material pecuniary relation or transactions with its Non-Executive Directors.

V. Corporate Social Responsibility Committee

a. In accordance with the requirement of section 135 of the Act and the Rules made thereunder, the Board of Directors of the Company at its meeting held on 24th June, 2014 have constituted a Corporate Social Responsibility Committee.

b. The terms of reference of the Corporate Social Responsibility Committee are as under:

- Framing of Corporate Social Responsibility (CSR) Policy and recommending Board for approval.
- Recommending spending of CSR Fund.
- Implementation & monitoring of CSR Policy.
- Recommend amendments and improvements in the CSR Policy and its implementation.

c. As on 31st March, 2020 the Composition and particulars of meetings attended by the members of Corporate Social Responsibility Committee is as under:

One Meeting was held during the year on 24th June, 2019.

Name of the Director	Category	Position	No. of Meetings	
			Held	Attended
Mr.K.Subramanian	Executive Vice Chairman	Chairman	1	1
Mr.P.N.Kapadia	Independent Director	Member	1	1
Mr.Umesh Khanna	Non-Executive Director	Member	1	1

VI. Stakeholders Relationship Committee:

a. The Committee was constituted on 28th November 2006 as Shareholders / Investor's Grievances Cum Share Transfer Committee. The Board of Director at its meeting held on 24th September 2008 renamed the said Committee as Shareholders / Investor's Grievance Cum Share Transfer cum ESOP Share Allotment Committee. Thereafter the Committee was again renamed at the meeting of the Board of Directors held on 12th March, 2014 as Shareholder/Investors' Grievance cum Share Transfer cum Shares Allotment Committee **("STC")**. The Board of Directors again at the meeting held on 22nd March, 2016 has renamed the committee as Stakeholders Relationship Committee **("SRC")**.

b. The broad terms of reference of SRC (including the powers delegated to SRC by Board at the meeting held on 18th June 2020) are as under:

- To allot equity shares to the employees exercising the ESOP options granted under the ESOP Scheme 2006 of the Company.
- To issue and allot Equity Shares, Convertible Preference shares (fully/partly/optionally convertible).
- To exercise such powers and to do all such act, deed, matters and things in connection with the issue and allotment of the Equity Shares, Convertible Preference shares (fully/partly/optionally convertible) as the Committee deems fit and proper.
- To approve transfer of the Equity and Preference Shares of the Company and further delegate such powers to the Registrar for the Transfer of Shares of the Company.
- To allot Debentures to the Investor.
- To approve/record Transfer, Dematerialisation / Rematerialisation of Debentures, issue of duplicate Debenture Certificates, issue of new Debenture certificates on split / Consolidation.
- To look into matters pertaining to the shareholders and investors complaints like transfer of shares, non-receipt of balance sheet, non- receipt of declared dividends, redress complaints of Debenture holder pertaining to the issue including non-receipt of interests, etc.
- To decide on all other matters related to Debentures.
- To investigate into any matter in relation to areas specified above or referred to it by the Board of Directors and for this purpose will have full access to information contained in the records of the Company.
- To determine the conversion price of the Convertible Preference shares (fully/partly/optionally convertible).
- To sub-delegate any of the said powers and authorities to any of the Committee members and/or to any other person as the Committee deems fit.
- To pass any resolution by Circulation.
- #To take steps for transfer of any unclaimed dividend amount and equity shares to Investor Education and Protection Fund (IEPF) as referred under section 124 and 125 of the Companies Act, 2013 and rules framed thereunder;;
- #To consider, monitor, resolve and handle all the matters regarding transmission of securities of the Company;
- #To carry out such other matters as may be delegated to it by the Board from time to time.

delegated by Board at the meeting held on 18th June, 2020

c. Two meetings were held during the year on the following dates: 25th October, 2019 and 17th January, 2020.

d. As on 31st March, 2020 the Composition and attendance of members at the meetings of the Stakeholders Relationship Committee was as under :

Name of the Director	Category	Position	No. of Meetings	
			Held	Attended
Mr.P.N.Kapadia	Independent Director	Chairman	2	2
Mr. U. N. Khanna	Non-Executive Director	Member	2	2
Mr.S.Paramasivan	Managing Director	Member	2	2

e. Name and Designation of the Compliance Officer

Mr. Gaurang Parekh, Company Secretary is the Compliance officer of the Company.

f. Status of Investor's Complaints

During the financial year all the letters / complaints received by the Registrar and Share Transfer Agent have been redressed and there were no complaints pending with the Company / Registrar and Share Transfer Agent. All the valid share transfers requests received during the year were duly attended to and processed in time. There was no valid request pending for share transfer as on 31st March 2020.

VII. Independent Directors meeting

No meeting held during the year ending 31st March, 2020.

Please note: The meeting of the Independent Directors scheduled on 31st March 2020 could not be convened due to the nationwide lockdown announced in the wake of COVID-19 pandemic.

VIII. COMMITTEE OF DIRECTORS

a. The Committee of Directors (**"COD"**) was reconstituted on 27th June, 2016 with revised powers for delegation of certain powers of the Board of Directors to Committee of Directors which are of routine & urgent nature can be approved/ passed by the said Committee. On 24th June, 2019 the Board has further delegated to the said Committee certain powers of the Board for taking decision on matter arising between two Board meetings to authorise the Committee to borrow from any other persons in addition to Banks, Financial Institutions.

b. The broad terms of reference of COD (including the powers delegated to COD by Board at the meeting held on 24th June 2019) are as under:

- To open account(s) in the name of the Company with any Bank(s), Financial Institution(s), as the Committee may deem fit and necessary, whether designated in Indian Rupees or any foreign currency whether in India or overseas, to authorise signatories to open, operate and to give instructions to the Banks / Financial Institution in connection with the operations of the account(s) including specific any terms or limit on such authority and to close any Bank Account(s) of the Company with any Bank(s), Financial Institution(s).
- To issue Power of Attorney in favour of employees of the Company and other persons pertaining to the business of the Company under the Common Seal of the Company.
- To authorise representative of the Company for representation before Statutory Authorities in India and Overseas.
- To avail credit facilities / borrowing from time to time (including amendment thereto), within the limits as approved by the Shareholders, from Banks and/ or Financial Institutions or any other persons from time to time as the Committee may deem fit and necessary for the purpose of the business of the Company and to authorise signatories to sign and execute agreements and documents and to do all act, deeds and things to give effect to the availing of the credit facility /borrowing.
- To avail corporate internet Banking with online transaction Rights from Banks/ Financial Institutions for the Bank Account(s) of the Company for our routine corporate transactions.
- To make loans and/or give guarantees, bonds and /or counter guarantees and indemnities or provide securities on behalf of the Company and to authorise signatories to sign and execute agreements and documents and to do all act, deeds and things in this matter on behalf of the Company.
- To incorporate Company and set-up Branch office, representative office and licensing office in India and Overseas.
- To institute, prosecute, defend, oppose, appear or appeal in legal proceedings and demands and to accept services of notices or processes and to give security or indemnities for costs, to pay money into court and obtain payment of money lodged in court and to engage Counsel, Advocates, Attorneys, Vakils, Pleaders or other persons and to sign and give vakalatnamas, retainers and other necessary authorities and such retainer and authorisation from time to time at pleasure to revoke.
- To approve other transactions of routine nature (other than those matters which are expressly required by Companies Act, 2013 and Rule thereto to be passed at the meeting of the Board of Directors) as the Committee may deem fit and necessary for the purpose of the business of the Company which cannot be deferred to the next Board meeting.

c. Six meetings were held during the year on the following dates:

10th April, 2019, 21st May, 2019, 31st July, 2019, 22nd August, 2019, 14th November, 2019 and 5th February, 2020.

d. As on 31st March, 2020 the Composition and attendance of members at the meetings of the Committee of Directors is as under:

Name of the Director	Category	Position	No. of Meetings	
			Held	Attended
Mr.N.D. Khurody	Independent Director	Chairman	6	2
Mr.P.N.Kapadia	Independent Director	Member	6	6
Mr.Umesh Khanna	Non-Executive Director	Member	6	4
Mr. S Paramasivan	Managing Director	Member	6	6

IX. GENERAL BODY MEETINGS

a. The details of the Annual General Meetings (AGM) held in the last 3 years:

For Financial Year ended	Location	Date of AGM	Time
31.03.2019	registered office of the Company	26.09.2019	4.30 p.m
31.03.2018	registered office of the Company	27.09.2018	4.30 p.m
31.03.2017	registered office of the Company	27.09.2017	4.30 p.m

b. Details of Extra Ordinary General Meeting (EGM) held in the last 3 years: **NIL**

c. Details of the special resolutions passed at the Annual General Meeting in the previous 3 years:

43rd AGM dated 26.09.2019	i. Consent of the Company for re-appointment of Mr. Pradip Narotam Kapadia (DIN: 00078673) as an Independent Director of the Company. ii. Consent of the Company for re-appointment and revise remuneration of Mr. Giridhar Rajagopalan (DIN:02391515) as Whole-time Director designated as Executive Director (Technical) of the Company for the period from 1st July, 2019 to 30th June 2022. iii. Consent of the Company for re-appointment and revise remuneration of Mr. Akhil Kumar Gupta (DIN: 03188873) as Whole-time Director designated as Executive Director (Operations) of the Company for the period from 1st July, 2019 to 30th June 2022. iv. Consent of the Company for raising ₹ 200 Crores (Rupees Two Hundred Crores only) through issue of Unsecured, Redeemable, Unlisted Non-Convertible Debentures ("NCDs") on private placement basis. v. Consent of the Company to issue 0.01% Fully and Compulsorily Convertible, Non-Cumulative, Non-Participatory Preference Shares aggregating to ₹ 100 Crores to Shapoorji Pallonji and Company Private Limited on Preferential Allotment Basis such terms and conditions and in such manner as may be approved finalized or decided by the Board from time to time.
42nd AGM dated 27.09.2018	i. Consent of the Company for appointment of Mr.K.Subramanian, (DIN:00047592) as an Executive Vice Chairman of the Company for the remaining tenure i.e. up to 30th June, 2020. ii. Consent of the Company for appointment of Mr.S.Paramasivan (DIN:00058445) as Managing Director of the Company for the remaining tenure i.e. up to 30th June, 2020. iii. Consent of the Company for raising ₹ 200 Crores (Rupees Two Hundred Crores only) through issue of Unsecured, Redeemable, Unlisted Non-Convertible Debentures ("NCDs") on private placement basis.
41st AGM dated 27.09.2017	i. Consent of the Company for variation of appointment and remuneration of Mr.S.Paramasivan (DIN:00058445) Deputy Managing Director for the period from 21st May, 2017 to 30th June, 2017. ii. Consent of the Company for re-appointment and revise remuneration of Mr. K. Subramanian, (DIN:00047592) as a Vice Chairman & Managing Director of the Company for a period of term of 3 years from 1st July, 2017 to 30th June, 2020. iii. Consent of the Company for re-appointment and revise remuneration of Mr. S.Paramasivan (DIN:00058445) as a Deputy Managing Director of the Company for a period of term of 3 years from 1st July, 2017 to 30th June 2020. iv. Consent of the Company for appointment of Mr. Giridhar Rajagopalan (DIN:02391515) as Whole-Time Director and designated as Executive Director (Technical) of the Company. v. Consent of the Company for appointment of Mr. Akhil Kumar Gupta (DIN:03188873) as Whole-Time Director and designated as Executive Director (Operations) of the Company. vi. Consent of the Company for re-appointment of Mr. N.D Khurody as Independent Director of the Company. vii. Consent of the Company for re-appointment of Mr. R.M.Premkumar as Independent Director of the Company. viii. Consent of the Company for raising ₹ 200 Crores (Rupees Two Hundred Crores only) through issue of Unsecured, Redeemable, Unlisted Non-Convertible Debentures ("NCDs") on private placement basis.

d. **Details of Members approval obtained vide Postal Ballot are given below**:

19th December 2019	Alteration of the Object Clause of the Memorandum of Association of the Company.
17th July, 2020	Variation of the terms and conditions of 25,00,00,000, 0.01% Fully and Compulsorily Convertible, Non-Cumulative, Non Participatory Preference Shares having face value of ₹ 10/- each aggregating to ₹ 250,00,00,000/- (Rupees Two Hundred Fifty Crores only) of the Company held by Goswami Infratech Private Limited.
27th July, 2020	i. To modify the second term of appointment of Mr. N. D. Khurody (DIN- 00007150) as an Independent Director of the Company, not liable to retire by rotation, to hold office up to 26th September 2022. ii. To modify the second term of appointment of Mr. R.M. Premkumar (DIN- 00328942) as an Independent Director of the Company, not liable to retire by rotation, to hold office up to 26th September 2022.

X DISCLOSURES

There were no materially significant related party transactions during the financial year 2019-20 that may have potential conflict with the interests of the Company at large. The detail of the related party transactions as per IND AS 24 are included in the notes to accounts forming part of the Annual Reports.

XI MEANS OF COMMUNICATION

a. The Company has its own website and all the vital information relating to the Company is displayed on the website. Address of the website is www.afcons.com.

b. Annual Report containing Inter alia, Audited Annual Report, Financial Statements, Directors Report, Auditors Report and other important information is circulated to the members and others entitled thereto.

XII GENERAL SHAREHOLDERS INFORMATION

a. Annual General Meeting

	Date	:	30th September, 2020 through VC or Other Audio Visual Means
	Time	:	4.30 pm
	Venue	:	Afcons House, 16, Shah Industrial Estate, Veera Desai Road, Azad Nagar, P.O., Mumbai 400 053
b.	Financial Year	:	1st April to 31st March
c.	Cut-Off Date for AGM	:	Wednesday 23rd September, 2020
d.	Date of Book Closure	:	24th September 2020 to 30th September 2020 (both day inclusive)
e.	ISIN No.	:	INE101I01011
f.	Registrar & Share Transfer Agent	:	Cameo Corporate Service Limited Subramanian Building, 1 Club House Road, Chennai-600002. Tel. No.:044-28460390 Fax No.:044-28460129 Email id.: afcons@cameoindia.com
g.	CIN	:	U45200MH1976PLC019335
h.	Tel	:	+91 22 67191000
i.	Fax	:	+91 2226730027 /1031/0047
j	Email id	:	secretarial@afcons.com
k.	website	:	www.afcons.com

XIII SHAREHOLDING PATTERN AS ON 31st MARCH, 2020

Sr. No.	Category	No. of Shares	% of Total
1.	Promoter's holding		
	Indian Promoters -Bodies Corporate	70153981	97.48
	Subtotal (1)	**70153981**	**97.48**
2.	Non Promoters Holding		
	Companies / Bodies Corporate	50000	0.07
	Employees Trust	1191370	1.66
	Directors & their Relatives	110057	0.15
	Employees / Retired Employees / General Public	464830	0.65
	Subtotal (2)	**1816257**	**2.52**
	Total (1+2)	**71970238**	**100.00**

XIV DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2020

Number of Shares	Shareholders		Shares	
	Number	% of Total	Number	% of Total
1 to 100	61	14.2191	4841	0.0067
101 to 500	244	56.8765	66491	0.0923
501 to 1000	31	7.2261	24674	0.0343
1001 to 2000	17	3.9627	25824	0.0359
2001 to 3000	6	1.3986	15116	0.0210
3001 to 4000	7	1.6317	24657	0.0343
4001 to 5000	4	0.9324	18548	0.0258
5001 to 10000	21	4.8951	142096	0.1974
10001 & above	38	8.8578	71647991	99.5522
Total	**429**	**100.0000**	**71970238**	**100.0000**

XV Address for Correspondence:

Afcons Infrastructure Limited
16 Shah Industrial Estate, Veera Desai Road,
Azad Nagar, P.O., Andheri (W), Mumbai – 400053
Tel.no.: +91 22 67191000; Fax.no.: +91 2226730027 /1031/0047
Website: www.afcons.com

INDEPENDENT AUDITOR'S REPORT

To the Members of Afcons Infrastructure Limited

Report on the audit of the Standalone financial statements

Opinion

1. We have audited the accompanying standalone financial statements of Afcons Infrastructure Limited ("the Company"), which includes 17 branches and 13 Joint controlled operations consolidated on proportionate basis (refer Note 2, which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, (hereinafter referred to as "the standalone financial statements")

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

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

Emphasis of Matter

4. We draw attention to Note 47 to the standalone financial statements which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Company. The Company believes that no additional adjustments are required in the financial statements, however, in view of various preventive measures taken (such as complete lock-down including travel restrictions) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Further, our attendance at the physical verification of inventory carried out by the management was impracticable under the current lockdown restrictions imposed by the respective location's guidelines and we have therefore relied on the related alternative audit procedure to obtain comfort over the existence and condition of inventory at the year end.

5. We draw attention to note no. 42 of the standalone financial statements, regarding delay in recovery of amount ₹ 238 Crores disclosed under Non-current Asset from a customer, which is dependent upon finalization of arbitration award in favour of the Company. In addition, the Company has preferred two claims in respect of the same project as mentioned in the note.

6. We draw your attention to the following paragraph included in the audit report on the financial statements of Transtonnelstroy Afcons (a jointly controlled operation) issued by an independent firm of chartered accountants vide its report dated August 26, 2020.

   "We draw attention to Note 33 to the Financial Statements, which describes the uncertainties relating to the outcome of the negotiation/ arbitration/ Dispute Adjudication Board proceedings in respect of variations recognised by the joint venture in current and earlier years, on account of cost overruns due to unforeseen geological conditions, delays in handing over of land, change in scope of work, etc.

   Based on the Management's estimates of the timing and amount of recoverability which is supported by technical evaluation, the amounts recognised as amount due from customers under construction contract as stated above are considered as good and fully recoverable by the management. Our opinion is not modified in respect of this matter."

7. Further, in respect of matter emphasized in paragraph 6 above, we draw attention to note no. 39 of the Standalone financial statements, regarding delay in recovery of receivable amount of ₹ 949.22 Crores from Transtonnelstroy Afcons (the Jointly controlled operation) in respect of the project, which is dependent upon finalization of arbitration award in favour of the jointly controlled operation as mentioned in para 6 above.

Other Information

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

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

   In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

9. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act This responsibility also includes maintenance of adequate accounting records in

accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the standalone financial statements

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

12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
    - Obtain sufficient appropriate audit evidence regarding the financial statement/information of the jointly controlled operations or business activities within the Company to express an opinion on the standalone financial statements. Jointly controlled operation included in the Standalone financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

Other Matter

15. We draw your attention to the following paragraph included in the audit report on the financial statements of Transtonnelstroy Afcons (a jointly controlled operation) issued by an independent firm of chartered accountants vide its report dated August 26, 2020.

    "Due to the COVID-19 related lock-down restrictions, we were not able to physically observe the stock verification as at the year-end. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence - Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these Financial Statements.

    Our Opinion is not modified in respect of this matter."

16. We did not audit the financial statements of 13 jointly controlled operations included in the standalone financial statements of the Company, which constitute total assets of Rs 2,928.98 Crores and net assets of ₹ 32.50 Crores as at March 31, 2020, total revenue of ₹ 1,810.38 Crores, total comprehensive income comprising of profit and other comprehensive income of ₹ 23.08 Crores and net cash flows amounting to ₹ 5.48 Crores for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by management, and our opinion on the standalone financial statements (including other information) insofar as it relates to the amounts and disclosures included in respect of Jointly controlled operations is based on the report of such other auditors.

17. Our opinion on the Standalone financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on other legal and regulatory requirements

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

19. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company and branches so far as it appears from our examination of those books and reports of other auditors.

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

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

    (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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

        i. The Company has disclosed the impact of pending litigations as at March 31, 2020 on its financial position in its standalone financial statements – Refer Note 30,38,39,41,42,43,44 and 45 to the standalone financial statements;

        ii. The Company has made provision as at March 31, 2020, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts as at March 31, 2020 – Refer Note 18 to the standalone financial statements. Further, the Company did not have any material foreseeable losses on derivative contracts as at March 31, 2020.

        iii. There were no delays in transferring amount required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020. Also refer note 48 to the standalone financial statement.

        iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.

20. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse
Chartered Accountants LLP
Firm Registration No: 012754N/N500016

Sarah George
Partner
Membership Number: 045255
UDIN: 20045255AAAAKC3745

Place : Mumbai
Date: 26th August, 2020

For HDS & Associates LLP
Chartered Accountants
Firm Registration No. W100144

Suresh K.Joshi
Partner
Membership No.: 030035
UDIN: 20030035AAAABM2595

Place : Mumbai
Date: 26th August, 2020

Annexure A to Independent Auditors' Report

Referred to in paragraph 18(f) of the Independent Auditors' Report of even date to the members of Afcons Infrastructure Limited on the consolidated financial statements for the year ended March 31, 2020.

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to standalone financial statements of Afcons Infrastructure Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Parent's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. (Refer paragraph 4 of our main Audit Report)

For Price Waterhouse
Chartered Accountants LLP
Firm Registration No: 012754N/N500016

Sarah George
Partner
Membership Number: 045255
UDIN: 20045255AAAAKC3745

Place : Mumbai
Date: 26th August, 2020

For HDS & Associates LLP
Chartered Accountants
Firm Registration No. W100144

Suresh K. Joshi
Partner
Membership No.: 030035
UDIN: 20030035AAAABM2595

Place : Mumbai
Date: 26th August, 2020

Annexure B to Independent Auditors' Report

Referred to in paragraph 18 of the Independent Auditors' Report of even date to the members of Afcons Infrastructure Limited on the standalone financial statements as of and for the year ended March 31, 2020

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

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In view of the lockdown consequent to the outbreak of Coronavirus (Covid-19), the physical verification of fixed assets could not be carried out by the Company as at the year end. However, the company has carried out the physical verification of fixed assets subsequent to the year end; and no material discrepancies have been noticed on such verification. Consequently, in our opinion, the frequency of verification is reasonable.

(c) The title deeds of immovable properties, as disclosed in Note 3 on fixed assets to the financial statements, are held in the name of the company.

ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material. In view of the lockdown consequent to the outbreak of Covid-19, the physical verification of inventory could not be carried out by the Company as at the year end. However, the Company has carried out the physical verification of inventory subsequent to the year end; and no material discrepancies have been noticed on such verification. Consequently, in our opinion, the frequency of verification is reasonable.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it. Also refer note 40 of Standalone financial statements.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.

We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including provident fund, income tax, professional tax, goods and service tax though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, duty of customs, with the appropriate authorities. Also refer note 30 to the standalone financial statements regarding management's assessment on certain matters relating to provident fund.

Further, for the month of March 2020, the company has paid Goods and Service Tax and filed GSTR 3B after the due date but within the timelines allowed by Central Board of Indirect Taxes and Customs, under the Notification No.31/2020- Central Tax, dated April 3, 2020 on fulfilment of conditions specified therein.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of good and service tax, which have not been deposited on account of any dispute. The particulars of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax as at March 31, 2020 which have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount in ₹	Period to which the amount relates	Forum where the dispute is pending
Local Sales Tax Acts applicable in respective States (West Bengal, Andhra Pradesh, Tamilnadu and Madhya Pradesh)	Sales Tax	5,510,804	Financial Years 1985 to 1990 and 1992 to 1999	Appellate Authority – up to Commissioner's level
Local Sales Tax Acts applicable in respective States (West Bengal and Andhra Pradesh)	Sales Tax	282,357	Financial Years 1987 to 1989 and 1997 to 1998	Appellate Authority – Tribunal Level
Local Sales Tax Acts applicable in respective States (Orissa)	Sales Tax	3,063,071	Financial Years 1999 to 2000	At High court
Value Added Tax Acts applicable in respective states (Delhi, Karnataka, Madhya Pradesh, Maharashtra, Orissa, Uttar Pradesh and West Bengal	Value Added Tax	6,226,133	Financial Years 2004 to 2005, 2007 to 2009 and 2012 to 2017	Appellate Authority – up to Commissioner's level
The Finance Act 1994	Service Tax	1,158,091,909	Financial Years 2007 to 2015	Appellate Authority – Tribunal
The Income Tax Act, 1961	Income Tax	208,635,313	Financial Years 2011 to 2015	Appellate Authority – Tribunal

viii. According to the records of the Company examined by us, and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any banks, financial institutions, or dues to debenture holders as at the balance sheet date. The Company does not have any loans or borrowings from Government as at the balance sheet date, therefore the provisions of Clause 3(viii) of the Order, to the extent, are not applicable to the Company.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under section 133 of the Act, read with Rule 7 of the Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse
Chartered Accountants LLP
Firm Registration No: 012754N/N500016

Sarah George
Partner
Membership Number: 045255
UDIN: 20045255AAAAKC3745

Place : Mumbai
Date: 26th August, 2020

For HDS & Associates LLP
Chartered Accountants
Firm Registration No. W100144

Suresh K.Joshi
Partner
Membership No.: 030035
UDIN: 20030035AAAABM2595

Place : Mumbai
Date: 26th August, 2020

Balance Sheet as at 31st March, 2020

₹ in Crores

	Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
A	**ASSETS**			
1	**Non-current assets**			
	(a) Property, plant and equipment	3.A	1,867.99	1,657.76
	(b) Capital work-in-progress		17.94	30.54
	(c) Right-of-use asset	3.C	43.47	-
	(d) Intangible assets	3.B	0.62	1.13
	(e) Financial assets			
	(i) Investments	4	11.66	12.06
	(ii) Trade receivables	5	536.40	234.21
	(iii) Other financial assets	7	278.06	129.53
	(f) Non current tax assets (net)	11	155.01	122.96
	(g) Contract assets	8	1,723.94	1,369.29
	(h) Other non-current assets	8.2	187.79	160.86
	Total Non-current Assets		**4,822.88**	**3,718.34**
2	**Current assets**			
	(a) Inventories	9	1,019.57	817.90
	(b) Financial assets			
	(i) Trade receivables	5	2,286.63	1,862.51
	(ii) Cash and cash equivalents	10	293.59	209.84
	(iii) Bank balances other than (ii) above	10.1	108.09	18.73
	(iv) Loans	6	60.90	71.51
	(v) Other financial assets	7	57.61	201.32
	(c) Contract assets	8	2,962.55	2,375.98
	(d) Other current assets	8.2	819.57	481.31
	Total Current Assets		**7,608.51**	**6,039.10**
	Total Assets (1+2)		**12,431.39**	**9,757.44**
B	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity share capital	12	521.97	521.97
	(b) Other equity	13	1,393.52	1,211.35
	Equity attributable to shareholders of the Company		**1,915.49**	**1,733.32**
2	**Liabilities**			
	(A) Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	14	572.82	650.35
	(ii) Trade payables	15		
	(a) Total outstanding due to micro and small enterprises		-	-
	(b) Total outstanding due to creditors other than micro and small enterprises		557.12	381.29
	(iii) Other financial liabilities	16	129.46	107.73
	(iv) Lease Liabilities	51	16.47	-
	(b) Contract liabilities	17	1,942.73	1,615.63
	(c) Provisions	18	33.27	24.38
	(d) Deferred tax liabilities (net)	21	206.08	165.11
	Total Non-current Liabilities		**3,457.95**	**2,944.49**
	(B) Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	20	936.23	794.19
	(ii) Trade payables	15		
	(a) Total outstanding due to micro and small enterprises		55.56	3.67
	(b) Total outstanding due to creditors other than micro and small enterprises		3,055.58	2,223.22
	(iii) Other financial liabilities	16	284.84	205.93
	(iv) Lease Liabilities	51	29.23	-
	(b) Contract liabilities	17	2,588.95	1,762.77
	(c) Provisions	18	23.64	12.98
	(d) Current tax liabilities (net)	19	17.25	12.13
	(e) Other current liabilities	17.1	66.67	64.74
	Total Current Liabilities		**7,057.95**	**5,079.63**
	Total Liabilities (A+B)		**10,515.90**	**8,024.12**
	Total Equity and Liabilities (1+2)		**12,431.39**	**9,757.44**
	See accompanying notes 1 to 51 forming part of the financial statements			

In terms of our report attached

For and on behalf of the Board of Directors

For PRICE WATERHOUSE CHARTERED ACCOUNTANTS LLP
Firm Registration No. 012754N/N500016

SARAH GEORGE
Partner
Membership No. 045255

Place: Mumbai
Date: 26th August, 2020

For HDS & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
Firm Registration No. W100144

SURESH K. JOSHI
Partner
Membership No. 030035

Place: Mumbai
Date: 26th August, 2020

S.P.MISTRY
Chairman
Din:00010114

K.SUBRAMANIAN
Executive Vice Chairman
Din:00047592

S.PARAMASIVAN
Managing Director
Din:00058445

P.N.KAPADIA
Director
Din:00078673

N.D.KHURODY
Director
Din:00007150

R.M.PREMKUMAR
Director
Din:00328942

ASHOK G.DARAK
Chief Financial Officer

GAURANG M. PAREKH
Company Secretary

Place: Mumbai
Date: 26th August, 2020

Statement of Profit and Loss for the year ended 31st March, 2020

₹ in Crores

Sr. No.	Particulars	Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
1	Revenue from operations	22	9,254.97	7,731.90
2	Other income	23	251.04	203.39
3	**Total income (1 + 2)**		**9,506.01**	**7,935.29**
4	**Expenses**			
	(a) Cost of material consumed	24	2,514.25	1,788.24
	(b) Cost of construction	24.1	4,415.51	4,066.57
	(c) Cost of traded Goods	25	50.74	37.20
	(d) Employee benefits expense	26	884.18	694.77
	(e) Finance costs	27	385.78	276.73
	(f) Depreciation and amortisation expense	28	234.04	235.04
	(g) Other expenses	29	643.10	626.88
	Total expenses		**9,127.60**	**7,725.43**
5	**Profit before tax (3 - 4)**		**378.41**	**209.86**
6	**Tax expense:**	21		
	(a) Current tax		129.89	116.27
	(b) Deferred tax		1.36	(35.96)
	(c) Tax expense/(income) relating to prior year (net)		5.24	4.50
			136.49	**84.81**
7	**Profit for the year (5 - 6)**		**241.92**	**125.05**
8	**Other comprehensive income**			
	A) Items that will not be reclassified to profit or loss			
	(a) Changes in fair value of equity investment measured at FVTOCI		(0.40)	0.06
	(b) Remeasurements of defined benefit plans		(8.94)	(3.84)
	(c) Deferred tax on remeasurement of defined benefit plans		3.12	1.34
	B) Items that may be reclassified to profit or loss			
	(a) Exchange differences on translating the financial statements of a foreign operation		(28.28)	4.19
	(b) Income tax relating to items that will not be reclassified to profit or loss		#	#
	# Amount is below the rounding off norms adopted by the Company			
			(34.50)	**1.75**
9	**Total comprehensive income for the year (7 + 8)**		**207.42**	**126.80**
10	**Earnings per share (Face value of ₹ 10 each):**	32		
	(a) Basic		33.61	17.37
	(b) Diluted		7.10	3.67
	See accompanying notes 1 to 51 forming part of the financial statements			

In terms of our report attached

For and on behalf of the Board of Directors

For PRICE WATERHOUSE CHARTERED ACCOUNTANTS LLP
Firm Registration No. 012754N/N500016

SARAH GEORGE
Partner
Membership No. 045255

Place: Mumbai
Date: 26th August, 2020

For HDS & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
Firm Registration No. W100144

SURESH K. JOSHI
Partner
Membership No. 030035

Place: Mumbai
Date: 26th August, 2020

S.P.MISTRY
Chairman
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Executive Vice Chairman
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Director
Din:00007150

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Director
Din:00328942

ASHOK G.DARAK
Chief Financial Officer

GAURANG M. PAREKH
Company Secretary

Place: Mumbai
Date: 26th August, 2020

AFCONS INFRASTRUCTURE LIMITED

Statement of changes in equity for the year ended 31st March, 2020

a) Equity share capital

(₹ in Crores)

Particulars	
Balance as at 1st April, 2018	**71.97**
Changes in equity share capital during the year	-
Balance as at 31st March, 2019	**71.97**
Changes in equity share capital during the year	-
Balance as at 31st March, 2020	**71.97**

b) Preference share capital

(₹ in Crores)

Particulars	
Balance as at 1st April, 2018	**450.00**
Changes in preference share capital during the year	-
Balance as at 31st March, 2019	**450.00**
Changes in preference share capital during the year	-
Balance as at 31st March, 2020	**450.00**

c) Other Equity

(₹ in Crores)

Particulars	Reserve and surplus							Other comprehensive income		Total
	Capital reserve	Capital redemption reserve	Securities premium reserve	Contin-gencies reserve	Debenture redemption reserve	General reserve	Retained earnings	Exchange differences on translating the financial statements of a foreign operation	Equity Instruments through other compre-hensive income	
Balance as at 1st April, 2018	0.19	0.13	10.28	8.00	61.25	65.70	923.90	(0.96)	19.29	**1,087.78**
Adjustment for Ind As 115	-	-	-	-	-	-	27.00	-	-	**27.00**
Restated Opening balance as at 1st April, 2018	0.19	0.13	10.28	8.00	61.25	65.70	950.90	(0.96)	19.29	**1,114.78**
Profit for the year	-	-	-	-	-	-	125.05	-	-	**125.05**
Other comprehensive income for the year (Net of Incone tax)	-	-	-	-	-	-	(2.50)	4.19	0.06	**1.75**
Dividends including tax thereon	-	-	-	-	-	-	(25.25)	-	-	**(25.25)**
Transferred to / (from) retained earnings	-	-	-	-	(18.75)	-	18.75	-	-	**-**
Other adjustments	-	-	-	-	-	-	(4.98)	-	-	**(4.98)**
Balance as at 31st March, 2019	**0.19**	**0.13**	**10.28**	**8.00**	**42.50**	**65.70**	**1,061.97**	**3.23**	**19.35**	**1,211.35**
Balance as at 1st April, 2019	0.19	0.13	10.28	8.00	42.50	65.70	1,061.97	3.23	19.35	**1,211.35**
Adjustment on adoption of Ind AS 116	-	-	-	-	-	-	-	-	-	**-**
Restated balance as at April 1, 2019	0.19	0.13	10.28	8.00	42.50	65.70	1,061.97	3.23	19.35	**1,211.35**
Profit for the year	-	-	-	-	-	-	241.92	-	-	**241.92**
Other comprehensive income for the year (Net of Incone tax)	-	-	-	-	-	-	(5.82)	(28.28)	(0.40)	**(34.50)**
Dividends including tax thereon	-	-	-	-	-	-	(25.25)	-	-	**(25.25)**
Transfer (from) / to debenture redemption reserve	-	-	-	-	10.00	-	(10.00)	-	-	**-**
Balance as at 31st March, 2020	**0.19**	**0.13**	**10.28**	**8.00**	**52.50**	**65.70**	**1,262.82**	**(25.05)**	**18.95**	**1,393.52**

In terms of our report attached

For PRICE WATERHOUSE CHARTERED ACCOUNTANTS LLP
Firm Registration No. 012754N/N500016

SARAH GEORGE
Partner
Membership No. 045255

Place: Mumbai
Date: 26th August, 2020

For HDS & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
Firm Registration No. W100144

SURESH K. JOSHI
Partner
Membership No. 030035

Place: Mumbai
Date: 26th August, 2020

For and on behalf of the Board of Directors

S.P.MISTRY
Chairman
Din:00010114

K.SUBRAMANIAN
Executive Vice Chairman
Din:00047592

S.PARAMASIVAN
Managing Director
Din:00058445

P.N.KAPADIA
Director
Din:00078673

N.D.KHURODY
Director
Din:00007150

R.M.PREMKUMAR
Director
Din:00328942

ASHOK G.DARAK
Chief Financial Officer

GAURANG M. PAREKH
Company Secretary

Place: Mumbai
Date: 26th August, 2020

Cash Flow Statement for the year ended 31st March, 2020

₹ in Crores

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Cash flow from operating activities		
Profit after tax	241.92	125.05
Adjustments for :		
Income tax expense recognised in profit or loss	136.49	84.81
Depreciation and amortisation	234.04	235.04
Loss on sale of fixed assets *(net)*	8.39	4.16
Dividend income recognised in profit or loss	(49.47)	(49.89)
Interest income recognised in profit or loss	(28.39)	(101.13)
Insurance claim received	(68.83)	(7.65)
Finance cost	385.78	276.73
Remeasurement of defined benefit liabilities / (assets) through OCI	(5.82)	(2.50)
Bad/irrecoverable debtors /unbilled revenue /advances / duty scrip w/off	94.20	45.53
Provision for doubtful debtors / advances no longer required written back	-	(0.36)
Creditors / excess provision written back	(7.89)	(3.06)
Provision for expected credit loss	1.89	6.36
Provision for projected losses on contract (net)	8.32	1.50
Operating profit before working capital changes	**950.63**	**614.59**
(Increase) in inventories	(201.67)	(319.96)
(Increase) in trade receivables	(728.20)	(650.13)
(Increase) in loans and advances and other assets	(1,441.82)	(945.84)
Increase in trade, other payables and provisions	2,367.46	2,104.06
Cash from Operations	**946.40**	**802.72**
Direct taxes - (paid) (including interest and refunds)	(122.45)	(118.08)
Net Cash flow (used in) operating activities	**823.95**	**684.64**
Cash flow from investing activities		
Payment for property, plant and equipment	(407.63)	(352.07)
Proceeds from disposal of property, plant and equipment	11.49	7.19
Dividend received	49.47	49.89
Investment made in other bank balance	(89.36)	(0.85)
Interest received	32.95	138.35
Insurance claim received	68.83	7.65
Net Cash flow (used in) investing activities	**(334.25)**	**(149.84)**
Cash flow from financing activities		
(Repayment)/Proceeds from long-term borrowings	(47.84)	168.80
Repayment of long-term borrowings	(61.72)	(295.55)
Proceeds from short term borrowings - net	142.04	40.28
Finance cost	(386.16)	(278.78)
Principal element of lease payments (net)	(27.02)	-
Dividend paid on equity shares (including tax thereon) (Interim)	(25.19)	(25.19)
Dividend paid on preference shares (including tax thereon)	(0.06)	(0.06)
Net Cash flow (used in) financing activities	**(405.95)**	**(390.50)**
Net (decrease) in cash and cash equivalents	**83.75**	**144.30**
Cash and cash equivalents at the beginning of the year	209.84	65.54
Cash and cash equivalents at the end of the year	**293.59**	**209.84**
Non-cash financing and investing activities		
- Acquisition of right-of-use assets	**19.24**	**-**
- Acquisition of property, plant and equipments by means of finance lease	**-**	**-**
- Partial settlement of a business combination through issue of shares	**-**	**-**

Notes

1. The above Cash flow statement has been prepared under the "Indirect Method" set out in Ind As 7 '*Cash Flow Statements*'.
2. Figures relating to previous year have been recast where necessary to conform to figures of the current year.

Cash Flow Statement for the year ended 31st March, 2020 (Continued)

Net debt reconciliation

(₹ in crores)

Particulars	31st March, 2020	31st March, 2019
Cash and Cash equivalent	293.59	209.84
Liquid investments	108.29	18.73
Finance lease obligations	(45.70)	-
Current borrowings	(1,038.14)	(928.51)
Non-current borrowings	(572.82)	(650.35)
Net Debt	**(1,254.78)**	**(1,350.29)**

Particulars	Other assets		Liabilities from financing activities			Total
	Cash and bank overdraft	Liquid investment	Finance lease obligations	Non-current borrowings	Current borrowings	
Net Debt as on 1st April, 2018	**65.54**	**17.88**	**-**	**(721.98)**	**(945.40)**	**(1,583.96)**
Cash flows	144.30	0.85	-	126.75	(40.28)	**231.62**
Acquisitions - finance leases	-	-	-	-	-	**-**
Foreign exchange adjustments	-	-	-	-	-	**-**
Interest expense	-	-	-	(64.47)	(153.33)	**(217.80)**
Interest paid	-	-	-	64.47	155.38	**219.85**
Net debt as on 31st March, 2019	**209.84**	**18.73**	**-**	**(595.23)**	**(983.63)**	**(1,350.29)**
Recognised on adoption of Ind AS 116	-	-	(54.04)	-	-	**(54.04)**
Cash flows	83.75	89.56		109.56	(142.04)	**140.83**
Acquisitions/disposals - finance leases	-	-	13.28	-	-	**13.28**
Foreign exchange adjustments	-	-	(0.40)	-	-	**(0.40)**
Interest expense	-	-	(4.54)	(69.81)	(236.03)	**(310.38)**
Interest paid	-	-	-	69.81	236.41	**306.22**
Net debt as on 31st March, 2020	**293.59**	**108.29**	**(45.70)**	**(485.67)**	**(1,125.29)**	**(1,254.78)**

In terms of our report attached

For PRICE WATERHOUSE CHARTERED ACCOUNTANTS LLP
Firm Registration No. 012754N/N500016

SARAH GEORGE
Partner
Membership No. 045255

Place: Mumbai
Date: 26th August, 2020

For HDS & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
Firm Registration No. W100144

SURESH K. JOSHI
Partner
Membership No. 030035

Place: Mumbai
Date: 26th August, 2020

For and on behalf of the Board of Directors

S.P.MISTRY
Chairman
Din:00010114

K.SUBRAMANIAN
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S.PARAMASIVAN
Managing Director
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Director
Din:00328942

ASHOK G.DARAK
Chief Financial Officer

GAURANG M. PAREKH
Company Secretary

Place: Mumbai
Date: 26th August, 2020

Notes forming part of the financial statements as at and for the year ended 31st March, 2020

Note 1: General information

Afcons Infrastructure Limited (the "Company" or "Afcons") is a limited company incorporated in India. Its parent company is Shapoorji Pallonji Company Private Limited.

The address of its registered office is "Afcons House", 16 Shah Industrial Estate, Veera Desai Road, Andheri (West), Mumbai 400 053 and principal place of business is Mumbai, India. The principal activity of the Company and its subsidiaries and control operations (the "Company") are infrastructure activities. Afcons has a presence in almost the entire spectrum of infrastructure activities in India and overseas. The Company is engaged in marine works, highways, bridges, metro works, power houses, tunnels, oil and gas, LNG tanks and other general civil engineering projects both in India and overseas.

A. Basis of Preparation

i) Compliance with Ind AS

The standalone financial statements of Afcons Infrastructure Limited ("The Company" or "Afcons") comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

ii) Historical cost convention

The standalone financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these standalone financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for standalone financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability."

iii) New standards or interpretations adopted by the Company

The Company has applied the following standards and amendments for the first time for the annual reporting period commencing April 1, 2019:

- Ind AS 116, Leases
- Long-term interest in Associates and Joint Ventures –Amendments to Ind AS 28, Investments in Associates and Joint Ventures
- Uncertainty over Income Tax Treatments - Appendix C to Ind AS 12, Income Taxes
- Plan Amendment, Curtailment or settlement -Amendments to Ind AS 19, Employee Benefits
- Amendment to Ind AS 103, Business Combinations and Ind AS 111, Joint Arrangements
- Amendment to Ind AS 23, Borrowing costs

The Company had to change its accounting policies as a result of adopting Ind AS 116. This is disclosed in note 51. The other amendments listed above did not have any material impact on the current period and are not expected to significantly affect the future period.

iv) Operating cycle

The standalone balance sheet presents current and non-current assets, and current and non-current liabilities, as separate classifications. For this purpose, an asset is classified as current if:

- It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is expected to realise the asset within 12 months after the reporting period; or
- The asset is a cash or equivalent unless it is restricted from being exchanged or used to settle liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

Similarly, a liability is classified as current if:

- It is expected to be settled in the normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is due to be settled within 12 months after the reporting period; or

- The Company does not have an unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

B. Significant accounting policies

B.1. Goodwill

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

B.2. a) Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangements. Joint control is the contractually agreed sharing of control of an arrangement, which exist only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a Company entity undertakes its activities under joint operations, the Company as a joint operator recognises in relation to its interest in a joint operation:

a) Its assets, including its share of any assets held jointly;

b) Its liabilities, including its share of any liabilities incurred jointly;

c) Its revenue from the sale of the output arising from the joint operation;

d) Its share of the revenue from the sale of the output by the joint operation and

e) Its expenses, including its share of any expenses incurred jointly.

The Company accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the Ind AS applicable to the particular assets, liabilities, revenues and expenses.

When a Company entity transacts with a joint operation in which a Company entity is a joint operator (such as a sale or contribution of assets), the Company is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Company's standalone financial statements only to the extent of the other parties' interests in the joint operation.

When a Company entity transacts with a joint operation in which a Company entity is a joint operator (such as a purchase of assets), the Company does not recognise its share of the gains and losses until it resells those assets to a third party.

b) Interest in unincorporated Joint ventures

When the Company enters into a joint venture (JV) arrangement with other parties and an unincorporated vehicle is formed which has a separate status for tax purposes (i.e. Association of person/Body of individual etc.) and if as per the terms of agreement, the Company remains liable for all the liabilities of the unincorporated vehicle and is also responsible for funding or contributing assets to the unincorporated vehicle for construction activity, this unincorporated vehicle (also considered and called as Jointly controlled operation) has been considered as an extension of Company from accounting point of view and assets, liabilities, revenue and expenses have been consolidated on the basis of its share in the operations in the separate financial statement of the Company.

B 3. Revenue recognition

Sale of goods

Revenue from sale of goods is recognised upon satisfaction of performance obligations, i.e. at a point of time, which occurs when the control is transferred to the customer. Customers obtain control as per the incoterms. Invoices are issued according to contractual terms and are usually payable as per the credit period agreed with the customer.

Rendering of services:

Revenue from providing services is recognised in the accounting period in which the services are rendered.

Invoices are issued according to contractual terms and are usually payable as per the credit period agreed with the customer.

Construction contracts:

The Company recognises revenue from engineering, procurement and construction contracts ('EPC') over the period of time, as performance obligations are satisfied over time due to continuous transfer of control to the customer. EPC contracts are generally accounted for as a single performance obligation as it involves complex integration of goods and services.

The performance obligations are satisfied over time as the work progresses. The Company recognises revenue using input method (i.e. percentage-of-completion method), based primarily on contract cost incurred to date compared to total estimated contract costs. Changes to total estimated contract costs, if any, are recognised in the period in which they are determined as assessed at the contract level. If the consideration in the contract includes price variation clause or there are amendments in contracts, the Company estimates the amount of consideration to which it will be entitled in exchange for work performed.

Due to the nature of the work required to be performed on many of the performance obligations, the estimation of total revenue and cost at completion is complex, subject to many variables and requires significant judgment. Variability in the transaction price arises primarily due to liquidated damages, price variation clauses, changes in scope, incentives, discounts, if any. The Company considers its experience with similar transactions and expectations regarding the contract in estimating the amount of variable consideration to which it will be entitled and determining whether the estimated variable consideration should be constrained. The Company includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration are based largely on an assessment of anticipated performance and all information (historical, current and forecasted) that is reasonably available. Consideration payable on behalf of customer is reduced from the transaction price.

Progress billings are generally issued upon completion of certain phases of the work as stipulated in the contract. Billing terms of the over-time contracts vary but are generally based on achieving specified milestones. The difference between the timing of revenue recognised and customer billings result in changes to contract assets and contract liabilities. Payment is generally due upon receipt of the invoice, payable within 90 days or less. Contractual retention amounts billed to customers are generally due upon expiration of the contract period.

The contracts generally result in revenue recognised in excess of billings which are presented as contract assets on the statement of financial position. Amounts billed and due from customers are classified as receivables on the statement of financial position. The portion of the payments retained by the customer until final contract settlement is not considered a significant financing component since it is usually intended to provide customer with a form of security for Company's remaining performance as specified under the contract, which is consistent with the industry practice. Contract liabilities represent amounts billed to customers in excess of revenue recognised till date. A liability is recognised for advance payments and it is not considered as a significant financing component since it is used to meet working capital requirements at the time of project mobilization stage. The same is presented as contract liability in the statement of financial position.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

For construction contracts the control is transferred over time and revenue is recognised based on the extent of progress towards completion of the performance obligations. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. The percentage of completion is based primarily on contract cost incurred to date compared to total estimated contract cost for each contract in order to reflect the effective completion of the project. This percentage of completion could be based on technical milestones or as per the contractual terms specified. A construction contract is considered completed when the last technical milestone is achieved, which occurs upon contractual transfer of ownership of the asset.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

B.4. Foreign currencies

(i) Functional and presentation currency

Items included in the standalone financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The standalone financial statement is presented in Indian Rupee (INR), which is Company's functional and presentation currency.

(ii) Transactions and balances

In preparing the standalone financial statements of each individual Company entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Any exchange difference arising on settlement / restatement of long-term foreign currency monetary items recognized in the financial statements until the year ended March 31, 2016, are capitalised as a part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on transactions entered into in order to hedge certain foreign currency risks; and

Notes forming part of the financial statements as at and for the year ended 31st March, 2020 (Continued)

- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting the financial statements, the assets and liabilities of the Company's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Company's entire interest in a foreign operation, a disposal involving loss of control over a foreign operation, or a partial disposal of an interest in a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a foreign operation that does not result in the Company losing control over the foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Company losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

B.5. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

B.6. Employee benefits

B.6.1 Retirement benefit costs and termination benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences and leave encashment.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

The retirement benefit obligation recognized in the special purpose financial statements represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

B.6.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of salaries, wages and other short-term employee benefits in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Provision for leave benefits to employees is based on actuarial valuation done by projected accrued benefit method at the reporting date.

B.7. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Notes forming part of the financial statements as at and for the year ended 31st March, 2020 (Continued)

B.7.1 Current tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

B.7.2 Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax is realised or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available e to utilise those temporary differences and losses.

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in branches and interest in joint arrangements where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognized for temporary differences between the carrying amount and tax bases of investments in branches and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

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

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income.

B.7.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

B.8 Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. It also includes initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Replacement cost of an item of property, plant and equipment is capitalised if replacement meets the recognition criteria.

Carrying amount of items replaced is derecognised. Cost of major inspections is recognised in the carrying amount of property, plant and equipment as a replacement, if recognition criteria are satisfied and any remaining carrying amount of the cost of previous inspection is derecognised. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised (if they meet the asset recognition criteria) and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on property plant and equipment after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Estimated useful lives of the assets are as follows:

Buildings - 60 years

Furniture and fixtures - 10 years

Vehicles - 10 years

Office equipments - 5 years

Freehold land is not depreciated

For following assets estimated useful life is different than the useful life prescribed in schedule II to the Companies Act, 2013 and has been assessed on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Plant & Equipment (except Tunnel Boring Machines) which includes Cranes < 100 mt., Concreting, Crushing, Piling, Road making, Laboratory & Welding Equipments, Floating Equipments - 20 Years.

Tunnel Boring Machines - Length of the tunnel bored over life of the construction project for where it is used.

Cost of shuttering materials, issued to jobs, is charged off equally over a period of four years.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

B.8.1 Capital work-in-progress

Property, plant and equipment that are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

B.9 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Useful life is as below:

Computer software - 5 years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses from derecognition of an intangible asset, measured at the difference between the net disposal proceeds and the carrying amount of the assets, are recognised in profit or loss when the asset is derecognised.

B.10 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

B.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Cost is determined on the basis of weighted average method.

B.12 Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A contingent liability is disclosed where there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources. Contingent assets are not recognised. Information on contingent liabilities is disclosed in the notes to standalone financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

B.13 Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Initial Recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss). Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

Notes forming part of the financial statements as at and for the year ended 31st March, 2020 (Continued)

B.14 Financial assets

Classification and subsequent measurement of financial assets

B.14.1 Classification of financial assets

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification is done depending upon the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

For investments in debt instruments, this will depend on the business model in which the investment is held.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

B.14.2 Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost e.g. Debentures, Bonds etc. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in investment income using the effective interest rate method.

Fair value through other comprehensive income

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or fair value through OCI, are measured at fair value through profit or loss e.g. investments in mutual funds. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises.

Equity instruments

Investments in equity instruments at FVTPL

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for equity instruments which are not held for trading.

Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserve for 'equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

B.14.3 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset.

For trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

B.14.4 Effective interest method

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as FVTPL. Interest income is recognised in the statement of profit and loss.

B.14.5 De-recognition of financial assets

A financial asset is derecognised only when Company has transferred the rights to receive cash flows from the financial asset. Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

B.14.6 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

B.15 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Treasury shares

In the standalone financial statements, when any entity within the Company purchases the Company's ordinary shares, the consideration paid, including any directly attributable incremental cost, is presented as a deduction from total equity, until they are cancelled, sold or reissued. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is transferred to/ from share premium.

B.15.1 Classification and subsequent measurement

Financial liabilities are measured at amortised cost.

Financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

B.15.2 De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

B.15.3 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income' as 'Net foreign exchange gains/(losses)'.

B.16 Derivative financial instruments

The Company enters into derivative financial instruments viz. foreign exchange forward contracts, interest rate swaps and cross currency swaps to manage its exposure to interest rate, foreign exchange rate risks and commodity prices. The Company does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

B.17 Leases:

Till March 31, 2019:

Leases (including lease arrangements for land) are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease (The Company as lessee): Lease payments under an operating lease are recognized as expense in the statement of profit and loss, on a straight-line or other systematic basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Lessor's expected inflationary cost increases, such increases are recognised in the year in which such liability accrues.

Operating lease (The Company as lessor): Rental income from operating lease is recognised on straight line basis over the term of the relevant lease. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of leased asset and recognised on a straight line basis over the lease term.

With effect from April 1, 2019:

The Company as lessee:

From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company. Contracts may contain both lease and non-lease components. The Company has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

1) Lease Liabilities

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the lease payments. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the lessee's incremental borrowing rate (since the interest rate implicit in the lease cannot be easily determined). Incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and a similar security, the funds necessary to obtain an asset of a similar value to the right of-use asset in a similar economic environment.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2) Right-of-use assets

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability and lease payments made before the commencement date.

Right-of-use assets are depreciated over the lease term on a straight-line basis. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. Short term leases and leases of low value assets

3) Short term leases and leases of low value assets

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise assets having value less than ₹ 500,000.

The Company as lessor:

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

B.18 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) for the year by the weighted average number of equity shares outstanding during the year.

Ordinary shares to be issued upon conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per share from the date the contract is entered into. Diluted earnings per share is computed by dividing the profit / (loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

B.19 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of Afcons Infrastructure Limited assesses the financial performance and position of the Company, and makes strategic decisions. The board of directors, which has been identified as being the chief operating decision maker, consists of the key managerial personnel and the directors who are in charge of the corporate planning. Refer note 35 for segment information presented.

B.20 Credit Risk

The Company/Company assess on a forward-looking basis the expected credit losses associated with its assets measured at amortised cost which includes lease receivables, trade receivables, other contractual rights to receive cash etc. The impairment methodology applied depends on whether there has been a significant increase in the credit risk since initial recognition of these financial assets. For the evaluation, the Company/Company considers historical credit loss experience and adjusted for forward-looking information. Note 49.8 details how the Company/company determines whether there has been a significant increase in credit risk.

Notes forming part of the financial statements as at and for the year ended 31st March, 2020 (Continued)

B.21 Government grants, subsidies and export incentives

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

C. Critical estimates and judgements

a) Revenue recognition

The Company's revenue recognition policy, which is set out in Note B.3, is central to how the Company values the work it has carried out in each financial year.

These policies require forecasts to be made of the outcomes of long-term construction services, which require assessments and judgements to be made on changes in scope of work and claims and variations.

Across construction services there are several long-term and complex projects where the Company has incorporated significant judgements over contractual entitlements. The range of potential outcomes could result in a materially positive or negative change to underlying profitability and cash flow.

Estimates are also required with respect to the below mentioned aspects of the contract.

- Determination of stage of completion;
- Estimation of project completion date;
- Provisions for foreseeable losses; and
- Estimated total revenues and estimated total costs to completion, including claims and variations.

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Revenue and costs in respect of construction contracts are recognized by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

b) Taxation

The Company is subject to tax in a number of jurisdictions and judgement is required in determining the worldwide provision for income taxes. The Company provides for future liabilities in respect of uncertain tax positions where additional tax may become payable in future periods and such provisions are based on management's assessment of exposures.

The uncertain tax positions are measured at the amount expected to be paid to taxation authorities when the Company determines that the probable outflow of economic resources will occur. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

c) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. There are certain obligations which managements have concluded based on all available facts and circumstances are not probable of payment or difficult to quantify reliably and such obligations are treated as contingent liabilities and disclosed in the notes but are not provided for in the standalone financial statements. Although there can be no assurance of the final outcome of the legal proceedings in which the Company is involved it is not expected that such contingencies will have material effect on its financial position or profitability.

d) Useful lives of property, plant and equipment

As described at note B.8 above, the Company reviews the estimated useful lives of property, plant and equipment and residual values at the end of each reporting period. There was no change in the useful life and residual values of property, plant and equipment as compared to previous year.

e) Impairment of trade receivables

The Company has recognised trade receivables with a carrying value of ₹ 2,823.03 Crores (as at March 31, 2019: ₹ 2,096.72 Crores). The recoverability of trade receivables is regularly reviewed in the light of the available economic information specific to each receivable and specific provisions are recognised for balances considered to be irrecoverable.

The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, credit risk, existing market conditions as well as forward looking estimates at the end of each reporting period. The expected credit loss allowance for trade receivables is made based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. Where the actual cash shortfalls vary from those estimated, these could impact the level of profit or loss recognised by the Company.

f) **Retirement benefit obligations**

Details of the Company's defined benefit pension schemes are set out in Note B.6, including tables showing the sensitivity of the pension scheme obligations and assets to different actuarial assumptions.

The present value of defined benefit obligations is determined by discounting the estimated future cash outflows by reference to market yields at the end of reporting period that have terms approximating to the terms of the related obligation.

g) **Arbitration claims**

The forecast profit on contracts includes key judgements over the expected recovery of costs arising from the following: variations to the contract requested by the customer, compensation events, and claims made by the Company for delays or other additional costs for which the customer is liable. These claims could result in disputes that get settled through an arbitration process wherein the outcome of these awards including the timing and the amount (including interest thereon) requires a reasonable degree of estimation. The inclusion of these amounts requires estimation of their recoverability and could impact the level of profit or loss recognized by the Company.

h) **Classification of assets / liabilities as Current and Non-current**

The balance sheet presents current and non-current assets and current and non-current liabilities, as separate classifications. This classification involves managements estimate on expected realization of assets and settlement of liabilities within 12 months after the reporting period.

i) **Classification of Joint Arrangement as a Joint Operation /Joint Venture**

A Joint Operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangements. Joint control is the contractually agreed sharing of control of an arrangement, which exist only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When an entity undertakes its activities under joint operations, the Company as a joint operator recognises in relation to its interest in a joint operation:

a) Its assets, including its share of any assets held jointly;

b) Its liabilities, including its share of any liabilities incurred jointly;

c) Its revenue from the sale of the output arising from the joint operation;

d) Its share of the revenue from the sale of the output by the joint operation and

e) Its expenses, including its share of any expenses incurred jointly.

Accordingly, the Company has evaluated all its joint arrangements on the basis of the contractual arrangements entered into between the parties to the joint arrangements for execution of the project irrespective of the legal form.

Note No. 2. Details of Joint Operations at the end of the reporting period are as follows.

Name of joint operations	Country of incorporation	Place of Activity	Percentage holding-share
Afcons Vijeta PES Joint Venture	India	India	100%
Afcons Sibmost Joint Venture	India	India	100%
Dahej Standby Jetty Project undertaking	India	India	100%
Afcons Gunanusa Joint Venture	India	India	100%
Afcons Pauling Joint Venture	India	India	100%
Afcons SMC Joint Venture	India	Tanzania	100%
Afcons - Vijeta Joint Venture	India	India	100%
Afcons JAL Joint venture	India	India	100%
Transtonnelstroy Afcons Joint Venture	India	India	99%
Afcons KPTL Joint Venture	India	Bangladesh	51%
Afcons Sener LNG Construction Projects Pvt.Ltd.	India	India	49%
Ircon Afcons Joint Venture	India	Bangladesh	47%
Strabag AG Afcons Joint Venture	India	India	40%

AFCONS INFRASTRUCTURE LIMITED

Notes forming part of the financial statements as at and for the year ended 31st March, 2020 (Continued)

Note No 3. Property, plant and equipments

A. Tangible assets

(₹ in Crores)

Particulars	Gross block				Depreciation				Net Block
	Balance as at 1st April, 2019	Additions	Disposals	Balance as at 31st March, 2020	Balance as at 1st April, 2019	Depreciation for the year	Disposals	Balance as at 31st March, 2020	Balance as at 31st March, 2020
(a) Freehold land	204.47	-	-	204.47	-	-	-	-	204.47
(b) Buildings	42.34	10.05	-	52.39	17.55	1.07	-	18.62	33.77
(c) Plant and equipment	2,031.55	296.51	(72.37)	2,255.69	951.90	109.86	(54.87)	1,006.89	1,248.80
(d) Furniture and fixtures	47.39	10.08	(4.70)	52.77	18.71	4.47	(3.20)	19.98	32.79
(e) Vehicles	36.24	2.36	(0.57)	38.03	12.90	4.53	(0.46)	16.97	21.06
(f) Office equipments	52.33	6.22	(1.46)	57.09	35.18	6.39	(1.35)	40.22	16.87
(g) Leasehold improvements	2.79	-	-	2.79	2.79	-	-	2.79	-
(h) Floating equipments	218.26	39.50	-	257.76	56.85	14.41	-	71.26	186.50
(i) Laboratory equipments	2.53	1.45	-	3.98	0.72	0.14	-	0.86	3.12
(j) Shuttering materials	186.42	54.48	(0.31)	240.59	106.46	52.95	-	159.41	81.18
(k) Accessories and attachments	72.34	13.74	(0.35)	85.73	35.84	10.46	-	46.30	39.43
Total	**2,896.66**	**434.39**	**(79.76)**	**3,251.29**	**1,238.90**	**204.28**	**(59.88)**	**1,383.30**	**1,867.99**

Previous year

(₹ in Crores)

Particulars	Gross block				Depreciation				Net Block
	Balance as at 1st April, 2018	Additions	Disposals	Balance as at 31st March, 2019	Balance as at 1st April, 2018	Depreciation for the year	Disposals	Balance as at 31st March, 2019	Balance as at 31st March, 2019
(a) Freehold land	203.00	1.47	-	204.47	-	-	-	-	204.47
(b) Buildings	41.85	0.49	-	42.34	16.57	0.98	#	17.55	24.79
(c) Plant and equipment	1,821.93	221.55	(11.93)	2,031.55	807.01	149.33	(4.44)	951.90	1,079.65
(d) Furniture and fixtures	41.68	7.95	(2.24)	47.39	15.89	3.97	(1.15)	18.71	28.68
(e) Vehicles	23.17	13.07	-	36.24	9.07	3.83	-	12.90	23.34
(f) Office equipments	46.68	6.88	(1.23)	52.33	30.86	5.41	(1.09)	35.18	17.15
(g) Leasehold improvements	2.79	-	-	2.79	2.79	-	-	2.79	-
(h) Floating equipments	218.26	-	-	218.26	42.97	13.88	-	56.85	161.41
(i) Laboratory equipments	2.53	-	-	2.53	0.62	0.10	-	0.72	1.81
(j) Shuttering materials	117.13	69.68	(0.39)	186.42	60.32	46.14	-	106.46	79.96
(k) Accessories and attachments	56.84	17.74	(2.24)	72.34	25.84	10.00	-	35.84	36.50
Total	**2,575.86**	**338.83**	**(18.03)**	**2,896.66**	**1,011.94**	**233.64**	**(6.68)**	**1,238.90**	**1,657.76**

Notes:

(1) Freehold land with a carrying amount of ₹ 204.47 crores (as at 31st March 2019 ₹ 204.47 crores) has been secured by equitable mortgage with consortium banks. Refer Note No. 14.

Buildings carrying amount of ₹ 33.77 crores (as at 31st March 2019 ₹ 24.79 crores) has been secured by equitable mortgage with consortium banks. Refer Note No. 14.

Movable Plant and machinery, construction equipments, machinery spares, tools and accessories with a carrying amount of ₹ 1,515.78 Crores (as at 31st March 2019 ₹ 1,296.85 Crores) has been secured by way of hypothecation in favour of term lenders and consortium banks have been secured through indenture of mortgage. Refer Note No.14.

Amount is below the rounding off norms adopted by the Company.

Note No. 3. Property, plant and equipments (continued)

B. Intangible assets

(₹ in Crores)

Particulars	Gross block (At cost)				Amortisation				Net Block
	Balance as at 1st April, 2019	Additions	Disposals	Balance as at 31st March, 2020	Balance as at 1st April, 2019	Amortisation for the year	Disposals	Balance as at 31st March, 2020	Balance as at 31st March, 2020
Computer software - acquired	12.93		(0.01)	12.92	11.80	0.51	(0.01)	12.30	0.62
Total	**12.93**	**-**	**(0.01)**	**12.92**	**11.80**	**0.51**	**(0.01)**	**12.30**	**0.62**

Previous year

(₹ in Crores)

Particulars	Gross block (At cost)				Amortisation				Net Block
	Balance as at 1st April, 2018	Additions	Disposals	Balance as at 31st March, 2019	Balance as at 1st April, 2018	Amortisation for the year	Disposals	Balance as at 31st March, 2019	Balance as at 31st March, 2019
Computer software - acquired	12.04	0.89	-	12.93	10.40	1.40	-	11.80	1.13
Total	**12.04**	**0.89**	**-**	**12.93**	**10.40**	**1.40**	**-**	**11.80**	**1.13**

C. Right-of-use Asset Particulars

(₹ in Crores)

Particulars	Gross block				Depreciation				Net Block	
	Balance as at 1st April, 2019	Additions	Deletions due to discontinued agreements	Balance as at 31st March, 2020	Balance as at 1st April, 2019	Depreciation	Exchange Difference	Balance as at 31st March, 2020	Balance as at 31st March, 2020	Balance as at 31st March, 2019
Land	15.45	4.63	-	**20.08**	-	7.47		7.47	12.61	-
Building	38.59	14.61	(0.56)	**52.64**	-	21.78	-	**21.78**	**30.86**	**-**
Total	**54.04**	**19.24**	**(0.56)**	**72.72**	**-**	**29.25**	**-**	**29.25**	**43.47**	**-**

Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). For leases of Land, Office Premises, Houses and Godowns the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the group is typically reasonably certain to extend (or not terminate).
- Otherwise, the group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.
- Most extension options in offices leases have not been included in the lease liability, because the group could replace the assets without significant cost or business disruption.
- As at 31 March 2020, potential future cash outflows have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated) is not material in nature

The lease term is reassessed if an option is actually exercised (or not exercised) or the group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was an increase in recognized lease liabilities and right-of-use assets is not material in nature.

Notes forming part of the financial statements as at and for the year ended 31st March, 2020 (Continued)

Note No. 4. Non-current investments

		Particulars	Face Value	As at 31st March, 2020 Quantity	As at 31st March, 2020 Amount (₹ in Crores)	As at 31st March, 2019 Quantity	As at 31st March, 2019 Amount (₹ in Crores)
A.		**Investments at cost**					
		Unquoted investments (fully paid)					
	(a)	Investment in equity instruments :					
		(i) of subsidiaries					
		Hazarat & Co.Pvt.Ltd.	₹ 10	2,02,610	0.20	2,02,610	0.20
		Afcons Hydrocarbons Engineering Pvt. Ltd.	₹ 10	1,00,000	0.26	1,00,000	0.26
		Afcons Corrosion Protection Pvt. Ltd.	₹ 10	80,000	0.06	80,000	0.06
		Afcons Construction Mideast LLC.*	AED 1000	147	0.18	147	0.18
		Afcons Infrastructures Kuwait for Building, Road & Marine Contracting WLL.*	KD 1200	49	0.96	49	0.96
		Afcons Mauritius Infrastructure Ltd.	Euro 1	11,00,000	9.17	11,00,000	9.17
		Acons Overseas Singapore Pte. Ltd.	SGD 1	50,000	0.24	50,000	0.24
		Afcons Saudi Constructions LLC	SAR 100	4,750	0.80	4,750	0.80
		(ii) of associates					
		Afcons (Mideast) Constructions & Investments Pvt. Ltd.	₹ 100	1	#	1	#
					11.87		11.87
		Less: Provision for diminution in value of investment ^			0.36		0.36
					11.51		**11.51**
		^ Provision is for Afcons Saudi Constructions LLC					
		* Subsidiary on the basis of control on the composition of the board of directors.					
		Investments carried at Cost (A)			**11.51**		**11.51**
B.		**Investment in equity instruments at fair value through other comprehensive income**					
		Quoted investments (fully paid)					
	(a)	Investment in equity instruments :					
		Hindustan Oil Exploration Co. Ltd.	₹ 10	40,072	0.14	40,072	0.52
		Hindustan Construction Co. Ltd.	₹ 1	2,000	#	2,000	#
		Simplex Infrastructures Ltd.	₹ 2	500	#	500	0.01
		ITD Cementation India Ltd.	₹ 1	1,000	0.01	1,000	0.02
		Gammon India Ltd.	₹ 2	250	#	250	#
		Total aggregate quoted investments			**0.15**		**0.55**
		Unquoted investments (fully paid)					
	(b)	Investment in equity instruments :					
		Simar Port Ltd.	₹ 10	1,000	#	1,000	#
		Total aggregate unquoted investments			-		-
		#Amount is below the rounding off norms adopted by the Company.					
		Total investments carrying value (A+B)			**11.66**		**12.06**
		Aggregate amount of quoted investments			0.30		0.30
		Aggregate market value of quoted investments			0.15		0.55
		Aggregate carrying value of unquoted investments			11.51		11.51

Category-wise other investments - as per Ind-AS 109 classification: (₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Financial assets measured at FVTOCI - equity instruments	0.15	0.55
Financial Assets measured at amortised cost	11.51	11.51
	11.66	**12.06**

Notes forming part of the financial statements as at and for the year ended 31st March, 2020 (Continued)

Note No 5. Trade receivables

(₹ in Crores)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Current	Non Current	Current	Non Current
a) from Customers:				
i) Unsecured, considered good	2,121.95	533.24	1,697.68	231.05
ii) Doubtful	-	28.84	-	26.95
	2,121.95	562.08	1,697.68	258.00
Less: Allowance for expected credit losses	-	28.84	-	26.95
	2,121.95	533.24	1,697.68	231.05
b) from Related parties	164.68	3.16	164.83	3.16
Total	**2,286.63**	**536.40**	**1,862.51**	**234.21**

Note No. 5.1 - Movement in the expected credit loss allowance

(₹ in Crores)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Current	Non Current	Current	Non Current
Balance at beginning of the year	-	26.95	-	20.59
Add: Created during the year	-	1.89	-	6.72
Less: Utilised during the year	-	-	-	0.36
Balance at end of the year	**-**	**28.84**	**-**	**26.95**

Note No. 6 - Loans

(₹ in Crores)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Current	Non Current	Current	Non Current
Advances to related parties (unsecured, considered good)				
To Subsidiaries / fellow subsidiaries	53.20	-	54.01	-
To Joint operations (net of Group share)	7.70	-	17.50	-
Total	**60.90**	**-**	**71.51**	**-**

These financial assets are carried at amortised cost

Note No 7. Other financial assets

(₹ in Crores)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Current	Non Current	Current	Non Current
(a) Interest on trade receivables as per arbitration awards	30.32	263.53	180.65	117.76
(b) Others	20.87	-	14.67	-
(c) Deposits (unsecured, considered good)				
(i) Security deposits	5.89	12.98	5.70	10.46
(ii) Other deposits	0.53	1.35	0.30	1.31
	6.42	14.33	6.00	11.77
(d) Other loans and advances (doubtful)	-	0.16	-	0.16
Less: provision for other doubtful loans and advances	-	0.16	-	0.16
	-	-	-	-
(e) Bank deposits having maturity of more than 12 months (given towards margin money / under lien)	-	0.20	-	-
Total	**57.61**	**278.06**	**201.32**	**129.53**

Note No 8. Contract assets

(₹ in Crores)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Current	Non Current	Current	Non Current
Contract assets				
Amounts due from customer under construction contracts				
Unsecured, considered good	2,962.55	1,723.94	2,375.98	1,369.29
Doubtful	-	9.00	-	-
	2,962.55	1,732.94	2,375.98	1,369.29
Less: Allowance for expected credit losses	-	9.00	-	-
Total	**2,962.55**	**1,723.94**	**2,375.98**	**1,369.29**

Notes forming part of the financial statements as at and for the year ended 31st March, 2020 (Continued)

Note No 8.1 Contracts assets and liabilities balance (₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Contracts in progress at the end of the reporting period:		
Construction cost incurred plus recognised profits less recognised loss to date	22,522.66	22,159.18
Less : Progress billings	18,959.82	19,078.96
	3,562.84	**3,080.22**
Recognised and included in the financial statements as amounts due :		
- from customers under construction contracts	4,686.49	3,745.27
- to customers under construction contracts	(1,123.65)	(665.05)
	3,562.84	**3,080.22**

Note No 8.2 Other non-current and current assets (₹ in Crores)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Current	Non Current	Current	Non Current
(a) Capital advances	-	6.16	-	20.32
(b) Prepayments	43.49	12.61	21.48	9.71
(c) Balances with government authorities				
(i) GST / VAT credit receivable	331.17	120.90	286.61	103.05
(ii) Service tax credit receivable	2.45	27.78	2.97	27.78
(iii) Duty credit receivables	0.73	-	2.45	-
	334.35	148.68	292.03	130.83
(d) Others				
(i) Advance to vendors and others	419.76	20.34	163.38	-
(ii) Other receivables	16.67	-	1.71	-
(iii) Advances to employees	5.30	-	2.71	-
	441.73	20.34	167.80	-
Total	**819.57**	**187.79**	**481.31**	**160.86**

Note No 9. Inventories (₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Construction materials - at lower of cost and net realisable value		
Steel	481.52	470.39
Cement	10.24	11.52
Aggregate	31.45	37.43
Other construction material	217.42	93.50
	740.63	612.84
(b) Stores and spares - at lower of cost and net realisable value	278.94	205.06
	278.94	205.06
Total	**1,019.57**	**817.90**

Note No 10. Cash and cash equivalents (₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Balances with banks	290.02	208.75
(b) Cash on hand	3.57	1.09
Total cash and cash equivalents	**293.59**	**209.84**

Note No 10.1. Bank balance other than cash and cash equivalents (₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Earmarked balance with banks		
- Unpaid dividend accounts	0.68	0.57
- Balances held as margin money or security against borrowings, guarantees and other commitments	64.81	0.10
- Other earmarked accounts / escrow account	2.85	2.73
Bank deposit with maturity of more than three months but less than twelve months	39.75	15.33
Total	**108.09**	**18.73**

Notes forming part of the financial statements as at and for the year ended 31st March, 2020 (Continued)

Note No 11. Non current tax assets (Net) (₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advance income tax (net of provisions ₹ 179.35 crores) (As at 31st March, 2019 ₹ 130.88.crores)	155.01	122.96
Total	**155.01**	**122.96**

Note No 12.Share capital

	Particulars	As at 31st March, 2020		As at 31st March, 2019	
		Number of shares	(₹ in Crores)	Number of shares	(₹ in Crores)
(a)	**Authorised**				
	Equity shares of ₹ 10 each.	35,00,00,000	350.00	35,00,00,000	350.00
	Preference shares of ₹ 10 each.	65,00,00,000	650.00	65,00,00,000	650.00
		1,00,00,00,000	**1,000.00**	**1,00,00,00,000**	**1,000.00**
(b)	**Issued, subscribed and fully paid up**				
	Equity shares of ₹ 10 each. (Refer note 12.1 below)	7,19,70,238	71.97	7,19,70,238	71.97
	0.01% Non cumulative and non profit participatory convertible preference shares of ₹ 10 each. (Refer note 12.2 below)	10,00,00,000	100.00	10,00,00,000	100.00
	0.01% Fully and compulsorily convertible non-cumulative,non participatory preference shares of ₹ 10 each. (Refer note 12.3 below)	25,00,00,000	250.00	25,00,00,000	250.00
	0.01% Fully and compulsorily convertible non-cumulative,non participatory preference shares of ₹ 10 each. (Refer note 12.4 below)	10,00,00,000	100.00	10,00,00,000	100.00
	Total	**52,19,70,238**	**521.97**	**52,19,70,238**	**521.97**

12.1.Rights, preferences and restrictions attached to equity shares:

(a) Rights to receive dividend as may be approved by the board / annual general meeting.

(b) The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013.

(c) Every member shall be entitled to be present, and to speak and vote and upon a poll the voting right of every member present in person or by proxy shall be in proportion to his share of the paid- up equity share capital of the Company.

12.2.Rights, preferences and restrictions attached to 0.01% Non Cumulative and non profit participatory convertible preference shares:

(a) The preference shares shall be non-cumulative and non profit participating convertible Preference Shares carrying a fixed rate of dividend of 0.01% per annum to be paid in priority to the holders of any other class of shares.

(b) The terms of this Preference Shares have been varied with consent of the Preference Shareholder and the special resolution passed with requisite majority of the members of the Company vide Postal Ballot effective from 30th November, 2018. whereby the preference shares shall be deemed to be converted into common equity shares of the Company at a price of ₹ 68.25 per equity share (consisting of par of ₹ 10 and a premium of ₹ 58.25) immediately, automatically and without any further act of the parties in the event of conversion of the preference shares mentioned in note 12.3.(a) below.

(c) Every member of the Company holding preference shares has a right to vote in the general meeting of the Company on resolutions placed before the Company which directly affect the rights attached to this preference shares.

12.3.Rights, preferences and restrictions attached to 0.01% fully and compulsorily convertible non-cumulative, non participatory preference shares:

(a) The preference shares are automatically and mandatorily converted into equity shares on 13th January, 2024 ("mandatory conversion date") i.e. on the sixteen year from the issue date.

However subsequent to year end, Company has passed a special resolution for which consent has been obtained from the Preference Shareholder and the special resolution passed with requisite majority of the members of the Company vide Postal Ballot effective from 17th July, 2020 wherein preference shares can be converted into equity shares of the Company at any time on or after 31st July 2020 ("early conversion date") at the instructions of the preference share holder.

(b) On mandatory conversion date or the early conversion date, as the case maybe, the preference shares shall be converted into such number of equity shares of the Company constituting 74% of the outstanding equity share capital and convertible preference shares of the Company calculated on a fully diluted basis on the date of issue (i.e. 14th January, 2008) resulting into 24,65,40,258 equity shares in terms of the consent obtained from the Preference Shareholder and the special resolution passed with requisite majority of the members of the Company vide Postal Ballot effective from 17th July, 2020.

(c) The preference shares shall be entitled to fixed non-cumulative preference dividend at the fixed rate of 0.01% per annum which shall be paid in priority to the holder of any other class of shares.

(d) On return of capital on a liquidation or otherwise of the assets of the Company, the holder of preference shares shall be entitled, in priority to any payment to the holders of any other class of shares, to be repaid a sum equal to the capital paid up or credited as paid up on the preference shares held by it and all arrears and accruals (if any) of the preferential dividend calculated up to the date of the commencement of the winding-up (in case of winding-up) or the return of capital (in any other case).

Notes forming part of the financial statements as at and for the year ended 31st March, 2020 (Continued)

(e) The preference shares shall not confer any further right to participate in the profits or assets of the Company except as mentioned above.

(f) Every member of the Company holding preference shares has a right to vote in the general meeting of the Company on resolutions placed before the Company which directly affect the rights attached to this preference shares.

(g) The preference shares shall be transferable in accordance with the terms and conditions of the Articles and other provisions agreed between the Company and the preference shares holder

(h) The equity shares of the Company issued upon conversion of the preference shares will rank pari passu with the other equity shares existing on the conversion date and shall be transferable in accordance with the terms and conditions of the Articles.

12.4. Rights, preferences and restrictions attached to 0.01% fully and compulsorily convertible non-cumulative, non participatory preference shares:

(a) The preference shares shall be automatically and mandatorily converted into equity shares on 21st March, 2024 ("mandatory conversion date") i.e. on the expiry of ten year from the issue date. The mandatory conversion date of the 0.01% fully and compulsorily convertible non-cumulative, non participatory preference shares has been revised from 21st March, 2019 (5th year from the date of issue) to 21st March, 2024 (10th year from the date of issue) in terms of the consent obtained from the Preference Shareholder and the special resolution passed with requisite majority of the members of the Company vide Postal Ballot effective from 30th November, 2018.

(b) On mandatory conversion date, the preference shares shall be converted into such number of equity shares of the Company at the price of ₹ 132 per equity shares (consisting of par of ₹ 10 and a premium of ₹ 122).

(c) The preference shares shall be entitled to fixed non-cumulative dividend at the fixed rate of 0.01% per annum which shall be paid in priority to the holder of any other class of shares.

(d) On return of capital on a liquidation or otherwise of the assets of the Company, the holder of preference shares shall be entitled, in priority to any payment to the holders of any other class of shares, to be repaid a sum equal to the capital paid up or credited as paid up on the preference shares held by it.

(e) Every member of the Company holding preference shares has a right to vote in the general meeting of the Company on resolutions placed before the Company which directly affect the rights attached to this preference shares.

Note No 12.5. Reconciliation of number of Equity Shares of the Company and amount outstanding at the beginning and at the end of the year.

Particulars	Authorised		Issued, subscribed and fully paid up	
	Numbers (in crores)	(₹ in Crores)	Numbers (in crores)	(₹ in Crores)
Equity shares outstanding as at 31st March, 2018	**35.00**	**350.00**	**7.20**	**71.97**
Add: Shares issued during the year	-	-	-	-
Equity shares outstanding as at 31st March, 2019	**35.00**	**350.00**	**7.20**	**71.97**
Add: Shares issued during the year	-	-	-	-
Equity shares outstanding as at 31st March, 2020	**35.00**	**350.00**	**7.20**	**71.97**

Note No 12.6. Details of shares held by each shareholder holding more than 5% of shares of the Company:

Class of shares / name of shareholder	As at 31st March, 2020		As at 31st March, 2019	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares				
Shapoorji Pallonji & Company Private Limited	4,91,05,552	68.23	4,91,01,742	68.23
Floreat Investments Limited	1,30,15,929	18.09	1,30,15,929	18.09
Renaissance Commerce Private Limited	40,16,250	5.58	40,16,250	5.58
Hermes Commerce Limited	40,16,250	5.58	40,16,250	5.58
0.01% Non cumulative and non profit participatory convertible preference shares				
Floreat Investments Limited	10,00,00,000	100.00	10,00,00,000	100.00
0.01% Fully and compulsorily convertible non-cumulative non participatory preference shares				
Goswami Infratech Private Limited	25,00,00,000	100.00	25,00,00,000	100.00
0.01% Fully and compulsorily convertible non-cumulative non participatory preference shares				
Shapoorji Pallonji & Company Private Limited	10,00,00,000	100.00	10,00,00,000	100.00

Notes forming part of the financial statements as at and for the year ended 31st March, 2020 (Continued)

Note No 12.7. Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Equity shares	0.01% Non cumulative and non profit participatory convertible preference shares	0.01% Fully and compulsorily convertible non-cumulative non participatory preference shares	Equity shares	0.01% Non cumulative and non profit participatory convertible preference shares	0.01% Fully and compulsorily convertible non-cumulative non participatory preference shares
	Number of shares			Number of shares		
Shapoorji Pallonji & Company Private Limited, the holding company	4,91,05,552	-	10,00,00,000	4,91,01,742	-	10,00,00,000
Subsidiaries of the holding company:						
Floreat Investments Limited	1,30,15,929	10,00,00,000	-	1,30,15,929	10,00,00,000	-
Renaissance Commerce Private Limited	40,16,250	-	-	40,16,250	-	-
Hermes Commerce Limited	40,16,250	-	-	40,16,250	-	-

Note No 13. Other Equity

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Capital reserve	0.19	0.19
Capital redemption reserve	0.13	0.13
Securities premium account	10.28	10.28
Contingencies reserve	8.00	8.00
Debenture redemption reserve	52.50	42.50
General reserve	65.70	65.70
Foreign currency translation reserve	(25.05)	3.23
Retained earnings	1,262.82	1,061.97
Reserve through other comprehensive income	18.95	19.35
Total	**1,393.52**	**1,211.35**

Movement in other equity

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Capital reserve		
Opening balance	0.19	0.19
Closing balance	0.19	0.19
(b) Capital redemption reserve		
Opening balance	0.13	0.13
Closing balance	0.13	0.13
(c) Securities premium account		
Opening balance	10.28	10.28
Closing balance	10.28	10.28
(d) Contingencies reserve		
Opening balance	8.00	8.00
Closing balance	8.00	8.00
(e) Debenture redemption reserve		
Opening balance	42.50	61.25
Add : Transferred from / (to) surplus in Statement of Profit and Loss	10.00	(18.75)
Closing balance	52.50	42.50

Notes forming part of the financial statements as at and for the year ended 31st March, 2020 (Continued)

Particulars		As at 31st March, 2020	As at 31st March, 2019
(f)	General reserve		
	Opening balance	65.70	65.70
	Closing balance	65.70	65.70
(g)	Foreign currency translation reserve		
	Opening balance	3.23	(0.96)
	Add : transfer from surplus in statement of profit and loss	(28.28)	4.19
	Closing balance	(25.05)	3.23
(h)	Retained earnings		
	Opening balance	1,061.97	923.90
	Add: Adjustment for Ind AS 115	-	27.00
	Restated Opening balance	1,061.97	950.90
	Add: Profit for the year	241.92	125.05
	Add: Other items classified to other comprehensive income	(5.82)	(2.50)
	Add: Other Adjustment	-	(4.98)
	Less: Appropriations		
	Interim dividend on equity shares (₹ 3.50 per share) (previous year ₹ 3.50 per share)	25.19	25.19
	Dividend on preference shares (₹ 0.001 per share) (previous year ₹ 0.001 per share)	0.05	0.05
	Dividend distribution tax	0.01	0.01
	Transferred to / (from) Debenture redemption reserve	10.00	(18.75)
	Closing balance	1,262.82	1,061.97
(i)	Reserve for equity instruments through other comprehensive income		
	Opening balance	19.35	19.29
	Net fair value gain/(loss) on investments in equity instruments measured at FVTOCI	(0.40)	0.06
	Closing balance	18.95	19.35
	Total	**1,393.52**	**1,211.35**

Nature and purpose of each reserve within other equity

Capital reserve

The capital reserve is on account of acquisition of subsidiary companies

Capital redemption reserve

As per the provisions of Companies Act, capital redemption reserve is created out of the general reserve for the amount equivalent to the paid up capital of shares bought back by the company.

Securities premium account

Where Company issued shares at a premium, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to a “securities premium account” as per the provisions of applicable Companies Act. This reserve is utilized as per the provisions of the Companies Act.

Debenture redemption reserve

The Companies Act requires that where a company issues debentures, it shall create a debenture redemption reserve out of profits of the company available for payment of dividend. The amounts credited to the debenture redemption reserve may not be utilized by the company except to redeem debentures

General reserve:

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

Foreign currency translation reserve:

Exchange differences relating to the translation of the results and net assets of the foreign operations from their functional currencies to the presentation currency (i.e. ₹) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

Notes forming part of the financial statements as at and for the year ended 31st March, 2020 (Continued)

Retained earning and dividend on equity shares:

This represent the surplus / (deficit) of the profit or loss. The amount that can be distributed by the Company to its equity shareholders is determined considering the requirements of the Companies Act, 2013. Thus, the amount reported above are not distributable in entirety.

On 20th March, 2020, an interim dividend of ₹ 3.50 per share (total dividend ₹ 25.19 crores) was paid to holders of fully paid equity shares.

Reserve for equity instrument measured through other comprehensive income

This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognized.

Note No 14. Non current borrowings (₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Measured at amortised cost		
(a) Debentures (Unsecured) (Refer note 14.1)	200.00	250.00
(b) Equipment loan (Secured) (Refer note (14.2)		
Rupee loan	372.82	379.52
Foreign currency loan	-	20.83
Total	**572.82**	**650.35**

14.1 Details of debentures (₹ in Crores)

Particulars	Terms of repayment	As at 31st March, 2020		As at 31st March, 2019	
		Secured	Unsecured	Secured	Unsecured
Unsecured, redeemable, unlisted, non-convertible debentures (NCDs)					
i) 9.87% NCDs	Refer note 14.1 (i) below	-	-	-	50.00
ii) 8.60% NCDs	Refer note 14.1 (ii) below	-	100.00	-	100.00
iii) 8.65% NCDs	Refer note 14.1 (iii) below	-	100.00	-	100.00
Total Non-Convertible Debentures		**-**	**200.00**	-	**250.00**

14.1 (i) The NCDs carry interest @ 9.87% per annum payable semi annually and are redeemable in full on 6th April, 2020 (i.e. at the end of 5 years and 20 days from the date of allotment).

14.1 (ii) The NCDs carry interest @ 8.60% per annum payable annually and are redeemable in full on 6th September, 2021 (i.e. at the end of 5 years from the date of issue).

14.1 (iii) The NCDs carry interest @ 8.65% per annum payable annually and are redeemable in full on 23rd February, 2022 (i.e. at the end of 5 years from the date of issue).

14.2 Details of terms of repayment of long-term borrowings from banks and security provided in respect thereof:

14.2 (i) Equipment loan from banks (₹ in Crores)

Particulars	Terms of security	As at 31st March, 2020		As at 31st March, 2019	
		Secured	Unsecured	Secured	Unsecured
Rupee loan:	Refer note 14.2 (ii) below				
Axis Bank		120.00	-	160.00	-
HSBC Bank		50.00	-	-	-
State Bank of India		202.82	-	219.52	-
Foreign currency loan (ECB):					
Societe Generale		-	-	20.83	-
Total - Equipment loan		**372.82**	-	**400.35**	-
Total long-term borrowings from banks		**372.82**	**-**	**400.35**	-

14.2 (ii). Secured by first pari passu charge on plant & machinery. The rupee loan of Axis Bank Limited carry interest @ 8.60% per annum , State Bank of India carry interest ranging from 8.50% to 8.80% per annum and HSBC Limited carry interest @ 9.25% per annum. Foreign currency loans carry interest @ 3.5576% per annum. The repayment schedule of the loans are as follows:

As at 31st March, 2020 (₹ in Crores)

Nature	Bank name	Loan amount	Repayment schedule
Rupee Loan	Axis Bank Ltd.	120.00	Each annual installment of ₹ 40 crores upto 2023-24
	HSBC Bank	50.00	Semi annual installment of ₹ 6.25 crores upto 2025-26
	State Bank of India	200.00	Semi annual installment of ₹ 20 crores upto 2025-26
	State Bank of India	2.82	Annual installment of ₹ 2.82 crores in 2021-22

Notes forming part of the financial statements as at and for the year ended 31st March, 2020 (Continued)

Note No 15. Trade payables

(₹ in Crores)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Current	Non Current	Current	Non Current
Trade payables				
(a) Total outstanding due to micro and small enterprises	55.56	-	3.67	-
(b) Total outstanding due to creditors other than micro and small enterprises	3,055.58	557.12	2,223.22	381.29
Total	**3,111.14**	**557.12**	**2,226.89**	**381.29**

Disclosures as required under the micro, small and medium enterprises development Act, 2006 (MSMED Act)

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	51.98	3.67
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1.02	0.08
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	88.33	-
Interest paid, other than under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	2.48	-
Further interest remaining due and payable for earlier years	0.08	0.08

Note No 16. Other financial liabilities

(₹ in Crores)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Current	Non Current	Current	Non Current
(a) Current maturities of long-term debt (Refer note 16.1 below)	96.03	-	128.06	-
(b) Interest accrued but not due on borrowings	5.88	-	6.26	-
(c) Unclaimed / unpaid dividends #	0.68	-	0.57	-
(d) Interest accrued on advance from customers	78.37	-	7.82	-
(e) Other payables				
(i) Trade / security deposits received	32.79	-	21.82	-
(ii) Amount received on invocation of bank guarantees	-	75.05	-	70.48
(iii) Distribution of profit payable to member of JV	-	0.01	-	0.01
(iv) Others	71.09	54.40	41.40	37.24
	103.88	**129.46**	**63.22**	**107.73**
Total	**284.84**	**129.46**	**205.93**	**107.73**

The figures reflect the position as at period end. The actual amount to be transferred to the Investor Education and Protection Fund in this respect shall be determined on the due dates.

Note No 16.1:

(₹ in Crores)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Current	Non Current	Current	Non Current
(a) Working capital loans from banks (Secured) #	-	-	25.00	-
(b) Equipment loans from banks (Rupee Loan) (Secured) #	73.33	-	73.33	-
(c) Foreign currency loans (External Commercial Borrowings) (Secured) #	22.70	-	29.73	-
Total	**96.03**	**-**	**128.06**	**-**

For nature of security and interest rate refer note no.14.1 & 14.2

Note No 17. Contract liabilities

(₹ in Crores)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Current	Non Current	Current	Non Current
Contract liabilities				
Amount due to customers	1,123.65	-	665.05	-
Advances from customers	1,465.30	1,942.73	1,097.72	1,615.63
Total	**2,588.95**	**1,942.73**	**1,762.77**	**1,615.63**

Notes forming part of the financial statements as at and for the year ended 31st March, 2020 (Continued)

Note No 17.1 Other non-current and current liabilities

(₹ in Crores)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Current	Non Current	Current	Non Current
(a) Advance against sale of scrap	0.02	-	0.09	-
(b) Other payables				
Statutory remittances (VAT, GST, Service tax, etc.)	58.78	-	60.17	-
Advance from subsidiaries	7.87	-	4.48	-
Total	**66.67**	**-**	**64.74**	**-**

Note No 18. Provisions

(₹ in Crores)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Current	Non Current	Current	Non Current
Provision for employee benefits:				
Provision for compensated absences	3.05	25.83	2.65	19.33
Provision for gratuity	10.77	7.44	8.83	5.05
	13.82	33.27	11.48	24.38
Provision - Others:				
Provision for projected loss on contract	9.82	-	1.50	-
Total	**23.64**	**33.27**	**12.98**	**24.38**

(i) The provision for employee benefits includes annual leave and vested long service leave entitlements accrued, gratuity and ex-gratia.

Note No. 18.1 - Movement in the provision for projected loss on contract

(₹ in Crores)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Current	Non Current	Current	Non Current
Balance at beginning of the year	1.50	-	-	-
Add: Created during the year	9.19	-	1.50	-
Less: Utilised during the year	0.87	-	-	-
Balance at end of the year	**9.82**	**-**	**1.50**	**-**

Note No 19. Current tax liabilities (net)

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for tax (net of advance tax ₹ 41.33 crores) (As at 31st March, 2019 ₹ 6.25 crores)	17.25	12.13
Total	**17.25**	**12.13**

Note No 20. Current borrowings

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Working capital demand loans from banks		
Secured (Refer note 20.1 below)	830.90	390.00
(b) Cash credit facility from banks		
Secured (Refer note 20.1 below)	50.98	296.30
(c) Book Overdraft	15.73	-
(d) Commercial papers (Unsecured)		
From other parties	-	99.44
(e) Acceptances	38.62	-
(f) From related parties (Unsecured)	-	8.45
Total	**936.23**	**794.19**

Notes forming part of the financial statements as at and for the year ended 31st March, 2020 (Continued)

Note 20.1: (₹ in Crores)

Details of security for the secured short-term borrowings:

Particulars	Terms of security	As at 31st March, 2020	As at 31st March, 2019
Working capital demand loans (WCDL)			
From banks:			
State Bank of India	Refer note 20.2 below	300.00	240.00
HSBC Bank		31.01	50.00
Indian Bank		30.00	-
Export Import Bank of India		175.00	100.00
ICICI Bank		45.00	-
Bank of Baroda		49.89	-
Axis Bank		78.00	-
OBC Bank		72.00	-
BNP PARIBAS		50.00	-
		830.90	390.00
Cash credit facility	Refer note 20.2 below	50.98	296.30

Note 20.2:

(i) **Security:**
Secured by first charge by way of equitable mortgage on the immovable properties of the Company situated at Andheri, Mumbai on a pari passu basis. The Company's stock of construction material, stores, WIP, book debt is further secured under indenture of mortgage and first charge on movable plant & machinery of the Company upto 50% of the fund based limits with other term lenders on pari passu basis. Cash credit facility / working capital demand loan is further secured by the Company's proportionate share of current assets in all the joint ventures both present and future.

(ii) **Interest:**
Cash credit facility and working capital demand loan from banks carry interest ranging from 7.96% to 9.90% per annum (as on 31st March, 2019 interest ranging from 8.65% to 10.45% per annum).

Note No 21. Current tax and deferred tax

(a) Income tax expense (₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Current tax:		
Current tax in respect of current year	129.89	116.27
Adjustments in respect of previous years	5.24	4.50
Deferred tax		
In respect of current year	1.36	(35.96)
Total income tax expense recognised in the statement of profit and loss account	**136.49**	**84.81**

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate: (₹ in Crores)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Amount	Tax rate	Amount	Tax rate
Profit before tax	378.41		209.86	
Income tax using the Company's domestic tax rate #	132.23	34.94%	73.33	34.94%
Effect of income that is exempt from taxation				
Non-taxable income	(0.09)	-0.02%	(0.03)	-0.01%
Loss in respect of which deferred tax assets not recognised due to uncertainty	2.10	0.55%	3.42	1.63%
Disallowable expenses	1.43	0.38%	0.98	0.47%
Effect of tax rates differences of entities operating in other jurisdictions having different tax rates	8.75	2.31%	(0.36)	-0.17%
Charge/(credit) in respect of previous years	0.75	0.20%	4.50	2.14%
Effect of change in tax rates	(8.64)	-2.28%	1.08	0.51%
Others	(0.04)	-0.01%	1.89	0.90%
Income tax expenses recognised in Statement of Profit and Loss	**136.49**	**36.07%**	84.81	40.41%

The tax rate used for the reconciliation above is the corporate tax rate of 30%, surcharge of 12% on corporate tax, education cess 3% and secondary and higher education cess of 1% on corporate tax.

Notes forming part of the financial statements as at and for the year ended 31st March, 2020 (Continued)

(c) Movement of deferred tax

(₹ in Crores)

Particulars	For the Year ended 31st March 2020				
	Opening balance	Recognised in profit and Loss	Recognised in OCI	Others	Closing balance
Tax effect of items constituting deferred tax liabilities					
Property, plant and equipment	74.20	4.30	-	-	78.50
Arbitration awards	185.70	5.37	-	-	191.07
	259.90	9.67	-	-	269.57
Tax effect of items constituting deferred tax assets					
Employee benefits	(12.53)	(0.81)	(3.12)	-	(16.46)
Adjustment on adoption of IndAS 116	-	(0.78)	-	-	(0.78)
Expected credit loss	(1.88)	(6.00)	-	-	(7.88)
Provisions	(7.59)	(1.02)	-	-	(8.61)
Minimum alternate tax credit	(72.49)	-	-	42.73	(29.76)
Other items	(0.30)	0.30	-	-	-
	(94.79)	(8.31)	(3.12)	42.73	(63.49)
Net tax liabilities	**165.11**	**1.36**	**(3.12)**	**42.73**	**206.08**

(₹ in Crores)

Particulars	For the Year ended 31st March 2019				
	Opening balance	Recognised in profit and Loss	Recognised in OCI	Others	Closing balance
Tax effect of items constituting deferred tax liabilities					
Property, plant and equipment	88.06	(13.86)	-	-	74.20
Arbitration awards	221.68	(35.98)	-	-	185.70
	309.74	(49.84)	-	-	259.90
Tax effect of items constituting deferred tax assets					
Employee benefits	(12.06)	0.87	(1.34)	-	(12.53)
Expected credit loss	(1.88)	-	-	-	(1.88)
Provisions	(5.37)	(2.22)	-	-	(7.59)
Carry forward losses	(11.23)	11.23	-	-	-
Minimum alternate tax credit	(126.92)	-	-	54.43	(72.49)
Other items	(4.30)	4.00	-	-	(0.30)
	(161.76)	13.88	(1.34)	54.43	(94.79)
Net tax liabilities	**147.98**	**(35.96)**	**(1.34)**	**54.43**	**165.11**

Note No 22. Revenue from operations

(₹ in Crores)

	Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(a)	Revenue from sale of goods (Including excise duty, if any) (Construction Materials)	23.86	13.62
(b)	Construction contract revenue (Refer note 22.1 below)	9,179.72	7,655.49
(c)	Other operating income (Refer note 22.2 below)	51.39	62.79
	Total	**9,254.97**	**7,731.90**

	Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
22.1	**Construction contract revenue comprises:**		
	Construction revenue	9,179.72	7,655.49
	Total - Sale of services	**9,179.72**	**7,655.49**
22.2	**Other operating income comprises:**		
	Sale of scrap	15.44	22.07
	Others	35.95	40.72
	Total - Other operating revenues	**51.39**	**62.79**

Notes forming part of the financial statements as at and for the year ended 31st March, 2020 (Continued)

Note No 23. Other income

(₹ in Crores)

	Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(a)	Interest income on financial assets at amortised cost (Refer note 23.1 below)	28.39	101.13
(b)	Dividend income:		
	From non trade, on current investments	49.47	49.89
(c)	Other non operating income (Refer note 23.2 below)	173.18	52.37
	Total	**251.04**	**203.39**

	Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
23.1	**Interest income comprises:**		
	Interest on arbitration awards	15.78	84.69
	Other interest	12.61	16.44
	Total - Interest income	**28.39**	**101.13**
23.2	**Other non operating income comprises:**		
	Provision for doubtful debtors / advances no longer required written back	-	0.36
	Miscellaneous provision written back	7.89	3.06
	Insurance claim received	68.83	7.65
	Provision for projected loss written back	0.87	-
	Net gain on foreign currency transactions and translation	72.27	17.51
	Miscellaneous income	23.32	23.79
	Total - Other non-operating income	**173.18**	**52.37**

Note No 24. Cost of material consumed

(₹ in Crores)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Cost of construction materials consumed (Including bought out Items)	2,514.25	1,788.24
Total	**2,514.25**	**1,788.24**

Note No 24.1. Cost of construction

(₹ in Crores)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Stores and spare consumed	379.64	400.77
Subcontracting expenses (Including lease payment for equipments hired)	2,940.10	2,962.06
Site installation	174.64	121.16
Technical consultancy	295.06	227.80
Power and fuel consumed	349.37	220.43
Freight and handling charges	276.70	134.35
Total	**4,415.51**	**4,066.57**

Note No 25. Cost of traded goods

(₹ in Crores)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Construction materials	50.74	37.20
Total	**50.74**	**37.20**

Notes forming part of the financial statements as at and for the year ended 31st March, 2020 (Continued)

Note No 26. Employee benefits expense

(₹ in Crores)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Salaries and wages, including bonus	755.99	612.50
Contributions to provident and other funds:		
Contribution to provident fund	21.44	19.21
Gratuity Expense	4.55	4.26
Leave encashment Expense	12.97	5.94
Other Post employment benefits	20.41	15.87
Staff welfare expenses	68.82	36.99
Total	**884.18**	**694.77**

Note No 27. Finance costs

(₹ in Crores)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest expense on financial liabilities not at fair value through profit or loss		
Bank overdrafts and loans	194.87	170.22
Advance from clients	89.37	31.11
Lease liabilities	4.54	-
Others	21.60	16.47
	310.38	217.80
Other borrowing costs:		
Bank guarantee commission including bank charges	70.25	53.46
Others	5.15	5.47
Total	**385.78**	**276.73**

Note No 28. Depreciation and amortisation expenses

(₹ in Crores)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Depreciation on tangible assets	204.28	233.64
Amortisation on intangible assets	0.51	1.40
Depreciation on lease assets	29.25	-
Total	**234.04**	**235.04**

Note No 29. Other expenses

(₹ in Crores)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Water and electricity	10.45	8.24
Rent	29.84	60.61
Repairs and maintenance - Buildings	0.01	0.05
Repairs and maintenance - Machinery	18.14	26.39
Repairs and maintenance - Others	20.46	13.93
Insurance charges	57.64	84.09
Rates and taxes	51.33	108.35
Communication	10.34	5.89
Travelling and conveyance	93.52	79.68
Security charges	41.70	34.46
Donations and contributions	0.75	0.66
Expenditure on corporate social responsibility (CSR)	1.47	1.93
Legal and professional	118.64	89.38
Auditors remuneration (Refer note below)	1.48	0.78
Advances written off	0.08	0.03
Provision for Doubtful Debtors	-	0.44
Bad / irrecoverable debtors / unbilled revenue written off	94.12	45.53
Expected credit loss on financial assets	10.89	6.28
Provision for projected loss on contract	9.19	1.50
Loss on sale of fixed assets	8.39	4.16
Miscellaneous expenses	64.66	54.50
Total	**643.10**	**626.88**

Notes forming part of the financial statements as at and for the year ended 31st March, 2020 (Continued)

Note 29.1:

(₹ in Crores)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Auditors remuneration comprises		
(a) To statutory auditors (excluding taxes)		
As auditors - statutory audit	0.95	0.65
For taxation matters	0.03	0.06
For other services	0.48	0.05
Reimbursement of expenses	#	#
# Amount is below the rounding off norms adopted by the Company.		
	1.46	**0.76**
(b) To cost auditors for cost audit (excluding taxes)		
As auditors	0.02	0.02
	0.02	**0.02**
Total (a + b)	**1.48**	**0.78**

Note 30: Contingent liabilities and commitments (to the extent not provided for)

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(i) Contingent liabilities		
(a) Claims against the Company not acknowledged as debts		
i) Differences with sub-contractors in regard to rates and quantity of materials.	**310.66**	309.54
ii) Royalty Claims*	**238.00**	-
(b) Guarantees		
i) Bank guarantees given on behalf of subsidiaries and counter guaranteed by the Company.	**113.93**	234.20
(c) Sales tax and entry tax Represents demands raised by sales tax authorities in matters of a) disallowance of labour and service charges, consumables etc. b) Tax on AS7 turnover c) Entry tax and d) Interest and penalty etc. for which appeal is pending before various appellate authorities. The Company is confident that the cases will be successfully contested.	**24.23**	15.48
(d) VAT Represents partial disallowane by West Bengal VAT Authorities for the year 2016-17. In matters of disallowance of subcontractor charges, Labour charges, PF contribution, architectural charges, cost of consumables, cost of establishment, etc. for which appeal is pending before higher appellate authority. The entity is confident that the case will be successfully contested.	**1.18**	-
(e) Excise duty Represents demands raised by central excise department for excisability of girders. The Company is confident that the cases will be successfully contested.	**0.66**	0.66
(f) Service tax Represents demand confirmed by the CESTAT / Asst. commissioner of service tax for a) disallowance of cenvat credit, since abatement claimed by the Company, b) disallowance of general exemption of private transport terminals and c) taxability under "Commercial or Industrial Construction Service", etc. The Company has appealed / in the process of appeal against the said order with commissioner of service tax Mumbai,CESTAT / High court and is confident that the cases will be successfully contested. The Company has received the stay order for some case from the CESTAT.Amount disclosed does not include penalties in certain matters for which amount is unascertainable.	**118.25**	175.65
Note:- In respect of items mentioned under paragraphs (a), (c), (d), (e) and (f) above, till the matters are finally decided, the financial effect cannot be ascertained and future cashflows in respect of above matters are determinable only on receipts of judgements / decisions pending at various forums / authorities		
(ii) Commitments Estimated amount of contracts remaining to be executed on capital account and not provided for	**191.18**	63.91
(iii) Income tax Demand raised by income tax department on account of disallowance of expenses and addition made in respect of receipt of income. The company has obtained stay order from tax department. Company is confident that the case will be successfully contested before concerned appellate authorities.	**26.24**	26.24
Notes:		
* The Company has received a demand and a show cause notice amounting to ₹ 238 crores and ₹ 244 crores respectively with respect to liability on account of royalty payable on Murrum used in one of the project. Subsequent to the show cause notice, the Company has obtained a stay order on the same. Further, based on legal opinion, the Company expects that the claim is highly unlikely to materialise.		
The Company has implemented the decision given in the Supreme Court Judgement in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 w.e.f. April 01, 2019. Basis the assessment of the management, which is supported by legal advice, the aforesaid matter is not likely to have significant impact in respect of earlier periods		

Notes forming part of the financial statements as at and for the year ended 31st March, 2020 (Continued)

Note No 31. Employee benefit plans

a. Defined contribution plan

(i) Provident fund

(ii) Superannuation fund

(iii) State defined contribution plans

The provident fund and the state defined contribution plan are operated by the regional provident fund commissioner and the superannuation fund is administered by the Life Insurance Corporation (LIC). Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits.

The total expense recognised in profit or loss of ₹ 39.37 crores (for the year ended March 31, 2019: ₹ 35.08 crores) represents contributions payable to these plans by the Company at rates specified in the rules of the plans.

b. Defined benefit plans

(i) Gratuity

The Company has an obligation towards gratuity, a funded defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees on retirement / termination of an amount equivalent to 15 days salary and on death while in employment or on death of an employee an amount equivalent to one month salary, payable for each completed year of service or part thereof in excess of six months in terms of Gratuity scheme of the Company or as per payment of the Gratuity Act, whichever is higher. Vesting occurs upon completion of five years of service.

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk

A decrease in the bond interest rate will increase the plan liability.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The risk relating to benefits to be paid to the dependents of plan members (widow and orphan benefits) is re-insured by an external insurance company.

No other post-retirement benefits are provided to these employees.

In respect of the plan, the most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at March 31, 2020 by an actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The Company has recognised following amounts in the statement of profit and loss:

Particulars	**March 31, 2020**	**March 31, 2019**
Superannuation Fund	16.02	13.56
Provident Fund	21.44	19.21
State defined contribution plans	-	-
Gratuity	4.55	4.26
Compensated absences	12.97	5.94
Total	**54.98**	**42.97**

c. Details of defined benefit plan - Gratuity

The principle assumptions used for the purpose of actuarial valuation (considered for the Group)

Particulars	**March 31, 2020**	**March 31, 2019**
Expected Return on Plan Assets	6.86%	7.83%
Rate of Discounting	6.86%	7.83%
Rate of Salary Increase	6.00%	6.00%
Rate of Employee Turnover	For service 4 years and below 6.00% p.a. & For service 5 years and above 2.00% p.a	
Mortality Rate During Employment*	Indian Assured Lives Mortality (2006-08)	

*Based on India's standard mortality table with modification to reflect expected changes in mortality.

Notes forming part of the financial statements as at and for the year ended 31st March, 2020 (Continued)

The estimate of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

(₹ in Crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(i) Components of defined benefit cost		
Service cost:		
Current service cost	3.47	2.92
Past service cost and (gain)/loss from settlements	-	-
Interest cost on benefit obligation (Net)	1.08	1.20
Return on plan assets (excluding amounts included in net interest expense)	-	-
Total defined benefit costs recognised in profit or loss	**4.55**	**4.12**
Actuarial (gains) / losses arising from changes in demographic assumptions	0.28	0.04
Actuarial (gains) / losses arising from changes in financial assumptions	3.48	0.11
Actuarial losses arising from experience adjustments	5.18	3.69
Total defined benefit costs recognised in OCI	**8.94**	**3.84**
Total defined benefit costs recognised in profit or loss and OCI	**13.49**	**7.96**
(ii) Net (liabilities) recognised in the Balance Sheet		
Present value of defined benefit obligation	44.34	32.31
Fair value of plan asset	26.13	18.43
Net liabilities recognised in the Balance Sheet	(18.21)	(13.88)

(iii) Movements in the present value of the defined benefit obligation are as follows. (₹ in Crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening defined benefit obligation	32.31	27.65
Current service cost	3.47	2.92
Interest cost	2.52	2.16
Remeasurement (gains)/losses:		
Actuarial (gains) / losses arising from changes in financial assumptions	3.48	0.11
Actuarial losses arising from experience adjustments	5.18	3.69
Past service cost, including losses on curtailments	-	-
Liabilities extinguished on settlements	-	-
Benefits paid	(2.62)	(4.22)
Closing defined benefit obligation	**44.34**	**32.31**

(iv) Movements in the fair value of plan assets are as follows. (₹ in Crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening fair value of plan assets	18.43	12.36
Interest income	1.44	0.97
Remeasurement gain / (loss):		
Return on plan assets (excluding amounts included in net interest expense)	(0.28)	(0.04)
Contributions from the employer	9.16	9.36
Benefits paid	(2.62)	(4.22)
Closing fair value of plan assets	**26.13**	**18.43**

The Company pays premium to the group gratuity scheme of LIC and the fund is managed by LIC

(v) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

1) If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by ₹ 3.72 crores (increase by ₹ 4.37 crores) (as at March 31, 2019: decrease by ₹ 2.57 crores (increase by ₹ 3.01 crores)).

2) If the expected salary growth increases (decreases) by 1%, the defined benefit obligation would increase by ₹ 4.37 crores (decrease by ₹ 3.78 crores) (as at March 31, 2019: increase by ₹ 3.04 crores (decrease by ₹ 2.64 crores)).

3) If the life expectancy increases (decreases) by one year for both men and women, the defined benefit obligation would increase by ₹ 0.20 crores (decrease by ₹ 0.24 crores) (as at March 31, 2019: increase by ₹ 0.37 crores (decrease by ₹ 0.43 crores)).

Notes forming part of the financial statements as at and for the year ended 31st March, 2020 (Continued)

(vi) Sensitivity analysis method

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The average duration of the benefit obligation at March 31, 2020 is 16 years (as at March 31, 2019: 15 years).

The Company expects to make a contribution of ₹ 10.77 crores (as at March 31, 2019: ₹ 8.83 crores) to the defined benefit plans during the next financial year.

(vii) Maturity profile of defined benefit obligation:

Projected benefits payable in future years from the date of reporting

Particulars	(₹ in Crores)
1st following year	4.13
2nd following year	1.80
3rd following year	3.33
4th following year	3.48
5th following year	2.90
Sum of years 6 To 10	19.97

d. Compensated Absences

The compensated absences cover the Company's liability for sick and earned leave.

The amount of the provision of ₹ 28.88 crores (as at 31st March, 2019 ₹ 21.98 crores) is presented as current liabilities, since the Company does not have an unconditional right to defer settlement for any of these obligations.

Note No 32. Earnings per share (EPS)

EPS is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year, as under :

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	₹	₹
Basic earnings per share	33.61	17.37
Diluted earnings per share	7.10	3.67

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Profit for the year attributable to shareholders of the Company - earnings used in calculation of basic earning per share (₹ in crores)	241.92	125.05
Dividends paid on convertible non-participating preference shares (₹ in crores)	(0.05)	(0.05)
Earnings used in the calculation of basic earnings per share	241.87	125.00
Profits used in the calculation of basic earnings per share (₹ in crores)	**241.87**	**125.00**

The weighted average number of equity shares for the purpose of basic earnings per share is as follows:

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	Number	Number
Weighted average number of shares used in calculation of basic earnings per share	7,19,70,238	7,19,70,238

Notes forming part of the financial statements as at and for the year ended 31st March, 2020 (Continued)

Diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of diluted earnings per share are as follows:

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Profit for the year attributable to shareholders of the Company - earnings used in calculation of basic earning per share (₹ in crores)	241.92	125.05
Earnings used in the calculation of diluted earnings per share (₹ in crores)	241.92	125.05
Profits used in the calculation of diluted earnings per share (₹ in crores)	**241.92**	**125.05**

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	Number	Number
Weighted average number of shares used in calculation of basic earnings per share	7,19,70,238	7,19,70,238
Shares deemed to be issued for no consideration in respect of:		
- Convertible preference shares	26,87,68,030	26,87,68,030
Weighted average number of shares used in calculation of diluted earnings per share	**34,07,38,268**	**34,07,38,268**

Note 33. Operating lease arrangements

(a) Where the Company is a lessee:

(i) The Group has taken various offices, residential and godown premises, land and plant and machinery under operating lease or leave and license agreements. These are generally cancellable and range between 1 month to 5 years and are renewable by mutual consent on mutually agreeable terms.

(ii) The future minimum lease payments under non-cancellable operating lease are as follows: (₹ in Crores)

Particulars	For the year ended 31st March, 2019
Not later than 1 year	11.16
Later than 1 year and not later than 5 years	5.75
Later than 5 years	-
Total	**16.91**

Note No 34. Corporate social responsibility: (₹ in Crores)

Gross amount required to be spent by the Company during the year:	0.81

Amount spent during the year on:

CSR activities (in cash)	Paid	To be paid	Total
(i) Construction/acquisition of an asset	1.47	-	**1.47**
(ii) Purposes other than (i) above		-	**-**
Total	**1.47**	**-**	**1.47**

Note 35: Segment information : (₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Segment Profit before tax (before exceptional items)		
India	(204.62)	(40.96)
Other Countries	583.03	250.82
	378.41	209.86
Add: Unallocated income	-	-
Less: Unallocated expenses	-	-
Profit before tax	**378.41**	**209.86**

Revenue from external customers	As at 31st March, 2020	As at 31st March, 2019
India	6,094.98	5,515.01
Other Countries	3,159.99	2,216.89
Total	**9,254.97**	**7,731.90**

Notes forming part of the financial statements as at and for the year ended 31st March, 2020 (Continued)

(₹ in Crores)

Segment Assets	As at 31st March, 2020	As at 31st March, 2019
India	11,593.03	9,643.36
Other Countries	2,764.80	1,731.25
	14,357.83	**11,374.61**
Intersegment eliminations	(2,093.11)	(1,752.19)
Unallocated		
Investments	11.66	12.06
Non current tax assets	155.01	122.96
Total assets as per balance sheet	**12,431.39**	**9,757.44**

(₹ in Crores)

Non Current Assets	As at 31st March, 2020	As at 31st March, 2019
India	2,612.85	1,869.38
Other Countries	113.34	4.18
Total non current assets	**2,726.19**	**1,873.56**

(₹ in Crores)

Segment Liabilities	As at 31st March, 2020	As at 31st March, 2019
India	6,479.84	3,902.28
Other Countries	3,099.63	3,028.35
	9,579.47	**6,930.63**
Intersegment eliminations	(891.98)	(656.36)
Unallocated		
Current Borrowings	1,032.25	922.25
Non Current Borrowings	572.82	650.35
Deferred Tax Liability	206.08	165.11
Current Tax Liability	17.25	12.13
Total liabilities as per balance sheet	**10,515.90**	**8,024.11**

(₹ in Crores)

Non Current Liabilities	As at 31st March, 2020	As at 31st March, 2019
India	1,609.46	764.84
Other Countries	1,069.58	1,364.18
Total non current liabilities	**2,679.04**	**2,129.02**

Information about major customers:

During the current year ended March 31, 2020, revenue of ₹ 1,212.40 crore arising from a customer in India (viz Oil and Natural Gas Corporation Limited) contributes to more than 10% of the Company's revenue.

No customer, individually, contributed 10% or more to the Company's revenue for the year ended March 31, 2019.

Note 36: Related party disclosures

(a) Details of related parties:

Related Party where Control exists

Holding Company

Shapoorji Pallonji & Co. Pvt. Ltd.

Subsidiaries of the Company

Hazarat & Company Private Limited

Afcons Corrosion Protection Private Limited

Afcons Hydrocarbons Engineering Private Limited

Afcons Construction Mideast LLC

Afcons Infrastructures Kuwait for Building, Road and Marine Contracting WLL

Afcons Gulf International Project Services FZE

Afcons Mauritius Infrastructure Ltd (AMIL)

Afcons Overseas Singapore Pte Ltd.

Afcons Infra Projects Kazakhstan LLP

Afcons Saudi Constructions LLC

Afcons Overseas Project Gabon SARL

Fellow Subsidiary(s)

Floreat Investments Limited

Hermes Commerce Limited

Renaissance Commerce Private Limited

Forvol International Services Limited

Forbes & Company Ltd.

Shapoorji & Pallonji Qatar, WLL

Eureka Forbes Ltd.

Forbes Facility Services Pvt.Ltd.

S.D.Corporation Pvt.LTd.

Shapoorji Pallonji Infrastructure Capital Co Pvt Ltd

Shapoorji Pallonji Pandoh Takoli Highway Pvt. Ltd

Shapoorji Pallonji Oil and Gas Pvt Ltd

Forbes Enviro Solutions Ltd

SP Oil and Gas Malaysia SDN BHD

HPCL Shapoorji Energy Pvt Ltd

Joint Operations

Transtonnelstroy Afcons Joint Venture

Dahej Standby Jetty Project undertaking

Afcons Gunanusa Joint Venture

Strabag AG Afcons Joint Venture

Ircon Afcons Joint Venture

Afcons Sener LNG Construction Projects Pvt.Ltd.

Afcons Sibmost Joint Venture

Afcons Vijeta PES Joint Venture

Afcons SMC Joint Venture

Afcons Vijeta Joint Venture

Afcons JAL Joint venture

Afcons KPTL Joint Venture

Afcons - SPCPL Joint Venture

Key Management Personnel

Mr. S. P. Mistry – Chairman

Mr. K. Subramanian – Executive Vice Chairman

Mr. S. Paramasivan – Managing Director

Mr. Giridhar Rajagopalan

Mr. Akhil Kumar Gupta

Notes forming part of the financial statements as at and for the year ended 31st March, 2019 (Continued)

Note 36 : Related party disclosures (Contd)

Details of transactions with related party for the period 01st April 2019 to 31st March 2020 (₹ in Crores)

Nature of Transaction	Holding Company(s)		Subsidiaries		Fellow subsidiary(s)		Jointly Controlled Operations		Key Management Personnel		Total	
	CY	PY 18-19	CY	PY 18-19	CY	PY 18-19	CY	PY 18-19	CY	PY 18-19	CY	PY 18-19
Managerial Remuneration paid												
a) Short Term Employee Benefit												
S.Paramasivan	-	-	-	-	-	-	-	-	3.33	3.00	3.33	3.00
K.Subramanian	-	-	-	-	-	-	-	-	3.78	3.43	3.78	3.43
Giridhar Rajagopalan	-	-	-	-	-	-	-	-	2.04	1.85	2.04	1.85
Akhil Kumar Gupta	-	-	-	-	-	-	-	-	1.96	1.83	1.96	1.83
b) Post Employment Benefits												
S.Paramasivan	-	-	-	-	-	-	-	-	0.55	0.47	0.55	0.47
K.Subramanian	-	-	-	-	-	-	-	-	0.59	0.51	0.59	0.51
Giridhar Rajagopalan	-	-	-	-	-	-	-	-	0.16	0.13	0.16	0.13
Akhil Kumar Gupta	-	-	-	-	-	-	-	-	0.09	0.07	0.09	0.07
c) Other Long Term Benefits												
S.Paramasivan	-	-	-	-	-	-	-	-	0.32	0.29	0.32	0.29
K.Subramanian	-	-	-	-	-	-	-	-	0.36	0.33	0.36	0.33
Giridhar Rajagopalan	-	-	-	-	-	-	-	-	0.12	0.09	0.12	0.09
Akhil Kumar Gupta	-	-	-	-	-	-	-	-	0.07	0.06	0.07	0.06
Sitting Fees paid												
S.P.Mistry	-	-	-	-	-	-	-	-	0.04	0.04	0.04	0.04
Dividend on Preference Shares												
Floreat Investments Limited	-	-	-	-	0.01	0.01	-	-	-	-	0.01	0.01
Shapoorji Pallonji & Co. Pvt. Ltd.	0.01	0.01	-	-	-	-	-	-	-	-	0.01	0.01
Interim Dividend on Equity Shares												
Shapoorji Pallonji & Co. Pvt. Ltd.	17.19	17.19	-	-	-	-	-	-	-	-	17.19	17.19
Floreat Investments Limited	-	-	-	-	4.56	4.56	-	-	-	-	4.56	4.56
Hermes Commerce Limited	-	-	-	-	1.41	1.41	-	-	-	-	1.41	1.41
Renaissance Commerce Private Ltd.	-	-	-	-	1.41	1.41	-	-	-	-	1.41	1.41
K.Subramanian	-	-	-	-	-	-	-	-	0.02	0.02	0.02	0.02
S.Paramasivan	-	-	-	-	-	-	-	-	0.01	0.01	0.01	0.01
Giridhar Rajagopalan	-	-	-	-	-	-	-	-	0.00	0.00	0.00	0.00
Overhead Charges Recovered												
Strabag-AG Afcons Joint Venture	-	-	-	-	-	-	8.92	5.70	-	-	8.92	5.70
Interest Income												
Afcons Sener LNG Construction Projects Pvt. Ltd.	-	-	-	-	-	-	0.25	0.19	-	-	0.25	0.19
Afcons Construction Mideast, LLC	-	-	7.49	15.19	-	-	-	-	-	-	7.49	15.19
Income from Services charges												
Afcons Overseas Singapore Pte Ltd.	-	-	1.92	3.60	-	-	-	-	-	-	1.92	3.60
Afcons Construction Mideast, LLC	-	-	1.17	1.59	-	-	-	-	-	-	1.17	1.59
Strabag-AG Afcons Joint Venture	-	-	-	-	-	-	5.28	3.42	-	-	5.28	3.42
Afcons - SPCPL Joint Venture							0.41	-			0.41	-
Afcons Overseas Project Gabon SARL	-	-	0.92	2.20	-	-	-	-	-	-	0.92	2.20
Other Income												
Afcons Overseas Project Gabon SARL	-	-	3.49	1.05	-	-	-	-	-	-	3.49	1.05
Afcons Construction Mideast, LLC	-	-	0.67	1.12	-	-	-	-	-	-	0.67	1.12
Transtonnelstroy-Afcons Joint Venture	-	-	-	-	-	-	0.02	0.02	-	-	0.02	0.02
Strabag-AG Afcons Joint Venture	-	-	-	-	-	-	0.59	-	-	-	0.59	-
Afcons Overseas Singapore Pte Ltd.	-	-	4.06	-	-	-	-	-	-	-	4.06	-
Subcontract Income												
Transtonnelstroy-Afcons Joint Venture	-	-	-	-	-	-	0.20	0.23	-	-	0.20	0.23
Shapoorji Pallonji Pandoh Takoli Highway Pvt. Ltd	-	-	-	-	552.16	216.16	-	-	-	-	552.16	216.16
Shapoorji Pallonji Infrastructure Capital Co Pvt Ltd	-	-	-	-	63.54	20.95	-	-	-	-	63.54	20.95
HPCL Shapoorji Energy Pvt. Ltd	-	-	-	-	14.96	-	-	-	-	-	14.96	-
Income from Equipment Hire												
Strabag-AG Afcons Joint Venture	-	-	-	-	-	-	0.03	0.65	-	-	0.03	0.65
Afcons Overseas Project Gabon SARL	-	-	-	13.44	-	-	-	-	-	-	-	13.44
Afcons Overseas Singapore Pte Ltd.	-	-	2.61	7.29	-	-	-	-	-	-	2.61	7.29
Dividend Received												
Afcons Overseas Singapore Pte Ltd.	-	-	49.47	49.89	-	-	-	-	-	-	49.47	49.89
Distribution of Profit / (Loss) from Joint Ventures												
Ircon-Afcons Joint Venture	-	-	-	-	-	-	-	11.86	-	-	-	11.86
Sale of Spares/Materials/Assets												
Transtonnelstroy-Afcons Joint Venture	-	-	-	-	-	-	0.00	0.03	-	-	0.00	0.03
Afcons Construction Mideast, LLC	-	-	-	0.51	-	-	-	-	-	-	-	0.51
Afcons Overseas Project Gabon SARL	-	-	0.04	1.87	-	-	-	-	-	-	0.04	1.87
Afcons Overseas Singapore Pte Ltd.	-	-	3.39	2.08	-	-	-	-	-	-	3.39	2.08

Notes forming part of the financial statements as at and for the year ended 31st March, 2020 (Continued)

Note No 36 Related party disclosures (Continued)

(₹ In Crores)

Nature of Transaction	Holding Company(s)		Subsidiaries		Fellow subsidiary(s)		Jointly Controlled Operations		Key Management Personnel		Total	
	CY	PY 18-19	CY	PY 18-19	CY	PY 18-19	CY	PY 18-19	CY	PY 18-19	CY	PY 18-19
Afcons - KPTL Joint Venture	-	-	-	-	-	-	18.36	0.10	-	-	**18.36**	0.10
Advance Given												
Afcons Construction Mideast, LLC	-	-	113.04	37.16	-	-	-	-	-	-	**113.04**	37.16
Afcons Infrastructures Kuwait for Building,Road & Marine Contracting WLL.	-	-	0.22	0.82	-	-	-	-	-	-	**0.22**	0.82
Transtonnelstroy-Afcons Joint Venture	-	-	-	-	-	-	2.98	5.08	-	-	**2.98**	5.08
Strabag-AG Afcons Joint Venture	-	-	-	-	-	-	-	1.88	-	-	**-**	1.88
Ircon-Afcons Joint Venture	-	-	-	-	-	-	0.00	0.01	-	-	**0.00**	0.01
Afcons Corrosion Protection Pvt Ltd	-	-	0.02	0.04	-	-	-	-	-	-	**0.02**	0.04
Afcons Overseas Project Gabon SARL	-	-	0.35	0.88	-	-	-	-	-	-	**0.35**	0.88
Afcons Overseas Singapore Pte Ltd.	-	-	12.70	0.10	-	-	-	-	-	-	**12.70**	0.10
Hazarat & Company Private Limited	-	-	0.02	0.02	-	-	-	-	-	-	**0.02**	0.02
Afcons Saudi Constructions LLC	-	-	-	0.15	-	-	-	-	-	-	**-**	0.15
Afcons Sener LNG Construction Projects Pvt. Ltd.	-	-	-	-	-	-	0.73	0.37	-	-	**0.73**	0.37
Afcons - KPTL Joint Venture	-	-	-	-	-	-	3.80	(12.97)	-	-	**3.80**	(12.97)
Shapoorji Pallonji & Co. Pvt. Ltd.	151.02	25.00	-	-	-	-	-	-	-	-	**151.02**	25.00
Advance Received back												
Afcons Construction Mideast, LLC	-	-	(115.15)	(102.95)	-	-	-	-	-	-	**(115.15)**	(102.95)
Afcons Infrastructures Kuwait for Building,Road & Marine Contracting WLL.	-	-	(3.33)	(1.71)	-	-	-	-	-	-	**(3.33)**	(1.71)
Transtonnelstroy-Afcons Joint Venture	-	-	-	-	-	-	(2.10)	(3.97)	-	-	**(2.10)**	(3.97)
Afcons Overseas Singapore Pte Ltd.	-	-	(3.32)	(9.50)	-	-	-	-	-	-	**(3.32)**	(9.50)
Afcons Corrosion Protection Pvt Ltd	-	-	(0.06)	-	-	-	-	-	-	-	**(0.06)**	-
Hazarat & Company Private Limited	-	-	(0.02)	(0.02)	-	-	-	-	-	-	**(0.02)**	(0.02)
Afcons Sener LNG Construction Projects Pvt. Ltd.	-	-	-	-	-	-	(0.37)	-	-	-	**(0.37)**	-
Afcons - KPTL Joint Venture	-	-	-	-	-	-	(2.51)	-	-	-	**(2.51)**	-
Service Charges paid												
Afcons Overseas Project Gabon SARL	-	-	2.49	-	-	-	-	-	-	-	**2.49**	-
Housekeeping services paid												
Forbes Facility Services Pvt Ltd	-	-	-	-	10.49	6.00	-	-	-	-	**10.49**	6.00
Rent Expense												
Hazarat & Company Private Limited	-	-	0.02	0.02	-	-	-	-	-	-	**0.02**	0.02
Forbes & Company Limited	-	-	-	-	-	0.40	-	-	-	-	**-**	0.40
Reimbursement of Expenses												
S.D. Corporation Pvt. Ltd.	-	-	-	-	-	0.05	-	-	-	-	**-**	0.05
Shapoorji Pallonji Oil and Gas Pvt Ltd	-	-	-	-	-	0.23	-	-	-	-	**-**	0.23
Legal & Professional Fees												
Shapoorji Pallonji & Co. Pvt. Ltd. (Strategic Support Services)	24.28	17.66	-	-	-	-	-	-	-	-	**24.28**	17.66
Shapoorji Pallonji & Co. Pvt. Ltd. (Consultancy Services)	0.04	0.05	-	-	-	-	-	-	-	-	**0.04**	0.05
Subcontract Expenses												
Shapoorji Pallonji Qatar WLL					18.94	-					**18.94**	-
Travelling Expenses												
Forvol International Service Ltd	-	-	-	-	14.47	15.65	-	-	-	-	**14.47**	15.65
Equipment Hire Charges Paid												
Afcons Infrastructures Kuwait for Building,Road & Marine Contracting WLL.	-	-	3.29	3.26	-	-	-	-	-	-	**3.29**	3.26
Purchase of Spares/Materials/Assets												
Afcons Overseas Project Gabon SARL	-	-	8.34	1.26	-	-	-	-	-	-	**8.34**	1.26
Afcons Overseas Singapore Pte Ltd.	-	-	0.95	0.21	-	-	-	-	-	-	**0.95**	0.21
Transtonnelstroy-Afcons Joint Venture	-	-	-	-	-	-	0.05	0.12	-	-	**0.05**	0.12
Afcons Construction Mideast, LLC	-	-	1.08	3.21	-	-	-	-	-	-	**1.08**	3.21
Eureka Forbes Ltd.	-	-	-	-	0.20	0.38	-	-	-	-	**0.20**	0.38
Shapoorji Pallonji & Co. Pvt. Ltd.	-	0.29	-	-	-	-	-	-	-	-	-	0.29
Guarantees Given for / (Released)												
Afcons Gunanusa Joint Venture	-	-	-	-	-	-	22.48	-	-	-	**22.48**	-
Strabag-AG Afcons Joint Venture	-	-	-	-	-	-	7.03	(16.60)	-	-	**7.03**	(16.60)
Transtonnelstroy-Afcons Joint Venture	-	-	-	-	-	-	(20.72)	(251.39)	-	-	**(20.72)**	(251.39)
Afcons Overseas Singapore Pte Ltd.	-	-	(70.93)	135.23	-	-	-	-	-	-	**(70.93)**	135.23
Afcons Overseas Project Gabon SARL	-	-	(47.42)	(99.25)	-	-	-	-	-	-	**(47.42)**	(99.25)
Afcons Infrastructures Kuwait for Building,Road & Marine Contracting WLL.	-	-	-	(4.08)	-	-	-	-	-	-	**-**	(4.08)
Afcons SMC Joint Venture, Tanzania	-	-	-	-	-	-	(58.31)	(24.97)	-	-	**(58.31)**	(24.97)
Afcons - Vijeta - PES Joint Venture	-	-	-	-	-	-	(65.19)	46.06	-	-	**(65.19)**	46.06
Afcons - Vijeta Joint Venture	-	-	-	-	-	-	(3.68)	3.68	-	-	**(3.68)**	3.68
Afcons – Sibmost – Joint Venture	-	-	-	-	-	-	(35.76)	71.00	-	-	**(35.76)**	71.00
Afcons - KPTL Joint Venture	-	-	-	-	-	-	-	103.99	-	-	**-**	103.99
Afcons JAL Joint Venture	-	-	-	-	-	-	1.00	(7.76)	-	-	**1.00**	(7.76)
Dahej Standby Jetty Project Undertaking (DJPU)	-	-	-	-	-	-	-	(55.00)	-	-	**-**	(55.00)

Notes forming part of the financial statements as at and for the year ended 31st March, 2020 (Continued)

Note No 36 Related party disclosures (Continued)

Nature of Transaction	Holding Company(s)		Subsidiaries		Fellow subsidiary(s)		Jointly Controlled Operations		Key Management Personnel		Total	
	CY	PY 18-19	CY	PY 18-19	CY	PY 18-19	CY	PY 18-19	CY	PY 18-19	CY	PY 18-19
SBLC Given for / (Released)												
Afcons Overseas Singapore Pte Ltd.	-	-	61.70	-	-	-	-	-	-	-	**61.70**	-
Outstanding amount of guarantee given/ (taken)												
Afcons Gunanusa Joint Venture	-	-	-	-	-	-	447.00	417.95	-	-	**447.00**	417.95
Strabag-AG Afcons Joint Venture	-	-	-	-	-	-	92.90	103.18	-	-	**92.90**	103.18
Transtonnelstroy-Afcons Joint Venture	-	-	-	-	-	-	531.08	551.74	-	-	**531.08**	551.74
Dahej Standby Jetty Project Undertaking (DJPU)	-	-	-	-	-	-	58.33	58.04	-	-	**58.33**	58.04
Afcons Infrastructures Kuwait for Building,Road & Marine Contracting WLL.	-	-	20.30	19.90	-	-	-	-	-	-	**20.30**	19.90
Afcons Overseas Singapore Pte Ltd.	-	-	-	135.23	-	-	-	-	-	-	**-**	135.23
Afcons Overseas Project Gabon SARL	-	-	-	47.83	-	-	-	-	-	-	**-**	47.83
Afcons SMC Joint Venture, Tanzania	-	-	-	-	-	-	38.87	68.50	-	-	**38.87**	68.50
Afcons - Vijeta - PES Joint Venture	-	-	-	-	-	-	70.14	120.05	-	-	**70.14**	120.05
Afcons - Vijeta Joint Venture	-	-	-	-	-	-	12.06	31.02	-	-	**12.06**	31.02
Afcons – Sibmost – Joint Venture	-	-	-	-	-	-	256.42	292.18	-	-	**256.42**	292.18
Afcons - KPTL Joint Venture	-	-	-	-	-	-	119.48	118.00	-	-	**119.48**	118.00
Afcons JAL Joint Venture	-	-	-	-	-	-	53.55	52.55	-	-	**53.55**	52.55
Outstanding amount of SBLC given/ (taken)												
Afcons Overseas Singapore Pte Ltd.	-	-	93.62	31.24	-	-	-	-	-	-	**93.62**	31.24
Outstanding Amount Loans & Advances Dr/ (Cr)												
Shapoorji Pallonji & Co. Pvt. Ltd.	176.02	25.00	-	-	-	-	-	-	-	-	**176.02**	25.00
Afcons Construction Mideast, LLC	-	-	50.07	52.17	-	-	-	-	-	-	**50.07**	52.17
Strabag-AG Afcons Joint Venture	-	-	-	-	-	-	-	10.64	-	-	**-**	10.64
Transtonnelstroy-Afcons Joint Venture	-	-	-	-	-	-	5.54	4.66	-	-	**5.54**	4.66
Ircon-Afcons Joint Venture	-	-	-	-	-	-	(0.02)	(0.02)	-	-	**(0.02)**	(0.02)
Afcons Corrosion Protection Pvt Ltd	-	-	-	0.04	-	-	-	-	-	-	**-**	0.04
Afcons Saudi Constructions LLC	-	-	0.81	0.75	-	-	-	-	-	-	**0.81**	0.75
Afcons Sener LNG Construction Projects Pvt. Ltd.	-	-	-	-	-	-	2.16	1.79	-	-	**2.16**	1.79
Afcons Overseas Project Gabon SARL	-	-	1.39	1.04	-	-	-	-	-	-	**1.39**	1.04
Afcons Overseas Singapore Pte Ltd.	-	-	0.93	-	-	-	-	-	-	-	**0.93**	-
Afcons - KPTL Joint Venture	-	-	-	-	-	-	(11.74)	(13.03)	-	-	**(11.74)**	(13.03)
Outstanding Amount - Debtors												
Afcons Construction Mideast, LLC	-	-	40.90	31.95	-	-	-	-	-	-	**40.90**	31.95
Transtonnelstroy-Afcons Joint Venture	-	-	-	-	-	-	3.97	4.38	-	-	**3.97**	4.38
Shapoorji Pallonji & Co. Pvt. Ltd.	0.07	0.07	-	-	-	-	-	-	-	-	**0.07**	0.07
Afcons Overseas Singapore Pte Ltd.	-	-	7.51	4.80	-	-	-	-	-	-	**7.51**	4.80
Afcons Overseas Project Gabon SARL	-	-	5.08	4.86	-	-	-	-	-	-	**5.08**	4.86
Strabag-AG Afcons Joint Venture	-	-	-	-	-	-	11.75	12.54	-	-	**11.75**	12.54
Afcons - KPTL Joint Venture	-	-	-	-	-	-	18.56	0.10	-	-	**18.56**	0.10
Afcons - SPCPL Joint Venture	-	-	-	-	-	-	0.21	-	-	-	**0.21**	-
Shapoorji Pallonji Infrastructure Capital Co Pvt Ltd	-	-	-	-	47.01	29.74	-	-	-	-	**47.01**	29.74
Shapoorji Pallonji Pandoh Takoli Highway Pvt. Ltd	-	-	-	-	36.36	8.88	-	-	-	-	**36.36**	8.88
HPCL Shapoorji Energy Pvt. Ltd	-	-	-	-	14.03	-	-	-	-	-	**14.03**	-
SP Oil and Gas Malaysia SDN BHD					0.04	-					**0.04**	-
Outstanding Amount - Creditors												
Forvol International Service Ltd	-	-	-	-	0.58	3.10	-	-	-	-	**0.58**	3.10
Forbes Facility Services Pvt Ltd	-	-	-	-	3.73	0.92	-	-	-	-	**3.73**	0.92
Shapoorji Pallonji Oil and Gas Pvt Ltd	-	-	-	-	-	0.28	-	-	-	-	**-**	0.28
Shapoorji Pallonji Infrastructure Capital Co Pvt Ltd	-	-	-	-	79.28	79.28	-	-	-	-	**79.28**	79.28
Shapoorji Pallonji Pandoh Takoli Highway Pvt. Ltd	-	-	-	-	139.98	196.16	-	-	-	-	**139.98**	196.16
HPCL Shapoorji Energy Pvt. Ltd	-	-	-	-	34.69	-	-	-	-	-	**34.69**	-
Shapoorji Pallonji Qatar WLL	-	-	-	-	52.04	28.26	-	-	-	-	**52.04**	28.26
Eureka Forbes Ltd.	-	-	-	-	0.03	0.09	-	-	-	-	**0.03**	0.09
SP Oil and Gas Malaysia SDN BHD					0.26	-					**0.26**	-
Forbes Enviro Solutions Ltd	-	-	-	-	0.02	0.02	-	-	-	-	**0.02**	0.02
Shapoorji Pallonji & Co. Pvt. Ltd.	1.24	0.04	-	-	-	-	-	-	-	-	**1.24**	0.04
Afcons Infrastructures Kuwait for Building,Road & Marine Contracting WLL.	-	-	9.58	6.10	-	-	-	-	-	-	**9.58**	6.10
Afcons Construction Mideast, LLC	-	-	3.84	3.34	-	-	-	-	-	-	**3.84**	3.34
Afcons Overseas Project Gabon SARL	-	-	12.64	1.43	-	-	-	-	-	-	**12.64**	1.43
Afcons Overseas Singapore Pte Ltd.	-	-	-	0.21	-	-	-	-	-	-	**-**	0.21
Transtonnelstroy-Afcons Joint Venture	-	-	-	-	-	-	0.02	0.04	-	-	**0.02**	0.04
Strabag-AG Afcons Joint Venture	-	-	-	-	-	-	0.65	0.52	-	-	**0.65**	0.52

Notes forming part of the financial statements as at and for the year ended 31st March, 2020 (Continued)

Note No 37. The Company had issued ₹ 100 crores unsecured unlisted non- convertible debentures (NCDs) to a bank on a private placement basis in each of the financial year 2012-13, 2014-15 and 2015-16 respectively. Out the above NCDs aggregating to ₹ 50 crores were outstanding as on 31st March, 2019. The said NCDs issued to the banks were subsequently transferred in favour of mutual funds which are in accordance with the provisions of Section 111A of the Companies Act, 1956 / Section 58 (2) of the Companies Act, 2013. The said NCDs were repaid during the year.

The Company has obtained and placed reliance on legal opinion to the effect that the provisions of Section 58A of the Companies Act, 1956/ Section 73 of the Companies Act, 2013 read together with the Companies Acceptance of Deposit Rules, 1975 / Companies (Acceptance of Deposit Rules), 2014 are not attracted to the NCDs, for aforesaid amount.

Note No 38. **Afcons Gunanusa Joint Venture (AGJV)**

(a) AGJV had submitted claims for change orders aggregating to ₹ 836.48 crores to ONGC. The AGJV has invoked arbitration in respect of the aforesaid change orders, as the same were not approved by the Outside Expert Committee (OEC). Claims against change orders and counter claims by ONGC aggregating to ₹ 65.67 crores will be discussed in arbitration. Based on the legal opinion obtained and facts of the matter, the management is confident of its recovery.

Pursuant to discussions between AGJV, Afcons and PT Gunanusa (PTG), the parties decided to settle all claims and counterclaims between PTG, Afcons and AGJV arising from the Project, subject to the terms of the Settlement Agreement dated 26/07/2018. As per the terms, it was agreed that the amount payable by PTG to Afcons shall be adjusted against the money due by the AGJV to PTG and that necessary book entries were passed in the books of account of the AGJV to reflect the settlement arrived at between the Parties.

As per the terms of the settlement agreement it is further agreed that PTG's liability towards liquidated damages (LD) under the Subcontract shall be limited to USD 3.6 million equivalent ₹ 27.24 crores only and the liability shall be imposed on PTG only if AGJV is confirmed to be liable for liquidated damages in the ONGC Arbitration, where PTG's share of liability for LD is 20% Also, in the event AGJV is not successful in the ONGC Arbitration, Afcons agrees to absorb all the losses in the Project without claiming anything against PTG. If AGJV receives an award from the ONGC Arbitration for amount above USD 35 million equivalent ₹ 264.81 crores, Afcons agrees to share 20% of the amount above USD 35 million equivalent ₹ 264.81 crores to PTG.

b) Afcons Infrastructure Limited has given advances agreegating to ₹ 186.72 Crores which are receivable from AGJV. The recovery of this amount is dependent upon finalization of arbitration award.

Note No 39. Transtonnelstroy Afcons Joint Venture (TAJV)

(a). The Joint Venture ("the JV") had submitted variations to the client for two projects arising on account of cost overruns due to unforeseen geological conditions, delays in handing over of land, change in scope of work etc., which the Management believes is attributable to the client and the matters are under negotiation with the client/in arbitration /are referred to Dispute Adjudication Board for determination and recovery of the amounts.

In the earlier years, Joint Venture had received arbitration awards in few of the matters. The Client has further challenged these arbitration awards before the Hon'ble High Court, Madras. Pending disposal of these matters in the court, client has, upon submission of the bank guarantee by the Joint Venture, deposited part of the award amount with the Joint Venture, pursuant to an interim stay order from Hon'ble High Court, Madras.

During the year, the arbitration proceedings has reached the advanced stage and hence certain claims pertaining to extension of time which includes overlapping of time related costs is not considered as realizable as envisaged previously. Further, a recent Hon'ble High Court, Madras decision allowing the client to encash Bank Guarantee of ₹ 143.00 crores on account of delay and quality issues in completion of project by Joint Venture, is considered as a temporary set-back by the management of JV. The JV has filed an appeal before the Division Bench against the said order. The Division Bench passed interim stay order on 20th August, 2020 directing the respondents to maintain Status quo.

Based on the assessment of the timing and amount of recoverability, carried out by Joint Venture's Management after considering the current status of negotiation with the client/in arbitration proceeding/Dispute Adjudication Board proceedings, an amount of ₹ 95.00 crores has been impaired in the Statement of Profit and Loss as Impairment of Contract assets - Amount due from Customers under Construction contracts.

Balance amounts which is supported by legal opinion and technical evaluation recognized towards the variations/claims as at the year-end are included in Note 7 'Amounts due from Customers under Construction contracts' as Other Current and Non-current assets amounting to ₹ 174.07 crores and ₹ 757.00 crores respectively (Previous Year ₹ 430.11 crores and ₹ 570.00 crores respectively) and have been considered as good and fully recoverable by the Management and it does not anticipate any further loss to be recognized at this stage.

(b) TAJV has a total exposure of ₹ 1,106.89 Crores in Chennai Metro Rail Ltd. project (CMRL) which includes trade receivables of ₹ 175.82 Crores and unbilled receivables of ₹ 931.07 Crores.

TAJV has claimed variations amounting to ₹ 1,968 Crores on CMRL which are pending at different stages as follows

- Variations of ₹ 1167 Crores on account of extended stay Cost (March 2016 to December 2018).
- Variations of ₹ 218 Crores with internal dispute adjudicating board (DAB) which are on account of Change in site condition/soil strata (unforeseeable Sub-surface condition).
- Variations under arbitration of ₹ 452 Crores on account of extended stay cost until March 30, 2016; and
- Arbitration won to the extent of ₹ 131 Crores (money is pending to be realised.)

Afcons Infrastructure Limited has a total receivable of ₹ 949.22 Crores from TAJV as on 31st March 2020. AIL is not the party to the arbitration/claims and the recovery of this amount is dependent upon finalization of arbitration award and clearance /acceptance of claims by CMRL.

Notes forming part of the financial statements as at and for the year ended 31st March, 2020 (Continued)

Note No 40.

a) The Company has been legally advised that outstanding interest free advances aggregating to ₹ 1,140.87 crores (As at 31st March, 2019 ₹ 985.76 crores) made towards financing the unincorporated joint operations do not come under the purview of Section 186 of Companies Act, 2013 as the Company is in the business of constructing and developing infrastructure facilities.

b) In view of non-applicability of section 186 of the Companies Act, 2013, the details of particulars required to be made thereunder in the financial statements are not applicable in relation to loan made, guarantee given or security provided. For investments made refer to Note no. 4.

Note No 41.

a) The Company had entered into a contract with Jordan Phosphate Mines Construction (JPMC) on April 20, 2010 for the construction of "New Phosphate Rock Terminal at Aqaba - Jordan" with a contract value of ₹ 909.13 crores (142.23 Million JOD).

The Company had submitted various claims on account of extra works, release of bank guarantee and delay in completion of the project. The Company filed the issues for arbitration with the International Chamber of commerce (ICC) in November 2016.

On October 30, 2019, the ICC rendered an unfavourable award of ₹ 178.26 crores to the Company and a favourable award of ₹ 86.75 crores on account of final bill and variation.

The Management has challenged the award in the French Court on the grounds that the award is against the Jordanian law and that ICC has failed to acknowledge material evidences presented by the Company. Management is confident about the recovery of the amounts involved in the matter.

b) On the JPMC project as explained above, the supply and execution contract was subcontracted to M/s FL Smidth (FLS). FLS did not perform their part of their contract and consequently Afcons had to undertake that part of work. Hence, Afcons invoked bank guarantee amounting to ₹ 67.54 crores against the sub-contractor for lack of performance in respect of this project, In addition to this company has a liability amounting to ₹ 61.24 crores payable to FLS in its books.

The outflow of this liability is contingent upon the finalisation of the arbitration ongoing with JPMC as mentioned in note 41 (a) above.

Note No 42. Konkan Railway Corporation Limited (KRCL) had issued a contract for construction of Arch Steel Bridge across river Chenab on 24th August, 2004. The DBN (Design Basis Note) submitted by KRCL during the tender stage was revised in 2005 and subsequently in 2006 and 2010. The project got delayed due to various reasons such as changes in design parameters, wind load during service condition, arch span, finalization of slope stabilization etc.

Due to the above, the Company has raised two arbitration claims amounting to ₹ 1,448 Crores which are towards additional expenses on account of extended stay, categorization of excavation works, compensation due to loss of productivity, expenses incurred due to change in alignment, pend period cost etc. These variation costs have already been charged off to profit and loss account in past. In the previous year, the Company has received an unfavourable award for major portion of its claims. The awards are challenged before Bomaby High court.

The total receivables amounting to ₹ 238.73 crores as at March 31, 2020 (unbilled receivable of ₹ 232.21 crores and retention of ₹ 6.52 crores) includes ₹ 115.00 crores on account of increase in steel quantity due to change in design.

Based on the opinion from independent expert and the facts of the case, the management is confident of getting a favorable judgement and recover all the dues related to this project.

Note No 43. The company had executed project awarded by the Board of Trustees of the port of Mumbai (MbPT) for Modernization of the existing Marine Oil Terminal and berths/jetties J1, J2 and J3 at the Multi-cargo Marine Oil Terminal of Jawahar Dweep based in Mumbai Harbor. The project had completed in June 2003.

The company had gone into arbitration with MbPT for compensation for extended stay related to projects and was successful in getting an award of ₹ 96.02 Crores including interest till the date of award, in its favour on November 2011. However, the Award was challenged by MbPT u/s 34 of Arbitration and Conciliation Act, 1996 to the Single Bench of Bombay High Court. The Single Bench had set aside the award and passed the order in favor of MbPT. The Company filed an appeal with the High Court of Mumbai for a two bench Judge as against order of Single Bench. The appeal was admitted by the High Court for a hearing by a two bench Judge in the month of April 2018. Considering the legal opinion obtained and facts of the matter, the Company is confident of winning the case and recovering the entire amount from MbPT in future.

Note No 44. The company had executed project awarded by Uttar Pradesh Expressways Industrial Development Authority for Construction of Six-lane green field Kannauj to Unnao Expressway (package IV). During the execution of the project the client issued various change orders which required additional deployment of resources. The expressway was inaugurated and put to use in Dec 2016. The project was completed 13 months ahead of schedule.

Due to the various change orders, the Company has raised various claims amounting to ₹ 211 Crores which are towards additional expenses on account of change of scope, additional works, royalty claim etc. Based on the facts of the matter and on going discussions with customer, the management is confident to recover all the dues related to this project.

Note No 45.

a. The Group/Company has unbilled receivables towards various ongoing and completed projects disclosed under Note no. 8 'Contract assets'. This unbilled work also includes variations on account of cost overruns due to unforeseen geological conditions, delays in handling over land, change in scope of work, etc. which are under discussions at various levels including customer, in arbitration, Dispute Adjudication board etc. Based on the discussions and merits of the claims, the management is confident about the recovery of these pending variations with repect to unbilled receivables disclosed under note no.8 "Contract assets".

b. The Company has a total net receivable of ₹ 836.04 crores (including interest on arbitration awards ₹ 293.85 crores) disclosed under note no. 5 "Trade receivables" towards arbitration awards which are won by the Company in past, these arbitration awards have been further challenged by the customers before the session court or higher courts of law. Pending disposal of these matters in the courts, management has recognized the amount as per the arbitration award and part payment has been received by management under Niti aayog scheme upon submission of a bank guarantee by the Company. Management is confident about the recovery of the amounts involved in the pending matters at various levels.

Note No 46. The Joint control operation and subsidiaries have mentioned in their financial statement that as per the terms of agreement the Afcons is committed to provide additional funds as may be required to meet the working capital requirements of Jointly controlled operation/ subsidiary.

Basis management's assessment, Afcons is committed to provide and can adequately source additional funds as may be required to meet the working capital requirements of these Jointly controlled operation/subsidiary.

Note No 47. The operations of the Group were impacted due to the shutdown of project sites and offices following the lockdown imposed in India from March 25, 2020 and in international locations on various dates due to COVID-19. The Group has subsequently commenced its operations in a phased manner, in line with the directives from the relevant government authorities/county specific guidelines. The Management and the Board of Directors, have evaluated the impact of the pandemic on its business operations under various scenarios. The Group currently has a strong order book and L1 position, leading to a clear visibility of revenue over the next 18-24 months.

Collection from customers and advances from customers on account of projects executions have been normal during the lockdown period enabling the Group to meet all its liabilities (including employee payables) in a timely manner and without availing any moratorium as announced by the Reserve Bank of India.

The Group has adequate unutilized fund-based credit facilities available, to take care of any urgent requirement of funds. The Group has had a very marginal impact on its revenues and profits in FY 2019-2020 due to the lockdown, and the same will accrue in FY 2020-2021 considering that these are project-based revenues.

The Group through the lockdown period and even subsequently has been able to maintain adequate control of its assets and there have been no significant changes to its control environment during the period. Based on the above assessment, the Group strongly believes that there is no material impact on the financial positions of the Group due to the pandemic. Further, the timely steps announced by the Government of India, allowing extension of contract delivery period up to six months and additional investment in infrastructure projects, will enable the Group to further consolidate its position. However, the impact assessment of COVID 19 is a continuous process given the uncertainties associated with its nature and duration. Group will continue to monitor any material changes to future economic conditions, as and when they arise.

Note No 48. The Company has an unpaid dividend pertaining to year 2012-13 amounting to ₹ 0.01 Crores As per the requirement of Section 124(6), the same should have been deposited in the Investor Education and Protection Fund by May, 2020. As on the report signing date, the Management is in the process of depositing the same.

Note No 49. Financial instruments

49.1 Capital management

The Company manages its capital to ensure that it will be able to continue as a going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as detailed in notes 14 ,16 and 20 offset by cash and bank balances) and total equity of the Company.

The Company reviews the capital structure on a regular basis. As part of this review, the Company considers the cost of capital and the risks associated with each class of capital. The gearing ratio at March 31, 2020 is 0.68 (net debt/equity).

49.1.1 Gearing ratio

The gearing ratio at end of the reporting period is as follows. (₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Debt (i)	1,605.08	1,572.60
Cash and bank balances	293.59	209.84
Net debt	1,311.49	1,362.76
Total Equity (ii)	1,915.49	1,733.32
Net debt to equity ratio	0.68	0.79

(i) Debt is defined as long-term and short-term borrowings (excluding derivative, financial guarantee contracts).

(ii) Equity includes all capital and reserves of the Company that are managed as capital.

Notes forming part of the financial statements as at and for the year ended 31st March, 2020 (Continued)

49.2 Categories of financial instruments

The following table provides categorisation of all financial instruments at carrying value except non current investments in un-quoted equity instruments, which are carried at cost.

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured:		
(i) Mutual fund investments	-	-
Measured at amortised cost		
(a) Trade receivables	2,823.03	2,096.72
(b) Cash and bank balances	293.59	209.84
(c) Bank balance other than (b) above	108.09	18.73
(d) Loans	60.90	71.51
(e) Other financial assets	335.67	330.85
Measured at FVTOCI		
(a) Investments in equity instruments	0.15	0.55
Total Financial Assets	**3,621.43**	**2,728.20**
Financial liabilities		
Measured at amortised cost		
(a) Borrowings	1,605.08	1,572.60
(b) Trade payables	3,668.26	2,608.18
(c) Other financial liabilities	318.27	185.60
Total Financial Liabilities	**5,591.61**	**4,366.38**

49.3 Financial risk management objectives

The Company's corporate treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk assessment and analyses forex exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The risk management is governed by the Company's policy approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, the use of financial derivatives and non-derivative financial instruments. Compliance with policies and exposure limits is reviewed on a continuous basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

49.4 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of Interest rate risk, currency risk and other price risk.

49.5 Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies, consequently, exposures to exchange rate fluctuations arises. Exchange rate exposures are managed within approved policy parameters utilising appropriate derivative instruments.

The carrying amounts of the Company's unhedged foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	Liabilities (₹ in Crores)		Assets (₹ in Crores)	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
USD Currency	258.95	266.58	307.18	90.60
EURO Currency	74.07	67.32	13.84	9.16
QAR Currency	81.03	56.18	87.46	63.04
OMR Currency	0.09	0.09	0.00	0.01
MUR Currency	403.55	162.93	426.96	47.81
UAE Currency	3.08	81.24	94.16	139.04
JOD Currency	100.75	93.49	95.98	89.22
BHD Currency	2.73	3.02	0.01	13.10
KWD Currency	403.27	406.28	585.62	452.40
GBP Currency	0.19	0.19	-	-
JPY Currency	7.23	-	-	4.22

Notes forming part of the financial statements as at and for the year ended 31st March, 2020 (Continued)

Particulars	Liabilities (₹ in Crores)		Assets (₹ in Crores)	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
BDT Currency	26.64	38.71	85.98	19.98
SAR Currency	0.04	0.09	0.81	0.74
GHS Currency	960.54	843.57	543.94	384.19
SGD Currency	0.09	0.08	-	-
CHF Currency	0.43	0.15	-	-
GNF Currency	0.45	0.43	-	-
IQD Currency	-	0.04	-	-
MYR Currency		0.08		-
ZMW Currency	578.93	535.31	-	-
MZN Currency	141.61	122.83	130.12	75.18
MRU Currency	227.72	4.73	-	0.45
BTN Currency	49.91	22.55	19.68	7.44

49.5.1 Foreign currency sensitivity analysis

The Company is mainly exposed to the currency of USD, EURO,KWD,GHS,ZMW,MUR, MZN and MRU currency.

The following table details the Company's sensitivity to a 5% increase and decrease in the Indian Rupee against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the exposure outstanding on receivable and payables in the Company at the end of the reporting period.The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in the profit or equity where the Indian Rupee strengthens 5% against the relevant currency. For a 5% weakening of the Rupee against the relevant currency , there would be a comparable impact on the profit or equity, and the balances below would be negative. The impact of 5 % is also applicable on outstanding foreign currency loans as on the reporting date.

Particulars	USD Currency Impact		Euro Currency Impact		KWD Currency Impact	
	2019- 2020	2018- 2019	2019- 2020	2018- 2019	2019- 2020	2018- 2019
Impact on profit or loss for the year						
Increase in exchange rate by 5%	2.41	(8.80)	(3.01)	(2.91)	9.12	2.31
Decrease in exchange rate by 5%	(2.41)	8.80	3.01	2.91	(9.12)	(2.31)

Particulars	GHS currency impact		ZMW currency impact		MUR currency impact	
	2019- 2020	2018- 2019	2019- 2020	2018- 2019	2019- 2020	2018- 2019
Impact on profit or loss for the year						
Increase in exchange rate by 5%	(20.83)	(22.97)	(28.95)	(26.77)	1.17	(5.76)
Decrease in exchange rate by 5%	20.83	22.97	28.95	26.77	(1.17)	5.76

Particulars	MZN currency impact		MRU currency impact	
	2019-2020	2018- 2019	2019-2020	2018- 2019
Impact on profit or loss for the year				
Increase in exchange rate by 5%	(0.57)	(2.38)	(11.39)	(0.21)
Decrease in exchange rate by 5%	0.57	2.38	11.39	0.21

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

49.5.2 Derivative financial instruments

There are no derivative financial instruments outstanding at the end of the reporting period.

49.6 Interest rate risk management

The Company is exposed to interest rate risk because entities in the group borrows foreign currency and local currency funds at floating interest rates. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

49.6.1 Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended March 31, 2020 would decrease / increase by ₹ 2.34 crores (2019: decrease / increase by ₹ 2.64 crores). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

49.7 Other price risks

The Company is exposed to equity price risks arising from mutual funds and equity investments. Certain of the Company's equity investments are held for strategic rather than trading purposes.

Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However, due to the very short tenor of the underlying portfolio in the liquid schemes, these do not hold any significant price risks.

49.7.1 Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower:

i) other comprehensive income for the year ended March 31, 2020 would increase / decrease by ₹ 0.40 crores (2018-2019: increase / decrease by ₹ 0.03 crores) as a result of the changes in fair value of equity investments measured at FVTOCI.

49.8 Credit risk management

The Company is exposed to credit risk on its financial assets, which comprise cash and cash equivalents, bank deposits, trade receivables and loan receivables. The exposure to credit risks arises from the potential failure of counterparties to meet their obligations. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial instruments.

Cash and cash equivalents, bank deposits are held with only high rated banks/financial institutions, credit risk on them is therefore insignificant.

Trade receivables and loan receivable

The Company assesses and manages credit risk on an internal credit evaluation system. It is performed by the finance team in conjunction with the relevant business teams depending on whether depending on the nature and type of the financial asset being evaluated.

The customer base of the Company is highly comprises of government parties and Holding Company. Further, Company is having certain short term loan receivables from the Group entities. Collateral is generally not obtained from customers. Other customers are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation.

(A) To measure the expected credit losses on (a) trade receivables from government parties, and (b) trade receivables and loan receivables from group companies, they have been considered to enjoy the low credit risk as they meet the following criteria:

   i) they have a low risk of default,

   ii) the counterparty is considered, in the short term, to have a strong capacity to meet its obligations in the near term, and

   iii) the Company expect, in the longer term, that adverse changes in economic and business conditions might, but will not necessarily, reduce the ability of the borrower to fulfill its obligations.

(B) Cash and cash equivalents, bank deposits are held with only high rated banks/financial institutions, credit risk on them is therefore insignificant.

(C) For other trade receivables, the Company uses "General Model" for the measurement of expected credit loss (ECL) for trade receivables as well as contract asset

   The measurement of ECL under general model depends on whether credit risk has increased significantly since initial recognition. These credit risk is regularly monitored based on historic turnover activity and credit performance of every customer. In addition, overdue receivable balances are monitored and actioned on a regular basis. When the credit risk has not increased significantly after initial recognition, a provision shall be made for the 12-month expected loss, otherwise shall be made for the entire lifetime.

   The Company considers the probability of default upon initial recognition of asset and whether there is a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information which considers multiple factors such as:

   - internal credit rating
   - external credit rating (as far as available)
   - actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
   - actual or expected significant changes in the operating results of the borrower
   - significant increase in credit risk on other financial instruments of the same borrower
   - significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
   - significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

The Company has used practical expedient by computing expected credit loss allowance for trade receivable by taking into consideration payment profiles of sales over a period of 60 months before the reporting date and the corresponding historical credit loss experiences within this period. The historical loss rates are adjusted to reflect current and forward looking information on macro economic factors affecting the ability of the customers to settle the receivables. The expected credit loss is based on the Ageing of the days, the receivables due and the expected credit loss rate. In addition, in case of event driven situation as litigations, disputes, change in customer's credit risk history, specific provisions are made after evaluating the relevant facts and expected recovery.

Refer note 5 for reconciliation of expected credit loss balance on financial assets.

49.9 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term, and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

49.9.1 Liquidity risk table

The following table details the group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group can be required to pay. The tables include principal cash flows along with interest. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the group may be required to pay.

Particulars	Weighted average effective interest rate (%)	Upto 1 year	1 to 5 years	5+years	Total
31st March, 2020					
Borrowings	8.51%	1,085.96	619.90	48.91	**1,754.77**
Trade payables		3,111.14	557.12	-	**3,668.26**
Other financial liabilities		182.93	129.46	-	**312.39**
		4,380.03	**1,306.48**	**48.91**	**5,735.42**
31st March, 2019					
Borrowings	8.73%	977.73	728.24	48.49	**1,754.46**
Trade payables		2,226.89	381.29	-	**2,608.18**
Other financial liabilities		71.61	107.73	-	**179.34**
		3,276.23	**1,217.26**	**48.49**	**4,541.98**

The Company is exposed to credit risk in relation to guarantees given. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on (see Note 30). Based on expectations at the end of the reporting period, the Company considers that it is more likely that such an amount will not be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the beneficiary under the guarantee may default.

49.10 Fair value measurements

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

49.10.1 Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

(₹ in Crores)

Financial assets / financial liabilities	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at 31st March, 2020	As at 31st March, 2019		
1) Investments in mutual funds at FVTPL (quoted)	-	-	Level 1	Fair value of quoted current investments in mutual funds is based on price quotations at the reporting date.
2) Investments in equity instruments at FVTOCI (quoted) (see note 1)	0.15	0.55	Level 1	Quoted bid prices in an active market

Footnote 1: These investments in equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the group has chosen to designate these investments in equity instruments as at FVTOCI as the directors believe that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in profit or loss.

There were no transfers between Level 1 and 2 in the period.

Notes forming part of the financial statements as at and for the year ended 31st March, 2020 (Continued)

49.10.2 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The carrying amounts of the following financial assets and financial liabilities (other than Long Term Borrowings) are a reasonable approximation of their fair values. Accordingly, the fair values of such financial assets and financial liabilities have not been disclosed separately.

a) **Financial Assets**

Cash and bank balances

Bank balance other than above

Trade receivables

Loans

Other financial assets

b) **Financial Liabilities**

Short term borrowings

Trade payables

Other financial liabilities

The carrying amount and fair value of Long Term Borrowings, which are measured at amortised cost is disclosed in table below :

(₹ in Crores)

	As at 31st March, 2020		As at 31st March, 2019	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial liabilities				
Financial liabilities held at amortised cost:	**668.85**	**676.99**	**778.41**	**783.81**
- Borrowings	668.85	676.99	778.41	783.81

Note No 50. Disclosure pursuant to Ind AS 115, "Revenue from Contracts with Customers".

(i) Disaggregation of revenue from contracts with customers into geographical areas for the year ended March 31, 2020 recognised in the statement of profit & loss

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Segment revenue		
India	6,094.98	5515.01
Outside India	3,159.99	2216.89
Revenue from external customers	**9,254.97**	**7,731.90**
Timing of revenue recognition		
At a point in time	75.25	76.41
Over time	9,179.72	7,655.49
	9,254.97	**7,731.90**

(ii) Movement in Expected Credit Loss during the year: (₹ in Crores)

Particulars	Trade Receivables	Contract assets
Opening balance for loss allowance as at March 31, 2018	**20.59**	**-**
Add : Loss allowance assessed for the current year (net of reversal)	6.36	-
Balance for loss allowance as at March 31, 2019	**26.95**	**-**
Add : Loss allowance assessed for the current year (net of reversal)	1.89	9.00
Closing balance for loss allowance	**28.84**	**9.00**

(iii) Unsatisfied performance obligations:

The aggregate amount of transaction price allocated to performance obligation that are unsatisfied as at the end of reporting period is ₹ 27,847.18 Crores. Management expects that about 30% of the transaction price allocated to unsatisfied contracts as of 31st March, 2020 will be recognized as revenue during next reporting period depending upon the progress of each contracts. The remaining amount is expected to be recognised in subsequent years.

Notes forming part of the financial statements as at and for the year ended 31st March, 2020 (Continued)

(iv) Reconciliation of contract price with revenue recognised during the year: (₹ in Crores)

Particulars	Amount
Revenue as per contract price	9,367.86
Adjustments for:	-
Payments on behalf of customer	(112.89)
Revenue from Operations	**9,254.97**

(v) Significant changes to Contract Asset and Contract Liability from April 1, 2019 to March 31, 2020 (₹ in Crores)

	Contract Assets	Contract Liabilities
April 1, 2019	3,745.27	3,378.40
Changes in Contract Asset/ Liabilities*	941.22	1,153.28
March 31, 2020	4,686.49	4,531.68

* The contract assets and liabilities undergo a change periodically, due to changes in contractual estimates on account of any change in scope of work, unprecedented delays, etc. During the year the group has also recognised a loss allowance for contract assets in accordance with Ind AS 109. The company has also estimated additional cost in relation to Covid-19 pandemic.

Note 51(A) - Disclosure pursuant to Ind AS 116 "Leases".

(i) Amounts recognised in the balance sheet

Right-to-use asset (₹ in Crores)

Particulars	Note	As at March 31, 2020	As at April 1, 2019
Land	3.C	12.61	15.45
Building	3.C	30.86	38.59

Lease Liabilities (₹ in Crores)

Particulars	Note	As at March 31, 2020	As at April 1, 2019
Current	-	29.23	32.21
Non-current	-	16.47	21.83

(ii) Amounts recognised in the statement of profit and loss (₹ in Crores)

Particulars	Note	Year ended 31st March, 2020
Expense relating to short-term leases (included in other expenses)	28	368.45
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	28	0.30
Expense relating to variable lease payments not included in lease liabilities	28	-
Interest on lease liability	26	4.54
Depreciation During the year	27	29.25
Total		**402.54**

(iii) Maturities of lease liabilities as at March 31, 2020 (₹ in Crores)

Particulars	Upto 1 year	1-5 years	5 and More years	Total
Lease liabilities	32.76	17.23	-	49.99
	32.76	**17.23**	**-**	**49.99**

(iv) *Total cash outflow for leases for the year ended 31 March 2020 was ₹ 404.89 cr*

(v) Extension and termination options

Extension and termination options are included in a number of Land, Office Premises, Houses and Godowns leases across the group. These are used to maximise operational flexibility in terms of managing the assets used in the group's operation. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

Notes forming part of the financial statements as at and for the year ended 31st March, 2020 (Continued)

Note 51(B)

Changes in accounting policy

Impact on the financial statements due to change in accounting policy on leases

As indicated in note 1(A)(iii) above, the Company has adopted Ind AS 116 retrospectively from 1st April, 2019, but has not restated comparatives for year ended 31st March, 2019, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1st April, 2019. The new accounting policies are disclosed in note 1(A)(iii).

On adoption of Ind AS 116, the Company 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 1st April, 2019. Based on the information and records available with the company, the weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1st April, 2019 was 9.25 %. The adoption of the new standard resulted in recognition of right to use assets and an equivalent lease liability as on 1st April, 2019.

(i) Practical expedients applied :

In applying Ind AS 116 for the first time, the Company has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- accounting for operating leases with a remaining lease term of less than 12 months as at 1st April, 2019 as short-term leases
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- The Group has not reassessed whether a contract is or contains a lease at the date of initial application.
- the Group has relied on it's previous assessment on whether leases are onerous. There were no onerous contracts as at 1st April,2019

(ii) Reconciliation of lease commitment to lease liability

The difference between the future minimum lease rental commitments towards non-cancellable operating leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Company has chosen to apply the practical expedient as per the standard.

(₹ in Crores)

Particulars	As at April 1, 2019
Operating lease commitments disclosed as at April 1, 2019	16.91
Discounted using the lessee's incremental borrowing rate at the date of initial application	12.33
Add: Finance lease liabilities recognised as at April 1, 2019	-
(Less): Short-term leases not recognised as a liability	3.35
(Less): Low-value leases not recognised as a liability	-
Add: Adjustments as a result of a different treatment of extension and termination options	45.06
Add/(less): Adjustments relating to changes in the index or rate affecting variable payments	-
Lease liability recognised as at 1 April 2019	**54.04**
Of which are:	
Current lease liabilities	**26.33**
Non-current lease liabilities	**27.71**
	54.04

(iii) Adjustments recognised in the balance sheet on 1 April 2019:

(₹ in Crores)

Particulars	Carrying Amount as at 31 March 2019	Increase/ Decrease	Ind AS 116 carrying amount as at 1 April 2019
Property, plant and equipment	-	-	-
Right-of-use assets	-	54.04	54.04
Lease Liabilities	-	54.04	54.04
Other assets (Pre-paid Land Rentals)	-	-	-
Retained earnings	-	-	-

(iv) Impact of adoption of Ind AS 116 on Segment information reported

(₹ in Crores)

Segment Asset	**India**	**Outside India**	**Total**
As at April 1, 2019	9,643.36	1,731.25	11,374.61
Unallocated	-	-	135.02
Inter-segment eliminations	-	-	(1,752.19)
Impact as at April 1, 2019 due to adoption of IndAS 116	32.22	21.82	54.04
Final as at April 1, 2019	**9,675.58**	**1,753.07**	**9,811.48**
As at March 31, 2019	11,559.76	2,754.59	14,314.35
Unallocated	-	-	166.67
Inter-segment eliminations	-	-	(2,093.11)
Impact for the year ended March 31, 2020 due to adoption of IndAS 116	33.27	10.21	43.48
Final as at March 31, 2020	**11,593.03**	**2,764.80**	**12,431.39**

Segment Liabilities	**India**	**Outside India**	**Total**
As at April 1, 2019	3,902.28	3,028.35	6,930.63
Unallocated			1,749.84
Inter-segment eliminations			(656.36)
Impact as at April 1, 2019 due to adoption of IndAS 116	32.22	21.82	54.04
Final as at April 1, 2019	**3,934.50**	**3,050.17**	**8,078.15**
As at March 31, 2019	6,445.17	3,088.60	9,533.77
Unallocated	-	-	1,828.41
Inter-segment eliminations	-	-	(891.98)
Impact for the year ended March 31, 2020 due to adoption of IndAS 116	34.67	11.03	45.70
Final as at March 31, 2020	**6,479.84**	**3,099.63**	**10,515.90**

Segment Profit before tax	**India**	**Outside India**	**Total**
Segment Profit before tax (before exceptional items)	(204.62)	583.03	378.41
Impact for the year due to adoption of IndAS 116	1.40	0.82	2.22
Final profit before tax for the year	(203.22)	583.85	380.63

(v) Lessor accounting

The Company did not need to make any adjustments to the accounting for assets held as lessor under operating leases as a result of the adoption of Ind AS 116.

In terms of our report attached

For PRICE WATERHOUSE CHARTERED ACCOUNTANTS LLP
Firm Registration No. 012754N/N500016

SARAH GEORGE
Partner
Membership No. 045255

Place: Mumbai
Date: 26th August, 2020

For HDS & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
Firm Registration No. W100144

SURESH K. JOSHI
Partner
Membership No. 030035

Place: Mumbai
Date: 26th August, 2020

For and on behalf of the Board of Directors

S.P.MISTRY
Chairman
Din:00010114

K.SUBRAMANIAN
Executive Vice Chairman
Din:00047592

S.PARAMASIVAN
Managing Director
Din:00058445

P.N.KAPADIA
Director
Din:00078673

N.D.KHURODY
Director
Din:00007150

R.M.PREMKUMAR
Director
Din:00328942

ASHOK G.DARAK
Chief Financial Officer

GAURANG M. PAREKH
Company Secretary

Place: Mumbai
Date: 26th August, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Afcons Infrastructure Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Afcons Infrastructure Limited (the 'Parent") which includes 17 branches and 13 Jointly controlled operations consolidated on proportionate basis and its subsidiaries (Parent, Jointly controlled operations and its subsidiaries together referred to as "the Group") (refer Note 2(a) and 2(b) to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2020, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income) , the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records. (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 20 of the Other Matters paragraph below, other than the unaudited financial statements/ financial information as certified by the management and referred to in sub-paragraph 21 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to Note 48 to the consolidated financial statements which describes the management's assessment of the impact of the outbreak of Corona virus (Covid-19) on the business operations of the Company. The Company believes that no additional adjustments are required in the financial statements, however, in view of various preventive measures taken (such as complete lock-down including travel restrictions) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Further, our attendance at the physical verification of inventory carried out by the management was impracticable under the current lockdown restrictions imposed by the respective location's guidelines and we have therefore relied on the related alternative audit procedure to obtain comfort over the existence and condition of inventory at the year end.

5. We draw attention to note no. 42 of the consolidated financial statements, regarding delay in recovery of amount ₹ 238 Crores disclosed under Non current Asset from a customer, which is dependent upon finalization of arbitration award in favour of the Company. In addition, the Company has preferred two claims in respect of the same project as mentioned in the note.

6. We draw your attention to the following paragraph included in the audit report on the standalone financial statements of Transtonnelstroy Afcons (a jointly controlled operation) issued by an independent firm of chartered accountants vide its report dated August 26, 2020.

   "We draw attention to Note 33 to the Financial Statements, which describes the uncertainties relating to the outcome of the negotiation/ arbitration/ Dispute Adjudication Board proceedings in respect of variations recognised by the joint venture in current and earlier years, on account of cost overruns due to unforeseen geological conditions, delays in handing over of land, change in scope of work, etc.

   Based on the Management's estimates of the timing and amount of recoverability which is supported by technical evaluation, the amounts recognised as amount due from customers under construction contract as stated above are considered as good and fully recoverable by the management"

7. Further, in respect of matter emphasized in paragraph 6 above, we draw attention to note no. 39 of the consolidated financial statements, regarding delay in recovery of receivable amount of ₹ 949.22 Crores from Transtonnelstroy Afcons (the Jointly controlled operation) in respect of the project, which is dependent upon finalization of arbitration award in favour of the jointly controlled operation as mentioned in para 6 above.

8. We draw your attention to the following paragraph included in the audit report on the financial statements of Afcons Construction Mideast LLC Dubai (a Subsidiary) for the year ended March 31, 2020 issued by an independent firm of chartered accountants vide its report dated August 26, 2020.

   "Without qualifying our opinion, we draw attention to note 2 to the financial statements relating to the going concern consideration. The continuance of the Company's operations is dependent on the introduction of sufficient funds by the shareholders and its future profitability"

   Our opinion is not modified in respect of the above matters.

Other Information

9. The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 20 below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

14. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

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

16. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the jointly controlled operations, subsidiaries or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

17. We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matters

19. We draw your attention to the following paragraph included in the audit report on the financial statements of Transtonnelstroy Afcons (a jointly controlled operation) issued by an independent firm of chartered accountants vide its report dated August 26, 2020.

"Due to the COVID-19 related lock-down restrictions, we were not able to physically observe the stock verification as at the year-end. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence - Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these Financial Statements.

20. We did not audit the financial statements of 6 subsidiaries and 13 jointly controlled operations whose financial statements reflect total assets of ₹ 3,851.84 Crores and net assets of ₹ 119.22 Crores as at March 31, 2020, total revenue of ₹ 2,485.50 Crores, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 86.63 Crores and net cash flows amounting to ₹ 155.83 Crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled operations, and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries and jointly controlled operations incorporated in India, is based solely on the reports of the other auditors.

21. We did not audit the financial statements of 5 subsidiaries whose financial statements reflect total assets of ₹ 296.42 Crores and net assets of ₹ 247.48 Crores as at March 31, 2020, total revenue of ₹ 44 Crores, total comprehensive income (comprising of profit and other comprehensive income) of Rs 16.13 Crores and net cash outflows amounting to ₹ 29.01 Crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries is based solely on such unaudited financial statements.

    In our opinion and according to the information and explanations given to us by the Management, these financial statements/ financial information are not material to the Group.

    Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ information certified by the management.

Report on Other Legal and Regulatory Requirements

22. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
    (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
    (e) On the basis of the written representations received from the directors of the Parent as on March 31, 2020 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
    (f) With respect to the adequacy of internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
    (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
        i. The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2020 on the consolidated financial position of the Group– Refer Note 29, 38, 39 and 41 to 46 to the consolidated financial statements.
        ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts as at March 31, 2020 – Refer Note 18 to the consolidated financial statements in respect of such items as it relates to the Group. Further the Group operations did not have any material foreseeable losses on derivative contracts as at March 31, 2020.
        iii. There were no delays in transferring amount required to be transferred to the Investor Education and Protection Fund by the Parent during the year ended March 31, 2020; Also refer note 49 to the consolidated financial statement.
        iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2020.

23. The Group has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse
Chartered Accountants LLP
Firm Registration No: 012754N/N500016

Sarah George
Partner
Membership Number: 045255
UDIN: 20045255AAAAKD1026

Place : Mumbai
Date: 26th August, 2020

For HDS & Associates LLP
Chartered Accountants
Firm Registration No. W100144

Suresh K.Joshi
Partner
Membership No.: 030035
UDIN: 20030035AAAABN6533

Place : Mumbai
Date: 26th August, 2020

Annexure A to Independent Auditors' Report

Referred to in paragraph 22(f) of the Independent Auditors' Report of even date to the members of Afcons Infrastructure Limited on the consolidated financial statements for the year ended March 31, 2020.

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Parent as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to financial statements of Afcons Infrastructure Limited (hereinafter referred to as "Parent") and its 3 subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Parent and its subsidiary companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Parent's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Parent and its 3 subsidiaries, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. (Refer paragraph 4 of our main Audit Report)

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to 3 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

For Price Waterhouse	**For HDS & Associates LLP**
Chartered Accountants LLP	**Chartered Accountants**
Firm Registration No: 012754N/N500016	Firm Registration No. W100144
Sarah George	**Suresh K.Joshi**
Partner	**Partner**
Membership Number: 045255	Membership No.: 030035
UDIN: 20045255AAAAKD1026	UDIN: 20030035AAAABN6533
Place : Mumbai	Place : Mumbai
Date: 26th August, 2020	Date: 26th August, 2020

CONSOLIDATED FINANCIAL STATEMENT OF AFCONS INFRASTRUCTURE LIMITED AND ITS SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (AFCONS GROUP)

Consolidated Balance Sheet as at 31st March, 2020 (₹ in Crores)

		Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
A		**ASSETS**			
	1	**Non-current assets**			
		(a) Property, plant and equipment	3.A	1,888.17	1,684.28
		(b) Capital work-in-progress		17.94	30.54
		(c) Right-of-use asset	3.D	43.47	-
		(d) Goodwill	3.B	5.55	5.32
		(e) Intangible assets	3.C	0.64	1.19
		(f) Financial assets			
		(i) Investments	4	0.15	3.15
		(ii) Trade receivables	5	536.40	234.21
		(iii) Other financial assets	7	278.77	134.72
		(g) Contract assets	8	1,723.94	1,369.29
		(h) Non current tax assets (net)	11	155.01	122.96
		(i) Other non-current assets	8.2	187.79	160.86
		Total Non-current Assets		**4,837.83**	**3,746.52**
	2	**Current assets**			
		(a) Inventories	9	1,067.16	857.00
		(b) Financial assets			
		(i) Trade receivables	5	2,475.19	2,053.62
		(ii) Cash and cash equivalents	10	522.54	317.44
		(iii) Bank balances other than (ii) above	10.1	116.10	25.10
		(iv) Loans	6	40.58	63.94
		(v) Other financial assets	7	58.44	202.48
		(c) Contract assets	8	3,149.76	2,678.54
		(d) Other current assets	8.2	829.18	512.53
		Total Current Assets		**8,258.95**	**6,710.65**
		Total Assets (1+2)		**13,096.78**	**10,457.17**
B		**EQUITY AND LIABILITIES**			
	1	**Equity**			
		Equity share capital	12	521.97	521.97
		Other equity	13	1,721.35	1,500.82
		Equity attributable to shareholders of the Company		2,243.32	2,022.79
		Non controlling interest		(13.45)	(15.55)
		Total Equity		**2,229.87**	**2,007.24**
	2	**Liabilities**			
		(A) Non-current liabilities			
		(a) Financial liabilities			
		(i) Borrowings	14	572.82	650.35
		(ii) Trade payables	15		
		(a) Total outstanding due to micro and small enterprises		-	-
		(b) Total outstanding due to creditors other than micro and small enterprises		557.12	381.29
		(iii) Other financial liabilities	16	129.46	107.73
		(iv) Lease Liabilities	52	16.47	-
		(b) Contract liabilities	17	1,942.73	1,615.63
		(c) Provisions	18	33.27	24.38
		(d) Deferred tax liabilities (net)	21	212.75	180.42
		Total Non-current Liabilities		**3,464.62**	**2,959.80**
		(B) Current liabilities			
		(a) Financial liabilities			
		(i) Borrowings	20	953.16	855.05
		(ii) Trade payables	15		
		(a) Total outstanding due to micro and small enterprises		55.56	3.67
		(b) Total outstanding due to creditors other than micro and small enterprises		3,305.65	2,492.26
		(iii) Other financial liabilities	16	284.84	205.93
		(iv) Lease Liabilities	52	29.23	-
		(b) Contract liabilities	17	2,674.72	1,844.28
		(c) Provisions	18	23.64	15.58
		(d) Current tax liabilities (net)	19	17.33	12.17
		(e) Other current liabilities	17.1	58.16	61.19
		Total Current Liabilities		**7,402.29**	**5,490.13**
		Total Liabilities (A+B)		**10,866.91**	**8,449.93**
		Total Equity and Liabilities (1+2)		**13,096.78**	**10,457.17**
		See accompanying notes 1 to 52 forming part of the financial statements			

In terms of our report attached

For and on behalf of the Board of Directors

For PRICE WATERHOUSE CHARTERED ACCOUNTANTS LLP
Firm Registration No. 012754N/N500016

SARAH GEORGE
Partner
Membership No. 045255

Place: Mumbai
Date: 26th August, 2020

For HDS & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
Firm Registration No. W100144

SURESH K. JOSHI
Partner
Membership No. 030035

Place: Mumbai
Date: 26th August, 2020

S.P.MISTRY
Chairman
Din:00010114

K.SUBRAMANIAN
Executive Vice Chairman
Din:00047592

S.PARAMASIVAN
Managing Director
Din:00058445

P.N.KAPADIA
Director
Din:00078673

N.D.KHURODY
Director
Din:00007150

R.M.PREMKUMAR
Director
Din:00328942

ASHOK G.DARAK
Chief Financial Officer

GAURANG M. PAREKH
Company Secretary

Place: Mumbai
Date: 26th August, 2020

Consolidated Statement of Profit and Loss for the year ended 31st March, 2020 (₹ in Crores)

Sr. No.	Particulars	Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
1	Revenue from operations	22	9,934.19	8,726.82
2	Other income	23	196.50	148.86
3	**Total income (1 + 2)**		**10,130.69**	**8,875.68**
4	**Expenses**			
	(a) Cost of material consumed	24	2,676.88	2,115.81
	(b) Cost of construction	24.1	4,731.12	4,371.47
	(c) Employee benefits expense	25	971.37	823.39
	(d) Finance costs	26	390.79	284.68
	(e) Depreciation and amortisation expense	27	240.30	248.56
	(f) Other expenses	28	744.61	712.51
	Total expenses		**9,755.07**	**8,556.42**
5	**Profit before tax (3 - 4)**		**375.62**	**319.26**
6	**Tax expense:**	21		
	(a) Current tax		129.97	116.28
	(b) Deferred tax		(7.28)	(35.96)
	(c) Tax expense/(income) relating to prior year (net)		5.24	4.50
			127.93	**84.82**
7	**Profit for the year (5 - 6)**		**247.69**	**234.44**
8	**Other comprehensive income**			
	A) Items that will not be reclassified to profit or loss			
	(a) Changes in fair value of equity investments measured at FVOCI		(0.31)	0.21
	(b) Remeasurements of defined benefit plans		(8.94)	(3.84)
	(c) Deferred tax on remeasurement of defined benefit plans		3.12	1.34
	B) Items that may be reclassified to profit or loss			
	(a) Exchange differences on translating the financial statements of a foreign operation		6.32	2.35
	(b) Income tax relating to items that will not be reclassified to profit or loss #		#	#
	# Amount is below the rounding off norms adopted by the group.			
			0.19	**0.06**
9	**Total comprehensive income for the year (7 + 8)**		**247.88**	**234.50**
	Profit for the year attributable to:			
	- Owners of the Company		245.59	240.10
	- Non-controlling interest		2.10	(5.66)
			247.69	**234.44**
	Other comprehensive income for the year attributable to:			
	- Owners of the Company		0.19	0.06
	- Non-controlling interest		#	#
	# Amount is below the rounding off norms adopted by the group.			
			0.19	**0.06**
	Total comprehensive income for the year attributable to:			
	- Owners of the Company		245.78	240.16
	- Non-controlling interest		2.10	(5.66)
			247.88	**234.50**
10	**Earnings per share (Face value of ₹ 10 each):**	31		
	(a) Basic		34.41	32.57
	(b) Diluted		7.27	6.88
	See accompanying notes 1 to 52 forming part of the financial statements			

In terms of our report attached

For PRICE WATERHOUSE CHARTERED ACCOUNTANTS LLP
Firm Registration No. 012754N/N500016

SARAH GEORGE
Partner
Membership No. 045255

Place: Mumbai
Date: 26th August, 2020

For HDS & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
Firm Registration No. W100144

SURESH K. JOSHI
Partner
Membership No. 030035

Place: Mumbai
Date: 26th August, 2020

For and on behalf of the Board of Directors

S.P.MISTRY
Chairman
Din:00010114

K.SUBRAMANIAN
Executive Vice Chairman
Din:00047592

S.PARAMASIVAN
Managing Director
Din:00058445

P.N.KAPADIA
Director
Din:00078673

N.D.KHURODY
Director
Din:00007150

R.M.PREMKUMAR
Director
Din:00328942

ASHOK G.DARAK
Chief Financial Officer

GAURANG M. PAREKH
Company Secretary

Place: Mumbai
Date: 26th August, 2020

Consolidated statement of changes in equity for the year ended 31st March, 2020

a) Equity share capital (₹ in Crores)

Particulars	
Balance as at 1st April, 2018	**71.97**
Changes in equity share capital during the year	-
Balance as at 31st March, 2019	**71.97**
Changes in equity share capital during the year	-
Balance as at 31st March, 2020	**71.97**

b) Preference share capital (₹ in Crores)

Particulars	
Balance as at 1st April, 2018	**450.00**
Changes in preference share capital during the year	-
Balance as at 31st March, 2019	**450.00**
Changes in preference share capital during the year	-
Balance as at 31st March, 2020	**450.00**

c) Other equity (₹ in Crores)

Particular	Reserve and surplus							Other comprehensive income		Total
	Capital reserve	Capital redemption reserve	Securities premium reserve	Contingencies reserve	Debenture redemption reserve	General reserve	Retained Earnings	Exchange differences on translating the financial statements of a foreign operation	Equity Instruments through other comprehensive income	
Balance as at 1st April, 2018	0.84	0.13	10.28	8.00	61.25	66.04	1,091.05	12.06	19.43	**1,269.08**
Adjustment for Ind As 115							27.00			**27.00**
Restated Opening balance as at 1st April, 2018	0.84	0.13	10.28	8.00	61.25	66.04	1,118.05	12.06	19.43	**1,296.08**
Profit for the year							240.10			**240.10**
Other comprehensive income for the year	-	-	-	``	-	-	(2.50)	2.35	0.21	**0.06**
Dividends including tax thereon	-	-	-	-	-	-	(25.25)	-	-	**(25.25)**
Transferred to / (from) retained earnings	-	-	-	-	(18.75)	-	18.75	-	-	**-**
Other adjustments	-	-	-	-		(0.29)	(9.88)	-	-	**(10.17)**
Balance as at 31st March, 2019	**0.84**	**0.13**	**10.28**	**8.00**	**42.50**	**65.75**	**1,339.27**	**14.41**	**19.64**	**1,500.82**
Balance as at 1st April, 2019	0.84	0.13	10.28	8.00	42.50	65.75	1,339.27	14.41	19.64	**1,500.82**
Adjustment on adoption of Ind AS 116	-	-	-	-	-	-	-	-	-	**-**
Restated balance as at April 1, 2019	0.84	0.13	10.28	8.00	42.50	65.75	1,339.27	14.41	19.64	**1,500.82**
Profit for the year	-	-	-	-	-	-	245.59	-	-	**245.59**
Other comprehensive income for the year	-	-	-	-	-	-	(5.82)	6.32	(0.31)	**0.19**
Dividends including tax thereon	-	-	-	-	-	-	(25.25)	-	-	**(25.25)**
Transfer (from) / to debenture redemption reserve	-	-	-	-	10.00	-	(10.00)	-	-	**-**
Balance as at 31st March, 2020	0.84	0.13	10.28	8.00	52.50	65.75	**1,543.79**	**20.73**	**19.33**	**1,721.35**

In terms of our report attached **For and on behalf of the Board of Directors**

For PRICE WATERHOUSE CHARTERED ACCOUNTANTS LLP
Firm Registration No. 012754N/N500016

SARAH GEORGE
Partner
Membership No. 045255

Place: Mumbai
Date: 26th August, 2020

For HDS & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
Firm Registration No. W100144

SURESH K. JOSHI
Partner
Membership No. 030035

Place: Mumbai
Date: 26th August, 2020

S.P.MISTRY
Chairman
Din:00010114

K.SUBRAMANIAN
Executive Vice Chairman
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Managing Director
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Director
Din:00328942

ASHOK G.DARAK
Chief Financial Officer

GAURANG M. PAREKH
Company Secretary

Place: Mumbai
Date: 26th August, 2020

Consolidated Cash Flow Statement for the year ended 31st March, 2020 (₹ in Crores)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Cash flow from operating activities		
Profit after tax	247.69	234.44
Adjustments for :		
Income tax expense recognised in Profit or loss	127.93	84.82
Depreciation and amortisation	240.30	248.56
Loss on sale of fixed assets *(net)*	10.63	4.16
Interest income recognised in profit or loss	(22.25)	(89.61)
Insurance claim received	(70.23)	(9.26)
Finance cost	390.79	284.68
Remeasurement of defined benefit liabilities / (assets) through OCI	(5.82)	(2.50)
Bad/irrecoverable debtors / unbilled revenue / advances / duty scrip w/off	94.34	45.56
Provision for doubtful advances no longer required written back	-	(0.36)
Provision for expected credit loss	1.89	6.36
Creditors / excess provision written back	(7.89)	(3.06)
Provision for projected losses on contract (net)	5.49	(2.15)
Operating profit before working capital changes	**1,012.87**	**801.64**
(Increase) in inventories	(210.16)	(299.14)
(Increase) in trade receivables	(725.65)	(737.77)
(Increase) in loans and other assets	(1,253.07)	(950.13)
Increase in trade, other payables and provisions	2,348.02	2,063.35
Cash from operations	1,172.01	877.95
Direct taxes - (paid) (including interest and refunds)	(122.49)	(118.09)
Net Cash flow (used in) operating activities	**1,049.52**	**759.86**
Cash flow from investing activities		
Payment for property, plant and equipment	(410.16)	(362.18)
Proceeds from disposal of property, plant and equipment	11.90	7.46
Proceeds from sale of investment	2.69	-
Investment in other bank balance (made) / redeemed	(91.00)	2.99
Interest received	26.81	126.83
Insurance claim received	70.23	9.26
Net Cash flow (used in) investing activities	**(389.53)**	**(215.64)**
Cash flow from financing activities		
(Repayment)/Proceeds from long-term borrowings	(47.84)	168.80
Repayment of long-term borrowings	(61.72)	(295.55)
Proceeds from short term borrowings - net	98.11	85.68
Finance cost	(391.17)	(286.73)
Principal element of lease payments (net)	(27.02)	-
Dividend paid on equity shares (including tax thereon) (Interim)	(25.19)	(25.19)
Dividend paid on preference shares (including tax thereon)	(0.06)	(0.06)
Net Cash flow (used in) financing activities	**(454.89)**	**(353.05)**
Net (decrease) in cash and cash equivalents	**205.10**	**191.17**
Cash and cash equivalents at the beginning of the year	317.44	126.27
Cash and cash equivalents at the end of the year	**522.54**	**317.44**
Non-cash financing and investing activities		
- Acquisition of right-of-use assets	**19.24**	**-**
- Acquisition of property, plant and equipments by means of finance lease	**-**	**-**
- Partial settlement of a business combination through issue of shares	**-**	**-**

Notes

1. The above Cash flow statement has been prepared under the "Indirect Method" set out in Ind AS 7 '*Cash Flow Statements*'.
2. Figures relating to previous year have been recast where necessary to conform to figures of the current year.

Consolidated Cash Flow Statement for the year ended 31st March, 2020 (Continued)

Net debt reconciliation

(₹ in crores)

Particulars	31st March, 2020	31st March, 2019
Cash and Cash equivalent	522.54	317.44
Liquid investments	116.30	25.10
Finance lease obligations	(45.70)	-
Current borrowings	(1,055.07)	(989.37)
Non-current borrowings	(572.82)	(650.35)
Net Debt	**(1,034.75)**	**(1,297.18)**

Particulars	Other assets		Liabilities from financing activities			Total
	Cash and bank overdraft	Liquid investment	Finance lease obligations	Non-current borrowings	Current borrowings	
Net Debt as on 1st April, 2018	126.27	28.09	-	(722.88)	(959.96)	**(1,528.48)**
Cash flows	191.17	(2.99)	-	126.75	(85.68)	**229.25**
Interest expense	-	-	-	(64.47)	(156.63)	**(221.10)**
Interest paid	-	-	-	64.47	158.68	**223.15**
Net debt as on 31st March, 2019	317.44	25.10	-	(596.13)	(1,043.59)	**(1,297.18)**
Recognised on adoption of Ind As 116	-	-	(54.04)	-	-	**(54.04)**
Cash flows	205.10	91.20		109.56	(98.11)	**307.75**
Acquisitions/disposals - finance leases			13.28	-	-	**13.28**
Foreign exchange adjustments			(0.40)	-	-	**(0.40)**
Interest expense	-	-	(4.54)	(69.81)	(239.44)	**(313.79)**
Interest paid	-	-		69.81	239.82	**309.63**
Net debt as on 31st March,2020	522.54	116.30	(45.70)	(486.57)	(1,141.32)	**(1,034.75)**

In terms of our report attached

For PRICE WATERHOUSE CHARTERED ACCOUNTANTS LLP
Firm Registration No. 012754N/N500016

SARAH GEORGE
Partner
Membership No. 045255

Place: Mumbai
Date: 26th August, 2020

For HDS & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
Firm Registration No. W100144

SURESH K. JOSHI
Partner
Membership No. 030035

Place: Mumbai
Date: 26th August, 2020

For and on behalf of the Board of Directors

S.P.MISTRY
Chairman
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Managing Director
Din:00058445

P.N.KAPADIA
Director
Din:00078673

N.D.KHURODY
Director
Din:00007150

R.M.PREMKUMAR
Director
Din:00328942

ASHOK G.DARAK
Chief Financial Officer

GAURANG M. PAREKH
Company Secretary

Place: Mumbai
Date: 26th August, 2020

Notes forming part of the financial statements as at and for the year ended 31st March, 2020

Note 1: General information

Afcons Infrastructure Limited (the "Company" or "Afcons") is a limited company incorporated in India. Its parent company is Shapoorji Pallonji Company Private Limited. The Company together with its Jointly controlled operation and subsidiaries (as detailed in note 2.(a) and 2.(b) is herein after referred to as the 'Group'.

The address of its registered office is "Afcons House", 16 Shah Industrial Estate, Veera Desai Road, Andheri (West), Mumbai 400 053 and principal place of business is Mumbai, India. The principal activity of the Company and its subsidiaries and jointly control operations (the "Group") are infrastructure activities. Afcons has a presence in almost the entire spectrum of infrastructure activities in India and overseas. The group is engaged in marine works, highways, bridges, metro works, power houses, tunnels, oil and gas, LNG tanks and other general civil engineering projects both in India and overseas.

A. Basis of preparation and presentation

i) Compliance with Ind AS

These consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

ii) Historical cost convention

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for consolidated financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

iii) New standards or interpretations adopted by the Group

The Group has applied the following standards and amendments for the first time for the annual reporting period commencing April 1, 2019:

- Ind AS 116, Leases
- Long-term interest in Associates and Joint Ventures –Amendments to Ind AS 28, Investments in Associates and Joint Ventures
- Uncertainty over Income Tax Treatments – Appendix C to Ind AS 12, Income Taxes
- Plan Amendment, Curtailment or settlement –Amendments to Ind AS 19, Employee Benefits
- Amendment to Ind AS 103, Business Combinations and Ind AS 111, Joint Arrangements
- Amendment to Ind AS 23, Borrowing costs

The Group had to change its accounting policies as a result of adopting Ind AS 116. This is disclosed in note 52. The other amendments listed above did not have any material impact on the current period and are not expected to significantly affect the future period.

iv) Operating cycle

The consolidated balance sheet presents current and non-current assets, and current and non-current liabilities, as separate classifications. For this purpose, an asset is classified as current if:

- It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is expected to realise the asset within 12 months after the reporting period; or
- The asset is a cash or equivalent unless it is restricted from being exchanged or used to settle liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

Similarly, a liability is classified as current if:

- It is expected to be settled in the normal operating cycle; or
- It is held primarily for the purpose of trading; or

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

- It is due to be settled within 12 months after the reporting period; or
- The Group does not have an unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

  All other liabilities are classified as non-current.

v) Basis of consolidation

The consolidated financial statement incorporates the financial statement of the Group and its subsidiaries. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statement of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

The group's share of the results, assets and liabilities of contracts carried out in conjunction with another party are included under each relevant heading in the consolidated financial statement.

B. Significant accounting policies

B.1. Goodwill

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

B.2. a) Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangements. Joint control is the contractually agreed sharing of control of an arrangement, which exist only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a Group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

a) Its assets, including its share of any assets held jointly;

b) Its liabilities, including its share of any liabilities incurred jointly;

c) Its revenue from the sale of the output arising from the joint operation;

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

d) Its share of the revenue from the sale of the output by the joint operation and

e) Its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the Ind AS applicable to the particular assets, liabilities, revenues and expenses.

When a Group entity transacts with a joint operation in which the Group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of the other parties' interests in the joint operation.

When a Group entity transacts with a joint operation in which the Group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

B.2. b) Interest in unincorporated Joint ventures

When the Group entity enters into a joint venture (JV) arrangement with other parties and an incorporated vehicle is formed which has a separate status for tax purposes (i.e. Association of person/Body of individual etc.) and if as per the terms of agreement, the Group entity remains liable for all the liabilities of the unincorporated vehicle and is also responsible for funding or contributing assets to the unincorporated vehicle for construction activity, this unincorporated vehicle (also considered and called as Jointly controlled operation) has been considered as an extension of the Group entity from accounting point of view and assets, liabilities, revenue and expenses are consolidated on the basis of its share in the operations in the separate financial statement of the Group entity.

B.3. Revenue recognition

Sale of goods

Revenue from sale of goods is recognised upon satisfaction of performance obligations, i.e. at a point of time, which occurs when the control is transferred to the customer. Customers obtain control as per the incoterms. Invoices are issued according to contractual terms and are usually payable as per the credit period agreed with the customer.

Rendering of services:

Revenue from providing services is recognised in the accounting period in which the services are rendered.

Invoices are issued according to contractual terms and are usually payable as per the credit period agreed with the customer.

Construction contracts:

The Group recognises revenue from engineering, procurement and construction contracts ('EPC') over the period of time, as performance obligations are satisfied over time due to continuous transfer of control to the customer. EPC contracts are generally accounted for as a single performance obligation as it involves complex integration of goods and services.

The performance obligations are satisfied over time as the work progresses. The Group recognises revenue using input method (i.e. percentage-of-completion method), based primarily on contract cost incurred to date compared to total estimated contract costs. Changes to total estimated contract costs, if any, are recognised in the period in which they are determined as assessed at the contract level. If the consideration in the contract includes price variation clause or there are amendments in contracts, the Group estimates the amount of consideration to which it will be entitled in exchange for work performed.

Due to the nature of the work required to be performed on many of the performance obligations, the estimation of total revenue and cost at completion is complex, subject to many variables and requires significant judgment. Variability in the transaction price arises primarily due to liquidated damages, price variation clauses, changes in scope, incentives, discounts, if any. The Group considers its experience with similar transactions and expectations regarding the contract in estimating the amount of variable consideration to which it will be entitled and determining whether the estimated variable consideration should be constrained. The Group includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration are based largely on an assessment of anticipated performance and all information (historical, current and forecasted) that is reasonably available. Consideration payable on behalf of customer is reduced from the transaction price.

Progress billings are generally issued upon completion of certain phases of the work as stipulated in the contract. Billing terms of the over-time contracts vary but are generally based on achieving specified milestones. The difference between the timing of revenue recognised and customer billings result in changes to contract assets and contract liabilities. Payment is generally due upon receipt of the invoice, payable within 90 days or less. Contractual retention amounts billed to customers are generally due upon expiration of the contract period.

The contracts generally result in revenue recognised in excess of billings which are presented as contract assets on the statement of financial position. Amounts billed and due from customers are classified as receivables on the statement of financial position. The portion of the payments retained by the customer until final contract settlement is not considered a significant financing component since it is usually intended to provide customer with a form of security for Group's remaining performance as specified under the contract, which is consistent with the industry practice. Contract liabilities represent amounts billed to customers in excess of revenue recognised till date. A liability is recognised for advance payments and it is not considered as a significant financing component since it is used to meet working capital requirements at the time of project mobilization stage. The same is presented as contract liability in the statement of financial position.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

For construction contracts the control is transferred over time and revenue is recognised based on the extent of progress towards completion of the performance obligations. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. The percentage of completion is based primarily on contract cost incurred to date compared to total estimated contract cost for each contract in order to reflect the effective completion of the project. This percentage of completion could be based on technical milestones or as per the contractual terms specified. A construction contract is considered completed when the last technical milestone is achieved, which occurs upon contractual transfer of ownership of the asset.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

B.4. Foreign currencies

(i) Functional and presentation currency

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statement is presented in Indian Rupee (INR), which is Group's functional and presentation currency. For each entity (subsidiaries and Jointly controlled operations), the group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

In preparing these consolidated financial statements, the Group has applied following policies:

A) Foreign Branches of the Group: -

1. Income and expense items are translated at the exchange rates at the dates of the transactions and all resulting exchange differences are are recognised in the Statement of Profit and Loss.
2. Non-monetary assets and liabilities are measured in terms of historical cost in foreign currencies and are not translated at the rates prevailing at the reporting period. Monetary assets and liabilities are translated at the rates prevailing at the end of each reporting period. Exchange differences on translations are recognised in the Consolidated Statement of Profit and Loss.

B) Joint Operations and subsidiaries outside India with functional currency other than presentation currency:

1. Assets and liabilities, both monetary and nonmonetary are translated at the rates prevailing at the end of each reporting period.
2. Income and expense items are translated at exchange rates at the dates of the transactions and all resulting exchange differences are accumulated in the foreign currency translation reserve in the statement of changes in equity.

(ii) Other Transactions and balances

In preparing the consolidated financial statements of each individual Group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Any exchange difference arising on settlement / restatement of long-term foreign currency monetary items recognized in the financial statements until the year ended March 31, 2016, are capitalized as a part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets.

In case of consideration paid or received in advance for foreign currency denominated contracts, the related expense or income is recognised using the rate on the date of transaction on initial recognition of a related asset or liability.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting the financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a foreign operation, or a partial disposal of an interest in a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to profit or loss.

In addition, in relation to a partial disposal of a foreign operation that does not result in the Group losing control over the foreign operation, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

B.5. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

B.6. Employee benefits

B.6.1 Retirement benefit costs and termination benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences and leave encashment.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Re-measurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item ‘Employee benefits expense’. Curtailment gains and losses are accounted for as past service costs.

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

The retirement benefit obligation recognized in the special purpose financial statements represents the actual deficit or surplus in the Group’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

B.6.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of salaries, wages and other short term employee benefits in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Provision for leave benefits to employees is based on actuarial valuation done by projected accrued benefit method at the reporting date.

B.7 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

B.7.1 Current tax

The income tax expense or credit for the period is the tax payable on the current period’s taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

B.7.2 Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax is realised or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available e to utilise those temporary differences and losses.

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in branches and interest in joint arrangements where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognized for temporary differences between the carrying amount and tax bases of investments in branches and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

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

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income.

B.7.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

B.8 Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. It also includes initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Replacement cost of an item of property, plant and equipment is capitalised if replacement meets the recognition criteria.

Carrying amount of items replaced is derecognised. Cost of major inspections is recognised in the carrying amount of property, plant and equipment as a replacement, if recognition criteria are satisfied and any remaining carrying amount of the cost of previous inspection is derecognised. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised (if they meet the asset recognition criteria) and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on property plant and equipment after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Estimated useful lives of the assets are as follows:

Buildings - 60 years

Furniture and fixtures - 10 years

Vehicles - 10 years

Office equipments - 5 years

Freehold land is not depreciated

For following assets estimated useful life is different than the useful life prescribed in schedule II to the Companies Act, 2013 and has been assessed on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Plant & Equipment (except Tunnel Boring Machines) which includes Cranes < 100 mt., Concreting, Crushing, Piling, Road making, Laboratory & Welding Equipments, Floating Equipments - 20 Years.

Tunnel Boring Machines - Length of the tunnel bored over life of the construction project for where it is used.

Cost of shuttering materials, issued to jobs, is charged off equally over a period of 4 years.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

B.8.1 Capital work-in-progress

Property, plant and equipment that are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

B.9 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Useful life is as below:

Computer software - 5 years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses from derecognition of an intangible asset, measured at the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss when the asset is derecognised.

B.10 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

B.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Cost is determined on the basis of weighted average method.

B.12 Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A contingent liability is disclosed where there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources. Contingent assets are not recognised. Information on contingent liabilities is disclosed in the notes to consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

B.13 Financial instruments

Financial assets and financial liabilities are recognised when a Group becomes a party to the contractual provisions of the instruments.

Initial Recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss). Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

B.14 Financial assets

Classification and subsequent measurement of financial assets

B.14.1 Classification of financial assets

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

The classification is done depending upon the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

For investments in debt instruments, this will depend on the business model in which the investment is held.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

B.14.2 Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost e.g. Debentures, Bonds etc. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in investment income using the effective interest rate method.

Fair value through other comprehensive income

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or fair value through OCI, are measured at fair value through profit or loss e.g. investments in mutual funds. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises.

Equity instruments

Investments in equity instruments at FVTPL

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for equity instruments which are not held for trading.

Investments in equity instruments at FVTOCI

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserve for 'equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

B.14.3 Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset.

For trade receivables, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

B.14.4 Effective interest method

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as FVTPL. Interest income is recognised in the statement of profit and loss.

B.14.5 De-recognition of financial assets

A financial asset is derecognised only when the Group has transferred the rights to receive cash flows from the financial asset. Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

B.14.6 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

B.15 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Treasury shares

In the consolidated financial statements, when any entity within the Group purchases the Group's ordinary shares, the consideration paid, including any directly attributable incremental cost, is presented as a deduction from total equity, until they are cancelled, sold or reissued. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is transferred to/ from share premium.

B.15.1 Classification and subsequent measurement

Financial liabilities are measured at amortised cost.

Financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

B.15.2 De-recognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

B.15.3 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income' as 'Net foreign exchange gains/(losses)'.

B.16 Derivative financial instruments

The Group enters into derivative financial instruments viz. foreign exchange forward contracts, interest rate swaps and cross currency swaps to manage its exposure to interest rate, foreign exchange rate risks and commodity prices. The Group does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

B.17 Leases:

Till March 31, 2019:

Leases (including lease arrangements for land) are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease (The Group as lessee): Lease payments under an operating lease are recognized as expense in the statement of profit and loss, on a straight-line or other systematic basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Lessor's expected inflationary cost increases, such increases are recognised in the year in which such liability accrues.

Operating lease (The Group as lessor): Rental income from operating lease is recognised on straight line basis over the term of the relevant lease. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of leased asset and recognised on a straight-line basis over the lease term.

With effect from April 1, 2019:

The Group as lessee:

From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Contracts may contain both lease and non-lease components. The Group has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

1) Lease Liabilities

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the lease payments. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the lessee's incremental borrowing rate (since the interest rate implicit in the lease cannot be easily determined). Incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2) Right-of-use assets

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability and lease payments made before the commencement date.

Right-of-use assets are depreciated over the lease term on a straight-line basis. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities.

3) Short term leases and leases of low value assets

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise assets having value less than ₹ 500,000.

The Group as lessor:

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

B.18 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) for the year by the weighted average number of equity shares outstanding during the year.

Ordinary shares to be issued upon conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per share from the date the contract is entered into. Diluted earnings per share is computed by dividing the profit / (loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

B.19 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of Afcons Infrastructure Limited assesses the financial performance and position of the Group, and makes strategic decisions. The board of directors, which has been identified as being the chief operating decision maker, consists of the key managerial personnel and the directors who are in charge of the corporate planning. Refer note 33 for segment information presented.

B.20 Credit Risk

The Group assess on a forward-looking basis the expected credit losses associated with its assets measured at amortised cost which includes lease receivables, trade receivables, other contractual rights to receive cash etc. The impairment methodology applied depends on whether there has been a significant increase in the credit risk since initial recognition of these financial assets. For the evaluation, the Group considers historical credit loss experience and adjusted for forward-looking information. Note 50.8 details how the Group determines whether there has been a significant increase in credit risk.

B.21 Government grants, subsidies and export incentives

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

C. Critical estimates and judgements

a) Revenue recognition

The Group's revenue recognition policy, which is set out in Note B.3, is central to how the Group values the work it has carried out in each financial year.

These policies require forecasts to be made of the outcomes of long-term construction services, which require assessments and judgements to be made on changes in scope of work and claims and variations.

Across construction services there are several long-term and complex projects where the Group has incorporated significant judgements over contractual entitlements. The range of potential outcomes could result in a materially positive or negative change to underlying profitability and cash flow.

Estimates are also required with respect to the below mentioned aspects of the contract.

- Determination of stage of completion;
- Estimation of project completion date;
- Provisions for foreseeable losses; and
- Estimated total revenues and estimated total costs to completion, including claims and variations.

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Revenue and costs in respect of construction contracts are recognized by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

b) Taxation

The Group is subject to tax in a number of jurisdictions and judgement is required in determining the worldwide provision for income taxes. The Group provides for future liabilities in respect of uncertain tax positions where additional tax may become payable in future periods and such provisions are based on management's assessment of exposures.

The uncertain tax positions are measured at the amount expected to be paid to taxation authorities when the Group determines that the probable outflow of economic resources will occur. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

c) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. There are certain obligations which managements have concluded based on all available facts and circumstances are not probable of payment or difficult to quantify reliably and such obligations are treated as contingent liabilities and disclosed in the notes but are not provided for in the consolidated financial statements. Although there can be no assurance of the final outcome of the legal proceedings in which the Group is involved it is not expected that such contingencies will have material effect on its financial position or profitability.

d) Useful lives of property, plant and equipment

As described at note B.8 above, the Group reviews the estimated useful lives of property, plant and equipment and residual values at the end of each reporting period. There was no change in the useful life and residual values of property, plant and equipment as compared to previous year.

e) Impairment of trade receivables

The Group has recognised trade receivables with a carrying value of ₹ 2,823.03 Crores (as at March 31, 2019: ₹ 2,096.72 Crores). The recoverability of trade receivables is regularly reviewed in the light of the available economic information specific to each receivable and specific provisions are recognised for balances considered to be irrecoverable.

The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, credit risk, existing market conditions as well as forward looking estimates at the end of each reporting period. The expected credit loss allowance for trade receivables is made based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. Where the actual cash shortfalls vary from those estimated, these could impact the level of profit or loss recognised by the Group.

f) Retirement benefit obligations

Details of the Group's defined benefit pension schemes are set out in Note B.6.1, including tables showing the sensitivity of the pension scheme obligations and assets to different actuarial assumptions.

The present value of defined benefit obligations is determined by discounting the estimated future cash outflows by reference to market yields at the end of reporting period that have terms approximating to the terms of the related obligation.

g) Arbitration claims

The forecast profit on contracts includes key judgements over the expected recovery of costs arising from the following: variations to the contract requested by the customer, compensation events, and claims made by the Group for delays or other additional costs for which the customer is liable. These claims could result in disputes that get settled through an arbitration process wherein the outcome of these awards including the timing and the amount (including interest thereon) requires a reasonable degree of estimation. The inclusion of these amounts requires estimation of their recoverability and could impact the level of profit or loss recognized by the Group.

h) Classification of assets / liabilities as Current and Non-current

The balance sheet presents current and non-current assets and current and non-current liabilities, as separate classifications. This classification involves managements estimate on expected realization of assets and settlement of liabilities within 12 months after the reporting period.

i) Classification of Joint Arrangement as a Joint Operation /Joint Venture

A Joint Operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangements. Joint control is the contractually agreed sharing of control of an arrangement, which exist only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When an entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

a) Its assets, including its share of any assets held jointly;

b) Its liabilities, including its share of any liabilities incurred jointly;

c) Its revenue from the sale of the output arising from the joint operation;

d) Its share of the revenue from the sale of the output by the joint operation and

e) Its expenses, including its share of any expenses incurred jointly.

Accordingly, the Group has evaluated all its joint arrangements on the basis of the contractual arrangements entered into between the parties to the joint arrangements for execution of the project irrespective of the legal form. irrespective of the legal form.

Note 2 (a): Details of subsidiaries at the end of the reporting period are as follows.

Name of subsidiary	Country of incorporation	Place of Activity	Percentage holding-share
Hazarat and Company Pvt. Ltd.	India	India	100%
Afcons Corrosion Protection Pvt. Ltd.	India	India	100%
Afcons Hydrocarbons Engineering Pvt. Ltd.	India	India	100%
Afcons (Mideast) Constructions and Investments Pvt. Ltd.	India	India	100%
Afcons Infrastructures Kuwait for Building, Road and Marine Contracting WLL*	Kuwait	Kuwait	49%
Afcons Construction Mideast LLC*	U.A.E	U.A.E	49%
Afcons Gulf International Projects Services FZE #	U.A.E.	U.A.E.	100%
Afcons Mauritius Infrastructure Limited	Mauritius	India	100%
Afcons Overseas Singapore Pte Ltd.	Singapore	Guinea,Mauritinia	100%
Afcons Infra Projects Kazakhstan LLP %	Kazakhstan	Kazakhstan	100%
Afcons Saudi Constructions LLC	Saudi Arabia	Saudi Arabia	100%
Afcons Overseas Project Gabon SARL %	Gabon	Gabon	100%

* Although, the parent Company has less than a majority of the voting rights of the investee, it has power over the investee as the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

Subsidiary of Afcons Mauritius Infrastructure Limited.

% Subsidiary of Afcons Overseas Singapore Pte Ltd.

The principal activities of the Company including its joint operations and its subsidiaries (the Group) are infrastructure activities.

Note 2(b): Details of joint operations at the end of the reporting period are as follows.

Name of joint operations	Country of incorporation	Place of Activity	Percentage holding-share
Dahej Standby Jetty Project Undertaking	India	India	100%
Afcons Gunanusa Joint Venture	India	India	100%
Afcons Pauling Joint Venture	India	India	100%
Afcons Sibmost Joint Venture	India	India	100%
Afcons Vijeta PES Joint Venture	India	India	100%
Afcons SMC Joint Venture	India	Tanzania	100%
Afcons - Vijeta Joint Venture	India	India	100%
Afcons JAL Joint Venture	India	India	100%
Transtonnelstroy Afcons Joint Venture	India	India	99%
Afcons KPTL Joint Venture	India	Bangladesh	51%
Afcons Sener LNG Construction Projects Pvt.Ltd.	India	India	49%
Ircon Afcons Joint Venture	India	Bangladesh	47%
Strabag AG Afcons Joint Venture	India	India	40%

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

Note No 3. Property, plant and equipments

A. Tangible assets

(₹ in Crores)

Particulars	Gross block				Depreciation				Net Block
	Balance as at 1st April, 2019	Additions	Disposals	Balance as at 31st March, 2020	Balance as at 1st April, 2019	Depreciation for the year	Disposals	Balance as at 31st March, 2020	Balance as at 31st March, 2020
(a) Freehold land	204.47	-	-	204.47	-	-	-	-	204.47
(b) Buildings	42.35	10.04	-	52.39	17.54	1.07	-	18.61	33.78
(c) Plant and equipment	2,041.44	297.47	(72.93)	2,265.98	954.03	110.74	(55.09)	1,009.68	1,256.30
(d) Furniture and fixtures	52.03	10.11	(4.99)	57.15	19.62	4.94	(3.28)	21.28	35.87
(e) Vehicles	43.75	2.36	(1.22)	44.89	15.39	5.32	(0.96)	19.75	25.14
(f) Office equipments	55.36	6.28	(1.76)	59.88	36.66	7.01	(1.71)	41.96	17.92
(g) Leasehold improvements	2.79	-	-	2.79	2.79	-	-	2.79	-
(h) Floating equipments	218.26	39.50	-	257.76	56.85	14.41	-	71.26	186.50
(i) Laboratory equipments	2.54	1.44	-	3.98	0.72	0.14	-	0.86	3.12
(j) Shuttering materials	203.91	54.81	(0.41)	258.31	119.42	55.65	-	175.07	83.24
(k) Accessories and attachments	79.01	14.91	(2.24)	91.68	38.61	11.24	-	49.85	41.83
Total	**2,945.91**	**436.92**	**(83.55)**	**3,299.28**	**1,261.63**	**210.52**	**(61.04)**	**1,411.11**	**1,888.17**

Previous year

(₹ in Crores)

Particulars	Gross block				Depreciation				Net Block
	Balance as at 1st April, 2018	Additions	Disposals	Balance as at 31st March, 2019	Balance as at 1st April, 2018	Depreciation for the year	Disposals	Balance as at 31st March, 2019	Balance as at 31st March, 2019
(a) Freehold land	203.00	1.47	-	204.47	-	-	-	-	204.47
(b) Buildings	41.86	0.49	-	42.35	16.56	0.98	#	17.54	24.81
(c) Plant and equipment	1,829.92	224.49	(12.97)	2,041.44	809.40	150.10	(5.47)	954.03	1,087.41
(d) Furniture and fixtures	45.93	8.38	(2.28)	52.03	16.38	4.42	(1.18)	19.62	32.41
(e) Vehicles	30.60	13.15	-	43.75	10.78	4.61	-	15.39	28.36
(f) Office equipments	49.45	7.23	(1.32)	55.36	31.70	6.12	(1.16)	36.66	18.70
(g) Leasehold improvements	2.79	-	-	2.79	2.79	-	-	2.79	-
(h) Floating equipments	218.26	-	-	218.26	42.97	13.88	-	56.85	161.41
(i) Laboratory equipments	2.54	-	-	2.54	0.62	0.10	-	0.72	1.82
(j) Shuttering materials	130.27	74.26	(0.62)	203.91	63.89	55.53	-	119.42	84.49
(k) Accessories and attachments	61.78	19.47	(2.24)	79.01	27.22	11.39	-	38.61	40.40
Total	**2,616.40**	**348.94**	**(19.43)**	**2,945.91**	**1,022.31**	**247.13**	**(7.81)**	**1,261.63**	**1,684.28**

Notes:

(1) Freehold Land with a carrying amount of ₹ 204.47 crores (as at 31st March 2019 ₹ 204.47 crores) has been secured by equitable mortgage with consortium banks. Refer Note No. 14.

Buildings carrying amount of ₹ 33.78 crores (as at 31st March 2019 ₹ 24.81 crores) has been secured by equitable mortgage with consortium banks. Refer Note No. 14.

Movable Plant and machinery, construction equipments, machinery spares, tools and accessories with a carrying amount of ₹ 1,530.81 Crores (as at 31st March 2019 ₹ 1,309.54 Crores) has been secured by way of hypothecation in favour of term lenders and consortium banks have been secured through indenture of mortgage. Refer Note No. 14

Amount is below the rounding off norms adopted by the Group.

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

Note No 3. Property, Plant and Equipments (Continued)

B. Goodwill (₹ in Crores)

Cost or deemed cost	Balance as at 31st March, 2020	Balance as at 31st March, 2019
Balance at beginning of the year	5.32	5.16
Effect of foreign currency exchange differences	0.23	0.16
Balance at end of the year	**5.55**	**5.32**

C. Intangible assets (₹ in Crores)

Particulars	Gross block (At cost)				Amortisation				Net Block
	Balance as at 1st April, 2019	Additions	Disposals	Balance as at 31st March, 2020	Balance as at 1st April, 2019	Amortisation for the year	Disposals	Balance as at 31st March, 2020	Balance as at 31st March, 2020
Computer software - acquired	13.05	-	(0.08)	**12.97**	11.86	0.53	(0.06)	**12.33**	**0.64**
Total	**13.05**	**-**	**(0.08)**	**12.97**	**11.86**	**0.53**	**(0.06)**	**12.33**	**0.64**

Previous Year (₹ in Crores)

Particulars	Gross block (At cost)				Amortisation				Net Block
	Balance as at 1st April, 2018	Additions	Disposals	Balance as at 31st March, 2019	Balance as at 1st April, 2018	Amortisation for the year	Disposals	Balance as at 31st March, 2019	Net Block
Computer software - acquired	12.16	0.89	-	13.05	10.43	1.43	-	11.86	1.19
Total	**12.16**	**0.89**	**-**	**13.05**	**10.43**	**1.43**	**-**	**11.86**	**1.19**

D. Right-of-use Asset (₹ in Crores)

Particulars	Gross block				Depreciation				Net Block
	Balance as at 1st April, 2019	Additions	Deletions due to discontinued agreements	Balance as at 31st March, 2020	Balance as at 1st April, 2019	Depreciation	Exchange Difference	Balance as at 31st March, 2020	Balance as at 31st March, 2020
Land	15.45	4.63	-	**20.08**	-	7.47		7.47	12.61
Building	38.59	14.61	(0.56)	**52.64**	-	21.78	-	**21.78**	**30.86**
Total	**54.04**	**19.24**	**(0.56)**	**72.72**	**-**	**29.25**	**-**	**29.25**	**43.47**

Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). For leases of Land, Office Premises, Houses and Godowns the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the group is typically reasonably certain to extend (or not terminate).
- Otherwise, the group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.
- Most extension options in offices leases have not been included in the lease liability, because the group could replace the assets without significant cost or business disruption.
- As at 31 March 2020, potential future cash outflows have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated) is not material in nature

The lease term is reassessed if an option is actually exercised (or not exercised) or the group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was an increase in recognized lease liabilities and right-of-use assets is not material in nature.

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

Note No. 4. Non-current investments

	Particulars	Face Value	As at 31st March, 2020		As at 31st March, 2019	
			Quantity	Amount	Quantity	Amount
				(₹ in Crores)		(₹ in Crores)
A.	**Investment in equity instruments at fair value through other comprehensive income**					
	Quoted Investments (fully paid)					
(a)	Investment in equity instruments :					
	Hindustan Oil Exploration Co. Ltd.	₹ 10	40,072	0.14	40,072	0.52
	Hindustan Construction Co. Ltd.	₹ 1	2,000	#	2,000	#
	Simplex Infrastructures Ltd.	₹ 2	500	#	500	0.01
	ITD Cementation India Ltd.	₹ 1	1,000	0.01	1,000	0.02
	Gammon India Ltd.	₹ 2	250	#	250	#
	Total aggregate quoted investments			**0.15**		**0.55**
	Unquoted investments (fully paid)					
(b)	Investment in equity instruments :					
	Simar Port Ltd.	₹ 10	1,000	#	1,000	#
	# Amount is below the rounding off norms adopted by the group.			**#**		#
B.	**Investments in mutual funds at fair value through profit or loss**					
(a)	**Investment in mutual funds :**					
	Quoted					
	ICICI Prudential Equity Arbitrage Fund - Growth Plan	₹ 10	-	-	10,64,245	2.60
	Total aggregate mutual fund investment			**-**		**2.60**
	Total investments carrying value (A+B)			**0.15**		**3.15**
	Aggregate book value of quoted investments			0.30		2.40
	Aggregate market value of quoted investments			0.15		3.15

Category-wise other investments - as per Ind-AS 109 classification: (₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Financial assets measured at FVTPL - mutual fund	-	2.60
Financial assets measured at FVTOCI- equity instruments	0.15	0.55
	0.15	**3.15**

Note No 5. Trade receivables (₹ in Crores)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Current	Non Current	Current	Non Current
a) from Customers:				
Unsecured, considered good	2,340.70	533.24	1,887.43	231.05
Doubtful	-	28.84	-	26.95
	2,340.70	562.08	1,887.43	258.00
Less: Allowance for expected credit losses	-	28.84	-	26.95
	2,340.70	533.24	1,887.43	231.05
b) from Related parties	134.49	3.16	166.19	3.16
Total	**2,475.19**	**536.40**	**2,053.62**	**234.21**

Note No. 5.1 - Movement in the expected credit loss allowance (₹ in Crores)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Current	Non Current	Current	Non Current
Balance at beginning of the year	-	26.95	-	20.59
Add: Created during the year	-	1.89	-	6.72
Less: Utilised during the year	-	-	-	0.36
Balance at end of the year	-	**28.84**	-	**26.95**

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

Note No 6. Loans (₹ in Crores)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Current	Non Current	Current	Non Current
Advances to related parties (Unsecured, considered good)				
To Fellow subsidiaries	32.88	-	46.44	-
To Joint operations (net of Group share)	7.70	-	17.50	-
Total	**40.58**	**-**	**63.94**	-

These financial assets are carried at amortised cost

Note No 7. Other financial assets (₹ in Crores)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Current	Non Current	Current	Non Current
(a) Interest on trade receivables as per arbitration awards	30.32	263.53	180.65	117.76
(b) Others	20.90	-	14.67	-
(c) Deposits (Unsecured, considered good)				
(i) Security deposits	6.27	13.69	6.40	15.65
(ii) Other deposits	0.95	1.35	0.76	1.31
	7.22	15.04	7.16	16.96
(d) Other Loans and advances (doubtful)	-	0.16	-	0.16
Less: Provision for other doubtful loans and advances	-	0.16	-	0.16
	-	-	-	-
(e) Bank deposits having maturity of more than 12 months (given towards margin money / under lien)	-	0.20	-	-
Total	**58.44**	**278.77**	**202.48**	**134.72**

Note No 8. Contract assets (₹ in Crores)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Current	Non Current	Current	Non Current
Contract assets				
Amounts due from customer under construction contracts				
Unsecured, considered good	3,149.76	1,723.94	2,678.54	1,369.29
Doubtful	-	9.00	-	-
	3,149.76	1,732.94	2,678.54	1,369.29
Less: Allowance for expected credit losses	-	9.00	-	-
Total	**3,149.76**	**1,723.94**	**2,678.54**	**1,369.29**

Note No 8.1 Contracts assets and liabilities balance (₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Contracts in progress at the end of the reporting period:		
Construction cost incurred plus recognised profits less recognised loss to date	25,276.69	24,634.73
Less : Progress billings	21,526.64	21,251.95
	3,750.05	**3,382.78**
Recognised and included in the consolidated financial statements as amounts due :		
- from customers under construction contracts	4,873.70	4,047.83
- to customers under construction contracts	(1,123.65)	(665.05)
	3,750.05	**3,382.78**

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

Note No 8.2 Other non-current & current assets (₹ in Crores)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Current	Non Current	Current	Non Current
(a) Capital advances	-	6.16	-	20.32
(b) Prepayments	44.61	12.61	24.16	9.71
(c) Balances with government authorities				
(i) GST / VAT credit receivable	333.31	120.90	287.73	103.05
(ii) Service Tax credit receivable	2.45	27.78	2.97	27.78
(iii) Duty credit receivables	0.73	-	2.45	-
	336.49	148.68	293.15	130.83
(d) Others				
(i) Advance to vendors and others	425.87	20.34	190.39	-
(ii) Other receivables (Sale of scrap,etc.)	16.67	-	1.73	-
(iii) Advances to employees	5.54	-	3.10	-
	448.08	20.34	195.22	-
Total	**829.18**	**187.79**	**512.53**	**160.86**

Note No 9. Inventories (₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Construction materials - at lower of cost and net realisable value		
Steel	502.29	477.98
Cement	10.37	11.64
Aggregate	33.80	38.52
Other construction material	231.35	94.60
	767.44	622.74
(b) Stores and spares - at lower of cost and net realisable value	299.72	234.26
	299.72	234.26
Total	**1,067.16**	**857.00**

Note No 10. Cash and cash equivalents (₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Balances with banks		
In current accounts	518.57	316.05
(b) Cash on hand	3.97	1.39
Total cash and cash equivalents	**522.54**	**317.44**

Note No 10.1. Bank balance other than cash and cash equivalents (₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Earmarked balance with banks		
- Unpaid dividend accounts	0.68	0.57
- Balances held as margin money or security against borrowings, guarantees and other commitments	64.81	0.10
- Other earmarked accounts / escrow accounts	2.85	2.73
Bank deposit with maturity of more than three months but less than twelve months	47.76	21.70
Total	**116.10**	**25.10**

Note No 11. Non current tax assets (Net) (₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advance income tax (net of provisions ₹ 179.35 crores)	155.01	122.96
(As at 31st March, 2019 ₹ 130.88 crores)		
Total	**155.01**	**122.96**

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

Note No 12.Share capital (₹ in Crores)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Number of shares	(₹ in Crores)	Number of shares	(₹ in Crores)
(a) Authorised				
Equity shares of ₹ 10 each.	35,00,00,000	350.00	35,00,00,000	350.00
Preference shares of ₹ 10 each.	65,00,00,000	650.00	65,00,00,000	650.00
	1,00,00,00,000	**1,000.00**	**1,00,00,00,000**	**1,000.00**
(b) Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each. (Refer note 12.1 below)	7,19,70,238	71.97	7,19,70,238	71.97
0.01% Non cumulative and non profit participatory convertible preference shares of ₹ 10 each. (Refer note 12.2 below)	10,00,00,000	100.00	10,00,00,000	100.00
0.01% Fully and compulsorily convertible non-cumulative,non participatory preference shares of ₹ 10 each. (Refer note 12.3 below)	25,00,00,000	250.00	25,00,00,000	250.00
0.01% Fully and compulsorily convertible non-cumulative,non participatory preference shares of ₹ 10 each. (Refer note 12.4 below)	10,00,00,000	100.00	10,00,00,000	100.00
Total	**52,19,70,238**	**521.97**	**52,19,70,238**	**521.97**

12.1. Rights, preferences and restrictions attached to equity shares:

(a) Rights to receive dividend as may be approved by the board / annual general meeting.

(b) The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013.

(c) Every member shall be entitled to be present, and to speak and vote and upon a poll the voting right of every member present in person or by proxy shall be in proportion to his share of the paid- up equity share capital of the Company.

12.2. Rights, preferences and restrictions attached to 0.01% Non Cumulative and non profit participatory convertible preference shares:

(a) The preference shares shall be non- cumulative and non profit participating convertible Preference Shares carrying a fixed rate of dividend of 0.01% per annum to be paid in priority to the holders of any other class of shares.

(b) The terms of this Preference Shares have been varied with consent of the Preference Shareholder and the special resolution passed with requisite majority of the members of the Company vide Postal Ballot effective from 30th November, 2018. whereby the preference shares shall be deemed to be converted into common equity shares of the Company at a price of ₹ 68.25 per equity share (consisting of par of ₹ 10 and a premium of ₹ 58.25) immediately, automatically and without any further act of the parties in the event of conversion of the preference shares mentioned in note 12.3.(a) below.

(c) Every member of the Company holding preference shares has a right to vote in the general meeting of the Company on resolutions placed before the Company which directly affect the rights attached to this preference shares.

12.3. Rights, preferences and restrictions attached to 0.01% fully and compulsorily convertible non-cumulative, non participatory preference shares:

(a) The preference shares are automatically and mandatorily converted into equity shares on 13th January, 2024 ("mandatory conversion date") i.e. on the sixteen year from the issue date.

However subsequent to year end, Company has passed a special resolution for which consent has been obtained from the Preference Shareholder and the special resolution passed with requisite majority of the members of the Company vide Postal Ballot effective from 17th July, 2020 wherein preference shares can be converted into equity shares of the Company at any time on or after 31st July 2020 ("early conversion date") at the instructions of the preference share holder.

(b) On mandatory conversion date or the early conversion date, as the case maybe, the preference shares shall be converted into such number of equity shares of the Company constituting 74% of the outstanding equity share capital and convertible preference shares of the Company calculated on a fully diluted basis on the date of issue (i.e. 14th January, 2008) resulting into 24,65,40,258 equity shares in terms of the consent obtained from the Preference Shareholder and the special resolution passed with requisite majority of the members of the Company vide Postal Ballot effective from 17th July, 2020.

(c) The preference shares shall be entitled to fixed non-cumulative preference dividend at the fixed rate of 0.01% per annum which shall be paid in priority to the holder of any other class of shares.

(d) On return of capital on a liquidation or otherwise of the assets of the Company, the holder of preference shares shall be entitled, in priority to any payment to the holders of any other class of shares, to be repaid a sum equal to the capital paid up or credited as paid up on the preference shares held by it and all arrears and accruals (if any) of the preferential dividend calculated up to the date of the commencement of the winding-up (in case of winding-up) or the return of capital (in any other case).

(e) The preference shares shall not confer any further right to participate in the profits or assets of the Company except as mentioned above.

(f) Every member of the Company holding preference shares has a right to vote in the general meeting of the Company on resolutions placed before the Company which directly affect the rights attached to this preference shares.

(g) The preference shares shall be transferable in accordance with the terms and conditions of the Articles and other provisions agreed between the Company and the preference shares holder

(h) The equity shares of the Company issued upon conversion of the preference shares will rank pari passu with the other equity shares existing on the conversion date and shall be transferable in accordance with the terms and conditions of the Articles.

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

12.4. Rights, preferences and restrictions attached to 0.01% fully and compulsorily convertible non-cumulative, non participatory preference shares:

(a) The preference shares shall be automatically and mandatorily converted into equity shares on 21st March, 2024 ("mandatory conversion date") i.e. on the expiry of ten year from the issue date. The mandatory conversion date of the 0.01% fully and compulsorily convertible non-cumulative, non participatory preference shares has been revised from 21st March, 2019 (5th year from the date of issue) to 21st March, 2024 (10th year from the date of issue) in terms of the consent obtained from the Preference Shareholder and the special resolution passed with requisite majority of the members of the Company vide Postal Ballot effective from 30th November, 2018.

(b) On mandatory conversion date, the preference shares shall be converted into such number of equity shares of the Company at the price of ₹ 132 per equity shares (consisting of par of ₹ 10 and a premium of ₹ 122).

(c) The preference shares shall be entitled to fixed non-cumulative dividend at the fixed rate of 0.01% per annum which shall be paid in priority to the holder of any other class of shares.

(d) On return of capital on a liquidation or otherwise of the assets of the Company, the holder of preference shares shall be entitled, in priority to any payment to the holders of any other class of shares, to be repaid a sum equal to the capital paid up or credited as paid up on the preference shares held by it.

(e) Every member of the Company holding preference shares has a right to vote in the general meeting of the Company on resolutions placed before the Company which directly affect the rights attached to this preference shares.

Note No 12.5. Reconciliation of number of Equity Shares of the Company and amount outstanding at the beginning and at the end of the year.

Particulars	Authorised		Issued, subscribed and fully paid up	
	Numbers (in crores)	(₹ in Crores)	Numbers (in crores)	(₹ in Crores)
Equity shares outstanding as at 31st March, 2018	35.00	350.00	7.20	71.97
Add: Shares issued during the year	-	-	-	-
Equity shares outstanding as at 31st March, 2019	**35.00**	**350.00**	**7.20**	**71.97**
Add: Shares issued during the year	-	-	-	-
Equity shares outstanding as at 31st March, 2020	**35.00**	**350.00**	**7.20**	**71.97**

Note No 12.6. Details of shares held by each shareholder holding more than 5% of shares of the Company:

Class of shares / name of shareholder	As at 31st March, 2020		As at 31st March, 2019	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares				
Shapoorji Pallonji & Company Private Limited	4,91,05,552	68.23	4,91,01,742	68.23
Floreat Investments Limited	1,30,15,929	18.09	1,30,15,929	18.09
Renaissance Commerce Private Limited	40,16,250	5.58	40,16,250	5.58
Hermes Commerce Limited	40,16,250	5.58	40,16,250	5.58
0.01% Non cumulative and non profit participatory convertible preference shares				
Floreat Investments Limited	10,00,00,000	100.00	10,00,00,000	100.00
0.01% Fully and compulsorily convertible non-cumulative non participatory preference shares				
Goswami Infratech Private Limited	25,00,00,000	100.00	25,00,00,000	100.00
0.01% Fully and compulsorily convertible non-cumulative non participatory preference shares				
Shapoorji Pallonji & Company Private Limited	10,00,00,000	100.00	10,00,00,000	100.00

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

Note No 12.7. Details of shares held by the holding company, their subsidiaries and associates: (₹ in Crores)

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Equity shares	0.01% Non cumulative and non profit participatory convertible preference shares	0.01% Fully and compulsorily convertible non-cumulative non participatory preference shares	Equity shares	0.01% Non cumulative and non profit participatory convertible preference shares	0.01% Fully and compulsorily convertible non-cumulative non participatory preference shares
	Number of shares			Number of shares		
Shapoorji Pallonji & Company Private Limited, the holding company	4,91,05,552	-	10,00,00,000	4,91,01,742	-	10,00,00,000
Subsidiaries of the holding company:						
Floreat Investments Limited (FIL)	1,30,15,929	10,00,00,000	-	1,30,15,929	10,00,00,000	-
Renaissance Commerce Private Limited	40,16,250	-	-	40,16,250	-	-
Hermes Commerce Limited	40,16,250	-	-	40,16,250	-	-

Note No 13. Other equity (₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Capital reserve	0.84	0.84
Capital redemption reserve	0.13	0.13
Securities premium account	10.28	10.28
Contingencies reserve	8.00	8.00
Debenture redemption reserve	52.50	42.50
General reserve	65.75	65.75
Foreign currency translation reserve	20.73	14.41
Retained earnings	1,543.79	1,339.27
Reserve through other comprehensive income	19.33	19.64
Total	**1,721.35**	**1,500.82**

Movement in other equity: (₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Capital reserve		
Opening balance	0.84	0.84
Closing balance	0.84	0.84
(b) Capital redemption reserve		
Opening balance	0.13	0.13
Closing balance	0.13	0.13
(c) Securities premium account		
Opening balance	10.28	10.28
Closing balance	10.28	10.28
(d) Contingencies reserve		
Opening balance	8.00	8.00
Closing balance	8.00	8.00
(e) Debenture redemption reserve		
Opening balance	42.50	61.25
Add : Transferred from / (to) surplus in Statement of Profit and Loss	10.00	(18.75)
Closing balance	52.50	42.50
(f) General reserve		
Opening balance	65.75	66.04
Less : Other adjustment	-	0.29
Closing balance	65.75	65.75

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

	Particulars	As at 31st March, 2020	As at 31st March, 2019
(g)	Foreign currency translation reserve		
	Opening balance	14.41	12.06
	Add : Effect of foreign exchange rate variations during the period	6.32	2.35
	Closing balance	20.73	14.41
(h)	Retained earnings		
	Opening balance	1,339.27	1,091.05
	Add: Adjustment for Ind As 115	-	27.00
	Restated Opening balance	1,339.27	1,118.05
	Add: Profit for the year	245.59	240.10
	Add: Other Adjustment	-	(9.88)
	Add: Other items classified to other comprehensive income	(5.82)	(2.50)
	Less: Appropriations		
	Interim dividend on equity shares (₹ 3.50 per share) (previous Year ₹ 3.50 per share)	25.19	25.19
	Dividend on preference shares (₹ 0.001 per share) (previous Year ₹ 0.001 per share)	0.05	0.05
	Dividend distribution tax	0.01	0.01
	Transferred to / (from) Debenture redemption reserve	10.00	(18.75)
	Closing balance	1,543.79	1,339.27
(i)	Reserve for equity instruments through other comprehensive income		
	Opening balance	19.64	19.43
	Add: Net fair value gain/(loss) on investments in equity instruments measured at FVTOCI	(0.31)	0.21
	Closing balance	19.33	19.64
	Total	**1,721.35**	**1,500.82**

Nature and purpose of each reserve within other equity

Capital reserve

The capital reserve is on account of acquisition of subsidiary companies.

Capital redemption Reserve

As per the provisions of Companies Act, capital redemption reserve is created out of the general reserve for the amount equivalent to the paid up capital of shares bought back by the Company.

Securities premium account

Where Company issued shares at a premium, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to a "securities premium account" as per the provisions of applicable Companies Act. This reserve is utilized as per the provisions of the Companies Act.

Contingency reserve

The contingency reserve was created to protect against loss for amounts due from a partnership firm.

Debenture redemption reserve

The Companies Act requires that where a company issues debentures, it shall create a debenture redemption reserve out of profits of the company available for payment of dividend. The amounts credited to the debenture redemption reserve may not be utilized by the company except to redeem debentures

General reserve:

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

Foreign currency translation reserve:

Exchange differences relating to the translation of the results and net assets of the group's foreign operations from their functional currencies to the group's presentation currency (i.e. ₹) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

Retained earning and dividend on equity shares:

This represent the surplus / (deficit) of the profit or loss. The amount that can be distributed by the Company to its equity shareholders is determined considering the requirements of the Companies Act, 2013. Thus, the amount reported above are not distributable in entirety.

On 20th March, 2020, an interim dividend of ₹ 3.50 per share (total dividend ₹ 25.19 Crores) was paid to holders of fully paid equity shares.

Reserve for equity instrument measured through other comprehensive income

This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income. The group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognized.

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

Note No 14. Non current borrowings (₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Measured at amortised cost		
(a) Debentures (Unsecured) (Refer note 14.1)	200.00	250.00
(b) Equipment loan (Secured) (Refer note (14.2)		
From banks		
Rupee loan	372.82	379.52
Foreign currency loan	-	20.83
Total	**572.82**	**650.35**

14.1 Details of debentures (₹ in Crores)

Particulars	Terms of repayment	As at 31st March, 2020		As at 31st March, 2019	
		Secured	Unsecured	Secured	Unsecured
Unsecured, redeemable, unlisted, non-convertible debentures (NCDs)					
i) 9.87% NCDs	Refer note 14.1 (i) below	-	-	-	50.00
ii) 8.60% NCDs	Refer note 14.1 (ii) below	-	100.00	-	100.00
iii) 8.65% NCDs	Refer note 14.1 (iii) below	-	100.00	-	100.00
Total Non-Convertible Debentures		-	**200.00**	-	**250.00**

14.1 (i) The NCDs carry interest @ 9.87% per annum payable semi annually and are redeemable in full on 6th April, 2020 (i.e. at the end of 5 years and 20 days from the date of allotment).

14.1 (ii) The NCDs carry interest @ 8.60% per annum payable annually and are redeemable in full on 6th September, 2021 (i.e. at the end of 5 years from the date of issue).

14.1 (iii) The NCDs carry interest @ 8.65% per annum payable annually and are redeemable in full on 23rd February, 2022 (i.e. at the end of 5 years from the date of issue).

14.2 Details of terms of repayment of long-term borrowings from banks and security provided in respect thereof:

Particulars	Terms of security	As at 31st March, 2020		As at 31st March, 2019	
		Secured	Unsecured	Secured	Unsecured
14.2 (i) Equipment loan from banks					
Rupee loan:					
Axis Bank		120.00	-	160.00	-
HSBC Bank		50.00	-	-	-
State Bank of India	Refer note 14.2 (ii) below	202.82	-	219.52	-
Foreign currency loan (ECB):					
Societe Generale		-	-	20.83	-
Total - Equipment loan		**372.82**	-	**400.35**	-
Total long-term borrowings from banks		**372.82**	**-**	**400.35**	-

14.2 (ii). Secured by first pari passu charge on plant & machinery. The rupee loan of Axis Bank Limited carry interest @ 8.60% per annum , State Bank of India carry interest ranging from 8.50% to 8.80% per annum and HSBC Limited carry interest @ 9.25% per annum. Foreign currency loans carry interest @ 3.5576% per annum. The repayment schedule of the loans are as follows:

As at 31st March, 2020

Nature	Bank name	Loan amount	Repayment schedule
Rupee Loan	Axis Bank Ltd.	120.00	Each annual installment of ₹ 40 crores upto 2023-24
	HSBC Bank	50.00	Semi annual installment of ₹ 6.25 crores upto 2025-26
	State Bank of India	200.00	Semi annual installment of ₹ 20 crores upto 2025-26
	State Bank of India	2.82	Annual installment of ₹ 2.82 crores in 2021-22

Note No 15. Trade payables (₹ in Crores)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Current	Non Current	Current	Non Current
Trade payables				
(a) Total outstanding due to micro and small enterprises	55.56	-	3.67	-
(b) Total outstanding due to creditors other than micro and small enterprises	3,305.65	557.12	2,492.26	381.29
Total	**3,361.21**	**557.12**	**2,495.93**	**381.29**

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

Disclosures as required under the micro, small and medium enterprises development Act, 2006 (MSMED Act)

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	51.98	3.67
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1.02	0.08
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	88.33	-
Interest paid, other than under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	2.48	-
Further interest remaining due and payable for earlier years	0.08	0.08

Note No 16. Other financial liabilities

(₹ in Crores)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Current	Non Current	Current	Non Current
(a) Current maturities of long-term debt (Refer note 16.1 below)	96.03	-	128.06	-
(b) Interest accrued but not due on borrowings	5.88	-	6.26	-
(c) Unclaimed / unpaid dividends #	0.68	-	0.57	-
(d) Interest accrued on advance from customers	78.37	-	7.82	-
(e) Other payables				
(i) Trade / security deposits received	32.79	-	21.82	-
(ii) Amount received on invocation of bank guarantees	-	75.05	-	70.48
(iii) Distribution of profit payable to member of JV	-	0.01	-	0.01
(iv) Others	71.09	54.40	41.40	37.24
	103.88	129.46	63.22	107.73
Total	**284.84**	**129.46**	**205.93**	**107.73**

The figures reflect the position as at period end. The actual amount to be transferred to the Investor Education and Protection Fund in this respect shall be determined on the due dates.

Note No 16.1:

(₹ in Crores)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Current	Non Current	Current	Non Current
(a) Working capital loans from banks (Secured) #	-	-	25.00	-
(b) Equipment loans from banks (Rupee Loan) (Secured) #	73.33	-	73.33	-
(c) Foreign currency loans (External Commercial Borrowings) (Secured) #	22.70	-	29.73	-
Total	**96.03**	**-**	128.06	**-**

For nature of security and interest rate refer note no.14.1 & 14.2

Note No 17. Contract liabilities

(₹ in Crores)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Current	Non Current	Current	Non Current
(a) Contract liabilities				
Amount due to customers	1,123.65	-	665.05	-
Advances from customers	1,551.07	1,942.73	1,179.23	1,615.63
Total	**2,674.72**	**1,942.73**	**1,844.28**	**1,615.63**

Note No 17.1 Other non-current and current liabilities

(₹ in Crores)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Current	Non Current	Current	Non Current
(a) Advance against sale of scrap	0.12	-	0.09	-
(b) Other payables				
Statutory remittances (VAT, GST, Service tax, etc.)	58.04	-	61.10	-
Total	**58.16**	**-**	**61.19**	**-**

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

Note No 18. Provisions

(₹ in Crores)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Current	Non Current	Current	Non Current
Provision for employee benefits:				
Provision for compensated absences	3.05	25.83	2.65	19.33
Provision for gratuity	10.77	7.44	8.83	5.05
	13.82	33.27	11.48	24.38
Provision - Others:				
Provision for projected loss on contract (Refer note 18.1 below)	9.82	-	4.10	-
Total	**23.64**	**33.27**	**15.58**	**24.38**

(i) The provision for employee benefits includes annual leave and vested long service leave entitlements accrued, gratuity and ex-gratia.

Note No. 18.1 - Movement in the provision for projected loss on contract

(₹ in Crores)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Current	Non Current	Current	Non Current
Balance at beginning of the year	4.10	-	5.86	-
Add: Created during the year	9.19	-	1.50	-
Less: Utilised during the year	3.47	-	3.26	-
Balance at end of the year	**9.82**	**-**	**4.10**	**-**

Note No 19. Current tax liabilities (net)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for tax (net of advance tax ₹ 41.33 crores) (As at 31st March, 2019 ₹ 6.27 crores)	17.33	12.17
Total	**17.33**	**12.17**

Note No 20. Current borrowings

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Working capital loans from banks		
Secured (Refer note 20.1 below)	830.90	390.00
(b) Cash credit facility from banks		
Secured (Refer note 20.1 below)	58.19	332.10
(c) Book Overdraft	15.73	-
(d) Commercial papers (Unsecured)		
From other parties	-	99.44
(e) Acceptances	48.34	33.51
Total	**953.16**	**855.05**

Note 20.1:

Details of security for the secured short-term borrowings:

(₹ in Crores)

Particulars	Terms of security	As at 31st March, 2020	As at 31st March, 2019
Working capital demand loans (WCDL)			
From banks:			
State Bank of India	Refer note 20.2 below	300.00	240.00
HSBC Bank		31.01	50.00
Indian Bank		30.00	-
Export Import Bank of India		175.00	100.00
ICICI Bank		45.00	-
Bank of Baroda		49.89	-
Axis Bank		78.00	-
OBC Bank		72.00	-
BNP PARIBAS		50.00	-
		830.90	390.00
Cash credit facility	Refer note 20.2 below	58.19	332.10

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

Note 20.2:

(i) Security:

Secured by first charge by way of equitable mortgage on the immovable properties of the Company situated at Andheri, Mumbai on a pari passu basis. The Company's stock of construction material, stores, WIP, book debt is further secured under indenture of mortgage and first charge on movable plant & machinery of the Company upto 50% of the fund based limits with other term lenders on pari passu basis. Cash credit facility / working capital demand loan is further secured by the Company's proportionate share of current assets in all the joint ventures both present and future.

(ii) Interest:

Cash credit facility and working capital demand loan from banks carry interest ranging from 7.96% to 9.90% per annum (as on 31st March, 2019 interest ranging from 8.65% to 10.45% per annum).

Note No 21. Current tax and deferred tax

(a) Income tax expense (₹ in Crores)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Current tax:		
Current tax in respect of the current year	129.97	116.28
Adjustments in respect of previous years	5.24	4.50
Deferred tax:		
In respect of current year	(7.28)	(35.96)
Total income tax expense recognised in the consolidated statement of profit and loss account	**127.93**	**84.82**

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate: (₹ in Crores)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Amount	Tax Rate	Amount	Tax Rate
Profit before tax	**375.62**		**319.26**	
Income tax using the Company's domestic tax rate #	131.26	34.94%	111.56	34.94%
Effect of tax rates in foreign jurisdictions :				
Effect of income that is exempt from taxation	(0.38)	-0.10%	(48.71)	-15.26%
Loss in respect of which deferred tax assets not recognised due to uncertainty	3.45	0.92%	13.99	4.38%
Disallowable expenses	1.43	0.38%	0.98	0.31%
Effect of tax rates differences of entities operating in other jurisdictions having different tax rates	8.75	2.33%	(0.36)	-0.11%
Charge/(credit) in respect of previous years	0.75	0.20%	4.50	1.41%
Effect of change in tax rates	(8.64)	-2.30%	1.08	0.34%
Others	(8.69)	-2.31%	1.78	0.56%
Income tax expenses recognised in Statement of Profit and Loss	**127.93**	**34.06%**	**84.82**	**26.57%**

The tax rate used for the reconciliation above is the corporate tax rate of 30%, surcharge of 12% on corporate tax, education cess 3% and secondary and higher education cess of 1% on corporate tax.

(c) Movement of deferred tax (₹ in Crores)

Particulars	For the Year ended 31st March 2020				
	Opening balance	Recognised in profit and loss	Recognised in OCI	Others	Closing balance
<u>Tax effect of items constituting deferred tax liabilities</u>					
Property, plant and equipment	74.20	4.30	-	-	78.50
Unremitted earnings of subsidiaries	15.34	(8.64)	-	-	6.70
Arbitration awards	185.70	5.37	-	-	191.07
	275.24	1.03	-	-	276.27
<u>Tax effect of items constituting deferred tax assets</u>					
Employee benefits	(12.53)	(0.81)	(3.12)	-	(16.46)
Adjustment on adoption of Ind AS 116	-	(0.78)			(0.78)
Expected credit loss	(1.88)	(6.00)	-	-	(7.88)
Provisions	(7.59)	(1.02)	-	-	(8.61)
Minimum alternate tax credit	(72.52)	-	-	42.73	(29.79)
Other items	(0.30)	0.30	-	-	-
	(94.82)	(8.31)	(3.12)	42.73	(63.52)
Net tax liabilities	**180.42**	**(7.28)**	**(3.12)**	**42.73**	**212.75**

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

(₹ in Crores)

Particulars	For the Year ended 31st March 2019				
	Opening balance	Recognised in profit and loss	Recognised in OCI	Others	Closing balance
Tax effect of items constituting deferred tax liabilities					
Property, plant and equipment	88.05	(13.85)	-	-	74.20
Unremitted earnings of subsidiaries	15.34	-	-	-	15.34
Arbitration awards	221.68	(35.98)	-	-	185.70
	325.07	(49.83)	-	-	275.24
Tax effect of items constituting deferred tax assets					
Employee benefits	(12.06)	0.87	(1.34)	-	(12.53)
Expected credit loss	(1.88)	-	-	-	(1.88)
Provisions	(5.36)	(2.23)	-	-	(7.59)
Carry forward losses	(11.23)	11.23	-	-	-
Minimum alternate tax credit	(126.95)	-	-	54.43	(72.52)
Other items	(4.30)	4.00	-	-	(0.30)
	(161.78)	13.87	(1.34)	54.43	(94.82)
Net tax liabilities	**163.29**	**(35.96)**	**(1.34)**	**54.43**	**180.42**

Note No 22. Revenue from operations

(₹ in Crores)

	Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(a)	Revenue from sale of goods (including excise duty, if any) (Construction materials)	20.43	9.16
(b)	Construction contract revenue (Refer note 22.1 below)	9,866.38	8,677.91
(c)	Other operating income (Refer note 22.2 below)	47.38	39.75
	Total	**9,934.19**	**8,726.82**

(₹ in Crores)

	Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
22.1	**Construction contract revenue comprises:**		
	Construction revenue	9,866.38	8,677.91
	Total - Sale of services	**9,866.38**	**8,677.91**
22.2	**Other operating income comprises:**		
	Sale of scrap	18.05	27.15
	Others	29.33	12.60
	Total - Other operating revenues	**47.38**	**39.75**

Note No 23. Other income

(₹ in Crores)

	Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(a)	Interest income on financial assets at amortised cost (Refer note 23.1 below)	22.25	89.61
(b)	Other non operating income (Refer note 23.2 below)	174.25	59.25
	Total	**196.50**	**148.86**

(₹ in Crores)

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

	Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
23.1	**Interest income comprises:**		
	Interest on arbitration awards	15.78	84.69
	Other Interest	6.47	4.92
	Total - Interest income	**22.25**	**89.61**
23.2	**Other non operating income comprises:**		
	Provision for doubtful debtors / advances no longer required written back	-	0.36
	Miscellaneous provision written back	7.89	3.06
	Insurance claim received	70.23	9.26
	Provision for projected loss written back	3.70	3.65
	Net gain on foreign currency transactions and translation	74.80	18.51
	Miscellaneous income	17.63	24.41
	Total - Other non-operating income	**174.25**	**59.25**

Note No 24. Cost of material consumed

(₹ in Crores)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Cost of construction materials consumed (Including bought out Items)	2,676.88	2,115.81

Note No 24.1. Cost of construction

(₹ in Crores)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Stores and spare consumed	383.05	412.24
Subcontracting expenses (Including lease payment for equipments hired)	3,160.72	3,186.93
Site installation	179.93	124.28
Technical consultancy	353.47	228.53
Power and fuel consumed	359.93	249.88
Freight and handling charges	294.02	169.61
Total	**4,731.12**	**4,371.47**

Note No 25. Employee benefits expense

(₹ in Crores)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Salaries and wages, including bonus	838.48	729.48
Contributions to provident and other funds		
Contribution to provident fund	21.44	19.21
Gratuity Expense	4.55	4.26
Leave encashment Expense	12.97	5.94
Other Post employment benefits	20.41	15.87
Staff welfare expenses	73.52	48.63
Total	**971.37**	**823.39**

Note No 26. Finance costs

(₹ in Crores)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest expense on financial liabilities not at fair value through profit or loss		
Bank overdrafts and loans	196.25	173.43
Advance from clients	89.37	31.11
Lease liabilities	4.54	-
Others	23.63	16.56
	313.79	221.10
Other borrowing costs:		
Bank guarantee commission including bank charges	71.60	57.94
Others	5.40	5.64
Total	**390.79**	**284.68**

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

Note No 27. Depreciation and amortisation expenses

(₹ in Crores)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Depreciation on tangible assets	210.52	247.13
Amortisation on intangible assets	0.53	1.43
Depreciation on lease assets	29.25	-
Depreciation and amortisation as per Statement of Profit and Loss	**240.30**	**248.56**

Note No 28. Other expenses

(₹ in Crores)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Water and electricity	10.45	8.24
Rent	40.49	77.56
Repairs and maintenance - Buildings	0.01	0.05
Repairs and maintenance - Machinery	18.34	26.98
Repairs and maintenance - Others	21.06	14.95
Insurance charges	66.84	90.76
Rates and taxes	51.58	108.84
Communication	11.40	7.34
Travelling and conveyance	105.16	96.61
Security charges	41.95	35.29
Donations and contributions	0.75	0.66
Expenditure on corporate social responsibility (CSR)	1.47	1.93
Legal and professional	165.34	106.31
Auditors remuneration (Refer note below)	1.48	0.78
Advances written off	0.22	0.03
Provision for Doubtful Debtors	-	0.44
Bad / irrecoverable debtors / unbilled revenue written off	94.12	45.53
Expected credit loss on financial assets	10.89	6.28
Provision for projected loss on contract	9.19	1.50
Loss on sale of fixed assets (net)	10.63	4.16
Miscellaneous expenses	83.24	78.27
Total	**744.61**	**712.51**

Note 28.1:

(₹ in Crores)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Auditors remuneration comprises		
(a) To statutory auditors (excluding taxes)		
As auditors - statutory audit	0.95	0.65
For taxation matters	0.03	0.06
For other services	0.48	0.05
Reimbursement of expenses	#	#
# Amount is below the rounding off norms adopted by the group.		
	1.46	**0.76**
(b) To cost auditors for cost audit (excluding taxes)		
As auditors	0.02	0.02
	0.02	**0.02**
Total (a + b)	**1.48**	**0.78**

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

Note 29: Contingent liabilities and commitments (to the extent not provided for) (₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(i) Contingent liabilities		
(a) Claims against the Company not acknowledged as debts		
i) Differences with sub-contractors in regard to rates and quantity of materials.	**310.66**	309.54
ii) Royalty Claims*	**238.00**	-
ii) Some of the Ex-labour and Vendors have filed cases against various forums which are pending for adjudication. The management is of the opinion that these cases will not result in major financial impact.(amount not ascertainable)		
(b) Sales tax and entry tax		
Represents demands raised by sales tax authorities in matters of a) disallowance of labour and service charges, consumables etc. b) Tax on AS7 turnover c) Entry tax and d) Interest and penalty etc. for which appeal is pending before various appellate authorities. The Company is confident that the cases will be successfully contested.	**24.23**	15.48
(c) VAT		
Represents partial disallowane by West Bengal VAT Authorities for the year 2016-17. In matters of disallowance of subcontractor charges, Labour charges, PF contribution, architectural charges, cost of consumables, cost of establishment, etc. for which appeal is pending before higher appellate authority. The entity is confident that the case will be successfully contested.	**1.18**	-
(d) Excise duty		
Represents demands raised by central excise department for excisability of girders. The Company is confident that the cases will be successfully contested.	**0.66**	0.66
(e) Service tax		
Represents demand confirmed by the CESTAT / Asst. commissioner of service tax for a) disallowance of cenvat credit, since abatement claimed by the Company, b) disallowance of general exemption of private transport terminals and c) taxability under "Commercial or Industrial Construction Service", etc. The Company has appealed / in the process of appeal against the said order with commissioner of service tax Mumbai,CESTAT / High court and is confident that the cases will be successfully contested. The Company has received the stay order for some case from the CESTAT. Amount disclosed does not include penalties in certain matters for which amount is unascertainable.	**118.25**	175.65
Note:- In respect of items mentioned under paragraphs (a), (b), (c), (d) and (e) above, till the matters are finally decided, the financial effect cannot be ascertained and future cashflows in respect of above matters are determinable only on receipts of judgements / decisions pending at various forums / authorities		
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	**191.18**	63.91
(iii) Income tax		
Demand raised by income tax department on account of disallowance of expenses and addition made in respect of receipt of income. The company has obtained stay order from tax department. Company is confident that the case will be successfully contested before concerned appellate authorites.	**26.24**	26.24

Notes: * The Company has received a demand and a show cause notice amounting to ₹ 238 crores and ₹ 244 crores respectively with respect to liability on account of royalty payable on Murrum used in one of the project. Subsequent to the show cause notice, the Company has obtained a stay order on the same. Further, based on legal opinion, the Company expects that the claim is highly unlikely to materialise.

The Group has implemented the decision given in the Supreme Court Judgement in case of “Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal” and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees’ Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of “basic wages” of the relevant employees for the purposes of determining contribution to provident fund under the Employees’ Provident Funds & Miscellaneous Provisions Act, 1952 w.e.f. April 01, 2019. Basis the assessment of the management, which is supported by legal advice, the aforesaid matter is not likely to have significant impact in respect of earlier periods.

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

Note No 30. Employee benefit plans

a. Defined contribution plan

(i) Provident fund

(ii) Superannuation fund

(iii) State defined contribution plans

The provident fund and the state defined contribution plan are operated by the regional provident fund commissioner and the superannuation fund is administered by the Life Insurance Corporation (LIC). Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits.

The total expense recognised in profit or loss of ₹ 39.37 crores (for the year ended March 31, 2019: ₹ 35.08 crores) represents contributions payable to these plans by the Company at rates specified in the rules of the plans.

b. Defined benefit plans

(i) Gratuity

The Company has an obligation towards gratuity, a funded defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees on retirement / termination of an amount equivalent to 15 days salary and on death while in employment or on death of an employee an amount equivalent to one month salary, payable for each completed year of service or part thereof in excess of six months in terms of Gratuity scheme of the Company or as per payment of the Gratuity Act, whichever is higher. Vesting occurs upon completion of five years of service.

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk

A decrease in the bond interest rate will increase the plan liability.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The risk relating to benefits to be paid to the dependents of plan members (widow and orphan benefits) is re-insured by an external insurance company.

No other post-retirement benefits are provided to these employees.

In respect of the plan, the most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at March 31, 2020 by an actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The Company has recognised following amounts in the statement of profit and loss: (₹ in Crores)

Particulars	March 31, 2020	March 31, 2019
Superannuation Fund	16.02	13.56
Provident Fund	21.44	19.21
State defined contribution plans	-	-
Gratuity	4.55	4.26
Compensated absences	12.97	5.94
Total	**54.98**	**42.97**

c. Details of defined benefit plan - Gratuity

The principle assumptions used for the purpose of actuarial valuation (considered for the Group)

Particulars	March 31, 2020	March 31, 2019
Expected Return on Plan Assets	6.86%	7.79%
Rate of Discounting	6.86%	7.79%
Rate of Salary Increase	6.00%	6.00%
Rate of Employee Turnover	For service 4 years and below 6.00% p.a. & For service 5 years and above 2.00% p.a	
Mortality Rate During Employment*	Indian Assured Lives Mortality (2006-08)	

*Based on India's standard mortality table with modification to reflect expected changes in mortality.

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

The estimate of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

(₹ in Crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(i) Components of defined benefit cost		
Service cost:		
Current service cost	3.47	2.92
Past service cost and (gain)/loss from settlements	-	-
Interest cost on benefit obligation (Net)	1.08	1.20
Return on plan assets (excluding amounts included in net interest expense)	-	-
Total defined benefit costs recognised in profit or loss	**4.55**	**4.12**
Actuarial (gains) / losses arising from changes in demographic assumptions	0.28	0.04
Actuarial (gains) / losses arising from changes in financial assumptions	3.48	0.11
Actuarial losses arising from experience adjustments	5.18	3.69
Total defined benefit costs recognised in OCI	**8.94**	**3.84**
Total defined benefit costs recognised in profit or loss and OCI	**13.49**	**7.96**
(ii) Net (liabilities) recognised in the Balance Sheet		
Present value of defined benefit obligation	44.34	32.31
Fair value of plan asset	26.13	18.43
Net liabilities recognised in the Balance Sheet	(18.21)	(13.88)
(iii) Movements in the present value of the defined benefit obligation are as follows.		
Opening defined benefit obligation	32.31	27.65
Current service cost	3.47	2.92
Interest cost	2.52	2.16
Remeasurement (gains)/losses:		
Actuarial (gains) / losses arising from changes in financial assumptions	3.48	0.11
Actuarial losses arising from experience adjustments	5.18	3.69
Past service cost, including losses on curtailments	-	-
Liabilities extinguished on settlements	-	-
Benefits paid	(2.62)	(4.22)
Closing defined benefit obligation	**44.34**	**32.31**
(iv) Movements in the fair value of plan assets are as follows.		
Opening fair value of plan assets	18.43	12.36
Interest income	1.44	0.97
Remeasurement gain / (loss):		
Return on plan assets (excluding amounts included in net interest expense)	(0.28)	(0.04)
Contributions from the employer	9.16	9.36
Benefits paid	(2.62)	(4.22)
Closing fair value of plan assets	**26.13**	**18.43**

The Company pays premium to the group gratuity scheme of LIC and the fund is managed by LIC

(v) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

1) If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by ₹ 3.72 crores (increase by ₹ 4.37 crores) (as at March 31, 2019: decrease by ₹ 2.57 crores (increase by ₹ 3.01 crores)).

2) If the expected salary growth increases (decreases) by 1%, the defined benefit obligation would increase by ₹ 4.37 crores (decrease by ₹ 3.78 crores) (as at March 31, 2019: increase by ₹ 3.04 crores (decrease by ₹ 2.64 crores)).

3) If the life expectancy increases (decreases) by one year for both men and women, the defined benefit obligation would increase by ₹ 0.20 crores (decrease by ₹ 0.24 crores) (as at March 31, 2019: increase by ₹ 0.37 crores (decrease by ₹ 0.43 crores)).

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

(vi) Sensitivity analysis method

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The average duration of the benefit obligation at March 31, 2020 is 16 years (as at March 31, 2019: 15 years).

The Company expects to make a contribution of ₹ 10.77 crores (as at March 31, 2019: ₹ 8.83 crores) to the defined benefit plans during the next financial year.

(vii) Maturity profile of defined benefit obligation:

Projected benefits payable in future years from the date of reporting

Particulars	(₹ in Crores)
1st following year	4.13
2nd following year	1.80
3rd following year	3.33
4th following year	3.48
5th following year	2.90
Sum of years 6 To 10	19.97

d. Compensated Absences

The compensated absences cover the Company's liability for sick and earned leave.

The amount of the provision of ₹ 28.88 crores (as at 31st March, 2019 ₹ 21.98 crores) is presented as current liabilities, since the Company does not have an unconditional right to defer settlement for any of these obligations.

Note No 31. Earnings per share (EPS)

EPS is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year, as under :

Particulars	**For the year ended 31st March, 2020**	**For the year ended 31st March, 2019**
	₹	₹
Basic earnings per share	34.41	32.57
Diluted earnings per share	7.27	6.88

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	**For the year ended 31st March, 2020**	**For the year ended 31st March, 2019**
Profit for the year attributable to shareholders of the Company - earnings used in calculation of basic earning per share (₹ in crores)	247.69	234.44
Dividends paid on convertible non-participating preference shares	(0.05)	(0.05)
Earnings used in the calculation of basic earnings per share	247.64	234.39
Profits used in the calculation of basic earnings per share (₹ in crores)	**247.64**	**234.39**

The weighted average number of equity shares for the purpose of basic earnings per share is as follows:

Particulars	**For the year ended 31st March, 2020**	**For the year ended 31st March, 2019**
	Number	**Number**
Weighted average number of shares used in calculation of basic earnings per share	7,19,70,238	7,19,70,238

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

Diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of diluted earnings per share are as follows:

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Profit for the year attributable to shareholders of the Company - earnings used in calculation of basic earning per share (₹ in crores)	247.69	234.44
Earnings used in the calculation of diluted earnings per share (₹ in crores)	247.69	234.44
Profits used in the calculation of diluted earnings per share (₹ in crores)	**247.69**	**234.44**

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	Number	Number
Weighted average number of shares used in calculation of basic earnings per share	7,19,70,238	7,19,70,238
Shares deemed to be issued for no consideration in respect of:		
- Convertible preference shares	26,87,68,030	26,87,68,030
Weighted average number of shares used in calculation of diluted earnings per share	**34,07,38,268**	**34,07,38,268**

Note 32: Operating lease arrangements

(a) **Where the Group is a lessee:**

(i) The Group has taken various offices, residential and godown premises, land and plant and machinery under operating lease or leave and license agreements. These are generally cancellable and range between 1 month to 5 years and are renewable by mutual consent on mutually agreeable terms.

(ii) The future minimum lease payments under non-cancellable operating lease are as follows: (₹ in Crores)

Particulars	For the year ended 31st March, 2019
Not later than 1 year	11.16
Later than 1 year and not later than 5 years	5.75
Later than 5 years	-
Total	**16.91**

Note 33: Segment information : (₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Segment Profit before tax (before exceptional items)		
India	(254.57)	(90.86)
Other Countries	630.19	410.12
	375.62	319.26
Add: Unallocated income	-	-
Less: Unallocated expenses	-	-
Profit before tax	**375.62**	**319.26**

(₹ in Crores)

Revenue from external customers	As at 31st March, 2020	As at 31st March, 2019
India	6,121.19	5,482.43
Other Countries	3,813.00	3,244.39
Total	**9,934.19**	**8,726.82**

(₹ in Crores)

Segment Assets	As at 31st March, 2020	As at 31st March, 2019
India	11,596.17	9,643.90
Other Countries	3,973.78	2,821.99
	15,569.95	**12,465.89**
Intersegment eliminations	(2,633.88)	(2,140.15)
Unallocated		
Investments	5.70	8.47
Non current tax assets	155.01	122.96
Total assets as per balance sheet	**13,096.78**	**10,457.17**

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

(₹ in Crores)

Non Current Assets	As at 31st March, 2020	As at 31st March, 2019
India	2,613.56	1,869.38
Other Countries	113.34	9.37
Total non current assets	**2,726.90**	**1,878.75**

(₹ in Crores)

Segment Liabilities	As at 31st March, 2020	As at 31st March, 2019
India	6,479.90	3,902.39
Other Countries	3,516.80	3,440.66
	9,996.70	**7,343.05**
Intersegment eliminations	(981.88)	(719.17)
Unallocated		
Current Borrowings	1,049.18	983.11
Non Current Borrowings	572.82	650.35
Deferred Tax Liability	212.75	180.41
Current Tax Liability	17.33	12.17
Total liabilities as per balance sheet	**10,866.91**	**8,449.92**

(₹ in Crores)

Non Current Liabilities	As at 31st March, 2020	As at 31st March, 2019
India	1,609.46	764.84
Other Countries	1,069.58	1,364.18
Total non current liabilities	**2,679.04**	**2,129.02**

Information about major customers:

During the current year ended March 31, 2020, revenue of ₹ 1,212.40 crore arising from a customer in India (viz Oil and Natural Gas Corporation Limited) contributes to more than 10% of the group's revenue.

No customer, individually, contributed 10% or more to the Group's revenue for the year ended March 31, 2019.

Note No 34. Corporate social responsibility: (₹ in Crores)

Gross amount required to be spent by the group during the year:	0.81

Amount spent during the year on:

CSR activities (in cash)	Paid	To be paid	Total
(i) Construction/acquisition of an asset	1.47	-	**1.47**
(ii) Purposes other than (i) above		-	**-**
Total	**1.47**	**-**	**1.47**

Note 35: Related party disclosures

(a) Details of related parties:

Related Party where Control exists

Holding Company

Shapoorji Pallonji & Co. Pvt. Ltd.

Fellow Subsidiary(s)

Floreat Investments Limited

Hermes Commerce Limited

Renaissance Commerce Private Limited

Forvol International Services Limited

Forbes & Company Ltd.

Shapoorji & Pallonji Qatar, WLL

Eureka Forbes Ltd.

Forbes Facility Services Pvt.Ltd.

S.D.Corporation Pvt.Ltd.

Shapoorji Pallonji Infrastructure Capital Co Pvt Ltd

Shapoorji Pallonji Pandoh Takoli Highway Pvt. Ltd

Shapoorji Pallonji Oil and Gas Pvt Ltd

Forbes Enviro Solutions Ltd

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

Note No. 35: Related party disclosures (Continued)

Sterling & Wilson International

Shapoorji Pallonji Mideast LLC

S P Engineering Service Pte Ltd

S P International

SP International FZE

SP International FZC

SP Oil and Gas Malaysia SDN BHD

HPCL Shapoorji Energy Pvt Ltd

Joint Operations

Transtonnelstroy Afcons Joint Venture

Dahej Standby Jetty Project undertaking

Afcons Gunanusa Joint Venture

Strabag AG Afcons Joint Venture

Ircon Afcons Joint Venture

Afcons Sener LNG Construction Projects Pvt.Ltd.

Afcons Sibmost Joint Venture

Afcons Vijeta PES Joint Venture

Afcons SMC Joint Venture

Afcons Vijeta Joint Venture

Afcons JAL Joint venture

Afcons KPTL Joint Venture

Afcons - SPCPL Joint Venture

Key Management Personnel

Mr. S. P. Mistry – Chairman

Mr. K. Subramanian – Executive Vice Chairman

Mr. S. Paramasivan – Managing Director

Mr. Giridhar Rajagopalan

Mr. Akhil Kumar Gupta

(b) Details of transactions with related party for the period 01st April 2019 to 31st March 2020 (₹ in Crores)

Nature of Transaction	Holding Company(s)		Fellow subsidiary(s)		Jointly Controlled Operations		Key Management Personnel		Total	
	CY	PY 18-19	CY	PY 18-19	CY	PY 18-19	CY	PY 18-19	CY	PY 18-19
Managerial Remuneration paid										
a) Short Term Employee Benefit										
S.Paramasivan	-	-	-	-	-	-	3.33	3.00	**3.33**	3.00
K.Subramanian	-	-	-	-	-	-	3.78	3.43	**3.78**	3.43
Giridhar Rajagopalan	-	-	-	-	-	-	2.04	1.85	**2.04**	1.85
Akhil Kumar Gupta	-	-	-	-	-	-	1.96	1.83	**1.96**	1.83
b) Post Employment Benefits										
S.Paramasivan	-	-	-	-	-	-	0.55	0.47	**0.55**	0.47
K.Subramanian	-	-	-	-	-	-	0.59	0.51	**0.59**	0.51
Giridhar Rajagopalan	-	-	-	-	-	-	0.16	0.13	**0.16**	0.13
Akhil Kumar Gupta	-	-	-	-	-	-	0.09	0.07	**0.09**	0.07
c) Other Long Term Benefits										
S.Paramasivan	-	-	-	-	-	-	0.32	0.29	**0.32**	0.29
K.Subramanian	-	-	-	-	-	-	0.36	0.33	**0.36**	0.33
Giridhar Rajagopalan	-	-	-	-	-	-	0.12	0.09	**0.12**	0.09
Akhil Kumar Gupta	-	-	-	-	-	-	0.07	0.06	**0.07**	0.06
Sitting Fees paid										
S.P.Mistry	-	-	-	-	-	-	0.04	0.04	**0.04**	0.04
Dividend on Preference Shares										
Floreat Investments Limited	-	-	0.01	0.01	-	-	-	-	**0.01**	0.01
Shapoorji Pallonji & Co. Pvt. Ltd.	0.01	0.01	-	-	-	-	-	-	**0.01**	0.01
Interim Dividend on Equity Shares										
Shapoorji Pallonji & Co. Pvt. Ltd.	17.19	17.19	-	-	-	-	-	-	**17.19**	17.19
Floreat Investments Limited	-	-	4.56	4.56	-	-	-	-	**4.56**	4.56
Hermes Commerce Limited	-	-	1.41	1.41	-	-	-	-	**1.41**	1.41
Renaissance Commerce Private Ltd.	-	-	1.41	1.41	-	-	-	-	**1.41**	1.41
K.Subramanian	-	-	-	-	-	-	0.02	0.02	**0.02**	0.02
S.Paramasivan	-	-	-	-	-	-	0.01	0.01	**0.01**	0.01
Giridhar Rajagopalan	-	-	-	-	-	-	0.00	0.00	**0.00**	0.00

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

Note No. 35: Related party disclosures (Continued)

(₹ in Crores)

Nature of Transaction	Holding Company(s)		Fellow subsidiary(s)		Jointly Controlled Operations		Key Management Personnel		Total	
	CY	PY 18-19	CY	PY 18-19	CY	PY 18-19	CY	PY 18-19	CY	PY 18-19
Overhead Charges Recovered										
Strabag-AG Afcons Joint Venture	-	-	-	-	8.92	5.70	-	-	**8.92**	5.70
Interest Income										
Afcons Sener LNG Construction Projects Pvt. Ltd.	-	-	-	-	0.25	0.19	-	-	**0.25**	0.19
Sterling & Wilson International	-	-	-	0.02	-	-	-	-	**-**	0.02
Shapoorji Pallonji Mideast LLC	-	-	0.01	-	-	-	-	-	**0.01**	-
S P Engineering Service Pte Ltd	-	-	1.19	1.25	-	-	-	-	**1.19**	1.25
S P International	-	-	0.08	1.23	-	-	-	-	**0.08**	1.23
SP International FZE	-	-	-	1.13	-	-	-	-	**-**	1.13
SP International FZC	-	-	0.02	-	-	-	-	-	**0.02**	-
Income from Services charges										
Strabag-AG Afcons Joint Venture	-	-	-	-	5.28	3.42	-	-	**5.28**	3.42
Afcons - SPCPL Joint Venture	-	-	-	-	0.41	-	-	-	**0.41**	-
Other Income										
Transtonnelstroy-Afcons Joint Venture	-	-	-	-	0.02	0.02	-	-	**0.02**	0.02
Strabag-AG Afcons Joint Venture	-	-	-	-	0.59	-	-	-	**0.59**	-
Subcontract Income										
Transtonnelstroy-Afcons Joint Venture	-	-	-	-	0.20	0.23	-	-	**0.20**	0.23
Shapoorji Pallonji Pandoh Takoli Highway Pvt. Ltd	-	-	552.16	216.16	-	-	-	-	**552.16**	216.16
Shapoorji Pallonji Infrastructure Capital Co Pvt Ltd	-	-	63.54	20.95	-	-	-	-	**63.54**	20.95
HPCL Shapoorji Energy Pvt. Ltd	-	-	14.96	-	-	-	-	-	**14.96**	-
Shapoorji Pallonji & Co. Pvt. Ltd.	214.74	239.45	-	-	-	-	-	-	**214.74**	239.45
Income from Equipment Hire										
Strabag-AG Afcons Joint Venture	-	-	-	-	0.03	0.65	-	-	**0.03**	0.65
Distribution of Profit / (Loss) from Joint Ventures										
Ircon-Afcons Joint Venture	-	-	-	-	-	11.86	-	-	**-**	11.86
Sale of Spares/Materials/Assets										
Transtonnelstroy-Afcons Joint Venture	-	-	-	-	0.00	0.03	-	-	**0.00**	0.03
Afcons - KPTL Joint Venture	-	-	-	-	18.36	0.10	-	-	**18.36**	0.10
Advance Given										
Transtonnelstroy-Afcons Joint Venture	-	-	-	-	2.98	5.08	-	-	**2.98**	5.08
Strabag-AG Afcons Joint Venture	-	-	-	-	-	1.88	-	-	**-**	1.88
Ircon-Afcons Joint Venture	-	-	-	-	0.00	0.01	-	-	**0.00**	0.01
Afcons Sener LNG Construction Projects Pvt. Ltd.	-	-	-	-	0.73	0.37	-	-	**0.73**	0.37
Afcons - KPTL Joint Venture	-	-	-	-	3.80	(12.97)	-	-	**3.80**	(12.97)
Shapoorji Pallonji & Co. Pvt. Ltd.	151.02	25.00	-	-	-	-	-	-	**151.02**	25.00
S.P. Engineering services Pte. Ltd	-	-	1.27	-	-	-	-	-	**1.27**	-
SP International FZE	-	-	8.34	-	-	-	-	-	**8.34**	-
Advance Received back										
Transtonnelstroy-Afcons Joint Venture	-	-	-	-	(2.10)	(3.97)	-	-	**(2.10)**	(3.97)
Afcons Sener LNG Construction Projects Pvt. Ltd.	-	-	-	-	(0.37)	-	-	-	**(0.37)**	-
Afcons - KPTL Joint Venture	-	-	-	-	(2.51)	-	-	-	**(2.51)**	-
SP International FZC	-	-	(1.23)	-	-	-	-	-	**(1.23)**	-
S P International	-	-	(17.84)	-	-	-	-	-	**(17.84)**	-
SP International FZC	-	-	(8.34)	-	-	-	-	-	**(8.34)**	-
Shapoorji Pallonji Mideast LLC	-	-	(18.93)	-	-	-	-	-	**(18.93)**	-
Housekeeping services paid										
Forbes Facility Services Pvt Ltd	-	-	10.49	6.00	-	-	-	-	**10.49**	6.00
Rent Expense										
Forbes & Company Limited	-	-	-	0.40	-	-	-	-	**-**	0.40
Reimbursement of Expenses										
S.D. Corporation Pvt. Ltd.	-	-	-	0.05	-	-	-	-	**-**	0.05
Shapoorji Pallonji Oil and Gas Pvt Ltd	-	-	-	0.23	-	-	-	-	**-**	0.23
Legal & Professional Fees										
Shapoorji Pallonji & Co. Pvt. Ltd. (Strategic Support Services)	24.28	17.66	-	-	-	-	-	-	**24.28**	17.66
Shapoorji Pallonji & Co. Pvt. Ltd. (Consultancy Services)	0.04	0.05	-	-	-	-	-	-	**0.04**	0.05
Subcontract Expenses										
Shapoorji Pallonji Qatar WLL			18.94	-					**18.94**	-
Travelling Expenses										
Forvol International Service Ltd	-	-	14.47	15.65	-	-	-	-	**14.47**	15.65
Purchase of Spares/Materials/Assets										
Transtonnelstroy-Afcons Joint Venture	-	-	-	-	0.05	0.12	-	-	**0.05**	0.12
Eureka Forbes Ltd.	-	-	0.20	0.38	-	-	-	-	**0.20**	0.38
Shapoorji Pallonji & Co. Pvt. Ltd.	-	0.29	-	-	-	-	-	-	-	0.29

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

Note No. 35: Related party disclosures (Continued)

(₹ in Crores)

Nature of Transaction	Holding Company(s)		Fellow subsidiary(s)		Jointly Controlled Operations		Key Management Personnel		Total	
	CY	PY 18-19	CY	PY 18-19	CY	PY 18-19	CY	PY 18-19	CY	PY 18-19
Guarantees Given for / (Released)										
Afcons Gunanusa Joint Venture	-	-	-	-	22.48	-	-	-	**22.48**	-
Strabag-AG Afcons Joint Venture	-	-	-	-	7.03	(16.60)	-	-	**7.03**	(16.60)
Transtonnelstroy-Afcons Joint Venture	-	-	-	-	(20.72)	(251.39)	-	-	**(20.72)**	(251.39)
Afcons SMC Joint Venture, Tanzania	-	-	-	-	(58.31)	(24.97)	-	-	**(58.31)**	(24.97)
Afcons - Vijeta - PES Joint Venture	-	-	-	-	(65.19)	46.06	-	-	**(65.19)**	46.06
Afcons - Vijeta Joint Venture	-	-	-	-	(3.68)	3.68	-	-	**(3.68)**	3.68
Afcons – Sibmost – Joint Venture	-	-	-	-	(35.76)	71.00	-	-	**(35.76)**	71.00
Afcons - KPTL Joint Venture	-	-	-	-	-	103.99	-	-	**-**	103.99
Afcons JAL Joint Venture	-	-	-	-	1.00	(7.76)	-	-	**1.00**	(7.76)
Dahej Standby Jetty Project Undertaking (DJPU)	-	-	-	-	-	(55.00)	-	-	**-**	(55.00)
Outstanding amount of guarantee given/ (taken)										
Afcons Gunanusa Joint Venture	-	-	-	-	447.00	417.95	-	-	**447.00**	417.95
Strabag-AG Afcons Joint Venture	-	-	-	-	92.90	103.18	-	-	**92.90**	103.18
Transtonnelstroy-Afcons Joint Venture	-	-	-	-	531.08	551.74	-	-	**531.08**	551.74
Dahej Standby Jetty Project Undertaking (DJPU)	-	-	-	-	58.33	58.04	-	-	**58.33**	58.04
Afcons SMC Joint Venture, Tanzania	-	-	-	-	38.87	68.50	-	-	**38.87**	68.50
Afcons - Vijeta - PES Joint Venture	-	-	-	-	70.14	120.05	-	-	**70.14**	120.05
Afcons - Vijeta Joint Venture	-	-	-	-	12.06	31.02	-	-	**12.06**	31.02
Afcons – Sibmost – Joint Venture	-	-	-	-	256.42	292.18	-	-	**256.42**	292.18
Afcons - KPTL Joint Venture	-	-	-	-	119.48	118.00	-	-	**119.48**	118.00
Afcons JAL Joint Venture	-	-	-	-	53.55	52.55	-	-	**53.55**	52.55
Outstanding Amount Loans & Advances Dr/ (Cr)										
Shapoorji Pallonji & Co. Pvt. Ltd.	176.02	25.00	-	-	-	-	-	-	**176.02**	25.00
Strabag-AG Afcons Joint Venture	-	-	-	-	-	10.64	-	-	**-**	10.64
Transtonnelstroy-Afcons Joint Venture	-	-	-	-	5.54	4.66	-	-	**5.54**	4.66
Ircon-Afcons Joint Venture	-	-	-	-	(0.02)	(0.02)	-	-	**(0.02)**	(0.02)
Afcons Sener LNG Construction Projects Pvt. Ltd.	-	-	-	-	2.16	1.79	-	-	**2.16**	1.79
Afcons - KPTL Joint Venture	-	-	-	-	(11.74)	(13.03)	-	-	**(11.74)**	(13.03)
S P Engineering Service Pte Ltd	-	-	32.88	29.01	-	-	-	-	**32.88**	29.01
S P International	-	-	-	16.29	-	-	-	-	**-**	16.29
SP International FZE	-	-	-	1.13	-	-	-	-	**-**	1.13
Outstanding Amount - Debtors										
Transtonnelstroy-Afcons Joint Venture	-	-	-	-	3.97	4.38	-	-	**3.97**	4.38
Shapoorji Pallonji & Co. Pvt. Ltd.	23.36	51.49	-	-	-	-	-	-	**23.36**	51.49
Strabag-AG Afcons Joint Venture	-	-	-	-	11.75	12.54	-	-	**11.75**	12.54
Afcons - KPTL Joint Venture	-	-	-	-	18.56	0.10	-	-	**18.56**	0.10
Afcons - SPCPL Joint Venture	-	-	-	-	0.21	-	-	-	**0.21**	-
Shapoorji Pallonji Infrastructure Capital Co Pvt Ltd	-	-	47.01	29.74	-	-	-	-	**47.01**	29.74
Shapoorji Pallonji Pandoh Takoli Highway Pvt. Ltd	-	-	36.36	8.88	-	-	-	-	**36.36**	8.88
HPCL Shapoorji Energy Pvt. Ltd	-	-	14.03	-	-	-	-	-	**14.03**	-
SP Oil and Gas Malaysia SDN BHD			0.04	-					**0.04**	-
Outstanding Amount - Creditors										
Forvol International Service Ltd	-	-	0.58	3.10	-	-	-	-	**0.58**	3.10
Forbes Facility Services Pvt Ltd	-	-	3.73	0.92	-	-	-	-	**3.73**	0.92
Shapoorji Pallonji Oil and Gas Pvt Ltd	-	-	-	0.28	-	-	-	-	**-**	0.28
Shapoorji Pallonji Infrastructure Capital Co Pvt Ltd	-	-	79.28	79.28	-	-	-	-	**79.28**	79.28
Shapoorji Pallonji Pandoh Takoli Highway Pvt. Ltd	-	-	139.98	196.16	-	-	-	-	**139.98**	196.16
HPCL Shapoorji Energy Pvt. Ltd	-	-	34.69	-	-	-	-	-	**34.69**	-
Shapoorji Pallonji Qatar WLL	-	-	52.04	28.26	-	-	-	-	**52.04**	28.26
Eureka Forbes Ltd.	-	-	0.03	0.09	-	-	-	-	**0.03**	0.09
SP Oil and Gas Malaysia SDN BHD			0.26	-					**0.26**	-
Forbes Enviro Solutions Ltd	-	-	0.02	0.02	-	-	-	-	**0.02**	0.02
Shapoorji Pallonji & Co. Pvt. Ltd.	1.24	68.39	-	-	-	-	-	-	**1.24**	68.39
Transtonnelstroy-Afcons Joint Venture	-	-	-	-	0.02	0.04	-	-	**0.02**	0.04
Strabag-AG Afcons Joint Venture	-	-	-	-	0.65	0.52	-	-	**0.65**	0.52

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

Note 36: Additional information as required by paragraph 2 of the general instructions for preparation of consolidated financial statements to schedule III to the companies Act, 2013

(₹ in Crores)

Name of the entity	% Holding	Net Assets, i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in Total Comprehensive Income	
		As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated other comprehensive income	Amount	As % of Consolidated total comprehensive income	Amount
Parent : Afcons Infrastructure Ltd.		84.52%	1,884.73	76.93%	190.56	-3273.68%	(6.22)	74.37%	184.34
Subsidiaries :									
Indian:									
1) Hazarat & Company Pvt.Ltd.	100%	0.00%	0.02	0.00%	-		-	0.00%	-
2) Afcons Corrosion Protection Pvt.Ltd.	100%	0.08%	1.71	0.00%	(0.01)	26.32%	0.05	0.02%	0.04
3) Afcons Hydrocarbons Engineering Private Limited	100%	0.06%	1.30	-0.02%	(0.04)	21.05%	0.04	0.00%	-
Foreign:									
1) Afcons Construction Mideast LLC	49%	-3.32%	(73.95)	3.29%	8.14	-4300.00%	(8.17)	-0.01%	(0.03)
2) Afcons Infrastructures Kuwait for Building, Road and Marine Contracting WLL	49%	0.52%	11.59	0.88%	2.17	289.47%	0.55	1.10%	2.72
3) Afcons Gulf International Project Services FZE	100%	0.70%	15.55	0.41%	1.02		-	0.41%	1.02
4) Afcons Mauritius Infrastructure Ltd.	100%	0.47%	10.59	0.43%	1.06		-	0.43%	1.06
5) Afcons Overseas Singapore Pte Ltd.	100%	7.26%	161.96	14.74%	36.52	13663.16%	25.96	25.21%	62.48
6) Afcons Infra Projects Kazakhstan LLP	100%	-0.95%	(21.09)	-0.95%	(2.35)	26.32%	0.05	-0.93%	(2.30)
7) Afcons Saudi Conststruction LLC.	100%	0.01%	0.21	0.01%	0.02		-	0.01%	0.02
8) Afcon Overseas Project Gabon Sarl	100%	10.75%	239.76	-0.62%	(1.54)	8531.58%	16.21	5.92%	14.67
Minority interests in all subsidiaries		-0.60%	(13.45)	0.85%	2.10		-	0.85%	2.10
Joint operations									
Indian									
1) Afcons Gunanusa Joint Venture	80%	-1.43%	(31.85)	-0.93%	(2.31)		-	-0.93%	(2.31)
2) Transtonnelstroy Afcons Joint Venture	99%	-1.02%	(22.73)	5.94%	14.72		-	5.94%	14.72
3) Dahej Standby Jetty Project Undertaking	100%	0.10%	2.31	-0.57%	(1.41)		-	-0.57%	(1.41)
4) Afcons Pauling Joint Venture	100%	0.08%	1.74		-		-	0.00%	-
5) Strabag AG Afcons Joint Venture	40%	1.70%	37.98	7.84%	19.43	0.00%	-	7.84%	19.43
6) Afcons Sener LNG Construction Projects Pvt.Ltd.	49%	-0.15%	(3.39)	-0.63%	(1.56)		-	-0.63%	(1.56)
7) Ircon Afcons Joint Venture	47%	0.28%	6.34	0.00%	(0.01)	-3052.63%	(5.80)	-2.34%	(5.81)
8) Afcons Sibmost Joint Venture	100%	0.86%	19.07	0.33%	0.81		-	0.33%	0.81
9) Afcons Vijeta PES Joint Venture	100%	0.00%	(0.06)	-0.01%	(0.02)		-	-0.01%	(0.02)
10) Afcons SMC Joint Venture	100%	0.42%	9.45	7.94%	19.67	-11536.84%	(21.92)	-0.91%	(2.25)
11) Afcons Vijeta Joint Venture	100%	0.49%	10.85	-0.28%	(0.69)		-	-0.28%	(0.69)
12) Afcons JAL Joint Venture	100%	0.09%	1.90	0.77%	1.90		-	0.77%	1.90
13) Afcons KPTL Joint Venture	100%	0.04%	0.89	0.34%	0.83	-294.74%	(0.56)	0.11%	0.27
Adjustment of deferred tax on undistributed earnings of subsidiary		-0.30%	(6.70)	3.49%	8.64	0.00%		3.49%	8.64
Elimination entries		-0.67%	(14.86)	-20.17%	(49.96)	0.00%		-20.15%	(49.96)
Total		**100.00%**	**2,229.87**	**100.00%**	**247.69**	**100.00%**	**0.19**	**100.00%**	**247.88**

Note 37. The Company had issued ₹ 100 crores unsecured unlisted non- convertible debentures (NCDs) to a bank on a private placement basis in each of the financial year 2012-13, 2014-15 and 2015-16 respectively. Out the above NCDs aggregating to ₹ 50 crores were outstanding as on 31st March, 2019. The said NCDs issued to the banks were subsequently transferred in favour of mutual funds which are in accordance with the provisions of Section 111A of the Companies Act, 1956 / Section 58 (2) of the Companies Act, 2013. The said NCDs were repaid during the year.

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

The Company has obtained and placed reliance on legal opinion to the effect that the provisions of Section 58A of the Companies Act, 1956/ Section 73 of the Companies Act, 2013 read together with the Companies Acceptance of Deposit Rules, 1975 / Companies (Acceptance of Deposit Rules), 2014 are not attracted to the NCDs, for aforesaid amount.

Note 38. **Afcons Gunanusa Joint Venture (AGJV)**

(a) AGJV had submitted claims for change orders aggregating to ₹ 836.48 crores to ONGC. The AGJV has invoked arbitration in respect of the aforesaid change orders, as the same were not approved by the Outside Expert Committee (OEC). Claims against change orders and counter claims by ONGC aggregating to ₹ 65.67 crores will be discussed in arbitration. Based on the legal opinion obtained and facts of the matter, the management is confident of its recovery.

Pursuant to discussions between AGJV, Afcons and PT Gunanusa (PTG), the parties decided to settle all claims and counterclaims between PTG, Afcons and AGJV arising from the Project, subject to the terms of the Settlement Agreement dated 26/07/2018. As per the terms, it was agreed that the amount payable by PTG to Afcons shall be adjusted against the money due by AGJV to PTG and that necessary book entries were passed in the books of account of the AGJV to reflect the settlement arrived at between the Parties.

As per the terms of the settlement agreement it is further agreed that PTG's liability towards liquidated damages (LD) under the Subcontract shall be limited to USD 3.6 million equivalent ₹ 27.24 crores only and the liability shall be imposed on PTG only if AGJV is confirmed to be liable for liquidated damages in the ONGC Arbitration, where PTG's share of liability for LD is 20% Also, in the event AGJV is not successful in the ONGC Arbitration, Afcons agrees to absorb all the losses in the Project without claiming anything against PTG. If AGJV receives an award from the ONGC Arbitration for amount above USD 35 million equivalent ₹ 264.81 crores, Afcons agrees to share 20% of the amount above USD 35 million equivalent ₹ 264.81 crores to PTG.

b) Afcons Infrastructure Limited has given advances aggregating to ₹ 186.72 Crores which are receivable from AGJV. The recovery of this amount is dependent upon finalization of the arbitration award.

Note 39. Transtonnelstroy Afcons Joint Venture (TAJV)

(a). The Joint Venture ("the JV") had submitted variations to the client for two projects arising on account of cost overruns due to unforeseen geological conditions, delays in handing over of land, change in scope of work etc., which the Management believes is attributable to the client and the matters are under negotiation with the client/in arbitration /are referred to Dispute Adjudication Board for determination and recovery of the amounts.

In the earlier years, Joint Venture had received arbitration awards in few of the matters. The Client has further challenged these arbitration awards before the Hon'ble High Court, Madras. Pending disposal of these matters in the court, client has, upon submission of the bank guarantee by the Joint Venture, deposited part of the award amount with the Joint Venture, pursuant to an interim stay order from Hon'ble High Court, Madras.

During the year, the arbitration proceedings has reached the advanced stage and hence certain claims pertaining to extension of time which includes overlapping of time related costs is not considered as realizable as envisaged previously. Further, a recent Hon'ble High Court, Madras decision allowing the client to encash Bank Guarantee of ₹143.00 crores on account of delay and quality issues in completion of project by Joint Venture, is considered as a temporary set-back by the management of JV. The JV filed an appeal before the Division Bench against the said order. The Division Bench passed interim stay order on 20th August, 2020 directing the respondents to maintain Status quo.

Based on the assessment of the timing and amount of recoverability, carried out by Joint Venture's Management after considering the current status of negotiation with the client/in arbitration proceeding/Dispute Adjudication Board proceedings, an amount of ₹ 95.00 crores has been impaired in the Statement of Profit and Loss as Impairment of Contract assets - Amount due from Customers under Construction contracts.

Balance amounts which is supported by legal opinion and technical evaluation recognized towards the variations/claims as at the year-end are included in Note 7 'Amounts due from Customers under Construction contracts' as Other Current and Non-current assets amounting to ₹ 174.07 crores and ₹ 757.00 crores respectively (Previous Year ₹ 430.11 crores and ₹ 570.00 crores respectively) and have been considered as good and fully recoverable by the Management and it does not anticipate any further loss to be recognized at this stage.

(b) TAJV has a total exposure of ₹ 1,106.89 Crores in Chennai Metro Rail Ltd. project (CMRL) which includes trade receivables of ₹ 175.82 Crores and unbilled receivables of ₹ 931.07 Crores.

TAJV has claimed variations amounting to ₹ 1,968 Crores on CMRL which are pending at different stages as follows

- Variations of ₹ 1167 Crores on account of extended stay Cost (March 2016 to December 2018).
- Variations of ₹ 218 Crores with internal dispute adjudicating board (DAB) which are on account of Change in site condition/soil strata (unforeseeable Sub-surface condition).
- Variations under arbitration of ₹ 452 Crores on account of extended stay cost until March 30, 2016; and
- Arbitration won to the extent of ₹ 131 Crores (money is pending to be realised.)

Afcons Infrastructure Limited has a total receivable of ₹ 949.22 Crores from TAJV as on 31st March 2020. AIL is not the party to the arbitration/claims and the recovery of this amount is dependent upon finalization of arbitration award and clearance /acceptance of claims by CMRL.

Note 40. a) The Company has been legally advised that outstanding interest free advances aggregating to ₹ 1,140.87 crores (As at 31st March, 2019 ₹ 985.76 crores) made towards financing the unincorporated joint operations do not come under the purview of Section 186 of Companies Act, 2013 as the Company is in the business of constructing and developing infrastructure facilities.

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

b) In view of non-applicability of section 186 of the Companies Act, 2013, the details of particulars required to be made thereunder in the financial statements are not applicable in relation to loan made, guarantee given or security provided. For investments made refer to Note no. 4.

Note 41. a) The Company had entered into a contract with Jordan Phosphate Mines Construction (JPMC) on April 20, 2010 for the construction of "New Phosphate Rock Terminal at Aqaba - Jordan" with a contract value of ₹ 909.13 crores (142.23 Million JOD).

The Company had submitted various claims on account of extra works, release of bank guarantee and delay in completion of the project. The Company filed the issues for arbitration with the International Chamber of commerce (ICC) in November 2016.

On October 30, 2019, the ICC rendered an unfavourable award of ₹ 178.26 crores to the Company and a favourable award of ₹ 86.75 crores on account of final bill and variation.

The Management has challenged the award in the French Court on the grounds that the award is against the Jordanian law and that ICC has failed to acknowledge material evidences presented by the Company. Management is confident about the recovery of the amounts involved in the matter.

b) On the JPMC project as explained above, the supply and execution contract was subcontracted to M/s FL Smidth (FLS). FLS did not perform their part of their contract and consequently Afcons had to undertake that part of work. Hence, Afcons invoked bank guarantee amounting to ₹ 67.54 crores against the sub-contractor for lack of performance in respect of this project, In addition to this company has a liability amounting to ₹ 61.24 crores payable to FLS in its books.

The outflow of this liability is contingent upon the finalisation of the arbitration ongoing with JPMC as mentioned in note 41(a) above.

Note 42. Konkan Railway Corporation Limited (KRCL) had issued a contract for construction of Arch Steel Bridge across river Chenab on 24th August, 2004. The DBN (Design Basis Note) submitted by KRCL during the tender stage was revised in 2005 and subsequently in 2006 and 2010. The project got delayed due to various reasons such as changes in design parameters, wind load during service condition, arch span, finalization of slope stabilization etc.

Due to the above, the Company has raised two arbitration claims amounting to ₹ 1,448 Crores which are towards additional expenses on account of extended stay, categorization of excavation works, compensation due to loss of productivity, expenses incurred due to change in alignment, pend period cost etc. These variation costs have already been charged off to profit and loss account in past. In the previous year, the Company has received an unfavourable award for major portion of its claims. The awards are challenged before Bomaby High court.

The total receivables amounting to ₹ 238.73 crores as at March 31, 2020 (unbilled receivable of ₹ 232.21 crores and retention of ₹ 6.52 crores) includes ₹ 115.00 crores on account of increase in steel quantity due to change in design.

Based on the opinion from independent experts and the facts of the case, the management is confident of getting a favorable judgement and recover all the dues related to this project.

Note 43. Total receivable from 'Afcons Construction Mideast LLC' (ACML) as at March 31, 2020 is ₹ 90 crores which includes ₹ 50 crores towards advances given. ACML is executing various projects including "Al-Awir Road" and "Entrances to the Jewel of the Creek" for Road and Transport Authority, Dubai (customer). ACML has substantially completed "Al-Awir Road" project and has completed more than 98% of "Entrances to the Jewel of the Creek".

ACML has raised a substantial claim with the customer for one of the projects and the management is confident of recovery of the same.

The Management of Afcons Infrastructure Limited has plans in place for the recovery of the loans in coming years and is confident of recovering the entire receivable from ACML.

Note 44. The company had executed project awarded by the Board of Trustees of the port of Mumbai (MbPT) for Modernization of the existing Marine Oil Terminal and berths/jetties J1, J2 and J3 at the Multi-cargo Marine Oil Terminal of Jawahar Dweep based in Mumbai Harbor. The project had completed in June 2003.

The company had gone into arbitration with MbPT for compensation for extended stay related to projects and was successful in getting an award of ₹ 96.02 Crores including interest till the date of award, in its favour on November 2011. However, the Award was challenged by MbPT u/s 34 of Arbitration and Conciliation Act, 1996 to the Single Bench of Bombay High Court. The Single Bench had set aside the award and passed the order in favor of MbPT. The Company filed an appeal with the High Court of Mumbai for a two bench Judge as against order of Single Bench. The appeal was admitted by the High Court for a hearing by a two bench Judge in the month of April 2018. Considering the legal opinion obtained and facts of the matter, the Company is confident of winning the case and recovering the entire amount from MbPT in future.

Note 45. The company had executed project awarded by Uttar Pradesh Expressways Industrial Development Authority for Construction of Six-lane green field Kannauj to Unnao Expressway (package IV). During the execution of the project the client issued various change orders which required additional deployment of resources. The expressway was inaugurated and put to use in Dec 2016. The project was completed 13 months ahead of schedule.

Due to the various change orders, the Company has raised various claims amounting to ₹ 211 Crores which are towards additional expenses on account of change of scope, additional works, royalty claim etc. Based on the facts of the matter and on going discussions with customer, the management is confident to recover all the dues related to this project.

46. a. The Group/Company has unbilled receivables towards various ongoing and completed projects disclosed under Note no. 8 'Contract assets'. This unbilled work also includes variations on account of cost overruns due to unforeseen geological conditions, delays in handling over land, change in scope of work, etc. which are under discussions at various levels including customer, in arbitration, Dispute Adjudication board etc. Based on the discussions and merits of the claims, the management is confident about the recovery of these pending variations with repect to unbilled receivables disclosed under note no.8 "Contract assets".

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

b. The Company has a total net receivable of ₹ 836.04 crores (including interest on arbitration awards ₹ 293.85 crores) disclosed under note no.5 “Trade receivables” towards arbitration awards which are won by the Company in past, these arbitration awards have been further challenged by the customers before the session court or higher courts of law. Pending disposal of these matters in the courts, management has recognized the amount as per the arbitration award and part payment has been received by management under Niti aayog scheme upon submission of a bank guarantee by the Company. Management is confident about the recovery of the amounts involved in the pending matters at various levels.

Note 47. The Joint control operation and subsidiaries have mentioned in their financial statement that as per the terms of agreement the Afcons is committed to provide additional funds as may be required to meet the working capital requirements of Jointly controlled operation/ subsidiary.

Basis management’s assessment, Afcons is committed to provide and can adequately source additional funds as may be required to meet the working capital requirements of these Jointly controlled operation/subsidiary.

Note 48. The operations of the Group were impacted due to the shutdown of project sites and offices following the lockdown imposed in India from March 25, 2020 and in international locations on various dates due to COVID-19. The Group has subsequently commenced its operations in a phased manner, in line with the directives from the relevant government authorities/county specific guidelines. The Management and the Board of Directors, have evaluated the impact of the pandemic on its business operations under various scenarios. The Group currently has a strong order book and L1 position, leading to a clear visibility of revenue over the next 18-24 months.

Collection from customers and advances from customers on account of projects executions have been normal during the lockdown period enabling the Group to meet all its liabilities (including employee payables) in a timely manner and without availing any moratorium as announced by the Reserve Bank of India.

The Group has adequate unutilized fund-based credit facilities available, to take care of any urgent requirement of funds. The Group has had a very marginal impact on its revenues and profits in FY 2019-2020 due to the lockdown, and the same will accrue in FY 2020-2021 considering that these are project-based revenues.

The Group through the lockdown period and even subsequently has been able to maintain adequate control of its assets and there have been no significant changes to its control environment during the period. Based on the above assessment, the Group strongly believes that there is no material impact on the financial positions of the Group due to the pandemic. Further, the timely steps announced by the Government of India, allowing extension of contract delivery period up to six months and additional investment in infrastructure projects, will enable the Group to further consolidate its position. However, the impact assessment of COVID 19 is a continuous process given the uncertainties associated with its nature and duration. Group will continue to monitor any material changes to future economic conditions, as and when they arise.

Note 49. The Company has an unpaid dividend pertaining to year 2012-13 amounting to ₹ 0.01 Crores As per the requirement of Section 124(6), the same should have been deposited in the Investor Education and Protection Fund by May, 2020. As on the report signing date, the Management is in the process of depositing the same.

Note No 50. Financial instruments

50.1. Capital management

The group manages its capital to ensure that entities in the group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings as detailed in notes 14 ,16 and 20 offset by cash and bank balances as detailed in notes 10 and 10.1) and total equity of the Group.

The Group is not subject to any externally imposed capital requirements. The Group monitors capital using a gearing ratio, which is net debt divided by total capital.

The Group sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

50.1.1 Gearing ratio

The gearing ratio at end of the reporting period was as follows. (₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Debt (i)	1,622.01	1,633.46
Cash and bank balances	522.54	317.44
Net debt	1,099.47	1,316.02
Total equity (ii)	2,229.87	2,007.24
Net debt to equity ratio	0.49	0.66

(i) Debt is defined as long-term and short-term borrowings (excluding derivative, financial guarantee contracts as described in notes 14, 16 and 20 and includes interest accrued but not due on borrowings)

(ii) Equity includes all capital and reserves of the Company that are managed as capital.

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

50.2. Categories of financial instruments

The following table provides categorisation of all financial instruments at carrying value except non current investments in un-quoted equity instruments of subsidiaries and joint operations, which are carried at cost.

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured:		
(i) Mutual fund investments	-	2.60
Measured at amortised cost		
(a) Cash and bank balances	522.54	317.44
(b) Bank balance other than (a) above	116.10	25.10
(c) Trade receivables	3,011.59	2,287.83
(d) Loans	40.58	63.94
(e) Other financial assets	337.21	337.20
Measured at FVTOCI		
(a) Investments in equity instruments	0.15	0.55
Total financial assets	**4,028.17**	**3,034.66**
Financial liabilities		
Measured at amortised cost		
(a) Borrowings	1,622.01	1,633.46
(b) Trade payables	3,918.33	2,877.22
(c) Other financial liabilities	318.27	185.60
Total financial liabilities	**5,858.61**	**4,696.28**

50.3. Financial risk management objectives

The group's corporate treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the group through internal risk assessment and analysis forex exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The group seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the group's - risk management policy approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, the use of financial derivatives and non-derivative financial instruments. Compliance with policies and exposure limits is reviewed on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

50.4. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of Interest rate risk, currency risk and other price risk. The group enters into a board approved list of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk, including but not limited to:

- forward foreign exchange contracts to hedge the exchange rate risk arising on the repayment of foreign currency debt;
- interest rate swaps to mitigate the risk of rising interest rates on foreign currency debt.

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

50.5. Foreign currency risk management

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions in various currencies. Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimize the volatility of the INR cash flows.

The carrying amounts of the Company's unhedged foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	**Liabilities** (₹ in Crores)		**Assets** (₹ in Crores)	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
USD Currency	258.95	266.58	307.18	90.60
Euro Currency	74.07	67.32	13.84	9.16
QAR Currency	81.03	56.18	87.46	63.04
OMR Currency	0.09	0.09	0.00	0.01
Mur Currency	403.55	162.93	426.96	47.81
UAE Currency	3.08	81.24	94.16	139.04
JOD Currency	100.75	93.49	95.98	89.22
BHD Currency	2.73	3.02	0.01	13.10
KWD Currency	403.27	406.28	585.62	452.40
GBP Currency	0.19	0.19	-	-
JPY Currency	7.23	-	-	4.22
BDT Currency	26.64	38.71	85.98	19.98
SAR Currency	0.04	0.09	0.81	0.74
GHS Currency	960.54	843.57	543.94	384.19
SGD Currency	0.09	0.08	-	-
CHF Currency	0.43	0.15	-	-
GNF Currency	0.45	0.43	-	-
IQD Currency	-	0.04	-	-
MYR Currency		0.08		-
ZMW Currency	578.93	535.31	-	-
MZN Currency	141.61	122.83	130.12	75.18
MRU Currency	227.72	4.73	-	0.45
BTN Currency	49.91	22.55	19.68	7.44

50.5.1 Foreign currency sensitivity analysis

The Company is mainly exposed to the currency of USD, EURO,KWD,GHS,ZMW,MUR, MZN and MRU currency.

The following table details the Group's sensitivity to a 5% increase and decrease in the Indian Rupee against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the exposure outstanding on receivable and payables in the Group at the end of the reporting period.The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in the profit or equity where the Indian Rupee strengthens 5% against the relevant currency. For a 5% weakening of the rupee against the relevant currency , there would be a comparable impact on the profit or equity, and the balances below would be negative. The impact of 5 % is also applicable on outstanding foreign currency loans as on the reporting date.

(₹ in Crores)

Particulars	USD currency impact		Euro currency impact		KWD currency impact	
	2019-2020	2018- 2019	2019-2020	2018- 2019	2019-2020	2018- 2019
Impact on profit or loss for the year						
Increase in exchange rate by 5%	2.41	(8.80)	(3.01)	(2.91)	9.12	2.31
Decrease in exchange rate by 5%	(2.41)	8.80	3.01	2.91	(9.12)	(2.31)

Particulars	GHS currency impact		ZMW currency impact		MUR currency impact	
	2019-2020	2018- 2019	2019-2020	2018- 2019	2019-2020	2018- 2019
Impact on profit or loss for the year						
Increase in exchange rate by 5%	(20.83)	(22.97)	(28.95)	(26.77)	1.17	(5.76)
Decrease in exchange rate by 5%	20.83	22.97	28.95	26.77	(1.17)	5.76

Particulars	MZN currency impact		MRU currency impact	
	2019-2020	2018- 2019	2019-2020	2018- 2019
Impact on profit or loss for the year				
Increase in exchange rate by 5%	(0.57)	(2.38)	(11.39)	(0.21)
Decrease in exchange rate by 5%	0.57	2.38	11.39	0.21

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

50.5.2 Derivative financial instruments

There are no significant derivative financial instruments outstanding at the end of the reporting period.

50.6. Interest rate risk management

The group is exposed to interest rate risk because entities in the group borrows foreign currency and local currency funds at floating interest rates. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

50.6.1. Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the group's profit for the year ended March 31, 2020 would decrease/increase by ₹ 2.34 crores (2019: decrease/increase by ₹ 2.82 crores). This is mainly attributable to the group's exposure to interest rates on its variable rate borrowings.

50.7. Other price risks

The group is exposed to equity price risks arising from mutual funds and equity investments. Certain of the Group's equity investments are held for strategic rather than trading purposes.

Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However, due to the very short tenor of the underlying portfolio in the liquid schemes, these do not hold any significant price risks.

50.7.1 Equity price sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower:

i) other comprehensive income for the year ended March 31, 2020 would increase/decrease by ₹ 0.40 crores (2018-2019: increase/decrease by ₹ 0.03 crores) as a result of the changes in fair value of equity investments measured at FVTOCI.

50.8 Credit risk management

The Group is exposed to credit risk on its financial assets, which comprise cash and cash equivalents, bank deposits, trade receivables and loan receivables. The exposure to credit risks arises from the potential failure of counterparties to meet their obligations. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial instruments.

Trade receivables and loan receivable:

The Group assesses and manages credit risk on an internal credit evaluation system. It is performed by the finance team in conjunction with the relevant business teams depending on whether depending on the nature and type of the financial asset being evaluated.

The customer base of the Company is highly comprises of government parties and Holding Company. Further, Group is having certain short term loan receivables from the Group entities. Collateral is generally not obtained from customers. Other customers are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation.

(A) To measure the expected credit losses on (a) trade receivables from government parties, and (b) trade receivables and loan receivables from Group Companies, they have been considered to enjoy the low credit risk as they meet the following criteria:

   i) they have a low risk of default,

   ii) the counterparty is considered, in the short term, to have a strong capacity to meet its obligations in the near term, and

   iii) the Group expect, in the longer term, that adverse changes in economic and business conditions might, but will not necessarily, reduce the ability of the borrower to fulfil its obligations.

(B) Cash and cash equivalents, bank deposits are held with only high rated banks/financial institutions, credit risk on them is therefore insignificant.

(C) For other trade receivables, the Group uses "General Model" for the measurement of expected credit loss (ECL) for trade receivables as well as contract asset.

   The measurement of ECL under general model depends on whether credit risk has increased significantly since initial recognition. These credit risk is regularly monitored based on historic turnover activity and credit performance of every customer. In addition, overdue receivable balances are monitored and actioned on a regular basis. When the credit risk has not increased significantly after initial recognition, a provision shall be made for the 12 month expected loss, otherwise shall be made for the entire lifetime.

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

The Group considers the probability of default upon initial recognition of asset and whether there is a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information which considers multiple factors such as:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant increase in credit risk on other financial instruments of the same borrower
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower.

Macro-economic information (such as regulatory changes, market interest rate or growth rates) is incorporated as part of the internal rating model. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. A default on a financial asset is when the counterparty fails to make contractual payments within 120 days of when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Refer note 5 for reconciliation of expected credit loss balance on financial assets.

50.9 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management, which has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term, and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

50.9.1 Liquidity risk table

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include principal cash flows along with interest. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

(₹ in Crores)

Particulars	Weighted average effective interest rate (%)	Upto 1 year	1-5 years	5+years	Total
31st March, 2020					
Borrowings	8.48%	1,102.89	619.90	48.91	**1,771.70**
Trade payables		3,361.21	557.12	-	**3,918.33**
Other financial liabilities		182.93	129.46	-	**312.39**
		4,647.03	**1,306.48**	**48.91**	**6,002.42**
31st March, 2019					
Borrowings	8.73%	1,049.11	728.24	48.49	**1,825.84**
Trade payables		2,495.93	381.29	-	**2,877.22**
Other financial liabilities		71.61	107.73	-	**179.34**
		3,616.65	**1,217.26**	**48.49**	**4,882.40**

The Company is exposed to credit risk in relation to guarantees given. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on (see Note 29). Based on expectations at the end of the reporting period, the Company considers that it is more likely that such an amount will not be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the beneficiary under the guarantee may default.

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

50.10 Fair value measurements

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

50.10.1 Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

(₹ in Crores)

Financial assets/ financial liabilities	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at 31st March, 2020	As at 31st March, 2019		
1) Investments in mutual funds at FVTPL (quoted)	-	2.60	Level 1	Fair value of quoted current investments in mutual funds is based on price quotations at the reporting date.
2) Investments in equity instruments at FVTOCI (quoted) (see note 1)	0.15	0.55	Level 1	Quoted bid prices in an active market

Note 1: These investments in equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Group has chosen to designate these investments in equity instruments as at FVTOCI as the directors believe that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in profit or loss.

There were no transfers between Level 1 and 2 in the period.

50.10.2 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The carrying amounts of the following financial assets and financial liabilities (other than long term borrowings) are a reasonable approximation of their fair values. Accordingly, the fair values of such financial assets and financial liabilities have not been disclosed seperately.

a) **Financial assets**

Cash and bank balances

Bank balance other than above

Trade receivables

Loans

Other financial assets

b) **Financial liabilities**

Short term borrowings

Trade payables

Other financial liabilities

The carrying amount and fair value of long term borrowings, which are measured at amortised cost is disclosed in table below :

(₹ in Crores)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Financial liabilities held at amortised cost:	**668.85**	**676.99**	**778.41**	**783.81**
- Borrowings	668.85	676.99	778.41	783.81

Note No 51. Disclosure persuant to Ind As 115 "Revenue from Contracts with Customers".

(i) Disaggregation of revenue from contracts with customers into geographical areas for the year ended March 31, 2020 recognised in the statement of profit & loss:

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Segment revenue		
India	6,121.19	5482.43
Outside India	3,813.00	3244.39
Revenue from external customers	**9,934.19**	**8,726.82**
Timing of revenue recognition		
At a point in time	67.81	48.91
Over time	9,866.38	8677.91
	9,934.19	**8,726.82**

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

(ii) Movement in Expected Credit Loss during the year: (₹ in Crores)

Particulars	Trade Receivables	Contract assets
Opening balance for loss allowance as at March 31, 2018	**20.59**	**-**
Add : Loss allowance assessed for the current year (net of reversal)	6.36	-
Balance for loss allowance as at March 31, 2019	**26.95**	**-**
Add : Loss allowance assessed for the current year (net of reversal)	1.89	9.00
Closing balance for loss allowance	**28.84**	**9.00**

(iii) Unsatisfied performance obligations:

The aggregate amount of transaction price allocated to performance obligation that are unsatisfied as at the end of reporting period is ₹ 28,433.43 Crores. Management expects that about 30% of the transaction price allocated to unsatisfied contracts as of 31st March, 2020 will be recognized as revenue during next reporting period depending upon the progress of each contracts. The remaining amount is expected to be recognised in subsequent years.

(iv) Reconciliation of contract price with revenue recognised during the year: (₹ in Crores)

Particulars	Amount
Revenue as per contract price	10,047.08
Adjustments for:	-
Payments on behalf of customer	(112.89)
Revenue from Operations	**9,934.19**

(v) Significant changes to Contract Asset and Contract Liability from April 1, 2019 to March 31, 2020 (₹ in Crores)

	Contract Assets	Contract Liabilities
April 1, 2019	4,047.83	3,459.91
Changes in Contract Asset/ Liabilities*	825.87	1,157.54
March 31, 2020	4,873.70	4,617.45

* The contract assets and liabilities undergo a change periodically, due to changes in contractual estimates on account of any change in scope of work, unprecedented delays, etc. During the year the group has also recognised a loss allowance for contract assets in accordance with Ind AS 109. The group has also estimated additional cost in relation to Covid-19 pandemic.

Note 52(A) - Disclosure pursuant to Ind AS 116 "Leases".

(i) Amounts recognised in the balance sheet

Right-to-use asset (₹ in Crores)

Particulars	Note	As at March 31, 2020	As at April 1, 2019
Land	3.D	12.61	15.45
Building	3.D	30.86	38.59

Lease Liabilities (₹ in Crores)

Particulars	Note	As at March 31, 2020	As at April 1, 2019
Current	-	29.23	32.21
Non-current	-	16.47	21.83

(ii) Amounts recognised in the statement of profit and loss (₹ in Crores)

Particulars	Note	Year ended 31st March, 2020
Expense relating to short-term leases (included in other expenses)	28	368.45
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	28	0.30
Expense relating to variable lease payments not included in lease liabilities	28	-
Interest on lease liability	26	4.54
Depreciation During the year	27	29.25
Total		**402.54**

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

(iii) Maturities of lease liabilities as at March 31, 2020 (₹ in Crores)

Particulars	Upto 1 year	1-5 years	5 and More years	Total
Lease liabilities	32.76	17.23	-	49.99
	32.76	**17.23**	**-**	**49.99**

(iv) *Total cash outflow for leases for the year ended 31 March 2020 was ₹ 404.89 cr*

(v) Extension and termination options

Extension and termination options are included in a number of Land, Office Premises, Houses and Godowns leases across the group. These are used to maximise operational flexibility in terms of managing the assets used in the group's operation. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

Note 52(B)

Changes in accounting policy

Impact on the financial statements due to change in accounting policy on leases

As indicated in note 1(A)(iii) above, the Company has adopted Ind AS 116 retrospectively from 1st April, 2019, but has not restated comparatives for year ended 31st March, 2019, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1st April, 2019. The new accounting policies are disclosed in note 1(A)(iii).

On adoption of Ind AS 116, the Company 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 1st April, 2019. Based on the information and records available with the company, the weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1st April, 2019 was 9.25 %. The adoption of the new standard resulted in recognition of right to use assets and an equivalent lease liability as on 1st April, 2019.

(i) Practical expedients applied :

In applying Ind AS 116 for the first time, the Company has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- accounting for operating leases with a remaining lease term of less than 12 months as at 1st April, 2019 as short-term leases
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- The Group has not reassessed whether a contract is or contains a lease at the date of initial application.
- the Group has relied on it's previous assessment on whether leases are onerous. There were no onerous contracts as at 1st April,2019

(ii) Reconciliation of lease commitment to lease liability

The difference between the future minimum lease rental commitments towards non-cancellable operating leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Company has chosen to apply the practical expedient as per the standard.

(₹ in Crores)

Particulars	As at April 1, 2019
Operating lease commitments disclosed as at April 1, 2019	16.91
Discounted using the lessee's incremental borrowing rate at the date of initial application	12.33
Add: Finance lease liabilities recognised as at April 1, 2019	-
(Less): Short-term leases not recognised as a liability	3.35
(Less): Low-value leases not recognised as a liability	-
Add: Adjustments as a result of a different treatment of extension and termination options	45.06
Add/(less): Adjustments relating to changes in the index or rate affecting variable payments	-
Lease liability recognised as at 1 April 2019	**54.04**
Of which are:	
Current lease liabilities	**26.33**
Non-current lease liabilities	**27.71**
	54.04

(iii) Adjustments recognised in the balance sheet on 1 April 2019: (₹ in Crores)

Particulars	Carrying Amount as at 31 March 2019	Increase/ Decrease	Ind AS 116 carrying amount as at 1 April 2019
Property, plant and equipment	-	-	-
Right-of-use assets	-	54.04	54.04
Lease Liabilities	-	54.04	54.04
Other assets (Pre-paid Land Rentals)	-	-	-
Retained earnings	-	-	-

Notes forming part of the consolidated financial statements as at and for the year ended 31st March, 2020 (Continued)

(iv) Impact of adoption of Ind AS 116 on Segment information reported

(₹ in Crores)

Segment Asset	**India**	**Outside India**	**Total**
As at April 1, 2019	9,643.90	2,821.99	12,465.89
Unallocated	-	-	131.43
Inter-segment eliminations	-	-	(2,140.15)
Impact as at April 1, 2019 due to adoption of IndAS 116	32.22	21.82	54.04
Final as at April 1, 2019	**9,676.12**	**2,843.81**	**10,511.21**
As at March 31, 2019	11,562.90	3,963.57	15,526.47
Unallocated	-	-	160.71
Inter-segment eliminations	-	-	(2,633.88)
Impact for the year ended March 31, 2020 due to adoption of IndAS 116	33.27	10.21	43.48
Final as at March 31, 2020	**11,596.17**	**3,973.78**	**13,096.78**

(₹ in Crores)

Segment Liabilities	**India**	**Outside India**	**Total**
As at April 1, 2019	3,902.39	3,440.66	7,343.05
Unallocated			1,826.04
Inter-segment eliminations			(719.17)
Impact as at April 1, 2019 due to adoption of IndAS 116	32.22	21.82	54.04
Final as at April 1, 2019	**3,934.61**	**3,462.48**	**8,503.96**
As at March 31, 2019	6,445.23	3,505.77	9,951.00
Unallocated	-	-	1,852.09
Inter-segment eliminations	-	-	(981.88)
Impact for the year ended March 31, 2020 due to adoption of IndAS 116	34.67	11.03	45.70
Final as at March 31, 2020	**6,479.90**	**3,516.80**	**10,866.91**

(₹ in Crores)

Segment Profit before tax	**India**	**Outside India**	**Total**
Segment Profit before tax (before exceptional items)	(254.57)	630.19	375.62
Impact for the year due to adoption of IndAS 116	1.40	0.82	2.22
Final profit before tax for the year	(253.17)	631.01	377.84

(v) Lessor accounting

The Company did not need to make any adjustments to the accounting for assets held as lessor under operating leases as a result of the adoption of Ind AS 116.

In terms of our report attached

For PRICE WATERHOUSE CHARTERED ACCOUNTANTS LLP
Firm Registration No. 012754N/N500016

SARAH GEORGE
Partner
Membership No. 045255

Place: Mumbai
Date: 26th August, 2020

For HDS & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
Firm Registration No. W100144

SURESH K. JOSHI
Partner
Membership No. 030035

Place: Mumbai
Date: 26th August, 2020

For and on behalf of the Board of Directors

S.P.MISTRY
Chairman
Din:00010114

K.SUBRAMANIAN
Executive Vice Chairman
Din:00047592

S.PARAMASIVAN
Managing Director
Din:00058445

P.N.KAPADIA
Director
Din:00078673

N.D.KHURODY
Director
Din:00007150

R.M.PREMKUMAR
Director
Din:00328942

ASHOK G.DARAK
Chief Financial Officer

GAURANG M. PAREKH
Company Secretary

Place: Mumbai
Date: 26th August, 2020

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of the subsidiary / associate companies/ and the joint venture. **(₹ in Crores)**

Part "A "Subsidiaries

Sr. No	Name of the Subsidiary Company	Country of Incorporation	Reporting Currency	Reporting Period	% of Share	Rate of Exchange	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Details of Investments (except in case of investment in subsidiaries)			Turnover (Incl. Other Income)	Profit/ (Loss) before Tax	Provision for Current & Deferred Tax	Profit/ (Loss) after Tax	Proposed Dividend
											Shares	Mutual Funds	Total of Investment					
1	Hazarat & Company Private Limited	India	INR	1st April 2019 31st March 2020	100%	-	0.20	(0.18)	0.02	0.02	-	-	-	0.02	-	-	-	-
2	Afcons Corrosion Protection Private Limited	India	INR	1st April 2019 31st March 2020	100%	-	0.08	1.63	1.79	1.79	-	-	-	0.05	0.02	(0.03)	(0.01)	-
3	Afcons Hydrocarbons Engineering Private Limited	India	INR	1st April 2019 31st March 2020	100%	-	0.10	1.21	1.35	1.35	-	-	-	-	(0.01)	(0.03)	(0.04)	-
4	Afcons Construction Mideast LLC	Dubai, UAE	AED	1st Jan 2019 31st Dec 2019	49%	19.39	0.58	(89.27)	303.95	303.95	-	-	-	283.23	2.29	-	2.29	-
5	Afcons Gulf International Projects Services FZE (100 % subsidiary of AMIL)	Fujairah	AED	1st Jan 2019 31st Dec 2019	100%	19.39	1.94	12.77	14.71	14.71	-	-	-	-	(0.26)	-	(0.26)	-
6	Afcons Infrastructures Kuwait for Building, Roads and Marine Contracting WLL	Kuwait	KWD	1st Jan 2019 31st Dec 2019	49%	235.18	2.82	9.79	12.69	12.69	-	-	-	3.61	2.28	-	2.28	-
7	Afcons Mauritius Infrastructure Limited, Mauritius	Mauritius	EURO	1st April 2019 31st March 2020	100%	83.47	9.18	1.44	10.66	10.66	-	-	-	0.65	0.53	(0.01)	0.52	
8	Afcons Overseas Singapore Pte Ltd.	Singapore	SGD	1st April 2019 31st March 2020	100%	53.23	0.27	161.69	613.54	613.54	-	-	-	441.20	36.52	-	36.52	-
9	Afcons Infra Projects Kazakhstan LLP (Step down subsidiary)	Kazakhstan	KZT	1st April 2019 31st March 2020	100%	0.17	0.01	(21.16)	0.54	0.54	-	-	-	-	(2.34)	-	(2.34)	-
10	Afcons Saudi Construction LLC	Saudi Arabia	SAR	1st April 2019 31st March 2020	100%	20.12	1.01	(0.80)	1.08	1.08	-	-	-	-	-	-	-	-
11	Afcons Overseas Project Gabon SARL (Step down subsidiary)	Gabon	XAF	1st Jan 2019 31st Dec 2019	100%	0.12	0.01	224.43	250.96	250.96	-	-	-	110.57	36.02	-	36.02	-

Notes:

1) Names of subsidiaries which are yet to commence operations - Nil

2) Indian rupee equivalent of the figures given in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on 31st December 2019 / 31st March 2020.

3) The above statement does not include 28 controlled trust as the same is not as subsidiaries /associates/ joint venture company under Companies Act 2013.

Part "B" Joint Operations

Sr. No	Name of Associates / Joint Operations	Afcons KPTL JV	Strabag Afcons Joint venture	Ircon Afcons Joint Venture	Afcons Sener LNG Construction Projects Pvt.Ltd.	Afcons Gunanusa Joint Venture	Transtonnel-stroy Afcons Joint Venture	Dahej Standby Jetty Project Undertaking	Afcons Sibmost Joint Venture	Afcons Pauling Joint Venture	Afcons Vijeta PES JV	Afcons SMC JV	Afcons Vijeta JV	Afcons JAL JV
		Unincorporated JO	Unincorporated JO	Unincorporated JO	Incorporated JO (Refer Note 3)	Unincorporated JO	Unincorporated JO	Unincorporated JO	Unincorporated JO	Partnership Firm (Refer Note 3)	Unincorporated JO	Unincorporated JO	Unincorporated JO	Unincorporated JO
1	Latest audited Balance Sheet Date	31st March 2020	31st March 2020	31st March 2020	31st March 2020	31st March 2020	31st March 2020	31st March 2020	31st March 2020	31st March 2020	31st March 2020	31st March 2020	31st March 2020	31st March 2020
2	**Shares of Associate / Joint operations held by the company on the year end**													
	No.	-	-	-	4,900	-	-	-	-	-	-	-	-	-
	Amount of Investment in Joint operations	-	-	-	49,000	-	-	-	-	1,74,00,000	-	-	-	-
	Extend of Holding %	51%	40%	47%	49%	100%	99%	100%	100%	95%	100%	100%	100%	100%
3	Description of how there is significant influence	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4	Reason why the associate/Joint operation is not consolidated	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
5	Networth attributable to Shareholding as per latest audited Balance Sheet (₹ in Crs)	0.89	37.98	6.34	(3.39)	(31.85)	(22.73)	2.31	19.07	1.74	(0.06)	9.45	10.85	1.90
6	**Profit / Loss for the year (₹ in Crs)**													
	i. Considered in Consolidation	0.83	19.43	(0.01)	(1.56)	(2.31)	14.72	(1.41)	0.81	-	(0.02)	19.67	(0.69)	1.90
	ii. Not considered in Consolidation		-	-	-	-	-	-	-	-				

Notes:

1) Names of joint operations which are yet to commence operations - Afcons Sener LNG Construction Projects Pvt.Ltd.

2) Names of joint operations which have been liquidated or sold during the year - Nil

3) These entities are accounted in the Standalone/Consolidated Financial Statements in terms IND AS-110 & IND AS-111, however the same are not considered as subsidiaries /associates/ joint venture company under Companies Act 2013.

NOTES

HR AWARDS

Ms. Bhakti Prasad, Director-HR, was honoured for being the only woman HR leader in the infrastructure industry and was also named among 101 Fabulous HR Leaders (India) by the World HRD Congress

Afcons was honoured with three awards from ASSOCHAM Equal Opportunity Enabler Award for Afcons, Outstanding Leadership Award for Ms. Bhakti Prasad, Director-HR Best Talent Management Award for Mr. Abhijit Kamthe, Senior Manager-HR

CORPORATE COMMUNICATION & PR AWARDS

PRCI Excellence Awards: For the third consecutive year, Afcons' documentary has won at the PRCI Excellence Awards. Our Annaram Barrage documentary was given a special Crystal Award

- Afcons Insight won in Print Journal category
- At the Chanakya Awards, Afcons was recognised as the Global Indian Company of the Year 2020
- Mr. Bivabasu Kumar, Head-Corporate Communications, won the Communicator of the Year 2020 award (pic left)

Corporate Communication & PR Excellence Awards: Afcons clinched two awards at the 2020 Corporate Communication & PR Excellence Awards. Our corporate website won the Best Corporate Website of the Year trophy. Mr. Bivabasu Kumar, Head-Corporate Communications, was named the Most Creative Corporate Communications Professional of the Year

HSE AWARDS (NATIONAL & INTERNATIONAL)

Received prestigious international safety award for seven project of Afcons by RoSPA in the year 2019.

KRCL (Katra-Dharam Bridge) project awarded for Best Environment , Health & Safety Management by CII (Confederation of Indian Industry) Northen region.

EPC marine facilities project ,Gopalpur awarded for Environment excellence award in construction sector by ICC (Indian Chamber of Commerce)

British Safety Council has awarded International Safety Award to nine projects of Afcons for demonstrating a strong commitment to good health and safety management in 2019

"Safe Civil Contractors 2019 Award" from General Consultants for Nagpur Metro Reach-2

AFCONS INFRASTRUCTURE LIMITED

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