



# ***BUILDING BETTER LIVES***

**BSCPL Infrastructure Limited**



**Annual  
Report | 2019-20**

# Board of Directors



**B. Krishnaiah**  
Chairman



**B. Seenaiah**  
Managing Director



**K. Thanu Pillai**  
Whole Time Director



**B. Kameswara Rao**  
Independent Director



**R. Balakrishnan**  
Independent Director



**D. Anitha**  
Woman Director

**Board of Directors**

B. Krishnaiah	-	Chairman
B. Seenaiiah	-	Managing Director
K. Thanu Pillai	-	Whole Time Director
D. Anitha	-	Non - Executive Director
B. Kameswara Rao	-	Independent Director
R. Balakrishnan	-	Independent Director

**Company Secretary**

K. Raghavaiah

**Chief Financial Officer**

N. Nani Aravind

**Joint Statutory Auditors****K. Prahlada Rao & Co.,**

Chartered Accountants  
1-2-288/41, Flat No. 301,302,  
Surya Residency, Indira Park X Roads,  
Domalguda, Hyderabad 500029.

**B. Srinivasa Rao & Co.,**

Chartered Accountants  
Flat No. 316, B.Block,  
3rd floor, Ameer Estate,  
S.R. Nagar, Hyderabad - 500038.

**Secretarial Auditors****M/s. IKR& Associates**

Company Secretaries  
Flat No.301, H. No.3-6-1247  
Metro Residency, Rajbhavan Road,  
Khiratabad, Hyderabad 500082.

**Registered & Corporate Office**

M. No. 8-2-502/1/A, JIVI Towers,  
Road No. 7, Banjara Hills,  
Hyderabad 500034.

**Registrar & Share Transfer Agent**

KFin Technologies Private Limited  
Plot No. 31 & 32, Karvy Selenium, Tower B,  
Gachibowli, Financial District Nanakramguda,  
Hyderabad 500032.

**Contacts**

Phones: 040-23307831 Fax: 91-40-23307385. e-mail: [info@bscpl.net](mailto:info@bscpl.net) Website: [www.bscpl.net](http://www.bscpl.net)

**Regional Offices****Gurgaon:**

Plot No. 30, Sector-32,  
Opp.: Apollo House,  
Gurgaon: 122001.

**Chennai:**

Block-15, Shop 1<sup>st</sup> Floor,  
Bollineni Hillside,  
School Road,  
Perumbakkam,  
Nookampalayam,  
Chennai - 600126.

**Bangalore:**

Sankay Square,  
3<sup>rd</sup> Floor, #23, Old #5,  
Sankay Tank Road,  
Lower Palace, Orchids,  
Sadasiva Nagar,  
Bangalore - 500080.

**Patna RO:**

New Bypass, NH-30, Patna  
Bhaktiyarpur Road,  
Daulatpur, Garhuchak,  
Fathua, Patna - 803 201,  
Bihar.

**Bankers**

Union Bank of India (e-Andhra Bank)  
Indian Ban (e-Allahabad Bank)  
Axis Bank

Bank of India  
ICICI Bank  
IDBI Bank

State Bank of India  
Standard Chartered Bank  
Bank of Baroda (e - Vijaya Bank)

**Project Sites****Andhra Pradesh****Bihar****Chhattisgarh****Punjab****Meghalaya****Karnataka****Maharashtra****Telangana****Assam****Tamilnadu**

Amaravathi, Kurnool, Ongole, Repalle.

Mokama, Muzaffarpur, Mughalsarai, Patna, Sitamarhi, Bakhtiyarpur, Katihar

Aurang

Kuruli, Chandigarh Airport

Dalu

Hubli (Koppal)

Nashik

GHMC

Nagaon

Nagercoil

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Notice is hereby given that the Twenty Second Annual General Meeting of the Company will be held on Wednesday the 16<sup>th</sup> day of December, 2020 at 11:00 A.M. at the Registered Office of the Company at M. No. 8-2-502/1/A, JIVI Towers, Road No. 7, Banjara Hills, Hyderabad 500 034 through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

**ORDINARY BUSINESS:**

**1. Adoption of Audited Financial Statements:**

To receive, consider and adopt the Standalone and Consolidated financial statements of the Company for the year ended 31<sup>st</sup> March, 2020 including the audited balance sheet as at 31st March, 2020 and the Statement of Profit and Loss of the Company for the year ended on that date, along with the Auditors' Report & Boards' Report thereon.

**2. Re-appointment of a Director:**

To appoint a Director in place of Ms. Dandamudi Anitha (DIN: 00025480), who retires by rotation and being eligible offers herself for re-appointment.

**3. Ratification of appointment of Joint Statutory Auditors:**

To ratify the appointment of auditors of the Company and to fix the remuneration payable to them for the financial year ending March 31, 2020, as may be agreed upon between the auditors and the Board of Directors.

To consider, and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, M/s. K. Prahlada Rao and Company, Chartered Accountants (FRN:002717S) was appointed as Joint statutory auditor by the members at the Extra-Ordinary General Meeting held on May 2, 2019 to hold office till the conclusion of the Annual General Meeting of the Company to be held in the year 2022 be and is hereby ratified and that the Board of Directors in consultation with Auditors and Audit Committee be and are hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2020.

**“RESOLVED FURTHER THAT** pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, M/s. B. Srinivas Rao and Company, Chartered Accountants, Hyderabad (FRN:008763S) was appointed as Joint statutory auditor by the members at the Extra-Ordinary General Meeting held on May 2, 2019 to hold office till the conclusion of the Annual General Meeting of the Company to be held in the year 2023 be and is hereby ratified and that the Board of Directors in consultation with Auditors and Audit Committee be and are hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2020.

**SPECIAL BUSINESS:**

**4. Ratification of the Remuneration payable to the Cost Auditor:**

To consider, and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) thereto or re-enactment thereof, for the time being in force), the remuneration of ₹1,00,000/- (Rupees One Lakhs only) plus applicable taxes payable to M/s. MPR and Associates, Cost Accountants (FRN: 000413), the cost auditor of the Company to conduct audit for the financial year ending 31<sup>st</sup> March, 2021 as recommended by Audit Committee and approved by the Board of Directors be and is hereby ratified.

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

**5. Appointment of Mr. Bollineni Sandeep as Chief Operating Officer of the Company:**

To consider, and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of sections 188(1)(f) of the Companies Act, 2013 read with Rule 15(3)(b) of Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, including any statutory modification (s) or re-enactment(s) thereof for the time being in force, the consent of the members of the company be and is hereby accorded for the appointment of Mr. Bollineni Sandeep, who is son of Mr. Bollineni Seenaiah, Managing Director of the Company for holding an office or place of profit as Chief Operating officer of the Company with a monthly remuneration of `5,00,000/- and with such terms and conditions as set out in the explanatory statement annexed to the Notice convening general meeting”.

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to sign, execute or alter necessary documents and to do all such acts, deeds and things as may be necessary, proper or desirable for the purpose of giving effect to the aforesaid resolution along with filing of necessary documents with the concerned authorities.”

**By order of the Board of  
BSCPL Infrastructure Limited**

Place : Hyderabad  
Date : November 04, 2020

**K. Raghavaiah  
Company Secretary**

## NOTES

- The Companies Act, 2013 does not contain any specific provision for allowing conduct of members meetings through video conferencing (VC) or other audio visual means (OAVM). But there is a provision for electronic ballot and electronic voting under section 108 of the act.
- In view of the current extraordinary circumstances due to the pandemic caused by COVID-19 prevailing in the country, Ministry of Corporate Affairs issued notifications to conduct general meeting of members by VC or OAVM procedures to maintain social distancing.
- The meeting shall be held in accordance with the circular/notifications issued by the Ministry of Corporate Affairs on account of threat posed by Covid-19.
- Pursuant to the Ministry of Corporate Affairs Circular No. 14/2020 dated 8<sup>th</sup> April, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this Annual General Meeting. However, the Body Corporate is entitled to appoint authorized representatives to attend the Annual General Meeting through VC/OAVM and participate there at and cast their votes through e-voting. They are requested to send by email, a certified copy of the Board Resolution/ Power of Attorney authorizing their representatives to attend and vote on their behalf in the Meeting.
- The facility for joining the meeting shall be kept open at least 15 minutes before the time schedule to start the meeting and shall not be closed till the expiry of 15 minute after such scheduled time.
- The ID and password for participating the meeting shall be sent to registered e-mail/contacts number before the meeting.
- The designated e-mail address is [cs@bscpl.net](mailto:cs@bscpl.net), through which members can cast their vote, when a poll is required to be taken during the meeting on any resolution.
- The Help line number with regard to the manner in which framework provided in the Ministry of Corporate Affairs circular, difficulties to access and participate in the meeting and for providing assistance for using the technology before or during the meeting for the shareholders is 91-40 2330 7704/23307831.
- The Members who attend through Video Conferencing (VC) or Other Audio Visual Means (OAVM) are counted for the purpose of reckoning quorum under Section 103 of the Act.
- The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is appended hereto and forms part of this Notice.
- The documents referred to in the proposed resolutions and explanatory statements are open for inspection at the Registered Office of the Company during working hours of the Company between 9.30 a.m. and 1.00 p.m. except in holidays.

**EXPLANATORY STATEMENT**  
**[Pursuant to Section 102 of the Companies Act, 2013]**

**Item No. 4: Ratification of the Remuneration payable to the Cost Auditor:**

The Board, on the recommendation of Audit Committee, approved the appointment and remuneration of M/s. MPR and Associates, Cost Accountants (Firm Registration No.000413) as the Cost Auditor of the Company to conduct the audit of Cost Records of the Company for the financial year 2020-21.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor needs to be ratified by the Shareholders of the Company. Accordingly, the consent of the members is sought by passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ended 31<sup>st</sup> March, 2021.

None of the Directors or any Key Managerial Personnel or any relative of any of the Directors of the Company or of the Key Managerial Personnel is, in anyway, concerned or interested in the above resolution. The Board recommends the resolution for the approval of members of the Company.

**Item No. 5: Appointment of Mr. Bollineni Sandeep as Chief Operating Officer of the Company:**

Mr. Bollineni Sandeep is the son of Mr. Bollineni Seenaiah, Managing Director of the Company and thereby relative as per section 2(77) of the act and his appointment to the office of Chief Operating Officer of the Company will attract section 188 of the Companies Act, 2013 and rules framed thereunder, such appointment is required to be made with prior approval of the Company by an ordinary resolution where the monthly remuneration exceed Two Lakhs Fifty Thousand Rupees.

Nature, material terms, monetary value and particulars of the contract or arrangements

Nature	Material terms/Particulars of the contract	Money Value
Appointment as Chief Operating officer	1. Car along with reimbursement of fuel, maintenance and driver wages for official purpose. 2. Fees of club, maximum of two clubs 3. Gratuity as per Gratuity act, 1972. 4. Any other benefits as per Company policy.	₹5,00,000 per month

After considering his vast experience, knowledge and the possession of relevant expertise by Mr. Bollineni Sandeep, the Board of Directors of the Company are of the opinion that his association would be of immense benefit to the Company.

None of the Directors/Key Managerial Personnel or their relatives except Mr. Bollineni Seenaiah is concerned or interested financially or otherwise in the said Resolution.

As the proposed remuneration is ₹5,00,000/-, approval of the shareholders by way of ordinary resolution is sought.

**By order of the Board of  
BSCPL Infrastructure Limited**

Place : Hyderabad  
Date : November 04, 2020

**K. Raghavaiah  
Company Secretary**



## DIRECTORS REPORT

Dear Members,

Your Directors have pleasure in presenting herewith the 22<sup>nd</sup> Annual Report on the business of the Company together with the Financial Statements for the financial year ended March 31, 2020.

### FINANCIAL HIGHLIGHTS

**Rupees in lakhs**

No	Particulars	Standalone			Consolidated		
		2019-20	2018-19	% Change	2019-20	2018-19	% Change
1.	Revenue from operations	156,881.91	158,981.14	-1.32	172,625.59	174,506.99	-1.08
2.	Other Income	7,498.66	27,505.87	-72.74	7,363.94	3,892.45	89.19
3.	<b>Total Income</b>	<b>164,380.57</b>	<b>186,487.01</b>	<b>-11.85</b>	<b>179,989.53</b>	<b>178,399.44</b>	<b>0.89</b>
4.	<b>Profit before interest, tax and depreciation (PBITD)</b>	<b>26,608.34</b>	<b>30,963.07</b>	<b>-14.06</b>	<b>52,192.60</b>	<b>19,714.87</b>	<b>-164.74</b>
	Interest and Finance Cost	18,894.67	21,026.23	-10.14	36,761.20	39,099.64	-5.98
	Depreciation	4,912.14	4,360.55	-12.65	11,773.91	9,106.30	29.29
5.	<b>Profit before tax (PBT) exceptional items, before share of profit of equity accounted investees and tax</b>	<b>2,801.53</b>	<b>5,576.29</b>	<b>-49.76</b>	<b>3,657.49</b>	<b>-28,491.07</b>	<b>-112.84</b>
6.	Exceptional items - Profit on sale of investments	-	-	-	-	3,593.13	-
7.	Share of profit/(loss) of equity accounted investees-incorporated	446.33	995.28	-55.16	217.57	340.45	-36.09
8.	<b>Profit/(Loss) before tax</b>	<b>3,247.86</b>	<b>6,571.57</b>	<b>-50.58</b>	<b>-3,875.06</b>	<b>-24,557.49</b>	<b>-115.78</b>
	Current tax	1,380.19	3,362.79	-58.96	1,380.19	3,362.79	-58.96
	Deferred tax	-177.40	654.86	-127.09	-177.40	654.86	-127.09
	Taxes of earlier years	-1,964.30	86.00	-	-1,963.19	86.00	-2382.78
9.	<b>Profit After Tax before minority interest (PAT)</b>	<b>4,009.37</b>	<b>2,467.92</b>	<b>62.46</b>	<b>4,635.46</b>	<b>-28,661.14</b>	<b>-116.17</b>
10.	Less: Minority Interest	-	-	-	-59.49	194.48	-
11.	<b>Profit for the Year</b>	<b>4,009.37</b>	<b>2,467.92</b>	<b>62.46</b>	<b>4,694.95</b>	<b>-28,855.62</b>	<b>-116.27</b>
12.	Other Comprehensive Income (Loss)	-62.16	45.56	-236.44	85.02	-170.31	-
13.	<b>Total comprehensive income for the year, net of tax</b>	<b>3,947.21</b>	<b>2,513.48</b>	<b>57.04</b>	<b>4,779.97</b>	<b>-28,685.31</b>	<b>-116.66</b>
14.	Balance brought forward	67,352.86	64,884.94	3.80	23,087.40	51,943.02	-55.55
15.	Profit available for appropriations	71,362.23	67,352.86	5.95	27,782.35	23,087.40	20.34
16.	Paid up Equity Capital	2,485.73	2,485.73	0.00	2,485.73	2,485.73	0.00
17.	Accumulated Reserves & Surplus	103,352.17	99,404.93	3.97	60,540.42	55,819.94	8.46
18.	Non-current liabilities	63,089.62	51,754.34	21.90	210,564.21	195,486.68	7.71
19.	Current liabilities	135,181.75	154,529.72	-12.52	150,960.34	169,577.00	-10.98
20.	Non-current assets	136,605.67	140,625.76	-2.86	260,128.14	257,112.77	1.17
21.	Current assets	167,503.60	167,548.99	-0.03	164,422.56	166,256.58	-1.10
22.	<b>EPS (in Rs.)</b>	<b>16.13</b>	<b>9.93</b>	<b>-62.44</b>	<b>-18.89</b>	<b>-116.08</b>	<b>-116.27</b>

**Financial results FY 2019-20****Standalone:**

During the year under review, the Company has posted revenue of Rs. 156,787.17 lakhs as compared to Rs. 158,981.14 lakhs over the previous year. The revenue break up is Rs.148,773.88 Lakhs from construction contract, Rs. 4,829.18 Lakhs from real estate development, Rs. 723.02 Lakhs from maintenance contract and Rs. 2,461.08 Lakhs from sale of metals. The EBIDTA has decreased by 4569.72 Lakhs whereas there is increased in PAT by 0.84% over the previous year.

**Consolidated:**

The total income decreased by 11.94% over the previous year.

Company has 5 BOT Projects and all projects achieved PCOD (Provisional Commercial Operational Date).

**Significant projects awarded to the Company during the financial year 2019-20.**

Sl. No	Type of Contract	Employer	Rs. in Crs
1.	Comprehensive Road Maintenance Contract (CRMC) of identified main road stretches in LB Nagar Zone of GHMC for 5 years with 12 months Defect Liability Period as per the details as provided at Deliverables of the RFP on EPC basis.	The Superintending Engineer LB Nagar Zone Greater Hyderabad Municipal Corporation, Hyderabad	238.415
2.	Designing, supply, construction, installation, testing, commissioning of Tube Wells, Raw & Clear Water Transmission Main, Raw Water Treatment Plant (WTP), Service Reservoirs, Distribution System, House Connections and SCADA for Nagaon Town (24X7) Water supply Project, all complete, including 5 years Operation and Maintenance" on EPC Mode.	Mission Director, AMRUT, Assam	238.334 BMK - BSCPL JV
3.	White Topping on Selected Roads in Bengaluru City under Phase 3, Package 3.	Executive Engineer, Bruhat Bengaluru Mahanagara Palike, Bengaluru	214.997

**INFRA INDUSTRY SCENARIO vis-à-vis THE COMPANY**

The Indian Infrastructure sector, more particularly Highway sector, has been offering more opportunities to the companies in the sector. Unfortunately, with sudden emergence of the devastating pandemic COVID 19 during the last quarter of the financial year, the whole sector is thrown into destructive situation. However, your company has not been impacted much for the financial year 2019-20. But, it may have impact in the forthcoming financial year due to the imposed shut down throughout the country caused the mobilization of workers to their hometowns and more than average rainfall in the first half of the forthcoming financial year. However, the sector is promising more with the Central Government continues push to the National Highway Program to create network of highways grid of desirable capacity for better connectivity across the country.

Your Directors would also like to inform that BOT / Annuity projects are running smoothly with timely servicing of the debts and meeting the maintenance as scheduled. With respect to toll projects of the following:

**1. PATNA BAKHTIYARPUR TOLLWAY LIMITED (PBTL)**

The performance of the company is not up to the required level of toll generation rendered the loan accounts become NPA. With no resolution process in the sight after withdrawing of S4A by RBI, the lenders have started selling their loans to ARCs (Asset Restructure companies) at the discounted values due to the unsustainability of the debt. Presently, the company is able to meet the regular maintenance and major maintenance out of the toll collections as permitted by the lenders in agreement with NHAI.

## 2. BSC-C AND C - KURALI TOLL ROAD LIMITED

The company is negotiating with the lenders for restructuring and resolution process (RP) since the toll revenue is yet to reach the economic levels to meet all the obligations of the projects and sale thereafter. The company has been able to complete the major maintenance as per the conditions stipulated in the concession agreement.

With the improving sector situation and with the continuous support of the lenders in the times of pandemic, the Directors are confident of achieving better performance over the years to come.

### **DIVIDEND**

The Board of Directors of the Company do not recommend any dividend for the year as at March 31, 2020 so as to conserve the internal resources and to plough back funds back into business for improving the financial position of the Company.

### **TRANSFER TO RESERVES**

The Company has not transferred any amounts to reserves during the year under review.

### **DEPOSITS**

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

### **DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL**

Ms. Dandamudi Anitha (DIN: 00025480) Director, retires by rotation and being eligible has offered her self for re-appointment.

Independent Directors have submitted the declaration of independence, pursuant to Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided under sub-section (6) of Section 149 of the Act.

During the period under review, members have approved the appointment of Mr. Kolappa Thanu Pillai (DIN: 00123920) and Mr. Bollineni Krishnaiah (DIN: 00025094) as the whole time Directors of the Company vide their meeting dated 02<sup>nd</sup> May, 2019 and 19<sup>th</sup> June, 2019 respectively.

### **STATUTORY AUDITORS**

Pursuant to Section 139 and other applicable provisions of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) read with Companies (Audit and Auditors) Rules, 2014 Company has ratified the appointment of M/s. K. Prahlada Rao & Co (ICAI FRN: 002717S) and M/s. B. Srinivas Rao & Co, Chartered Accountants, Hyderabad (ICAI FRN: 008763S) as the Joint Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting of the Company to be held in the calendar year 2022 and 2023 respectively subject to ratification of their appointment by the members in every Annual General Meeting.

In this regard, the Company has received certificates from both the joint auditors to the effect that their appointment would be in accordance with the provisions of Section 141 of the Companies Act, 2013. Based on the recommendation of the Audit Committee, the Board proposes their ratification of appointment as the Joint Statutory Auditors of the Company.

### **AUDITORS' REPORT**

The Independent Auditors' Report to the Members of the Company on the financial statements for the financial year ended March 31, 2020 forms part of the Annual Report and contain certain qualified opinions. The Boards' reply to each of such comments is given below:

No	Qualification	Explanation / Management Response
1.	As more fully discussed in Note 48 of the standalone Ind AS financial statements, as of 31 March 2020, the Company has investment of Rs. 1,994.57 lakhs and has given advances of Rs. 9,993.51 lakhs, to certain unincorporated joint ventures engaged in execution of irrigation projects in the erstwhile state of Andhra Pradesh, which are progressing slow/ stopped due to environmental/ forest land clearances issues. Pending outcome of the above matter, we are unable to comment on the carrying value and classification of these investments and advances including any provisioning that may be required in these standalone Ind AS financial statements. Our audit report for the previous year was also qualified in respect of this matter.	The Company is confident to obtain necessary clearances at the earliest for commencement of the Projects and to recover the entire carrying value of the investments in these unincorporated joint ventures. Accordingly, no provision is considered necessary against investments in the standalone financial statements.
2.	As more fully discussed in Note 51 of the standalone Ind AS financial statements, as of 31 March 2020, the Company has classified and stated certain trade receivables amounting to Rs 5,741.69 lakhs under current trade receivables at cost instead of amortised cost. The subsidiary has received preliminary/partial recommendation from the engineer of NHAI. In the absence of final outcome of negotiation from NHAI and discounting impact, if any of these trade receivables, we are unable to comment on the classification and carrying value of these receivables and consequential impact thereof, if any on these standalone Ind AS financial statements. Our audit report for the previous year was also qualified in respect of this matter.	As internally evaluated by the management based on recent favorable judgements in similar cases, the management is of the view that the claims are expected to be realized in Company's normal operating cycle within twelve months after the reporting date. Accordingly, these claims on customers are classified under current assets.
3.	As more fully discussed in Note 52 of the standalone Ind AS financial statements, as of 31 March 2020, the Company had accounted claim from customers in the previous years amounting to Rs. 2,822.25 lakhs which are under arbitration/dispute resolution process. Pending outcome of the arbitration/dispute resolution process, we are unable to comment on the classification and carrying value of the above claim receivable including any provisioning that may be required in these standalone Ind AS financial statements. Our audit report for the previous year was also qualified in respect of this matter.	

Notes to accounts and Auditors remarks in the report are self-explanatory and do not call for any further comments.

#### **SECRETARIAL AUDIT REPORT**

M/s. IKR & Associates, Practicing Company Secretaries were appointed to conduct the secretarial audit of the Company for the financial year 2019-20, as required under Section 204 of the Companies Act, 2013 and rules made there-under. The secretarial audit report for FY 2019-20 forms part of this Annual Report as **Annexure I**.



**COST AUDITOR**

In accordance with Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014, the Audit Committee has recommended and the Board of Directors had appointed M/s. MPR & Associates, Cost Accountants (FRN: 000413), being eligible and having sought re-appointment, as Cost Auditor of the Company, to carry out the cost audit for the financial year 2020-21 on a remuneration of Rs. 1,00,000/-. The remuneration payable to the cost auditor is required to be placed before the Members in annual general meeting for their ratification. Accordingly, a resolution seeking Members ratification for the remuneration payable to the Cost Auditor is included at Item No. 4 in the Notice convening the Annual General Meeting.

**AUDIT COMMITTEE**

The Company has an Audit Committee in place having the following composition:

Mr. Kameswara Rao Bhagwati	: Chairman and Member
Mr. Rajagopala Balakrishnan	: Member
Mr. Bollineni Seenaiah	: Member

**NOMINATION AND REMUNERATION POLICY**

A Committee of the Board has been formed which is named as "Nomination and Remuneration Committee" which has been entrusted with the task to recommend a policy of the Company on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a Director and other matters and to frame proper systems for identification, appointment of Directors & KMPs, Payment of Remuneration to them and evaluation of their performance and to recommend the same to the Board from time to time. Nomination and Remuneration Policy of the Company is enclosed herewith as **Annexure -II**.

The Nomination and Remuneration Committee has the following Composition:

Mr. Rajagopala Balakrishnan	: Chairman and Member
Mr. Kameswara Rao Bhagwati	: Member
Ms. Dandamudi Anitha	: Member

**CORPORATE SOCIAL RESPONSIBILITY**

Company's Corporate Social Responsibility Committee comprises of the below members:

Ms. Dandamudi Anitha	: Chairperson and member
Mr. Bollineni Seenaiah	: Member
Mr. Kameswara Rao Bhagwati	: Member

The Company has a CSR policy in place. The Company is not required to spend the required 2% of the average net profits of the last three financial years. The Annual Report on CSR activities is annexed herewith as "**Annexure III**" to this report.

**VIGIL MECHANISM**

The Whistle Blower (Vigil) mechanism provides a channel to the employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy and also provides for adequate safeguards against victimization of employees by giving them direct access to the Chairman of the Audit Committee in exceptional cases. The Policy covers malpractices and events which have taken place/ suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of Company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees.

**RISK MANAGEMENT**

The Risk Management is overseen by the Audit Committee of the Company on a continuous basis. The Committee oversees Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels. There are no material risks which threaten the very existence of the company.

### **INTERNAL FINANCIAL CONTROLS**

The Company has adequate internal financial controls commensurate with the size of the business of the Company.

### **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 134 (5) of the Companies Act, 2013, Your Directors' confirm that:

- In preparation of annual accounts for the financial year ended March 31, 2020 the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2020 and of the profit and loss of the Company for the year;
- The Directors have taken proper and sufficient care for their maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors had prepared the annual accounts on a going concern basis; and
- 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.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE OUTGO**

Information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is enclosed herewith as **Annexure-IV**.

### **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of Annual return in Form MGT 9 is annexed herewith as **Annexure V**.

### **OTHER DISCLOSURES:**

### **NUMBER OF BOARD MEETINGS HELD DURING THE YEAR ALONG WITH THE DATES OF THE MEETINGS.**

During the year under review Five Board meetings were held on 28.05.2019, 10.07.2019, 09.08.2019, 03.12.2019 and 20.03.2020. The provisions of Companies Act, 2013 were adhered to while considering the time gap between two meetings.

Further, There are five Audit Committee meetings held on 28.05.2019, 10.07.2019, 09.08.2019, 03.12.2019 and 20.03.2020, Nomination and Remuneration Committee meetings were held on 28.05.2019 and 20.03.2020.

The Composition and attendance at the Board and Committee Meetings for the financial year ended 31.03.2020 were as follows:

S I . No.	Name of the Director	Category	Board Meetings Attended/Held	Audit Committee Meetings Attended/Held	NRC Committee Meeting Attended/Held
1.	Bollineni Krishnaiah	Whole Time Director (Chairman)	4/4	N.A	N.A
2.	Bollineni Seenaiah	Managing Director	3/5	3/5	N.A
3.	K. Thanu Pillai	Whole-Time Director	5/5	N.A.	N.A.
6.	D. Anitha	Non-Executive Director	5/5	N.A	2/2
5.	R. Balakrishnan	Independent Director	5/5	4/5	2/2
4.	B. Kameshwara Rao	Independent Director	4/5	5/5	1/2

**PARTICULARS OF EMPLOYEES**

The provisions of Section 197 (12) of the Companies Act, 2013 are not applicable to the Company.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 made during the financial year 2019-20 are given in **Annexure - VI**.

**RELATED PARTY TRANSACTIONS**

Related party transactions that were entered during the financial year were in the ordinary course of business in the company's interests and on an arm's length basis. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties and the particulars of contracts entered during the year as per Form AOC-2 are annexed herewith as **Annexure - VII**.

**DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The highlights, contribution and overall performance of the Subsidiaries, Associates and Joint Venture Companies are detailed in the financial statements and Form AOC - 1 which is Annexed herewith as **Annexure VIII**.

During the year under review, no Companies have become/ ceased to be Subsidiary, Associate and/ or Joint Venture Companies.

**ANNUAL EVALUATION**

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees of Board.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. 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.

**GENERAL**

Your Directors state that 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:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
3. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
4. No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year and date of report.
5. No change in the nature of business of the Company.

Your Directors further state that during the year under review, there were no cases filed/registered pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**ACKNOWLEDGMENT**

Your Directors place on record their appreciation of the continued patronage extended to the Company by bankers, customers, suppliers, employees and shareholders. The trust reposed in your Company by its esteemed customers helped stabilized growth during the year under review.

Your Company also acknowledges the support and guidance received from its Bankers, other government agencies during the year under review and look forward to continuing support.

**For and on behalf of the Board of  
BSCPL Infrastructure Limited**

Place: Hyderabad  
Date: November 04, 2020

**BOLLINENI KRISHNAIAH**  
Whole Time Director  
DIN: 00025094

**BOLLINENI SEENAIAH**  
Managing Director  
DIN: 00496623



**FORM NO. MR.3**

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

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

To,

**The Members,**

**BSCPL INFRASTRUCTURE LIMITED**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **BSCPL INFRASTRUCTURE LIMITED** having CIN: U45203TG1998PLC029154 (hereinafter called the company). The 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 **BSCPL INFRASTRUCTURE LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **BSCPL INFRASTRUCTURE LIMITED** ("the Company") for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iii) 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; and
- (iv) Other Laws as may be applicable specifically to the company.

We have relied on the representations made by the Company, its officers and reports of Internal Auditors for systems and mechanism framed by the Company for compliances under other acts, laws and regulations applicable to the Company as mentioned above.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that:**

- a. 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

- b. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance or in compliance with 1<sup>st</sup> and 2<sup>nd</sup> proviso to the sub-section 3 of section 173 of the companies Act, 2013 where a meeting of the Board called 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.
- c. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

**We further report that** the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have been verified on limited review basis in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

For **IKR & Associates**  
Company Secretaries

**Krishna Rao Inturi**  
Proprietor

ACS No.23071, CP No.10486  
UDIN: A023071B001153629

Place: Hyderabad  
Date: November 04, 2020

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

**Annexure - I**

To,

**The Members,**

**BSCPL INFRASTRUCTURE LIMITED**

Our Report of even date is to be read with this letter and further that:

1. Maintenance of Secretarial Records is the Responsibility of the Management of the Company and Our Responsibility is to express an opinion on these Secretarial Records based on our audit.
2. We have followed the Audit Practices and Processes as were appropriate to obtain reasonable assurance about the correctness of contents of Secretarial Records and the Verification was done on test basis to ensure that correct facts are reflected in Secretarial Records and we believe that Practices and Processes followed by us provide a reasonable basis for our opinion.
3. We have not verified correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained Representation from the Management of the Company about Compliance of Laws, rules and regulations and happening events.
5. Compliance of the Provisions of Corporate and other Applicable Laws, rules, regulations and standards is responsibility of the Management of the Company and our examination was limited to verification of Procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management of the Company has conducted affairs of the Company.

**For IKR & Associates**  
*Company Secretaries*

Place: Hyderabad  
Date: November 04, 2020

**Krishna Rao Inturi**  
Proprietor  
ACS No.23071, CP No.10486  
UDIN: A023071B001153629

## **REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**

### **BACKGROUND**

**BSCPL Infrastructure Limited** (hereinafter referred as the 'Company') believes in the conduct of its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior and in complete compliance of laws, as amended from time to time.

### **BRIEF OVERVIEW UNDER COMPANIES ACT 2013**

{Section 178 & Companies [Meetings of Board and its Powers] Rules 2014}

- Constituting the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half shall be independent directors.
- The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- The Nomination and Remuneration Committee shall, while formulating the policy ensure that:-
  - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- Such policy shall be disclosed in the Board's report.

### **TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE**

- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Removal should be strictly in terms of the applicable law/s and in compliance of principles of natural justice.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Recommend to the Board, remuneration including salary, perquisite and commission to be paid to the Company's Directors as well on their re-appointment, wherever applicable.
- Recommend to the Board, the Sitting Fee (including any change) payable to the Non-Executive Directors for attending the meetings of the Board / Committee thereof, and, any other benefits such as Commission, if any, payable to the Non- Executive Directors.



- Setting the overall Remuneration Policy and other terms of employment of Directors, wherever required.
- The Company shall disclose the Remuneration Policy and the evaluation criteria in its Annual Report

**CRITERIA FOR DETERMINING THE FOLLOWING****Qualifications for appointment of Directors {including Independent Directors}:-**

- No specific qualification/s for Directors
- Persons of eminence, standing and knowledge with significant achievements in business, professions and/or public service.
- Their financial or business literacy/skills.
- Their experience.
- Appropriate other qualification/experience to meet the objectives of the Company.
- Applicable provisions of Companies Act 2013, its Rules

The above qualifications, {other than the statutory requirements which are mandatory}, are preferable and desirable with absolute discretion to the Nomination and Remuneration Committee to consider and keep in view any other criteria or norms for selection of the most suitable candidate/s.

**Positive attributes of Directors {including Independent Directors}:-**

- Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.
- They are to actively refresh their knowledge and skill with the latest developments in the Infrastructure industry, market conditions and applicable legal provisions.
- They are to show willingness to devote sufficient time and attention for the Company and its business and execute their responsibilities
- They are to assist in bringing independent judgments to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- They are able to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.
- They are to act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees

**Conditions of Independence of Directors:-**

- In compliance of terms of the Companies Act 2013 and its Rules {Section 149 Schedule IV - Code for Independent Directors & Companies [Appointment and Qualification of Directors] Rules 2014 }, as amended from time to time.

**Criteria for appointment in Senior Management including KMP:-**

- Their required qualifications, experience, skills & expertise to effectively meet their areas of work, duties and responsibilities.
- Their experience.

- Their ability to assume the responsibilities and duties of their posts effectually.
- Appropriate other qualification/experience to meet the objectives of the Company.

**POLICY RELATING TO REMUNERATION OF DIRECTORS, KMP & OTHER EMPLOYEES {ON APPOINTMENT/ SUBSEQUENT INCREASES):-**

- The Company shall ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees of the quality required to run the Company successfully.
- It should be ensured that no director/KMP/ other employee are involved in deciding his or her own remuneration.
- The market rates/ quantum and structures of remuneration as applicable to the comparable organisations in the similar business spheres should be given due consideration.
- It is to be ensured that relationship of remuneration to the performance is clear & meets appropriate performance benchmarks.
- Performance benchmarks are laid down.
- Increase in remuneration should provide rewards for improved performance.
- Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.
- Following criteria are also to be considered:-
  - Responsibilities and duties ;
  - Time & efforts devoted;
  - Value addition;
  - Profitability of the Company & growth of its business;
  - Analysing each and every position and skills for fixing the remuneration yardstick ;
  - Standards for certain functions/Departments for Business Development, where there is a huge scarcity of qualified resources.
  - Ensuring text efficient remuneration structures.
  - Ensuring that remuneration structure is simple and that the cost to the Company {CTC}is not shown inflated and, in comparison, the effective take home remuneration is not low.
  - Any other criteria as may be applicable.
- Consistent treatment of remuneration parameters across the organisation.
- Provisions of law with regard making payment of remuneration, as may be applicable, are complied.
- Whenever, there is any deviation from the Policy, the justification /reasons should also be indicated / disclosed adequately.

**REMUNERATION TO EXECUTIVE DIRECTORS:**

The remuneration paid to Executive Directors is recommended by the Nomination and Remuneration Committee and approved by Board in its meeting, subject to the subsequent approval of the shareholders at the General Meeting and such other authorities, as may be required. The remuneration is decided after considering various factors such as qualification, experience, performance, responsibilities shouldered, industry standards as well as financial position of the Company.

**REMUNERATION TO NON-EXECUTIVE DIRECTORS:**

The Non-Executive Directors are paid remuneration by way of Sitting Fees and Commission. The Non-Executive Directors are paid sitting fees for each meeting of the Board and Committee of Directors attended by them.

**REVIEW**

This shall be reviewed by the Nomination & Remuneration Committee and the Board, from time to time.

**For and on behalf of the Board of  
BSCPL Infrastructure Limited**

Place : Hyderabad  
Date : November 04, 2020

**BOLLINENI KRISHNAIAH**  
Whole Time Director  
DIN: 00025094

**BOLLINENI SEENAIAH**  
Managing Director  
DIN: 00496623

**ANNUAL REPORT ON CSR ACTIVITIES**

(Pursuant to Section 135 of Companies Act, 2013)

1. **Brief outline of the Companies CSR Policy:** A brief outline of the Company's CSR Policy, including overview of projects or programs undertaken / proposed to be undertaken as approved by the Board of Directors is given below.
  - (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
  - (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
  - (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
  - (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
  - (v) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
  - (vi) Measures for the benefit of armed forces veterans, war widows and their dependents;
  - (vii) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.
  - (viii) Contribution to the prime minister's national relief fund or PM CARES Fund or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
  - (ix)
    - (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and
    - (b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organization (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).]
  - (x) Rural development projects.
  - (xi) Slum area development.
  - (xii) Disaster management, including relief, rehabilitation and reconstruction activities.
2. **The Composition of CSR Committee:**

Smt. D. Anitha	: Chairperson and member
Mr. Bollineni Seenaiah	: Member
Mr. Kameswara Rao Bhagwati	: Member
3. **Average net profits of the Company made during the three immediately preceding financial years:** Rs. (291,018,761)/-

4. **Prescribed CSR expenditure (2% of item 3 above):**Rs. (58,20,375)/-

5. **Details of CSR Spent during the financial year:**

(a) Total amount to be spent for the financial year : Nil

(b) Amount unspent : Nil

(c) Manner in which the amount was spent during the financial year is detailed below: NA

1	2	3	4	5	6	7	8
No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs 1. Local area or others. 2. Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or program-wise	Amount spent on the projects or programs. Sub-heads 1. Direct expenditure on projects or programs Overheads 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
Nil							

6. We hereby confirm that the implementation and monitoring of the CSR Policy is in compliance with the CSR Objectives and Policy of the Company.

**For and on behalf of the Board of  
BSCPL Infrastructure Limited**

**BOLLINENI KRISHNAIAH**

Whole Time Director

DIN: 00025094

**BOLLINENI SEENAIAH**

Managing Director

DIN: 00496623

Place : Hyderabad

Date : November 04, 2020

**STATEMENT PURSUANT TO SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH  
RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014**

**(A) Conservation of energy-** The Company's core activity is civil construction, which is not power intensive. However, the Company makes every effort to conserve the usage of power such as electricity, diesel, petrol, etc.

**(B) Technology absorption-** Nil

**(C) Foreign exchange earnings and Outgo-**

i) Foreign Exchange earnings: Nil

ii) Foreign Exchange outgo: Nil

**For and on behalf of the Board of  
BSCPL Infrastructure Limited**

**BOLLINENI KRISHNAIAH**

Whole Time Director

DIN: 00025094

**BOLLINENI SEENAIAH**

Managing Director

DIN: 00496623

Place : Hyderabad

Date : November 04, 2020



**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN  
as on Financial Year ended 31.03.2020  
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management & Administration) Rules, 2014**

**I. REGISTRATION AND OTHER DETAILS:**

i.	CIN	U45203TG1998PLC029154
ii.	Registration Date	March 31, 1998
iii.	Name of the Company	BSCPL INFRASTRUCTURE LIMITED
iv.	Category/Sub-category of the Company	Public Limited Company / Non-Govt. company
V	Address of the Registered office, & contact details	M.No. 8-2-502/1/A, JIVI Towers, Road No. 7, Banjara Hills, Hyderabad 500 034
Vi	Whether listed company	Not Listed
Vii	Name, Address & contact details of the Registrar & Transfer Agent, if any	KFIN Technologies Pvt Ltd., Plot No. 31 & 32, Karvy Selenium, Tower-B, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032.

**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

Sl. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1.	Road construction	42101	94.89

**III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:**

Sl. No.	Name & Address of the company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1.	<b>BSC-C AND C - Kurali Toll Road Limited</b> Plot No. 70, Sector - 32 Gurgaon, Haryana - 122 001	U60231HR2007PLC036579	Subsidiary	51%	Sec. 2(87)
2.	<b>Mokama-Munger Highway Limited</b> 8-2-502/1/A, JIVI Towers, Road No. 7, Banjara Hills, Hyderabad - 500 034	U45200TG2010PLC068804	Subsidiary (JV Company)	68.07%	Sec. 2(87)
3.	<b>Patna Bakhtiyarpur Tollway Limited</b> 8-2-502/1/A, JIVI Towers, Road No. 7, Banjara Hills, Hyderabad-500 034	U45203TG2011PLC072503	Subsidiary (JV Company)	67.35%	Sec. 2(87)

Sl. No.	Name & Description of the company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
4.	<b>North Bihar Highway Limited</b> Plot No. 70, Sector - 32, Gurgaon, Haryana - 122 001	U45203HR2010PLC040958	Subsidiary (JV Company)	60.23%	Sec. 2(87)
5.	<b>BSCPL Aurang Tollway Limited</b> 8-2-502/1/A, JIVI Towers, Road No. 7, Banjara Hills, Hyderabad-500 034	U45200AP2011PLC076736	Subsidiary	100%	Sec. 2(87)
6.	<b>Chilakaluripet Bypass Private Limited</b> 8-2-502/1/A, JIVI Towers, Road No. 7, Banjara Hills, Hyderabad-500 034	U45101TG2019PTC131953	Wholly Owned Subsidiary	100%	Sec. 2(87)
7.	<b>BSCPL International FZE (BIF)</b> 22-G, Office 11, P.O. Box No. 42677, Hamriyah Free Zone, UAE.	N.A.	Wholly Owned Subsidiary	70%	Sec. 2(87)
8.	<b>Green Desert Ventures Inc.</b> Suit 205A, Saffrey Square, Bay Street, P.O. Box No. 9934, Nassau, Bahamas	N.A.	Subsidiary of BIF	70%	Sec. 2(87)
9.	<b>GREEN Desert Ventures Ltd.</b> P.O. Box No. 120905, Jebel Ali Free Zone, Dubai, United Arab Emirates.	N.A.	Subsidiary of BIF	70%	Sec. 2(87)
10.	<b>Progressive International Holdings Inc.</b> International Trust Building, Wickhams Cay 1, Road Town, Tortola, British Virgin Island.	N.A.	Subsidiary of BIF	70%	Sec. 2(87)
11.	<b>BSC-C &amp; C JV Nepal Private Limited</b> Ward No: 23, Dharmapath, Kathmandu, Nepal	N.A.	Associate	50%	Sec. 2(6)

#### IV. I.SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity):

##### (a) Category-wise Shareholding:

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	
<b>A. Promoters &amp; Promoters Group</b>									
<b>1. Indian</b>									
a) Individuals ( <b>Core Promoters</b> )	1,07,31,500	0	1,07,31,500	43.17	1,07,31,500	0	1,07,31,500	43.17	0
b) Individuals ( <b>Promoters Group</b> )	72,17,018	0	72,17,018	29.03	72,17,018	0	72,17,018	29.03	0
c) Central Govt. or State Govt.	0	0	0	0	0	0	0	0	0
d) Bodies Corporates ( <b>Promoters Group</b> )	10,47,916	0	10,47,916	4.22	10,47,916	0	10,47,916	4.22	0
e) Bank/FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL:(A) (1)</b>	<b>189,96,434</b>	<b>0</b>	<b>189,96,434</b>	<b>76.42</b>	<b>189,96,434</b>	<b>0</b>	<b>189,96,434</b>	<b>76.42</b>	<b>0</b>
<b>2) Foreign</b>									
a) NRI- Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoters: (A) = (A)(1)+(A)(2)</b>	<b>189,96,434</b>	<b>0</b>	<b>189,96,434</b>	<b>76.42</b>	<b>189,96,434</b>	<b>0</b>	<b>189,96,434</b>	<b>76.42</b>	<b>0</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>1) Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI ( <b>IDFC</b> )	4,36,300	0	4,36,300	1.76	4,36,300	0	4,36,300	1.76	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0

IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity):

(a) Category-wise Shareholding:

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	
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (B)(1):</b>	<b>4,36,300</b>	<b>0</b>	<b>4,36,300</b>	<b>1.76</b>	<b>4,36,300</b>	<b>0</b>	<b>4,36,300</b>	<b>1.76</b>	<b>0</b>
<b>2) Non Institutions</b>									
a) Bodies corporates									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas (Foreign PE)	4949602	4,75,000	54,24,602	21.82	49,49,602	4,75,000	54,24,602	21.82	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	0	0	0	0	0	0	0	0	0
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (B)(2):</b>	<b>49,49,602</b>	<b>4,75,000</b>	<b>54,24,602</b>	<b>21.82</b>	<b>49,49,602</b>	<b>4,75,000</b>	<b>54,24,602</b>	<b>21.82</b>	<b>0</b>
<b>Total Public Shareholding: (B) = (B)(1)+(B)(2)</b>	<b>53,85,902</b>	<b>4,75,000</b>	<b>58,60,902</b>	<b>23.58</b>	<b>53,85,902</b>	<b>4,75,000</b>	<b>58,60,902</b>	<b>23.58</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>2,43,82,336</b>	<b>4,75,000</b>	<b>2,48,57,336</b>	<b>100.00</b>	<b>2,43,82,336</b>	<b>4,75,000</b>	<b>2,48,57,336</b>	<b>100.00</b>	<b>0</b>

**b) Shareholding of Promoters:**

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change 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	
	<b>Core Promoters</b>							
1.	Bollineni Seenaiah	48,47,180	19.50	Nil	48,47,180	19.50	Nil	Nil
2.	Bollineni Sujatha	23,61,450	9.50	7.00	23,61,450	9.50	7.00	Nil
3.	Bollineni Krishnaiah	22,80,000	9.17	Nil	22,80,000	9.17	8.19	Nil
4.	Bollineni Yamuna	12,42,870	5.00	3.43	12,42,870	5.00	3.43	Nil
	<b>Promoters Group</b>							
5.	Bollineni Bhaskara Rao	12,00,000	4.83	4.83	12,00,000	4.83	4.83	Nil
6.	Chappidi Janardhana Rao	52,742	0.21	Nil	52,742	0.21	Nil	Nil
7.	Talluru Dayakar	1,00,000	0.40	Nil	1,00,000	0.40	Nil	Nil
8.	Talluru Lalithamma	5,00,000	2.01	2.01	5,00,000	2.01	2.01	Nil
9.	Dandamudi Anitha	15,00,000	6.03	6.03	15,00,000	6.03	6.03	Nil
10.	Damavarapu Lakshmi Kanthamma	7,51,434	3.02	3.02	7,51,434	3.02	3.02	Nil
11.	B. Aishwarya	19,09,672	7.68	0.52	19,09,672	7.68	0.52	Nil
12.	B. Sandeep	11,03,170	4.44	4.44	11,03,170	4.44	4.44	Nil
13.	Bollineni Developers Limited	10,47,916	4.22	4.22	10,47,916	4.22	4.22	Nil
14.	Talluru Sneha	1,00,000	0.40	Nil	1,00,000	0.40	Nil	Nil
	<b>Total</b>	<b>1,89,96,434</b>	<b>76.42</b>	<b>35.50</b>	<b>1,89,96,434</b>	<b>76.42</b>	<b>43.70</b>	

**(C) Change In Promoters' Shareholding (Specify If There Is No Change): Nil**

Sl. No.	Particulars of name and date-wise increase / (Decrease) in Promoters' Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	Share holding 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.	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
	Reason of Change	-	-	-	-

**(d) Shareholding Pattern of top ten Shareholders :**  
(other than Directors, Promoters & Holders of GDRs & ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the end 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.	<b>New Vernon Private Equity Ltd</b>				
	At the beginning of the year	28,36,878	11.41	28,36,878	11.41
	Date wise Increase / Decreases in promoter shareholding during the year specifying the reason for the Increase / Decreases eg. ( allotment/ transfer/bonus/sweat equity	-	-	-	-
	At the end of the year	28,36,878	11.41	28,36,878	11.41
2.	<b>Tiger Veda Global LP</b>				
	At the beginning of the year	9,43,440	3.80	9,43,440	3.80
	Date wise Increase / Decreases in promoter shareholding during the year specifying the reason for the Increase / Decreases eg. ( allotment/ transfer/bonus/sweat equity	-	-	-	-
	At the end of the year	9,43,440	3.80	9,43,440	3.80
3.	<b>LB India Holdings Mauritius Ltd.</b>				
	At the beginning of the year	7,32,984	2.95	7,32,984	2.95
	Date wise Increase / Decreases in promoter shareholding during the year specifying the reason for the Increase / Decreases eg. ( allotment/ transfer/bonus/sweat equity	-	-	-	-
	At the end of the year	7,32,984	2.95	7,32,984	2.95
4.	<b>Tattersalls Ltd</b>				
	At the beginning of the year	4,75,000	1.91	4,75,000	1.91
	Date wise Increase / Decreases in promoter shareholding during the year specifying the reason for the Increase / Decreases eg. ( allotment/ transfer/bonus/sweat equity	-	-	-	-
	At the end of the year	4,75,000	1.91	4,75,000	1.91
5.	<b>Amansa Holdings Private Limited</b>				
	At the beginning of the year	4,36,300	1.76	4,36,300	1.76
	Date wise Increase / Decreases in promoter shareholding during the year specifying the reason for the Increase / Decreases eg. ( allotment/ transfer/bonus/sweat equity	-	-	-	-
	At the end of the year	4,36,300	1.76	4,36,300	1.76
6.	<b>IDFC Bank Ltd.</b>				
	At the beginning of the year	4,36,300	1.76	4,36,300	1.76
	Date wise Increase / Decreases in promoter shareholding during the year specifying the reason for the Increase / Decreases eg. ( allotment/ transfer/bonus/sweat equity	-	-	-	-
	At the end of the year	4,36,300	1.76	4,36,300	1.76



**(e) Shareholding of Directors and KMPs:**

Sl. No.	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ Bonus / sweat equity etc.)	Shareholding at the end 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
	<b>At the beginning of the year</b>				
1.	Bollineni Krishnaiah, Chairman	22,80,000	9.17	22,80,000	9.17
	<b>At the end of the year</b>	22,80,000	9.17		
2.	Bollineni Seenaiah, Managing Director	48,47,180	19.50	48,47,180	19.50
	<b>At the end of the year</b>	48,47,180	19.50		

**V. INDEBTEDNESS:**

**RUPEES IN LAKHS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	67,206.84	11,154.14	-	78,360.99
ii) Interest due but not paid	1,389.99	-	-	1,389.99
iii) Interest accrued but not due	94.86	1,389.02	-	1,483.97
<b>Total (i+ii+iii)</b>	<b>68,691.69</b>	<b>12,543.16</b>	<b>-</b>	<b>81,234.85</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	6,604.70	34,779.23	-	41,383.93
Reduction	-12,245.95	12,032.99	-	-24,278.94
<b>Net Change</b>	<b>-5641.25</b>	<b>22,746.24</b>	<b>-</b>	<b>17,104.99</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	61,804.83	33,009.21	-	94,814.04
ii) Interest due but not paid	981.48	189.83	-	1,171.31
iii) Interest accrued but not due	264.14	2,090.35	-	2,354.49
<b>Total (i+ii+iii)</b>	<b>63,050.44</b>	<b>35,289.40</b>	<b>-</b>	<b>98,339.84</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**A) Remuneration to Managing Director, Whole time director and/or Manager:**

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
1.	Gross salary	B. Krishnaiah, Chairman	B. Seenaiiah MD	K. Thanu pillai, WTD	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	1,98,70,968	1,80,00,000	63,00,000	44170968
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2.	Stock option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others (specify)	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total (A)</b>	<b>1,98,70,968</b>	<b>1,80,00,000</b>	<b>63,00,000</b>	<b>44,17,0968</b>
	<b>Ceiling as per the Act</b>				

**B) Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of the Directors			Total Amount
1.	<b>Independent Directors</b>	<b>B.K. Rao</b>	<b>R. Balakrishnan</b>	<b>D. Anitha</b>	
	(a) Fee for attending board, committee meetings	3,25,000	3,50,000	NA	6,75,000
	(b) Commission	-	-	NA	-
	(c) Others, please specify	-	-	NA	-
	<b>Total (1)</b>	<b>3,25,000</b>	<b>3,50,000</b>	<b>NA</b>	<b>6,75,000</b>
2.	<b>Other Non-Executive Directors</b>				
	(a) Fee for attending board, committee meetings	NA	NA	3,00,000	3,00,000
	(b) Commission	NA	NA	-	-
	(c) Others, please specify.	NA	NA	-	-
	<b>Total (2)</b>	<b>NA</b>	<b>NA</b>	<b>3,00,000</b>	<b>3,00,000</b>
	<b>Total (B)=(1+2)</b>	<b>3,25,000</b>	<b>3,25,000</b>	<b>3,00,000</b>	<b>9,75,000</b>
	<b>Total Managerial Remuneration</b>				
	<b>Overall Ceiling as per the Act.</b>	-	-	-	-

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total Amount
1.	<b>Gross salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. Act, 1961.	13,08,000	24,00,000	37,08,000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2.	Stock option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	as % of profit	-	-	-
	others (specify)	-	-	-
5.	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>13,08,000</b>	<b>24,00,000</b>	<b>37,08,000</b>

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**For and on behalf of the Board of  
BSCPL Infrastructure Limited**

Place : Hyderabad  
Date : November 04, 2020

**BOLLINENI KRISHNAIAH**  
Whole Time Director  
DIN: 00025094

**BOLLINENI SEENAIAH**  
Managing Director  
DIN: 00496623

**Annexure - VI**

**Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 made during the financial year 2019-20 are given as under**

<b>Nature of Transaction</b>	<b>Date of making loan/investment</b>	<b>Name &amp; Address</b>	<b>Amount (Rs.)</b>
Unsecured loan given	Ongoing	BSC-C&C Kurali Toll Road Ltd	6,38,60,720
Investments	24-04-2019	Chilakaluripet Bypass Private Limited	1,00,000

**For and on behalf of the Board of  
BSCPL Infrastructure Limited**

Place : Hyderabad  
Date : November 04, 2020

**BOLLINENI KRISHNAIAH**  
Whole Time Director  
DIN: 00025094

**BOLLINENI SEENAIAH**  
Managing Director  
DIN: 00496623

**FORM NO. AOC - 2**

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014*

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms-length transaction under third proviso thereto.

- Details of contracts or arrangements or transactions not at Arm's length basis:** NIL
- Details of contracts or arrangements or transactions at Arm's length basis:**

The details of material contracts or arrangements or transactions at arm's length basis are as:

<b>Name of the related party</b>	<b>Nature of Relationship</b>	<b>Nature of contract</b>	<b>Duration of Contracts</b>	<b>Salient Terms</b>	<b>Amount (In Lakhs.)</b>
BSC- C & C Kurali Toll Road Limited	Common Director	Purchases	Ongoing	NA	2.02
BSC- C & C Kurali Toll Road Limited	Common Director	Sale of materials / spares	Ongoing	NA	157.71
BSC- C & C JV	Common Director	Sale of materials / spares	Ongoing	NA	18,49.52
Aishu Castings Limited	Common Director	Purchases of Materials	Ongoing	NA	239.70
Aishu Castings Limited	Common Director	Sale of scrap	Ongoing	NA	34.04
Krishnaiah Projects Pvt Ltd	Common Director	Purchases of Materials	Ongoing	NA	25.44
Krishnaiah Projects Pvt Ltd	Common Director	Services received	Ongoing	NA	5.54
Seenaiah Constructions Pvt Ltd	Common Director	Purchases of Asset	Ongoing	NA	6.50
Seenaiah Constructions Pvt Ltd	Common Director	Sale of Materials	Ongoing	NA	11.77

**For and on behalf of the Board of  
BSCPL Infrastructure Limited**

Place : Hyderabad  
Date : November 04, 2020

**BOLLINENI KRISHNAIAH**  
Whole Time Director  
DIN: 00025094

**BOLLINENI SEENAIAH**  
Managing Director  
DIN: 00496623

## Form AOC-1

## Statement containing salient features of the financial statements of subsidiaries / associate companies and Joint Ventures

(Pursuant to first proviso to Sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014)

## Part A Subsidiaries

(Amount in Lakhs except % of shareholding)

No.	Name of the Entity	Reporting Period	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit (loss) before Taxation	Provision for Taxation	Profit (loss) after Taxation	Proposed Dividend	% of Share holding
<b>A.</b>	<b>Foreign Subsidiary</b>													
1.	BSCPL International FZE	19-20	AED	63.00	(56.73)	98.93	98.93	2.57	-	(1.95)	-	(1.95)	0	100
<b>B.</b>	<b>Foreign Step-down Subsidiaries (through BSCPL International FZE, Dubai)</b>													
1.	Green Desert Venture Inc., Bahamas	19-20	AED	1.835	74.96	83.30	6.51	-	-	-	-	-	-	100
2.	Green Desert Ventures Ltd., Dubai	19-20	AED	1.00	(1.99)	1.00	1.99	-	-	-	-	-	-	70
3.	Progressive International Holdings Inc., BVI	19-20	AED	1.835	(3.20)	112.64	113.88	-	-	(1.10)	-	(1.10)	-	70
<b>C.</b>	<b>Indian Subsidiaries</b>													
1.	BSCPL AurangTollways Ltd	19-20	INR	1,843.70	(25,746.05)	155,090.94	178,993.19	-	13,457.23	(12,087.10)	-	(12,087.1)	-	100
2.	BSC-C&C Kurali Toll Road Ltd.	19-20	INR	10,418	(6,401.68)	27,328.66	23,312.33	-	4,900.72	(120.30)	1.11	(121.40)	-	51
3.	Mokama Munger Highway Ltd.	19-20	INR	670.94	10,648.07	32,802.62	21,483.61	-	7,087.33	111.85	51.34	60.52	-	68
4.	North Bihar Highway Ltd.	19-20	INR	659.50	3,293.82	60,082.92	56,129.60	-	7,659.42	511.21	-	511.21	-	60.2
5.	Patna Bakhtiyarpur Tollway Ltd.	19-20	INR	463	(36,421.40)	70,502.16	10,6460.55	-	8,347.54	(10,838.26)	-	(10,838.26)	-	67.3
6.	Chilakaluripet Bypass Pvt. Ltd.	19-20	INR	1	(9.78)	2.47	11.25	-	-	9.78	-	9.78	-	100

## Part B: Associates/Joint Ventures

(Amount in Lakhs except No. of share & % of Share Holding)

Sl.No.	1	2			3	4	5	6
Name of associates/Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate / joint venture is not consolidated	Net worth attributable to shareholding as per latest audited Balance Sheet	Profit/Loss for the year
		Number of Shares	Amount of Investment in Associates/Joint Venture	Extend of Holding%				
BSC - C&C Joint Venture	31-03-2020	-	21,020.83	50%	Active Partner	NA	NA	28,690,623
BSC - RBM - Pati Joint Venture	31-03-2020	-	(162.52)	50%	Active Partner	NA	NA	23,835,837
BSCPL - SCL Joint Venture	31-03-2020	-	6,013.02	50%	Active Partner	NA	NA	(2,010,871)
SCL-BSCPL Joint Venture	31-03-2020	-	5,410.17	35%	Active Partner	NA	NA	(934,080)
CR18G-BSCPL Joint Venture	31-03-2020	-	564.88	50%	Active Partner	NA	NA	(20,866)
BSCPL-KGLC Consortium Joint Venture	31-03-2020	-	20.71	60%	Active Partner	NA	NA	(4,927,569)
BSCPL-KGLC Airport Joint Venture	31-03-2020	-	373.81	90%	Active Partner	NA	NA	-
BSC - C&C JV Nepal Pvt. Ltd.	31-03-2020	800,000	500.00	50%	Active Partner	NA	NA	-

**For K.Prahlada Rao & Co.**

FRN: (002717S)

Chartered Accountants

**For B Srinivasa Rao & Co.**

FRN: (008763S)

Chartered Accountants

For and on behalf of the Board of

**BSCPL Infrastructure Limited**

**K Prahlada Rao**

Partner

M.No. 018477

**B Srinivasa Rao**

Partner

M.No. 205449

**B. Krishnaiah**

Chairman

DIN : 00025094

**B. Seenaiah**

Managing Director

DIN : 00496623

**N. Nani Aravind**

Chief Financial Officer

**K. Raghavaiah**

Company Secretary



**INDEPENDENT AUDITOR'S REPORT**

To the Members of BSCPL Infrastructure Limited

**Report on the Standalone Ind AS financial statements****Qualified Opinion**

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

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in paragraph of the Basis for Qualified Opinion paragraph below, the aforesaid standalone Ind AS financial statements give the information required by 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 31 March 2020, of its profit including other comprehensive income, its cash flows and the changes in equity and its cash flows for the year ended on that date.

**Basis for Qualified Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion. The following are the basis for providing the qualified opinion.

- 1) As more fully discussed in Note 48 of the standalone Ind AS financial statements, as of 31 March 2020, the Company has investment of Rs. 1,994.57 lakhs and has given advances of Rs. 9,993.51 lakhs, to certain unincorporated joint ventures engaged in execution of irrigation projects in the erstwhile state of Andhra Pradesh, which are progressing slow/ stopped due to environmental/ forest land clearances issues. Pending outcome of the above matter, we are unable to comment on the carrying value and classification of these investments and advances including any provisioning that may be required in these standalone Ind AS financial statements. Our audit report for the previous year was also qualified in respect of this matter.
- 2) As more fully discussed in Note 51 of the standalone Ind AS financial statements, as of 31 March 2020, the Company has classified and stated certain trade receivables amounting to Rs 5,741.69 lakhs under current trade receivables at cost instead of amortised cost. The subsidiary has received preliminary/partial recommendation from the engineer of NHAI. In the absence of final outcome of negotiation from NHAI and discounting impact, if any of these trade receivables, we are unable to comment on the classification and carrying value of these receivables and consequential impact thereof, if any on these standalone Ind AS financial statements. Our audit report for the previous year was also qualified in respect of this matter.
- 3) As more fully discussed in Note 52 of the standalone Ind AS financial statements, as of 31 March 2020, the Company had accounted claim from customers in the previous years amounting to Rs. 2,822.25 lakhs which are under arbitration/dispute resolution process. Pending outcome of the arbitration/dispute resolution process, we are unable to comment on the classification and carrying value of the above claim receivable including any provisioning that may be required in these standalone Ind AS financial statements. Our audit report for the previous year was also qualified in respect of this matter.

### Emphasis of Matters

We draw attention to Note No. 56 of the standalone financial statement in which the Company describes the uncertainties arising from the COVID 19 pandemic. Our report is not modified in respect of this matter.

### Key Audit Matters

<b>Physical verification of inventory &amp; Property Plant &amp; Equipment at site locations</b>	
Key audit matter description	<p>The Company's management conducts periodical physical verification of inventories and Property Plant &amp; Equipment during the year at reasonable intervals. However, on account of the COVID-19 related lockdown restrictions, management was able to perform year end physical verification of inventories and Property Plant &amp; Equipment, only at certain locations. Management has carried out other procedures to validate the existence of its inventory as at the year-end, such as carrying out consumption analysis, and performing roll-back procedures to determine the quantities of the inventory as at the balance sheet date.</p>
Principal Audit Procedures	<p>The procedures performed includes the following:</p> <ul style="list-style-type: none"> <li>• Understanding the process and tested the management's internal controls to establish the existence of inventory and Property Plant &amp; Equipment</li> <li>• Analysing the scope and coverage of the periodic verification programme for inventories and Property Plant &amp; Equipment and the results of such verification including analysis of discrepancies, if any;</li> <li>• Testing the analytical reviews performed by the Company such as consumption analysis.</li> <li>• Verification of inventory and Property Plant &amp; Equipment registers certified by the Management and reconciling the same with books of accounts.</li> </ul>
<b>Impairment of Investment in loss making SPV and Write-off of loans and advances given to loss making SPV</b>	
Key audit matter description	<p>As described in Note No. 2(q) for Impairment of Financial Instruments in the standalone financial statements, as at the end of each financial year, the Company reviews the carrying amounts of its investments to determine whether there is any indication that those assets have suffered an impairment loss.</p> <p>The management, due to substantial deterioration in the financial position of Patna Bakhtiyarpur Tollway Ltd (SPV), the toll collection revenue starting from concession period to till date is below the break-even levels and also considering the future cash flows that are going to be collected over the remaining concession period are not sufficient to service even the interest cost and principal component of the Debts outstanding in the SPV, has provided 100% provision for diminution with respect to unquoted equity investment with a</p>

	carrying value of Rs. 4,643.14 lakhs. In addition to this, the management has also written off the unsecured loans given to SPV to the tune of Rs. 8,666.23 lakhs as explained in detail in Note 55.
Principal Audit Procedures	<p>Includes understanding of Management's processes and controls with regard to testing of impairment of the unquoted equity and debt instruments in such financially stressed entities.</p> <ul style="list-style-type: none"> <li>• Tested the data used by the Management in their impairment review including the key assumptions and the management controls over completeness and accuracy of the data.</li> <li>• Compared the Company's assumptions with comparable benchmarks in relation to key inputs such as long-term growth rates and discount rates to relevant market information.</li> <li>• Assessed the appropriateness of the forecast cash flows within the concession period based on their understanding of the business, sector experience and impact due to COVID-19, if any.</li> <li>• Considered historical forecasting accuracy, by comparing previously forecasted cash flows to actual results achieved.</li> <li>• Performed a sensitivity analysis in relation to key assumptions.</li> <li>• Obtained specific representations detailing basis in which projections were prepared.</li> <li>• Tested the appropriateness of the disclosures in the financial statements</li> </ul>

**Information other than the financial statements and auditor's report thereon:**

The respective Company's Board of Directors and its Joint Operation Companies is responsible for the preparation of other information. The other information comprises the information included in the board's report including annexures thereto and management discussion and analysis, 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 during the course of our audit, or otherwise appears to be materially misstated.

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

**Responsibility of Management for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India,

including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Ind AS Financial Statements**

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 financial statements.

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 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its joint operations to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the standalone financial statements of which we are the independent auditors. For the other entities included in the standalone financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

- 1) 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 Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2) As required by section 143(3) of the Act, we report that:
  - (a) We have sought and, except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive

income, and Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

- (d) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) The matters described in the Basis for Qualified Opinion paragraph in our opinion, may have an adverse effect on the functioning of the Company;
- (f) On the basis of written representations received from the directors as on 31 March 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020, from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013;
- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraphs above.
- (h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this report;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (j) 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 on its financial position in its standalone Ind As financial statements Refer Note. 39 to the standalone Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

#### **Other Matter**

The accompanying standalone Ind AS financial statements for the year ended 31 March 2020 include the Company's share of profit (net of share in losses) aggregating to Rs. 446.33 lakhs from certain unincorporated jointly controlled entities in which the Company is a co-venturer. The financial statements and other financial information of these unincorporated jointly controlled entities as at and for the year ended 31 March 2020 were not audited by us and are audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it related to the amounts included from such unincorporated jointly controlled entities is based solely on the report of those other auditors.

**For K Prahlada Rao & Co.**

ICAI Firm registration number: 002717S  
Chartered Accountants

**K Prahlada Rao**

Partner

Membership No.: 018477

UDIN - 20018477AAAAKX9318

**Place:** Hyderabad

**Date:** 04 November 2020

**For B Srinivasa Rao & Co**

ICAI Firm registration number: 008763S  
Chartered Accountants

**B Srinivasa Rao**

Partner

Membership No.: 205449

UDIN - 20205449AAAAABV3032

**Place:** Hyderabad

**Date:** 04 November 2020



## **Annexure 1 to the Independent Auditors' Report**

Re: BSCPL Infrastructure Limited ('the Company')

- 1) In respect of the Company's property, plant and equipment:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
  - b) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
  - c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the Company.
- 2) The management has conducted physical verification of inventory at reasonable intervals during the year. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such physical verification.
- 3)
  - a) The Company has granted loans to a firm covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the Company's interest.
  - b) The loans granted are re-payable on demand. We are informed that the Company has not demanded repayment of any such loan or interest during the year, and thus, there has been no default on the part of the party to whom the money has been lent.
  - c) There is no amount outstanding from parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- 4) In our opinion and according to the information and explanations given to us by the management, the Company has complied with the provisions of Sections 185 and 186 of the Act, to the extent applicable, in respect of grant of loans, making investments and providing guarantees and securities during the year, as applicable.
- 5) According to the information and explanations given to us, the Company has not accepted any deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and hence, the provisions of the clause 3 (v) of the Order is not applicable to the Company.
- 6) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the construction and development of real estate business and Construction of roads and are of the opinion that, prima facie, the specified accounts and records have been made and maintained. We have, however, not made a detailed examination of the same.
- 7)
  - a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have not been regularly deposited with the appropriate authorities and there have been serious delays in large number of cases.
  - b) According to the information and explanations given to us, undisputed dues in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of customs, duty of excise, value added tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Nature of dues	Amount	Period for which it relates
Royalty	69,455,115	May 2011 - September 2017
Professional Tax	2,94,405	April 2019 - September 2019
Provident Fund	1,95,22,648	April 2019 - September 2019
Tax Deducted at Source	2,67,52,800	April 2019- September 2019

c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs)	Amount paid under protest (Rs)	Period to which the amount relates	Forum where dispute is pending
Madhya Pradesh SthaniyaKshetra Me Mal Ke Pravesh Par Kar Abhiyan, 1976	Entry Tax	39,811,676	71,258,318	2007-08	Supreme Court
		21,528,960		2008-09	
		9,917,682		2009-10	
		4,981,864	4,981,864	2009-10	High Court of Madhya Pradesh
		141,335,590	-	2007-08	
		75,348,910	-	2008-09	
		52,149,111	-	2009-10	
AP Tax on entry of motor vehicle into local areas Act, 1996	Entry Tax	24,072,000	24,072,000	2007-08	TS Sales tax & VAT Appellate Tribunal, Hyderabad
Tamil Nadu General Sales Tax Act, 1959	Sales Tax	5,987,189	-	2006-07	Appellate Tribunal, Madurai
AP VAT Act, 2005	Sales Tax	977,772	9,77,772	2012-13 & 2013-14	TS Sales tax & VAT Appellate Tribunal, Hyderabad
AP VAT Act, 2005	Sales Tax	98,191,778	10,205,454	2014-15	High Court of Andhra Pradesh and Telangana
Gujarat VAT Act, 2003	Sales Tax	41,385,127	29,50,000	2010-11 to 2013-14	Appellate Deputy Commissioner, CT, Vadodara.
Mines and Minerals (Development & Regulation) Act, 1957	Royalty	62,790,200	3,00,00,000	2013-14	High Court of Judicature at Hyderabad for the state of Telangana and Andhra Pradesh

- 8) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of its due to bank, financial institutions and debenture holders.
- 9) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised.
- 10) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- 11) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- 12) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- 13) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- 14) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(14) are not applicable to the Company and, not commented upon.
- 15) According to the information and explanations given by the management, the Company has not entered into any noncash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- 16) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For K Prahlada Rao & Co.**

ICAI Firm registration number: 002717S  
Chartered Accountants

**K Prahlada Rao**

Partner  
Membership No.: 018477  
UDIN - 20018477AAAAKX9318

**Place:** Hyderabad

**Date:** 04 November 2020

**For B Srinivasa Rao & Co**

ICAI Firm registration number: 008763S  
Chartered Accountants

**B Srinivasa Rao**

Partner  
Membership No.: 205449  
UDIN - 20205449AAAABV3032

**Place:** Hyderabad

**Date:** 04 November 2020

## **ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF BSCPL INFRASTRUCTURE LIMITED**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of BSCPL Infrastructure Limited ("the Company") as of 31 March 2020, in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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. 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 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 Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to

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

**Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at 31 March 2020:

- (a) The Company's internal financial controls with regard to assessment of impairment of carrying value of investment and advances in the case of certain unincorporated joint ventures engaged in execution of irrigation projects as fully explained in Note 48 of the standalone Ind AS financial statements were not operating effectively, which could potentially result in the Company not providing for adjustments, that may be required to be made to the carrying value of such investments and advances.
- (b) The Company's internal financial controls over financial statement closure process for classification of advances to certain unincorporated joint ventures and trade receivables as fully explained in Note 48, 51 and 52 to the standalone Ind AS financial statements were not operating effectively, which could potentially result in misstatement of classification of such claims, advances and trade receivables.
- (c) The Company's internal financial controls relating to review of trade receivables for appropriate provisioning did not operate effectively which could potentially result in the Company not recognising possible provisions for recoverability of these receivables.

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

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

**Explanatory paragraph**

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the standalone Ind AS financial statements of BSCPL Infrastructure Limited, which comprise the Balance Sheet as at 31 March 2020, and the related Statement of Profit and Loss including the statement of Other Comprehensive Income, the Cash Flow Statement for the year ended, the Statement of Changes in Equity and a summary of significant accounting policies and other explanatory information. These material weaknesses were considered in determining the nature, timing, and extent of audit tests applied in our audit of the 31 March 2020 standalone Ind AS financial statements of BSCPL Infrastructure Limited and this report affects our report dated 04<sup>th</sup> November 2020, which expressed a qualified opinion on those standalone Ind AS financial statements.

**For K Prahlada Rao & Co.**

ICAI Firm registration number: 002717S  
Chartered Accountants

**K Prahlada Rao**

Partner  
Membership No.: 018477  
UDIN - 20018477AAAAKX9318

**Place:** Hyderabad

**Date:** 04 November 2020

**For B Srinivasa Rao & Co**

ICAI Firm registration number: 008763S  
Chartered Accountants

**B Srinivasa Rao**

Partner  
Membership No.: 205449  
UDIN - 20205449AAAABV3032

**Place:** Hyderabad

**Date:** 04 November 2020

**Balance sheet as at 31 March 2020**

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

	Notes	31 March 2020	31 March 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	25,559.74	23,754.07
Capital work-in-progress		1,264.10	4,750.93
Investment property	3A	3,378.60	3,435.66
Investment in subsidiaries and joint ventures	4	75,557.54	87,882.00
Financial assets			
i). Investments	5	148.03	150.42
ii). Trade receivables	6	6,551.02	7,007.66
iii). Loans	7	816.38	856.79
iv). Others	8	7,854.17	507.50
Non-current tax assets (net)	9	9,768.67	6,291.68
Deferred tax asset (net)	19	3,942.05	3,736.72
Other non-current assets	10	1,765.36	2,252.33
		<b>136,605.67</b>	<b>140,625.76</b>
<b>Current assets</b>			
Inventories	11	77,946.05	77,306.67
Financial assets			
i). Investments	12	4.41	11.39
ii). Trade receivables	6	33,517.64	30,834.36
iii). Cash and cash equivalents	13	1,617.92	5,087.81
iv). Bank balances other than (iii) above	13	299.00	2,099.03
v). Loans	7	5,541.97	4,712.48
vi). Other financial assets	8	33,982.59	31,792.86
Other current assets	10	14,594.04	15,704.40
		<b>167,503.60</b>	<b>167,548.99</b>
<b>Total Assets</b>		<b>304,109.27</b>	<b>308,174.75</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14	2,485.73	2,485.73
Other equity	15	1,03,352.17	99,404.96
		<b>1,05,837.90</b>	<b>101,890.69</b>

## Balance sheet as at 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

	Notes	31 March 2020	31 March 2019
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i). Borrowings	16	40,957.22	20,859.67
ii). Other financial liabilities	17	7,367.92	5,668.13
Provisions	18	2,088.59	1,418.83
Other non current liabilities	20	12,675.89	23,807.71
		<b>63,089.62</b>	<b>51,754.34</b>
<b>Current liabilities</b>			
Financial liabilities			
i). Borrowings	21	44,448.37	48,807.41
ii). Trade payables	22	15,498.84	15,793.51
iii). Other financial liabilities	17	26,598.10	29,131.93
Provisions	18	327.70	572.97
Other current liabilities	20	48,308.73	60,223.88
		<b>1,35,181.75</b>	<b>1,54,529.72</b>
<b>Total equity and liabilities</b>		<b>3,04,109.27</b>	<b>3,08,174.75</b>
Summary of significant accounting policies	2B		

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

**For K Prahlada Rao & Co.**

ICAI Firm registration  
number: 002717S  
Chartered Accountants

**K Prahlada Rao**

Partner  
Membership No. 018477

**For B Srinivasa Rao & Co**

ICAI Firm registration  
number: 008763S  
Chartered Accountants

**B Srinivasa Rao**

Partner  
Membership No. 205449

For and on behalf of the Board of Directors of  
**BSCPL Infrastructure Limited**

**B. Krishnaiah**

Chairman  
DIN : 00025094

**B. Seeniah**

Managing Director  
DIN : 00496623

**N. Nani Aravind**

Chief Financial Officer

**K. Raghavaiah**

Company Secretary

Place : Hyderabad  
Date : 04 November 2020

Place : Hyderabad  
Date : 04 November 2020



**Statement of profit and loss for the year ended 31 March 2020**

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

	Notes	31 March 2020	31 March 2019
<b>Income</b>			
Revenue from operations	23	1,56,881.91	1,58,981.14
Other income	24	7,498.66	27,505.87
<b>Total income</b>		<b>1,64,380.57</b>	<b>1,86,487.01</b>
<b>Expenses</b>			
Cost of materials consumed	25	39,551.25	39,418.42
Increase in inventories of work-in-progress, real estate under development and finished goods	25A	(743.99)	(17,965.16)
Construction expenses		40,714.98	88,362.47
Employee benefit expenses	26	14,496.25	12,264.38
Other expenses	27	43,753.74	33,443.84
Depreciation and amortisation expense	28	4,912.14	4,360.55
Finance costs	29	18,894.67	21,026.23
<b>Total expenses</b>		<b>1,61,579.04</b>	<b>1,80,910.72</b>
<b>Profit before share in profit of joint venture (net) and tax</b>		<b>2,801.53</b>	<b>5,576.29</b>
Company's share in profit of integrated joint ventures (net)		446.33	995.28
<b>Profit before tax</b>		<b>3,247.86</b>	<b>6,571.57</b>
<b>Tax expense</b>	31		
Current tax		1,380.19	3,362.79
Taxes of earlier years		(1,964.30)	86.00
Deferred tax credit		(177.40)	654.86
		<b>(761.51)</b>	<b>4,103.65</b>
<b>Profit after tax</b>		<b>4,009.37</b>	<b>2,467.92</b>
<b>Other comprehensive income</b>			
<b>Items not to be reclassified to profit or loss in subsequent periods:</b>			
Net gain/(loss) on FVTOCI equity securities		(9.37)	12.08
Re-measurement gains on employee defined benefit plans		(80.72)	51.21
Income tax effect		27.94	(17.72)
<b>Other comprehensive income for the year, net of tax</b>		<b>(62.16)</b>	<b>45.56</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>3,947.21</b>	<b>2,513.48</b>



**Statement of profit and loss for the year ended 31 March 2020**

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

	Notes	31 March 2020	31 March 2019
<b>Earnings per equity share:</b>			
Basic and diluted earnings per share (Rs.)	37	16.13	9.93
Nominal value per equity share (Rs.)		10.00	10.00
Summary of significant accounting policies	2B		

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

**For K Prahlada Rao & Co.**

ICAI Firm registration  
number: 002717S  
Chartered Accountants

**For B Srinivasa Rao & Co**

ICAI Firm registration  
number: 008763S  
Chartered Accountants

For and on behalf of the Board of Directors of  
**BSCPL Infrastructure Limited**

**K Prahlada Rao**

Partner  
Membership No. 018477

**B Srinivasa Rao**

Partner  
Membership No. 205449

**B. Krishnaiah**

Chairman  
DIN : 00025094

**B. Seenaiiah**

Managing Director  
DIN : 00496623

**N. Nani Aravind**

Chief Financial Officer

**K. Raghavaiah**

Company Secretary

Place : Hyderabad  
Date : 04 November 2020

Place : Hyderabad  
Date : 04 November 2020

**Cash flow statement for the year ended 31 March 2020**

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

	31 March 2020	31 March 2019
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	3,247.86	6,571.57
<b>Adjustments to reconcile profit before tax to net cash flows</b>		
Company's share in profit of integrated joint ventures (net)	(446.33)	(995.28)
Depreciation and amortisation	4,912.14	4,360.55
Finance cost	16,620.46	19,155.84
Profit on sale of property, plant and equipment	(236.07)	(148.87)
Claims written off	-	8,297.29
Loss on sale of investments	-	(23,566.18)
Provision / (provision written back) for defect liability	157.16	482.00
Provision for diminution in the value of long term investments	4,643.14	-
Unsecured loan in SPV written off	8,666.23	-
Bad debts/advances written off	2,209.49	-
Exchange fluctuation loss (net)	(42.41)	(28.18)
Loss on damaged stock	1.53	-
Provision for doubtful receivables and advances	30.23	32.26
Liabilities no longer required written back	(5.06)	(20.22)
Income from financial assets	(1,303.77)	(1,279.41)
<b>Operating profit before working capital changes</b>	<b>38,454.59</b>	<b>12,861.37</b>
<b>Movements in working capital:</b>		
(Increase)/decrease in trade receivables	(4,466.35)	17,200.13
Decrease/(increase) in other financial assets and other assets (current and non current)	1,912.26	(4,990.31)
Increase in inventories	(640.91)	(17,800.53)
(Decrease) / Increase in other financial liabilities and other liabilities (current and non current)	(24,493.26)	24,991.82
Decrease / Increase in provisions	186.61	188.28
<b>Cash generated from operations</b>	<b>10,952.94</b>	<b>32,450.76</b>
Direct taxes paid (net)	(2,892.88)	(2,841.71)
<b>Net cash generated from operating activities (A)</b>	<b>8,060.06</b>	<b>29,609.05</b>
<b>Cash flow from investing activities</b>		
Payments for acquiring property, plant and equipment	(4,387.33)	(3,266.48)
(Investment)/ redemption of bank deposits (non current)	(7,346.67)	619.97
Proceeds from sale of property, plant and equipment	509.46	176.25
Proceeds from sale of investment (net)	-	36,097.52
Investment in subsidiaries (net)	(1,089.61)	(1,217.84)
Proceeds from joint ventures (net)	551.04	(1,567.94)

**Cash flow statement for the year ended 31 March 2020**

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

	<b>31 March 2020</b>	<b>31 March 2019</b>
Loans received / (given) from / (to) related parties	249.32	4,067.64
Loans (given)/ received back (to)/from subsidiaries (net)	444.87	47.17
Loans (given)/ received back from joint ventures (net)	(3,643.65)	(3,260.40)
Interest received	898.06	491.12
<b>Net cash generated from/(used in) investing activities (B)</b>	<b>(13,814.51)</b>	<b>32,187.01</b>
<b>Cash flows from financing activities</b>		
Proceeds from long term borrowings	41,383.93	15,410.39
Repayment of long term borrowings	(20,571.84)	(46,664.33)
Repayment of short term borrowings (net)	(4,359.04)	(6,338.92)
(Investment)/ redemption of bank deposits (current)	1,800.03	(188.17)
Interest paid	(15,968.52)	(20,703.94)
<b>Net cash used in financing activities (C)</b>	<b>2,284.56</b>	<b>(58,484.97)</b>
Net increase in cash and cash equivalents (A+B+C)	(3,469.89)	3,311.09
Cash and cash equivalents at the beginning of the year	<b>5,087.81</b>	<b>1,776.72</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,617.92</b>	<b>5,087.81</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	37.93	36.20
With banks on current accounts	1,579.99	5,051.61
<b>Cash and bank balances as per balance sheet</b>	<b>1,617.92</b>	<b>5,087.81</b>
Summary of significant accounting policies 2B		

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

**For K Prahlada Rao & Co.**

ICAI Firm registration  
number: 002717S  
Chartered Accountants

**For B Srinivasa Rao & Co**

ICAI Firm registration  
number: 008763S  
Chartered Accountants

For and on behalf of the Board of Directors of  
**BSCPL Infrastructure Limited**

**K Prahlada Rao**

Partner  
Membership No. 018477

**B Srinivasa Rao**

Partner  
Membership No. 205449

**B. Krishnaiah**

Chairman  
DIN : 00025094

**B. Seenaiiah**

Managing Director  
DIN : 00496623

**N. Nani Aravind**

Chief Financial Officer

**K. Raghavaiah**

Company Secretary

Place : Hyderabad

Date : 04 November 2020

Place : Hyderabad

Date : 04 November 2020

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

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### (a) Equity share capital

Equity Shares of Rs. 10 each issued, subscribed and fully paid	No.	Amount
<b>As at 01 April 2018</b>	2,48,57,336	2,485.73
Issued during the year	-	-
<b>As at 31 March 2019</b>	2,48,57,336	2,485.73
Issued during the year	-	-
<b>As at 31 March 2020</b>	<b>2,48,57,336</b>	<b>2,485.73</b>

### (b) Other equity

Particulars	Attributable to the equity holders				
	Reserves & Surplus			Other comprehensive income	Total
	Securities Premium	General Reserve	Retained Earnings		
Balance at 01 April 2018	19,428.90	12,655.59	64,884.94	(77.98)	96,891.45
Profit for the year	-	-	2,467.92	-	2,467.92
Re-measurement gains on employee defined benefit plans	-	-	-	33.49	33.49
FVTOCI reserve	-	-	-	12.08	12.08
Balance at 31 March 2019	19,428.90	12,655.59	67,352.86	(32.42)	99,404.93
Profit for the year	-	-	4,009.37	-	4,009.37
Re-measurement gains on employee defined benefit plans	-	-	-	(52.78)	(52.78)
FVTOCI reserve	-	-	-	(9.37)	(9.37)
Balance at 31 March 2020	19,428.90	12,655.59	71,362.23	(94.57)	1,03,352.17

**For K Prahlada Rao & Co.**  
ICAI Firm registration  
number: 002717S  
Chartered Accountants

**Per K Prahlada Rao**  
Partner  
Membership No. 018477

**For B Srinivasa Rao & Co**  
ICAI Firm registration  
number: 008763S  
Chartered Accountants

**B Srinivasa Rao**  
Partner  
Membership No. 205449

For and on behalf of the Board of Directors of  
**BSCPL Infrastructure Limited**

**B Krishnaiah**  
Chairman  
DIN : 00025094

**N Nani Aravind**  
Chief Financial Officer

**B Seenaiiah**  
Managing Director  
DIN : 00496623

**K Raghavaiah**  
Company Secretary

Place : Hyderabad  
Date : 04 November 2020

Place : Hyderabad  
Date : 04 November 2020

## Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### 3. Property, plant and equipment

Particulars	Land	Lease hold improvements	Buildings	Project site offices	Plant and machinery	Furniture and fixtures	Computers	Vehicles	Total
<b>Cost or valuation</b>									
As at 01 April 2018	1,805.53	178.98	351.62	577.73	34,608.77	291.81	162.09	443.03	38,419.56
Additions during the year	75.28	-	-	164.25	2,526.71	18.33	21.84	127.23	2,933.64
Deletions / adjustments	-	-	-	-	170.85	-	-	9.52	180.37
<b>As at 31 March 2019</b>	<b>1,880.81</b>	<b>178.98</b>	<b>351.62</b>	<b>741.98</b>	<b>36,964.63</b>	<b>310.14</b>	<b>183.93</b>	<b>560.74</b>	<b>41,172.83</b>
Additions during the year	219.94	-	-	767.30	5,844.88	24.91	27.31	49.82	6,934.16
Deletions / adjustments	260.89	-	-	-	41.92	-	0.35	0.72	303.88
<b>As at 31 March 2020</b>	<b>1,839.86</b>	<b>178.98</b>	<b>351.62</b>	<b>1,509.28</b>	<b>42,767.59</b>	<b>335.05</b>	<b>210.89</b>	<b>609.84</b>	<b>47,803.11</b>
<b>Depreciation</b>									
As at 01 April 2018	-	178.89	17.43	447.49	12,207.51	101.28	93.21	222.32	13,268.13
For the year	-	0.09	6.19	155.49	3,985.42	39.11	34.91	82.36	4,303.57
Deletions / adjustments	-	-	-	-	147.97	-	-	5.02	152.99
<b>At 31 March 2019</b>	<b>-</b>	<b>178.98</b>	<b>23.62</b>	<b>602.98</b>	<b>16,044.96</b>	<b>140.39</b>	<b>128.12</b>	<b>299.66</b>	<b>17,418.71</b>
For the year	-	-	6.19	286.42	4,412.04	37.67	33.06	79.77	4,855.15
Deletions / adjustments	-	-	-	-	29.42	-	0.35	0.72	30.49
<b>At 31 March 2020</b>	<b>-</b>	<b>178.98</b>	<b>29.81</b>	<b>889.40</b>	<b>20,427.58</b>	<b>178.06</b>	<b>160.83</b>	<b>378.71</b>	<b>22,243.37</b>
<b>Net block</b>									
<b>As at 31 March 2020</b>	<b>1,839.86</b>	<b>-</b>	<b>321.81</b>	<b>619.88</b>	<b>22,340.01</b>	<b>156.99</b>	<b>50.06</b>	<b>231.13</b>	<b>25,559.74</b>
As at 31 March 2019	1,880.81	-	328.00	139.00	20,919.67	169.75	55.81	261.08	23,754.12

Note: For property, plant and equipment existing as on the date of transition to Ind AS, i.e., 01 April 2015, the Company has used Indian GAAP carrying value as deemed cost.

## Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### 3A. Investment property

Particulars	Land*	Building*	Total
<b>Cost or valuation</b>			
<b>Opening Balance as at 01 April 2018</b>	<b>423.46</b>	<b>3,239.74</b>	<b>3,663.20</b>
Additions during the year	-	-	-
Deletions/ adjustments during the year	-	-	-
<b>Closing Balance as at 31 March 2019</b>	<b>423.46</b>	<b>3,239.74</b>	<b>3,663.20</b>
Additions during the year	-	-	-
Deletions/ adjustments during the year	-	-	-
<b>Closing Balance as at 31 March 2020</b>	<b>423.46</b>	<b>3,239.74</b>	<b>3,663.20</b>
<b>Depreciation and impairment</b>			
<b>Opening Balance as at 01 April 2018</b>	-	170.61	170.61
Depreciation during the year	-	57.00	57.00
Depreciation on account of deletions/ adjustments during the year	-	-	-
<b>Closing Balance as at 31 March 2019</b>	-	<b>227.61</b>	<b>227.61</b>
Depreciation during the year	-	57.00	57.00
Depreciation on account of deletions/ adjustments during the year	-	-	-
<b>Closing Balance as at 31 March 2020</b>	-	284.60	284.60
<b>Net Block</b>			
<b>As at 31 March 2020</b>	<b>423.46</b>	<b>2,955.14</b>	<b>3,378.60</b>
As at 31 March 2019	423.46	3,012.14	3,435.60

\* Land and Building include assets given on operating lease amounting to Rs.1,671.47 (31 March 2019: Rs.1,964.97 )

**Note:** For Investment property existing as on the date of transition to Ind AS, i.e., 01 April 2015, the Company has used Indian GAAP carrying value as deemed cost.

### Information regarding income and expenditure of investment property

Particulars	31 March 2020	31 March 2019
Rental income derived from investment property	136.25	225.55
<b>Profit arising from investment property before depreciation and indirect expenses</b>	<b>136.25</b>	<b>225.55</b>
Less : Depreciation	57.00	57.00
<b>Profit arising from investment property before indirect expenses</b>	<b>79.26</b>	<b>168.56</b>

Fair value of the properties are determined by using market comparable method. This means that valuation performed by the valuer are based on the active market prices, significantly adjusted for difference in nature, location and condition of the specific property. The properties are fair valued based on valuations performed by independent valuers who have relevant valuation experience for similar properties in India. As at 31 March 2020 and 31 March 2019, the fair values of properties are Rs. 7,016.08 and Rs. 7,016.08 respectively.

## Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### 4. Investment in subsidiaries and joint ventures (at deemed cost)

	31 March 2020	31 March 2019
<b>Trade investments</b> (valued at cost unless stated otherwise, unquoted)		
<b>In subsidiaries</b>		
<b>Investment in equity shares</b>		
42 (31 March 2019: 1) equity share of DHM 150,000 fully paid up in BSCPL International FZE	845.88	845.88
53,131,900 (31 March 2019: 53,131,900) equity shares of Rs. 10 each fully paid up in BSC C and C Kurali Toll Road Limited	5,739.84	5,739.84
18,436,995 (31 March 2019: 18,436,995) equity shares of Rs. 10 each fully paid up in BSCPL Aurang Tollway Limited	20,671.52	20,671.52
10,000 (31 March 2019: Nil) equity shares of Rs. 10 each fully paid up in Chilakaluripet Bypass Private Limited	1.00	-
<b>In Joint Ventures</b>		
<b>Investment in equity shares</b>		
800,000 (31 March 2018: 800,000) equity shares of NPR 100 each fully paid up in BSC - C & C JV Nepal Private Limited	500.00	500.00
Less: Provision for diminution, other than temporary, in the carrying value of long term investments	320.00	320.00
	180.00	180.00
4,900 (31 March 2019: 4,900) equity shares of Rs. 10 each fully paid up in Power Mech BSCPL Consortium Private Limited	0.49	0.49
3,972,499 (31 March 2019: 3,972,499) equity shares of Rs. 10 each fully paid up in North Bihar Highway Limited	4,725.60	4,725.60
2,312,398 (31 March 2019: 2,312,398) equity shares of Rs. 10 each fully paid up in Mokama - Munger Highway Limited	2,525.69	2,525.69
3,118,755 (31 March 2019: 3,118,755) equity shares of Rs. 10 each fully paid up in Patna Bakhtiyarpur Tollway Limited	4,643.14	4,643.14
Less Provision for diminution, other than temporary, in the carrying value of long term investments.	4,643.14	-
<b>Investment in preference shares</b>	-	4,643.14
3,524,798 (31 March 2019: 3,524,798) 0.05% preference shares of Rs. 100 each fully paid up in Mokama - Muger Highway Limited	2,650.00	2,650.00

## Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### 4. Investment in subsidiaries and joint ventures (at deemed cost)

	31 March 2020	31 March 2019
<b>In joint venture entities in the form of association of persons / partnership firms</b>		
BSC - C&C Joint Venture	3,122.60	3,147.38
BSC - RBM - PATI Joint Venture	78.78	78.78
BSCPL - SCL Joint Venture	763.24	783.35
CR 18 G - BSCPL Joint Venture	502.11	502.32
SCL - BSCPL Joint Venture	697.56	706.91
BSC - KGLC - Airport Joint Venture	291.65	341.92
BSCPL - KGLC - Consortium Joint Venture	20.71	20.71
<b>Deemed investment in subsidiaries and joint ventures (unsecured loans) (Refer note 54)</b>		
BSCPL Aurang Tollways Limited	26,578.84	26,128.84
North Bihar Highway Ltd	3,206.54	3,206.54
Patna Bakhtiyarpur Tollways Limited	-	8,666.23
BSC - C&C Kurali Toll Road Limited	2,955.47	2,316.87
	<b>75,557.54</b>	<b>87,882.00</b>
Aggregate book value of unquoted investments	75,557.54	87,882.00
Aggregate provision for diminution in the value of non current investments	4,963.14	320.00

### 5. Investments

	31 March 2020	31 March 2019
<b>In others</b>		
<b>Investment in equity shares</b>		
729,972 (31 March 2019: 729,972) equity shares of Rs. 10 each, fully paid-up, in Aishu Projects Limited	14.60	14.60
Less: Provision for diminution, other than temporary, in the carrying value of long term investments	14.60	14.60
	-	-
246,046 (31 March 2019: 246,046) equity shares of Rs. 10 each fully paid-up, in Pipal Tree Ventures Private Limited	148.03	150.42
	<b>148.03</b>	<b>150.42</b>
Aggregate book value of unquoted investments	148.03	150.42
Aggregate provision for diminution in the value of non current investments	14.60	14.60



## Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### 6. Trade Receivable (Unsecured)

	Non-current	
	31 March 2020	31 March 2019
Considered good		
Dues from related parties (Refer note 34)	-	-
Dues from others	6,551.02	7,007.66
Considered doubtful		
Dues from others	746.47	716.23
	<b>7,297.49</b>	<b>7,723.89</b>
Less: Provision for doubtful receivables	746.47	716.23
	<b>6,551.02</b>	<b>7,007.66</b>
	Current	
	31 March 2020	31 March 2019
Considered good		
Dues from related parties (Refer note 34)	14,378.46	13,471.23
Dues from others	19,139.17	17,417.13
	<b>33,517.64</b>	<b>30,834.36</b>

### 7. Loans

	Non-current	
	31 March 2020	31 March 2019
(unsecured, considered good)		
Security deposits	816.38	856.79
	<b>816.38</b>	<b>856.79</b>
	Current	
	31 March 2020	31 March 2019
(unsecured, considered good)		
Loans to related parties (Refer note 34)	1,388.04	1,637.36
Security deposits	4,153.93	3,075.12
	<b>5,541.97</b>	<b>4,712.48</b>

## Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### 8. Other financial assets

	Non-current	
	31 March 2020	31 March 2019
Earmarked bank balances (Refer note 13B)	7854.17	507.50
	<b>7,854.17</b>	<b>507.50</b>
	Current	
	31 March 2020	31 March 2019
Interest accrued	1,290.62	1,188.19
Claims on customers	3,853.13	5,205.91
Advances to related parties (Refer note 34)	833.29	1,278.16
Advances to joint ventures (Refer note 34)	28,005.55	24,120.60
	<b>33,982.59</b>	<b>31,792.86</b>

### 9. Non current tax assets (net)

	31 March 2020	31 March 2019
Advance income-tax (net of provision for taxation)	9,768.67	6,291.68
	<b>9,768.67</b>	<b>6,291.68</b>

### 9A. Current tax liabilities

	31 March 2020	31 March 2019
For income tax (net of advance tax and tax deducted at source)	-	-
	-	-

### 10. Other assets (Unsecured)

	Non-current	
	31 March 2020	31 March 2019
Considered good		
Capital advance	65.71	65.16
Duty drawback receivable	18.29	18.29
Balances with government authorities	1,681.35	2,168.87
	<b>1,765.36</b>	<b>2,252.33</b>
Considered doubtful		
Advances recoverable in cash or kind	171.46	171.46
Capital advance	14.81	14.81
Less: Provision for doubtful advances	186.27	186.27
	-	-
	<b>1,765.36</b>	<b>2,252.33</b>

## Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

	Current	
	31 March 2020	31 March 2019
Considered good		
Advances recoverable in cash or kind	9,010.76	9,701.25
Prepaid expenses	910.25	890.23
Balances with government authorities	4,465.70	4,905.59
Others	207.33	207.33
	<b>14,594.04</b>	<b>15,704.40</b>

### 11. Inventories (Valued at lower of cost and net realisable value)

	31 March 2020	31 March 2019
Raw materials [includes materials in transit Rs. 221.57 (31 March 2019 : Rs. 205.63)]	7,211.90	7,403.58
Stores, spares and consumables	2,467.26	2,515.39
Construction work-in-progress	54,106.94	53,151.16
Real estate under development	13,262.97	13,418.37
Finished goods	896.99	818.17
	<b>77,946.05</b>	<b>77,306.67</b>

### 12. Current investments

	31 March 2020	31 March 2019
<b>Quoted - Non trade</b>		
8,040 (31 March 2019: 8,040) equity shares of Rs. 10 each fully paid up in Bank of Baroda Limited (Vijaya Bank)	4.31	10.34
9,140 (31 March 2019: 9,140) equity shares of Rs. 10 each fully paid up in C & C Constructions Limited	0.10	1.04
	<b>4.41</b>	<b>11.39</b>

### 13. Cash and cash equivalents and other bank balance

	Current	
	31 March 2020	31 March 2019
<b>A. Cash and cash equivalents</b>		
Cash on hand	37.93	36.20
Balance with banks:		
On current accounts	1,579.98	2,065.32
Cheques on hand	-	20.00
Deposits with original maturity of less than three months	-	2,966.10
	<b>1,617.92</b>	<b>5,087.81</b>

## Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

	Non-current	
	31 March 2020	31 March 2019
<b>B. Other bank balance</b>		
Deposits with remaining maturity for more than 12 months (under lien)	7,854.17	507.50
	<b>7,854.17</b>	<b>507.50</b>
Less: Amount disclosed under other financial assets (note 8)	(7,854.17)	(507.50)
	-	-
	Current	
	31 March 2020	31 March 2019
<b>C. Other bank balance</b>		
Deposits with remaining maturity for more than 12 months (under lien)	-	2,054.03
Deposits with remaining maturity for more than 3 months but less than 12 months (under lien)	-	45.00
Deposits with original maturity of less than three months	299.00	-
	<b>299.00</b>	<b>2,099.03</b>
Less: Amount disclosed under other financial assets (note 8)	-	-
	<b>299.00</b>	<b>2,099.03</b>

### 14. Share capital

	31 March 2020	31 March 2019
<b>Authorized Share capital</b>		
70,000,000 (31 March 2019: 70,000,000) equity shares of Rs. 10 each and 1,000,000 (31 March 2019: 1,000,000) preference shares of Rs. 100 each	8,000.00	8,000.00
	<b>8,000.00</b>	<b>8,000.00</b>
<b>Issued, subscribed and fully paid up shares</b>		
24,857,336 (31 March 2019: 24,857,336) equity shares of Rs. 10 each	2,485.73	2,485.73
<b>Total Issued, Subscribed and paid-up Share Capital</b>	<b>2,485.73</b>	<b>2,485.73</b>

#### 14.1 Reconciliation of number of shares outstanding and amount at the beginning and at the end of the year

	31 March 2020		31 March 2019	
	No.	Rs.	No.	Rs.
<b>Balance at the beginning of the year</b>	2,48,57,336	2,485.73	2,48,57,336	2,485.73
Issued during the year	-	-	-	-
<b>Outstanding, at the end of the year</b>	<b>2,48,57,336</b>	<b>2,485.73</b>	<b>2,48,57,336</b>	<b>2,485.73</b>

## Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### 14.2 Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The Company in general meeting may declare dividend but no dividend shall exceed the amount recommended by the Board.

In case of Liquidation, subject to the applicable laws and the availability of funds with the Company

#### I. For promoters

B. Seenaiiah, B. Krishnaiah, B. Sujatha, B. Yamuna and their relatives are collectively referred to as promoters. To the extent of funds available thereof and after payment to investors as below, the promoters shall receive the amount in the proportion to the equity shares held by each of them.

#### II. For investors

The investors (shareholders other than promoters) shall be eligible to receive a preferential payment from the Company in cash or kind, to the extent of funds available thereof, the investors shall receive an amount that shall provide the investors higher of:

- (i) their investment in the Company with 10% IRR, or
- (ii) the amount which would be distributed to the investors if all the amounts available with the Company were distributed among all the shareholders of the Company (including the investors) in the proportion to the equity shares held by each of them.

### 14.3 Details of shareholders holding more than 5% equity shares in the Company

	31 March 2020		31 March 2019	
	Number	% holding	Number	% holding
B. Seenaiiah	48,47,180	19.50%	48,47,180	19.50%
New Vernon Private Equity Limited	28,36,878	11.41%	28,36,878	11.41%
B. Sujatha	23,61,450	9.50%	23,61,450	9.50%
B. Krishnaiah	22,80,000	9.17%	22,80,000	9.17%
B. Aishwarya	19,09,672	7.68%	19,09,672	7.68%
D. Anitha	15,00,000	6.03%	15,00,000	6.03%
B. Yamuna	12,42,870	5.00%	12,42,870	5.00%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

## Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### 15. Other Equity

	31 March 2020	31 March 2019
<b>Securities premium account</b>		
Balance as per last financial statements	19,428.90	19,428.90
<b>General reserve</b>		
Balance as per last financial statements	12,655.59	12,655.59
<b>Items of other comprehensive income</b>		
As per last balance sheet	(32.42)	(77.98)
Net fair value gain on investments in equity instruments at FVTOCI	(9.37)	12.08
Re-measurement gain for the year	(52.78)	33.49
	<b>(94.57)</b>	<b>(32.42)</b>
<b>Retained Earnings</b>		
Balance as per last financial statements	67,352.86	64,884.94
Add: Profit for the year	4,009.37	2,467.92
<b>Total Retained Earnings</b>	<b>71,362.23</b>	<b>67,352.86</b>
	<b>103,352.15</b>	<b>99,404.93</b>

### 16. Borrowings (Measured at amortised cost)

	Non-current	
	31 March 2020	31 March 2019
<b>A. Debentures (Refer note 36)</b>		
- 18.5% Redeemable, Non-Convertible Debentures	-	4,532.82
<b>B. Term loans (Refer note 36)</b>		
From Banks		
- Rupee loans	550.50	503.94
From related party	31,331.82	10,869.28
From others	9,074.90	4,953.63
	<b>40,957.22</b>	<b>20,859.67</b>
<b>The above amount includes:</b>		
Secured borrowings	8,246.82	9,990.39
Unsecured borrowings	32,710.40	10,869.28
	<b>40,957.22</b>	<b>20,859.67</b>

## Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

	Current	
	31 March 2020	31 March 2019
<b>A. Debentures (Refer note 36)</b>		
- 18.5% Redeemable, Non-Convertible Debentures	3,453.91	2,666.67
<b>B. Term loans (Refer note 36)</b>		
From Banks		
- Rupee loans	223.26	225.78
From others	5,731.27	5,801.46
	<b>9,408.45</b>	<b>8,693.91</b>
<b>The above amount includes:</b>		
Secured borrowings	9,408.45	8,693.91
Unsecured borrowings	-	-
Less: Amount disclosed under the head "other current liabilities" (Refer note. 17)	9,408.45	8,693.91
	-	-

### 17. Other financial liabilities

	Non-current	
	31 March 2020	31 March 2019
<b>A. At amortised cost</b>		
Retention money	5,388.92	3,385.86
<b>B. Fair value through profit or loss</b>		
Financial guarantee obligation	1,978.99	2,282.27
	<b>7,367.92</b>	<b>5,668.13</b>
	Current	
	31 March 2020	31 March 2019
<b>C. At amortised cost</b>		
Current maturities of long term borrowings (Refer note. 16)	9,408.45	8,693.91
Interest accrued and due	1,171.31	1,389.99
Interest accrued but not due	2,354.49	1,483.87
Capital creditors	1,930.48	2,869.92
Retention money	2,926.78	2,796.69
Book overdraft	3,090.83	557.53
Advance against claim	5,171.19	10,560.29
Dues to joint venture	241.30	476.46
<b>B. Fair value through profit or loss</b>		
Financial guarantee obligation	303.28	303.28
	<b>26,598.10</b>	<b>29,131.93</b>

## Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### 18. Provisions

	Non-current	
	31 March 2020	31 March 2019
<b>For employee benefits</b>		
Gratuity (Refer note. 33)	1,027.32	806.38
	1,027.32	806.38
<b>Other provision</b>		
For defect liability (Refer note. 38)	1,061.27	612.45
	<b>2,088.59</b>	<b>1,418.83</b>

	Current	
	31 March 2020	31 March 2019
<b>For employee benefits</b>		
Leave encashment	53.83	25.37
Gratuity (Refer note. 33)	65.42	47.49
	119.25	72.86
<b>Other provision</b>		
For defect liability (Refer note. 38)	208.45	500.11
	208.45	500.11
	<b>327.70</b>	<b>572.97</b>

### 19. Deferred tax liabilities/(asset) (net)

	31 March 2020	31 March 2019
<b>Deferred tax liability</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	204.11	142.45
	204.11	142.45
<b>Deferred tax assets</b>		
Employee benefits	479.07	316.95
Provision for doubtful receivables and advances	-	286.40
Provision for defect liability	-	17.47
Others	395.63	1,804.42
MAT credit entitlement*	3,271.45	1,453.94
	4,146.16	3,879.17
	<b>(3,942.05)</b>	<b>(3,736.72)</b>

\* The management of the Company expects that it is probable that the Company will earn sufficient taxable profit (both business gains and capital gains) in future periods and hence deferred tax assets is recognised for business loss and capital loss and similarly MAT credit entitlement is also recognised.



## Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### 20. Other liabilities

	Non-current	
	31 March 2020	31 March 2019
Advances from customers	366.23	366.23
Mobilisation and material advances	12,309.66	23,441.48
	<b>12,675.89</b>	<b>23,807.71</b>
	Current	
	31 March 2020	31 March 2019
Advances from customers	7,155.84	20,261.60
Other Liabilities	16,936.28	19,947.64
Mobilisation and material advances	20,211.75	16,132.19
Statutory dues	4,044.86	3,882.46
	<b>48,308.73</b>	<b>60,223.88</b>

### 21. Short term borrowings

	31 March 2020	31 March 2019
<b>From banks (Secured) (Refer note 36)</b>		
- Cash credit	15,655.79	43,654.64
- Working capital demand loans	27,510.67	3,894.17
<b>From banks (Unsecured)</b>		
- LC Acceptance	983.10	973.74
<b>From others (Unsecured) (Refer note 36)</b>		
Loan from others	298.81	284.86
	<b>44,448.37</b>	<b>48,807.41</b>

### 23. Trade payables

	31 March 2020	31 March 2019
Outstanding dues to micro enterprises and small enterprises (refer note 45)	556.29	496.80
Outstanding dues to creditors other than micro enterprises and small enterprises	14,942.55	15,296.71
	<b>15,498.84</b>	<b>15,793.51</b>

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 0-180 day terms.

For explanations on the Company's credit risk management processes, refer to Note 42.

## Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### 23. Revenue from operations

	31 March 2020	31 March 2019
Revenue from construction contracts (Refer note 30)	1,49,237.51	1,46,627.34
Revenue from real estate development (Refer note 30)	4,460.30	8,863.66
Revenue from maintenance contracts	723.02	689.34
Sale of metals	2,461.08	2,800.81
	<b>1,56,881.91</b>	<b>1,58,981.14</b>

### 24. Other income

	31 March 2020	31 March 2019
<b>Interest income on</b>		
Bank deposits	435.73	228.95
Loans to related parties (Refer note 34)	252.20	269.29
Financial guarantees to related parties (Refer note 34)	303.28	415.26
Others	312.56	124.15
Claims on customers	-	241.76
Profit on sale of investments	-	23,566.18
Rental income	141.39	163.80
Profit on sale of property, plant and equipment (net)	236.07	148.87
Exchange fluctuation gain (net)	42.41	28.18
Liabilities no longer required written back	5.06	20.22
Miscellaneous income	5,769.95	2,299.21
	<b>7,498.66</b>	<b>27,505.87</b>

### 25. Cost of raw materials consumed

	31 March 2020	31 March 2019
Opening stock	7,403.58	7,287.42
Purchases during the period	39,359.57	39,534.58
	46,763.15	46,822.00
Less: Closing stock	7,211.90	7,403.58
	<b>39,551.25</b>	<b>39,418.42</b>

## Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### 25A. (Increase) / decrease in inventories of work-in-progress, real estate under development and finished goods

	31 March 2020	31 March 2019
<b>Work-in-progress</b>		
Opening work-in-progress	53,151.16	34,361.85
Less: Closing work-in-progress	53,971.74	53,151.16
	(820.58)	(18,789.31)
<b>Real estate under development</b>		
Opening real estate under development	13,418.37	14,315.75
Less: Closing real estate under development	13,262.97	13,418.37
	155.40	897.38
<b>Finished goods</b>		
Opening finished goods	818.17	744.94
Less: Closing finished goods	896.99	818.17
	(78.82)	(73.23)
	<b>(744.00)</b>	<b>(17,965.16)</b>

### 26. Employee benefit expense

	31 March 2020	31 March 2019
Salaries, wages and bonus	12,405.44	10,689.25
Contribution to provident and other fund (Refer note. 33)	285.94	262.67
Staff welfare expense	1,641.80	1,119.46
Gratuity expense (Refer note. 33)	163.07	192.99
	<b>14,496.25</b>	<b>12,264.38</b>

## Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### 27. Other expenses

	31 March 2020	31 March 2019
Power and fuel	14,394.89	11,386.89
Rent (Refer note. 32)	578.89	505.97
Rates and taxes	1,873.68	2,165.48
Insurance	550.75	365.57
Repairs and maintenance		
- Plant and machinery	2,750.58	3,503.12
- Vehicles	56.94	124.43
- Others	250.65	309.49
Equipment hire charges	4,209.95	2,591.14
Freight and transportation charges	1,359.30	1,493.85
Communication cost	72.75	55.48
Printing and stationery	82.95	62.71
Legal and professional charges	741.97	1,016.27
Tender expenses	3.42	14.27
Business promotion	548.88	380.07
Travelling and conveyance	148.00	165.27
Auditors' remuneration (Refer note. 57)	47.00	44.71
Bad debts written off (Refer note. 54)	2,209.49	-
Provision for diminution in the value of long term investments	4,643.14	-
Claim written off (Refer note. 49)	-	8,297.29
Provision for doubtful receivables and advances	30.23	32.26
Provision for defect liability (Refer note. 38)	157.16	482.00
Corporate social responsibility expenditure (Refer note. 46)	-	10.10
Unsecured loan/equity in SPV written off (Refer note 53 & 55)	8,666.23	-
Loss on damaged stock	1.53	-
Miscellaneous expenses	375.38	437.48
	<b>43,753.74</b>	<b>33,443.84</b>

### 28. Depreciation and amortisation expense

	31 March 2020	31 March 2019
Depreciation on tangible assets	4,855.14	4,303.61
Depreciation of investment property	57.00	56.94
	<b>4,912.14</b>	<b>4,360.55</b>

### 29. Finance costs

	31 March 2020	31 March 2019
Interest expense*	16,620.46	19,155.84
Bank charges and commission	2,274.21	1,870.39
	<b>18,894.67</b>	<b>21,026.23</b>

\* Includes borrowing costs aggregating to Rs. Nil (March 2019: Rs. 404.91) transferred to real estate under development.

## Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### 1. Corporate information

BSCPL Infrastructure Limited (the Company' or 'BSCPL') is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The Company is the merged Company w.e.f 01 April 2016 having merged BSCPL Infra Projects Limited, a 100% subsidiary Company owned by it by virtue of confirmation order of scheme Amalgamation as approved vide No.3(Telangana)/CP.No.06/CAA-11/2019/RD(SER)/Sec.233 of CA 2013 dated 28 March 2019.

The Company is primarily engaged in the business of infrastructure development and execution of engineering, procurement and construction (EPC) facilities in various infrastructure projects in roads, buildings, large scale bridge works and irrigation for Central / State Governments, other local bodies and private sector. The Company is also executing a real estate project in Chennai. The registered office is located at M. No.8-2-502/1/A, JIVI Towers, Road No.7, Banjara Hills, Hyderabad- 500034

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 04 November 2020.

### 2. A. Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The Company has prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 these standalone financial statements for the year ended 31 March 2020. The Company has prepared and presented in accordance with Ind AS.

The standalone financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (refer accounting policy regarding financial instruments) which have been measured at fair value or at amortised cost. The financial statements are presented in Indian Rupee ('INR') and all values are rounded to the nearest lakhs (INR 00,000), except otherwise indicated.

### 2. B. Summary of significant accounting policies

#### (a) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company adopts operating cycle based on the project period and accordingly all project related assets and liabilities are classified into current and non-current. Other than project related assets and liabilities, 12 months period is considered as normal operating cycle.

**(b) Foreign currencies**

The Company's financial statements are presented in Indian Rupees, which is also the Company's functional currency.

**Transactions and balances**

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet, foreign currency monetary items are reported using the closing exchange rate.

Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

**(c) Fair value measurement**

The Company measures financial instruments such as derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

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

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required

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

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

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

On an interim basis, the Management present the valuation results to the Audit Committee and the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimate and assumptions (notes 44, 45 and 46).
- Financial instruments (including those carried at amortised cost) (notes 44, 45 and 46).
- Quantitative disclosure of fair value measurement hierarchy (note 46).

**(d) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The following specific recognition criteria must also be met before revenue is recognized:

***Contract revenue (construction contracts)***

Revenue from long term construction contracts is recognized over period of time as mentioned in Indian accounting standard (Ind AS 115) "Revenue from Contracts with Customers" notified under the Companies (Indian Accounting standards) Rules, 2015. Revenue is recognized from the satisfaction of the performance obligation as it is invoiced in accordance with Right-to-Invoice on performance done. Where the total cost of a contract, based on technical and other estimates is expected to exceed the corresponding contract value, such expected loss is provided for. The effect of any adjustment arising from revisions to estimates is included in the statement of profit and loss of the period in which the revisions are made.

Price escalation and other claims and /or variation in the contract work are included in contract revenue only when:

- Negotiations have reached at an advanced stage (which is evidenced on receipt of favourable Dispute Resolution Board (DRB) order/ first level of arbitration as per respective arbitration contract clauses, acceptance by customers, other probable assessments, etc.) such that it is probable that customer will accept the claim; and
- The amount that is probable will be accepted by the customer can be measured reliably.

***Sale of goods***

Revenue from sale of metal and aggregates is recognized when significant risk and reward of ownership of the goods have passed to the buyer, i.e. usually on delivery of goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

***Real estate development***

Revenue from real estate projects is recognised when it is reasonably certain that the ultimate collection will be made and that there is buyers' commitment to make the complete payment. The following specific recognition criteria must also be met before revenue is recognized:

***Recognition of revenue from property development:***

Revenue from real estate projects is recognised upon transfer of all significant risks and rewards of ownership of such real estate/ property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements. Where the Company still has obligations to perform substantial acts even after the transfer of all

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

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

significant risks and rewards, revenue in such cases is recognised over period of time only if the following thresholds have been met:

- (a) All critical approvals necessary for the commencement of the project have been obtained;
- (b) The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

When the outcome of a real estate project can be estimated reliably and the conditions above are satisfied, project revenue and project costs associated with the real estate project should be recognised as revenue and expenses by reference to the stage of completion of the project activity at the reporting date arrived at with reference to the entire project costs incurred (including land costs).

Further, for projects executed through joint development arrangements, wherein the land owner/possessor provides land and the Company undertakes to develop properties on such land and in lieu of land owner providing land, the Company has agreed to transfer certain percentage of constructed area or certain percentage of the revenue proceeds, the revenue from the development and transfer of constructed area/revenue sharing arrangement in exchange of such development rights/ land is being accounted on gross basis on launch of the project.

The revenue is measured at the fair value of the land received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the land received cannot be measured reliably, the revenue is measured at the fair value of the estimated construction service rendered to the land owner, adjusted by the amount of any cash or cash equivalents transferred. The fair value so estimated is considered as the cost of land in the computation of percentage of completion for the purpose of revenue recognition as discussed above.

***Maintenance Contracts***

Revenue from maintenance contract is recognized on accrual basis over the period of contract as and when the service is rendered and billed as per the terms of the specific contract.

***Interest Income***

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

**(e) Income taxes*****Current income tax***

Current income-tax assets and liabilities are measured at the amount expected to be recovered or paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates and generates taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

***Deferred tax***

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:



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- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

***Minimum Alternate Tax (MAT)***

Minimum Alternate Tax (MAT) paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credit which can be carried forward and utilised when the Company will pay normal income tax during the specified period. Deferred tax assets on such tax credit is recognised to the extent that it is probable that the unused tax credit can be utilised in the specified future period. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

**(f) Assets held for sale**

Assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less cost to sell. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in the present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a complete sale within one year from the date of classification.

An entity shall not depreciate (or amortised) a non-current asset while it is classified as held for sale.

**(g) Property, plant and equipment**

For transition to Ind AS, the Company has decided to continue with the carrying value of all of its Property, plant and equipment as at April 1, 2015 (transition date) measured as per the previous GAAP and are that carrying value as its deemed cost as of the transition date.

## Notes to financial statements for the year ended 31 March 2020

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### **Recognition and measurement:**

Property, plant and equipment are stated at original cost, net of tax/duty credit availed, less accumulated depreciation/amortization and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

When significant parts of Property, plant and equipment are required to be replaced at intervals, the Company de-recognises the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognised in the statement of profit and loss as incurred.

### **Capital work in progress and Capital advances:**

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of Property, plant and equipment outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

### **De-recognition:**

The carrying amount of an item of Property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of Property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

### **(h) Investment property**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred. Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are de-recognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

### **(i) Depreciation/Amortisation of Property, plant and equipment and investment property**

Depreciation/Amortisation is provided on the straight-line method, based on the useful life of the assets as estimated by the management. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The Company has estimated the following useful lives to provide depreciation on its Property, plant and equipment /investment property which are in compliance with the Companies Act, 2013:

Category of Assets	Useful life (In years)
Freehold buildings	60
Plant and machinery	3-20
Furniture and fittings	10
Computer	3-6
Office equipment	5
Vehicles	8-10

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Freehold land is not depreciated. Leasehold improvements are amortized over the period of the lease.

Based on the planned usage of certain project-specific assets and technical assessment, the management has estimated the useful lives of Property, plant and equipment which are different from the useful life prescribed in Schedule II to the Companies Act, 2013 for the following:

- Leasehold improvements are amortized over the period of the lease or estimated useful life whichever is lower i.e. 7 years,
- Shuttering materials are depreciated over a period of 6 years, and
- Crushers are depreciated over the period of 20 years.
- Individual asset not exceeding Rs. 5,000 have been fully depreciated in the year of purchase.

The useful lives, residual values of each part of an item of Property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

**(j) Borrowing costs**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset (including real estate project) that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized/inventorized as part of the cost of the respective asset/ project. All other borrowing costs are expensed in the period they occur.

**(k) Leases**

Leases are accounted as per Ind AS 116 which has become mandatory from April 1, 2019. Assets taken on lease are accounted as right-of-use assets and the corresponding lease liability is accounted at the lease commencement date.

Initially the right-of-use asset is measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate, or a change in the estimate of the guaranteed residual value, or a change in the assessment of purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of-use asset, or is recorded in the Statement of Profit and Loss if the carrying amount of the right-of-use asset has been reduced to zero.

The right-of-use asset is measured by applying cost model i.e. right-of-use asset at cost less accumulated depreciation and cumulative impairment, if any. The right-of-use asset is depreciated using the straight-line method from the commencement date to the end of the lease term or useful life of the underlying asset whichever is earlier. Carrying amount of lease liability is increased by interest on lease liability and reduced by lease payments made.

Lease payments associated with following leases are recognised as expense on straight-line basis:

- (i) Low value leases; and
- (ii) Leases which are short-term.

**Company as a lessor**

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in Property, plant and equipment. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

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**(l) Inventories**

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- (i) Materials and stores and spares are valued at lower of cost and net realizable value. Cost of raw materials and stores and spares is determined on first-in-first out basis.
- (ii) Construction work-in-progress related to project and construction is valued at cost till such time the outcome of the related project is ascertained reliably and at contractual rates thereafter.
- (iii) Finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods is determined on a first-in-first out basis.
- (iv) Real estate under development related to project works is valued at lower of cost incurred on projects where the revenue is yet to be recognised or cost incurred in respect of unsold area of the real estate development projects.

Cost includes cost of land, cost of materials, borrowing costs to the extent it relates to specific project and other related project overheads.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**(m) Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses, are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss

**(n) Provisions**

Provisions are recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

**(o) Contingent liabilities and Contingent assets**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

**(p) Retirement and other employee benefits****i. Defined contribution plan**

Retirement benefits in the form of provident fund and pension fund are a defined contribution scheme and the contributions are charged to the Statement of profit and loss of the period when the employee renders related services. There are no other obligations other than the contribution payable to the respective authorities.

**ii. Defined benefit plan**

Gratuity liability for eligible employees are defined benefit obligation and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Obligation is measured at the present value of estimated future cash flows using discounted rate that is determined by reference to market yields at the balance sheet date on Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimated terms of the defined benefit obligation.

Re measurements, comprising of actuarial gains and losses excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

**iii. Leave encashment**

As per the leave encashment policy of the Company, the employees have to utilise their eligible leave during the calendar year and lapses at the end of the calendar year. Accrual towards compensated absences at the end of the financial year are based on last salary drawn and outstanding leave absence at the end of the financial year.

**(q) Financial instruments**

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

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**Financial assets***Initial recognition and measurement*

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

**Debt instruments at amortised cost**

A 'debt instrument' is measured at its amortised cost if both the following conditions are met:

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

This category is the most relevant to the Company.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss.

**Debt instrument at FVTOCI**

A 'debt instrument' is classified at FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value.

Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

**Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as at FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has designated certain debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

**Equity investments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

**Derecognition**



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A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**Impairment of financial assets**

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

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as contractual revenue receivables' in these financial statements)
- Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables; and
- Other receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

**Financial liabilities****Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of

## Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

### **Subsequent measurement**

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

#### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

#### **Loans and borrowings**

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer note 37.

#### **Financial guarantee contracts**

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

#### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

### **(r) Derivative financial instruments**

The Company uses derivative financial instruments, such as currency rate swap and interest rate swaps to hedge its foreign exchange exposure risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Statement of profit or loss.

### **(s) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### **(t) Earnings per share**



## Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### **(u) Segment information**

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Management evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

#### **Segment Policies:**

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

### **(v) Investment in Subsidiaries and joint ventures.**

The Company has elected to recognize its investments in subsidiary and associate companies at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. Impairment policy applicable on such investments is explained in note 2(B) (q) above.

### **(w) Events after Reporting date**

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

### **(x) Cashflow statement**

The Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

## **2. C. Significant accounting judgement, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

#### **Estimates and assumptions**

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and future periods are affected.

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

#### **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based

## Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

### Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

### Defined benefit plans (gratuity benefits)

A liability in respect of defined benefit plans is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date. The present value of the defined benefit obligation is based on expected future payments at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service. Refer note 34 for details of the key assumptions used in determining the accounting for these plans.

## 30. Disclosure under Indian Accounting Standard (Ind AS - 115)

### (a) For construction contracts

	31 March 2020	31 March 2019
Contract revenue from construction activity recognised for the year	149,237.51	146,627.34
Contract cost incurred and recognised profits (less recognised losses) for contracts in progress up to the reporting date	830,717.30	700,592.12
Advances received for contracts in progress	30,876.77	56,674.50
Amount of retention money for contracts in progress	13,668.25	10,910.27
Gross amount due to customers for contract work	53,971.74	53,151.16

### (b) For real estate contracts

	31 March 2020	31 March 2019
Contract revenue from construction activity recognised for the year	4,460.30	8,863.66
Contract cost incurred and recognised profits (less recognised losses) for contracts in progress up to the reporting date	97,971.13	93,510.83
Advances received for contracts in progress	2,747.03	391.56

## Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### 31. Reconciliation of tax expense to the accounting profit is as follows:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Profit before share in profit of joint venture (net) and tax	2,801.53	5,576.29
At income tax rate of 34.944%	978.97	1,948.58
Income tax expense reported in the statement of profit and loss	(789.97)	4,121.37
<b>Movement to be explained</b>	<b>(1,768.41)</b>	<b>2,172.79</b>
Tax rate difference	(489.48)	(746.95)
MAT Credit on differential Income (MAT vs Capital gain)	-	(1,141.28)
Differential tax rate on Normal Income (MAT vs Capital gain)	-	180.12
Increase in DTA due to current year MAT Credit entitlement	(1,380.19)	-
Additional MAT Credit on disallowance	890.71	2,161.16
Increase in DTA on timings diff - Normal rates	1,612.18	(741.23)
Increase in DTA on timings diff - Special rates	-	2,374.98
Taxes for earlier years, (net)*	(2,401.63)	86.00
<b>Total movement explained</b>	<b>(1,768.41)</b>	<b>2,172.79</b>

\* An amount of Rs. (1,964.30) is pertaining to reversal of excess tax provision made in earlier years.

### 32. In case of assets taken on lease

The Company has certain operating leases for corporate office premises ending within 12 months from the date of reporting period. The charge on account of lease rentals under such agreements to statement of profit and loss for the year ended 31 March 2020 is Rs. 578.89 (31 March 2019 Rs.505.97)

#### In case of asset given on lease

Lease rentals given on operating lease and recognised in the statement of profit and loss for the year ended 31 March 2020 is Rs. 141.39 (31 March 2019: Rs. 163.80)

### 33. Gratuity and other post-employment benefit plans

#### (a) Defined contribution plan

The following amounts are recognised as an expense in Statement of profit and loss on account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Contribution to provident fund recognised as expense in the Statement of Profit and Loss	242.14	219.36

#### (b) Defined benefit plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of continuous service gets a gratuity on retirement at 15 days last drawn basic salary for each completed year of service. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The following table's summaries the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan:

## Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### Statement of profit and loss

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>Net employee benefit expense recognised in the employee cost</b>		
Current service cost	97.75	137.66
Interest cost on defined benefit obligation	65.32	55.33
<b>Net benefit expense</b>	<b>163.07</b>	<b>192.99</b>
<b>Re measurement during the period/year due to :</b>		
Actuarial loss / (gain) arising on account of experience changes	72.43	(60.23)
Actuarial loss / (gain) arising because of change in effect of asset ceiling/expenses	6.17	6.23
Return on plan assets excluding interest income	2.12	2.79
<b>Amount recognised in OCI outside profit and loss statement</b>	<b>80.72</b>	<b>(51.21)</b>

### Balance Sheet:

Particulars	31 March 2020	31 March 2019
<b>Reconciliation of net liability / asset</b>		
Closing Present Value of Defined Benefit Obligation	1,230.53	1,054.47
Closing Fair Value of Plan Assets	137.80	200.60
<b>Closing net defined benefit liability</b>	<b>1,092.73</b>	<b>853.87</b>

Particulars	31 March 2020	31 March 2019
Opening Fair Value of Plan Assets	200.60	281.48
Plan assets expenses through profit and loss	(6.17)	(6.23)
Interest Income	15.35	21.73
Contributions paid by the employer	4.92	4.68
Benefits paid	(74.78)	(98.26)
Return on plan assets excluding interest income	(2.12)	(2.79)
<b>Closing Fair Value of Plan Assets</b>	<b>137.80</b>	<b>200.60</b>

Particulars	31 March 2020	31 March 2019
Opening defined benefit obligation	1,054.47	998.25
Current service cost	97.75	137.66
Interest cost	80.67	77.06
Re measurement during the period due to :		
Actuarial loss/(gain) arising from change in financial Assumptions	-	-
Actuarial loss/(gain) arising from change in demographic Assumptions	-	-
Actuarial loss/(gain) arising on account of experience changes	72.43	(60.23)
Benefits paid	(74.78)	(98.26)
<b>Closing defined benefit obligation</b>	<b>1,230.53</b>	<b>1,054.47</b>

## Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

Particulars	31 March 2020	31 March 2019
<b>Net liability is bifurcated as follows :</b>		
Current	65.42	47.49
Non-current	1,027.31	806.38
<b>Net liability (net of plan assets)</b>	<b>1092.73</b>	<b>853.87</b>

The principal assumptions used in determining gratuity benefit obligation for the Company's plans are shown below:

Particulars	31 March 2020	31 March 2019
Discount rate (p.a.)	6.80 %	7.65 %
Salary escalation rate (p.a.)	5.00 %	5.00 %
Mortality pre-retirement	3.00 %	3.00 %

A quantitative analysis for significant assumptions is as shown below:

Particulars	31 March 2020	31 March 2019
<b>Assumptions - Discount rate</b>		
Sensitivity Level (a hypothetical increase/(decrease) by)		
Impact of Increase in 100 bps on defined benefit obligation	1,127.03	963.50
Impact of Decrease in 100 bps on defined benefit obligation	1,350.37	1,160.51
<b>Assumptions - Salary Escalation rate</b>		
Sensitivity Level		
Impact on defined benefit obligation		
Impact of Increase in 100 bps on defined benefit obligation	1,425.60	1,270.75
Impact of Decrease in 100 bps on defined benefit obligation	1,063.48	878.73
<b>Assumptions - Attrition rate</b>		
Sensitivity Level (a hypothetical increase/(decrease) by)		
Impact of Increase in 100 bps on defined benefit obligation	1,312.48	1,150.90
Impact of Decrease in 100 bps on defined benefit obligation	1,139.64	946.86
<b>Assumptions - Mortality rate</b>		
Sensitivity Level		
Impact on defined benefit obligation		
Impact of Increase in 100 bps on defined benefit obligation	1,232.99	1,057.28
Impact of Decrease in 100 bps on defined benefit obligation	1,228.06	1,051.65

## Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

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

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	31 March 2020
<b>Expected contribution</b>	
During the year ended 31 March 2021	107.71
<b>Expected future benefit payments</b>	
Within the next 12 months (next annual reporting period)	24.81
Between 2 and 5 years	63.45
Between 6 and 10 years	186.82
More Than 10 years	955.45
<b>Total expected payments</b>	<b>1,230.53</b>
The weighted average duration of the defined benefit plan obligation at the end of the reporting period (based on discounted cash flows)	16.45 Years

## Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### 34. Related party transactions

#### (a) Nature of relationship and names of related parties

Nature of relationship	Name of related parties
Subsidiaries	<ol style="list-style-type: none"> <li>1) BSCPL International FZE, Dubai</li> <li>2) BSC- C &amp; C- Kurali Toll Road Limited</li> <li>3) BSCPL Aurang Tollway Limited</li> <li>4) Chilakaluripet Bypass Private Limited.</li> </ol>
Joint Ventures (JV) (Where transactions exist)	<ol style="list-style-type: none"> <li>1) Simhapuri Expressway Limited (Up to 07 September 2018)</li> <li>2) Mokama - Munger Highway Limited</li> <li>3) North Bihar Highway Limited</li> <li>4) Patna Bakhtiyarpur Tollway Limited</li> <li>5) BSC - C &amp; C JV Nepal Private Limited</li> <li>6) BSC - C&amp;C Joint Venture</li> <li>7) BSC - RBM - PATI Joint Venture</li> <li>8) SOMA - BSCPL Joint Venture</li> <li>9) BSCPL - SCL Joint Venture</li> <li>10) SCL - BSCPL Joint Venture</li> <li>11) CR18G - BSCPL Joint Venture</li> <li>12) BSCPL - KGLC - Consortium Joint Venture</li> <li>13) BSCPL - KGLC Airport Joint Venture</li> </ol>
Joint Controlled Operations (JCO)	<ol style="list-style-type: none"> <li>1) BSCPL KNR Joint Venture</li> <li>2) BSCPL-BEKEM RE Joint Venture</li> <li>3) BSCPL- GVPR Joint Venture</li> </ol>
Enterprises owned by or where significant influence exercised by Key Management Personnel (KMP) or their relatives (where transactions exist)	<ol style="list-style-type: none"> <li>1) Bollineni Castings and Steels Limited</li> <li>2) Bollineni Developers Limited</li> <li>3) Aishu Castings Limited</li> <li>4) Aishu Projects Limited</li> <li>5) Krishna Institute of Medical Sciences Limited (KIMS)</li> <li>6) Amar Biotech Limited</li> <li>7) Bollineni Family Trust</li> <li>8) Krishnaiah Projects Private Limited</li> <li>9) Seenaiah Constructions Private Limited</li> <li>10) Aishu Dreamlands Private Limited</li> <li>11) Beaky Dreamlands Private Limited</li> <li>12) BSCPL-Powermech Consortium Private Limited</li> <li>13) Bollineni Ramanaiah Memorials Hospitals Limited</li> <li>14) Venkateswara Financiers Hyderabad Private Limited</li> <li>15) Shangrila Infracon India Private Limited</li> </ol>
Key Management Personnel (KMP)	<ol style="list-style-type: none"> <li>1) B. Krishnaiah, Chairman</li> <li>2) B. Seenaiah, Managing Director</li> <li>3) K. ThanuPillai, Whole Time Director</li> <li>4) Dandamudi Anitha, Director</li> <li>5) Kameswara Rao Bhagwati, Independent Director</li> <li>6) Balakrishnan Rajagopala, Independent Director</li> <li>7) N. NaniAravind, Chief Financial Officer</li> <li>8) K. Raghavaiah, Company Secretary</li> </ol>
Relatives of Key Managerial Personnel	<ol style="list-style-type: none"> <li>1) B. Sujatha (Wife of Chairman)</li> <li>2) B. Yamuna (Wife of managing Director)</li> </ol>

## Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### (b) Transactions with the related parties during the year

	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>A) Transactions with subsidiaries</b>		
<b>1) BSC-C &amp; C-Kurali Toll Road Limited</b>		
a) Reimbursable expenses incurred by the Company	3.44	1.31
b) Unsecured loan given	638.61	2,056.87
c) Purchases	2.02	39.07
d) Sale of materials/spares	157.51	36.83
e) Equipment Hire income	35.11	19.54
f) Interest income on guarantees given	30.97	30.97
<b>2) BSCPL Aurang Tollway Limited</b>		
a) Deemed investment	450.00	-
b) Construction revenue	1,750.70	-
c) Revenue from maintenance contract	723.02	675.83
d) Loans and advances	7.86	-
e) Interest income on guarantees given	175.88	175.89
<b>3) Chilakaluripet Bypass Private Limited</b>		
a) Equity Share Capital	1.00	-
b) Loans and advances	10.69	-
<b>B) Transactions with joint venture entities</b>		
<b>1) Simhapuri Expressway Limited</b>		
a) Construction revenue	-	1,188.35
b) Revenue from maintenance contract	-	13.50
c) Loans and Advances	-	2.01
d) Trade advance received	-	17,849.61
e) Sale of Equity shares	-	32,490.44
f) Unsecured loan received paid back	-	(5,250.00)
g) Interest income on guarantees given	-	111.98
<b>2) Mokama Munger Highway Limited</b>		
a) Loans and advances	0.05	1.27
b) Interest expense	37.31	37.61
c) Interest income on guarantees given	34.66	34.66
<b>3) North Bihar Highway Limited</b>		
a) Loans and advance	0.09	9.72
b) Interest income on guarantees given	61.77	61.77
<b>4) Patna Bakhtiyarpur Tollway Limited</b>		
a) Unsecured loan written off	8,666.23	-
b) Loans and advances	0.60	29.65
<b>5) BSC C&amp;C Joint Venture</b>		
a) Investment/ (withdrawal) in venturer's capital (net) (including below transactions)	3,691.34	3,795.32
b) Company's share of profit in integrated joint ventures	286.91	1,046.29



## Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
c) Bank guarantees given/(withdrawn)	2,310.56	(14,040.41)
d) Sale of materials/spares	1,069.02	4,449.77
e) Sub-contract expenses	110.84	25,679.82
f) BG Commission income	691.24	1,093.76
g) Hire charges expenses	1,507.61	442.64
h) Other income	0.51	79.61
i) Other expenses	381.81	259.01
j) Purchases of materials/spares	780.50	938.37
<b>6) BSC - RBM - PATI Joint Venture</b>		
a) Investment/ (withdrawal) in venturer's capital (net)	(3.20)	(3.81)
b) Company's share of loss in integrated joint ventures	238.36	(39.59)
<b>7) SOMA - BSCPL Joint Venture</b>		
a) Company's share of profit/ (loss) in integrated joint ventures	-	0.06
<b>8) BSCPL - SCL Joint Venture</b>		
a) Investment in venturer's capital (net)	271.13	282.14
b) BG commission income	229.77	-
c) Company's share of profit in integrated joint ventures	(20.11)	3.48
<b>9) SCL - BSCPL Joint Venture</b>		
a) Withdrawal in venturer's capital (net)	(390.75)	(3,456.42)
b) Company's share of profit in integrated joint ventures	(9.34)	(0.01)
c) BG commission income	3.53	-
d) Bank guarantees given/(withdrawn)	-	-
<b>10) CR-18G-BSCPL Joint Venture</b>		
a) Company's share of profit in integrated joint ventures	(0.21)	0.14
b) Investment/ (withdrawal) in venturer's capital (net)	-	11.15
<b>11) BSCPL - KGLC Airport Joint Venture</b>		
a) Investment in venturer's capital (net)	(0.56)	-
b) Company's share of loss in integrated joint ventures	(49.28)	(14.97)
<b>12) BSCPL-KNR Joint Venture</b>		
a) Reimbursable expenses incurred by the Company (net)	19.27	27.73
b) Construction Revenue	17,211.30	16,714.50
c) Mobilisation advance given	1,015.11	-
d) Mobilisation advance recovered	5,899.62	3,357.81
<b>13) BSCPL-BEKEM-RE Joint Venture</b>		
a) Construction Revenue	11,287.37	6,198.80
<b>14) BSCPL-Powermech consortium Pvt. Ltd.</b>		
a) Construction Revenue	3,115.007	11,535.21

## Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
<b>15) BSCPL-GVPR JV</b>		
a) Reimbursable expenses incurred by the Company	206.16	51.93
b) Construction Revenue	18,348.91	-
c) Mobilisation advance received	4,976.33	-
<b>C) Transactions with enterprises over which KMP or their relatives exercise significant influence</b>		
<b>1) Bollineni Castings and Steels Limited</b>		
a) Rent expense	-	12.00
b) Hire charges expenses	5.83	5.73
c) Sales	0.04	0.15
d) Purchase of Asset	15.30	-
<b>2) Bollineni Developers Limited</b>		
a) Reimbursable expenses incurred by the Company	4.64	-
b) Construction revenue / Service	192.95	378.83
c) Recoverable deposit given (Land Owner)	1,088.99	-
d) Advance given for Land development	-	-
<b>3) Aishu Castings Limited</b>		
a) Purchases of raw materials	239.70	251.84
b) Sale of scrap	34.04	52.03
<b>4) Aishu Projects Limited</b>		
a) Interest income on unsecured loan given	71.45	70.32
b) Unsecured loan given	-	20.00
<b>5) Amar Biotech Limited</b>		
a) Unsecured loan taken	-	80.00
b) Unsecured loan repaid (incl. interest payable)	(670.00)	(35.00)
c) Interest expense	262.44	294.15
d) Other income/service	6.95	-
<b>6) Krishnaiah Projects Private Limited</b>		
a) Revenue from construction contracts	324.07	607.98
b) Sale of materials	318.93	13.45
c) Rental Income	4.00	-
d) Purchase of materials	25.44	-
e) Services received	5.54	-
<b>7) Aishu Deramlands Limited</b>		
a) Unsecured loan given	-	300.00
b) Unsecured loan received back	(7.00)	(200.00)
c) Interest income	22.87	27.37
<b>8) Beeaky Dreamlands Private Limited</b>		
a) Unsecured loan given	95.00	980.64
b) Unsecured loan received back	(500.00)	-

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

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
c) Interest income	157.88	57.89
d) Revenue from construction contracts/service	200.90	-
e) Reimbursable expense incurred by the company	3.60	-
<b>9) Seenaiah Constructions Private Limited</b>		
a) Trade advance received	-	96.83
b) Rental income	0.60	0.10
c) Sale of materials	11.77	42.21
d) Purchase of materials	-	3.20
e) Purchase of asset	6.50	-
<b>10) Bollineni Ramanaiah Memorials Hospitals Limited</b>		
a) Unsecured loan taken	5,675.00	-
b) Unsecured loan repaid (incl. interest payable)	(1,075.00)	-
c) Interest expenses	882.73	-
<b>11) Venkateswara Financiers Hyderabad Private Limited</b>		
a) Unsecured loan taken	2500.00	-
b) Interest expenses	50.82	-
<b>12) Shangrila Infracon India Pvt. Ltd.</b>		
a) Unsecured loan taken	300.00	-
b) Unsecured loan repaid	(300.00)	-
c) Interest expenses	20.39	-
<b>D) Transactions with KMP</b>		
<b>1) B. Krishnaiah</b>		
a) Managerial remuneration	198.71	230.71
b) Unsecured loan taken	4,709.69	8,851.15
c) Unsecured loan repaid (incl. interest payable)	(182.20)	(5,443.35)
d) Interest expense	1,059.18	564.40
e) Personal guarantees against loans *	55,683.12	62,904.33
<b>2) B. Seenaiah</b>		
a) Managerial remuneration	180.00	180.00
b) Unsecured loan taken	15,754.89	2,103.00
c) Unsecured loan repaid (incl. interest payable)	(5,767.34)	(1,361.10)
d) Interest expense	1,115.21	338.90
e) Personal guarantees against loans *	53,784.83	62,393.92
<b>3) Kameshwara Rao Bhagwati</b>		
a) Director sitting fees	2.00	3.00
b) Audit committee meeting	1.00	1.00
c) Nomination and remuneration committee	-	0.25
d) CSR committee fees	0.25	0.25
<b>4) Balakrishnan Rajagopala</b>		
a) Director sitting fees	2.50	2.00
b) Audit committee meeting	1.00	1.00
c) Nomination and remuneration committee	0.50	0.25

## Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
<b>5) Anitha D</b>		
a) Director sitting fees	2.50	3.00
b) Nomination and remuneration committee	0.50	0.25
c) Unsecured loan taken	-	100.00
d) Interest expenses	19.89	11.64
<b>6) K Thanu Pillai</b>		
a) Managerial remuneration	63.00	2.44
<b>7) B Sujatha</b>		
a) Unsecured loan taken	150.00	1,640.00
b) Unsecured loan repaid	119.95	-
b) Interest expenses	-	221.63
<b>8) B. Yamuna</b>		
a) Rent Expenses	6.00	6.00
<b>9) K Raghavaiah</b>		
a) Remuneration	13.08	13.08
<b>10) N. Nani Aravind</b>		
a) Remuneration	24.00	24.00

\*Represents the closing balance of loan against which personal guarantees has been given by B. Krishnaiah and B. Seenaiah.

### (c) Balance outstanding at the end of the year

Amounts receivable / (payable)	31 March 2020	31 March 2019
Chilakaluripet Bypass Private Limited	10.69	-
BSC C and C Kurali Toll Road Limited	3,182.68	2,359.95
BSCPL International FZE	207.74	202.33
BSCPL Aurang Tollway Limited	7,676.24	5,168.36
Mokama -Munger Highway Limited	(442.02)	(408.13)
North Bihar Highway Limited	484.34	484.25
Patna Bakhtiyarpur Tollway Limited	203.21	202.61
Bollineni Castings and Steel Limited	(24.77)	(51.85)
Bollineni Developers Limited	10,723.93	9,552.00
Aishu Castings Limited	(405.82)	(250.75)
Aishu Projects Limited	1,609.15	1,537.70
Amar Biotech Limited	(1,472.97)	(1,907.86)
Aishu Deramlands Limited	143.21	129.62
Beeaky Dreamlands Private Limited	1,001.47	1,032.74
Seenaiah Constructions Private Limited	(4.35)	(96.83)
B. Krishnaiah	(8,263.92)	(4,307.48)
B. Seenaiah	(13,722.23)	(2,638.57)
K Thanu Pillai	(24.07)	(2.15)

## Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

Amounts receivable / (payable)	31 March 2020	31 March 2019
Krishnaiah Projects Private Limited	(488.94)	171.50
Krishna Institute of Medical Sciences Limited	(40.41)	(39.35)
Bollineni Ramanaiah Memorials Hospitals Limited	(5,394.45)	-
Venkateswara Financiers Hyderabad Pvt. Ltd	(2,545.74)	-
Shangrila Infracon India Private Limited	(18.35)	-
B. Sujatha	(1,870.00)	(1,839.95)
B. Yamuna	1.02	1.02
K. Raghavaiah	(0.39)	(3.98)
N. Nani Aravind	(3.40)	(8.13)
<b>Shares held in subsidiaries pledged (No. of shares)</b>		
BSCPL Aurang Tollway Limited	9,460,238	9,460,238
<b>Shares held in Joint ventures pledged (No. of shares)</b>		
Mokama -Munger Highway Limited	733,176	733,176
Patna Bakhtiyarpur Tollway Limited	1,203,806	1,203,806
North Bihar Highway Limited	2,912,088	2,912,088

### 35. Interest in Joint Ventures

The Company has formed a joint venture with BSCPL KNR JV, BSCPL-GVPR JV and BSCPL-BEKEM - RE JV, which is in the nature of a jointly controlled operation.

The disclosure of joint ventures is given in the consolidated financial statements in line with Ind AS -27, "Separate Financial Statements" and Ind AS 28, "Investments in Associates and Joint ventures."

### 36. A. Secured borrowings

#### Long term borrowings:

#### (i) Repayment and security details of secured debentures:

**Debentures Rs. 3,453.91**

**Redeemable Non-Convertible Debentures issued to Reliance Nippon Life Asset Management Limited (RNLAM) with the following principle terms:**

Secured, Rated, To be Listed, Non-Convertible Debentures.

- During year 2017-18, Company issued 6,300 Secured, Rated, To be Listed, Redeemable, Non-Convertible Debentures of Rs. 1,00,000 each amounting to Rs.6,300.00 lakhs to Reliance Nippon Life Asset management, shall be repaid within 38/50 months not later than 30<sup>th</sup> September 2021.
- Interest shall be payable at a rate of @18.5% p.a compounded monthly, payable quarterly.
- Security by
  - First charge by way of simple mortgage (without possession of) land/super structures in OMR Chennai.
  - Take possession (without intervention of the court) on underlying leasehold and development rights on land, unsold units and receivable of sold units of the OMR Chennai project.
  - Mortgage of 18.73 acres of land in OMR Chennai.
  - Personal guarantee of Mr. B. Krishnaiah and Mr. B. Seenaiiah.

## Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### (ii) Repayment and security details of secured loans from Banks:

#### (a) Axis Bank (Car loan) Rs. 1.29

- Loans from Axis Bank carry effective interest rate 13% p.a. on diminishing balance and loan shall be repaid in 36 monthly installments starting from July 01, 2017.
- The loan is secured by
  - Exclusive charge on the vehicle's procured out of the loan.
  - Personal guarantee of Mr. B. Seenaiiah

#### (b) Indus Ind Bank (Equipment loan) Rs. 748.63

- Loans from Indus Ind Bank carry effective interest rate 10.01% p.a. on diminishing balance and loan shall be repaid in 60 monthly installments starting from September 18, 2017.
- The loan is secured by
  - Exclusive charge on the construction equipment's procured out of the loan.

#### (c) HDFC Bank (Equipment loan) Rs. 23.85

- Loans from HDFC bank carry effective interest rate 9.25% p.a. on diminishing balance and loan shall be repaid in 36 monthly installments.
- The loan is secured by
  - Exclusive charge on the construction equipments procured out of the loan.
  - Personal guarantee of Mr. B. Seenaiiah.

### (iii) Repayment and security details of secured loans from others:

#### (a) SREI Equipment Finance Limited Rs. 6,796.18

- Loans from SREI Equipment Finance Limited carry effective interest rate range of 13% to 14% p.a. on diminishing balance and loan shall be repaid in 60 monthly installments.
- The loan is secured by
  - Exclusive charge on the construction equipments procured out of the loan.
  - Personal guarantee of Mr. B. Krishnaiah.

#### (b) Shriram Equipment Finance Limited -Rs. 1,395.31

- Loans from Shriram Equipment Finance Limited carry effective interest rate 12% p.a. on diminishing balance and loan shall be repaid in 60 monthly installments.
- The loan is secured by
  - Exclusive charge on the construction equipments procured out of the loan.
  - Personal guarantee of Mr. B. Seenaiiah.

#### (c) L&T Infrastructure Finance Company Limited Rs. 669.41

- Loans from L&T Infrastructure Company Limited carry effective interest rate range of 12% to 14% p.a. on diminishing balance and loan shall be repaid at the end of 12 Months from 25-07-2017.
- The loan is secured by
  - Demand promissory Note.
  - Personal guarantee of Mr. B. Krishnaiah and Mr. B. Seenaiiah.

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

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

**(d) Adani Capital Private Limited Rs. 1,597.16**

- Loans from Adani Capital Private Limited carry effective interest rate range of 16% to 20.50% p.a. on diminishing balance and Rs. 6,000.00 loan shall be repaid within 12 months from date of receipt i.e 27-10-2017 and balance Rs.4,000.00 loan amount shall be repaid 10 equal quarterly installments payable from 01-07-2018.
- The loan is secured by
  - Exclusive charge by way of mortgage of 14.97 cents of land situated at perumbakkam, Tamilnadu.
  - Exclusive charge by way of mortgage of Land and Buildings situated at perumbakkam, Tamilnadu.
  - Exclusive charge on land and building measuring 2,655 Sq yards and building (G+2 basements+ 4 floors) property with total built up area of 56,028 sqfts located at plot no 30, Institutional Area sector 32, Gurgaon, Haryana.
  - Personal guarantee of Mr. B. Krishnaiah and Mr. B. Seenaiiah.

**(e) Volvo Financial Services (India) Pvt. Limited Rs. 1,020.58**

- Loans from Volvo Financial Services (India) Pvt. Limited carry effective interest rate 11.50% p.a. on diminishing balance and loan shall be repaid in 35 monthly installments.
- The loan is secured by
  - Exclusive charge on the construction equipments procured out of the loan.
  - Personal guarantee of Mr. B. Seenaiiah.

**(f) Tata Motors Finance Solutions Limited Rs. 364.97**

- Loans from Tata Motors Finance Solutions Limited carry effective interest rate 12.50% p.a. on diminishing balance and loan shall be repaid in 35 monthly installments.
- The loan is secured by
  - **Exclusive charge on the construction equipments procured out of the loan.**
  - Personal guarantee of Mr. B. Seenaiiah.

**(g) Tata Motors Finance Limited Rs. 476.99**

- Loans from Tata Motors Finance Limited carry effective interest rate 11.63% p.a. on diminishing balance and loan shall be repaid in 46 monthly installments.
- The loan is secured by
  - Exclusive charge on the construction equipments procured out of the loan.
  - Personal guarantee of Mr. B. Seenaiiah

**(h) Mahindra Financial Services Limited Rs. 45.45**

- Loans from Mahindra Financial Services Limited carry effective interest rate 10.82% p.a. on diminishing balance and loan shall be repaid in 36 monthly installments.
- The loan is secured by
  - Exclusive charge on the construction equipments procured out of the loan.
  - Personal guarantee of Mr. B. Seenaiiah.

**(i) Daimler Financial Services India Pvt. Limited Rs. 475.32**

- Loans from Daimler Financial Services India Private Limited carry effective interest rate 11.50% p.a. on diminishing balance and loan shall be repaid in 35 monthly installments.

## Notes to financial statements for the year ended 31 March 2019

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

- The loan is secured by
  - Exclusive charge on the construction equipments procured out of the loan.
  - Personal guarantee of Mr. B. Seenaiiah.

### (j) Hinduja Leyland Finance Limited Rs. 345.50

- Loans from Hinduja Leyland Finance Limited carry effective interest rate 11.00% p.a. on diminishing balance and loan shall be repaid in 46 monthly installments.
- The loan is secured by
  - Exclusive charge on the construction equipments procured out of the loan.
  - Personal guarantee of Mr. B. Seenaiiah.

### (k) PNB Housing Finance Limited Rs. 240.72

- Loans from PNB Housing Finance Limited carry effective interest rate 11.75% p.a. on diminishing balance and loan shall be repaid in 36 monthly installments.
- The loan is secured by
  - Exclusive charge on the construction equipments procured out of the loan.
  - Personal guarantee of Mr. B. Seenaiiah.

## B. Short term borrowings:

### a) Working capital demand loans/cash credit facilities/Buyers's Credit/Letter of Credits - Rs. 44,149.56 (31 March 2019 Rs. 47,548.81)

Working capital loans/cash credit facilities to the extent availed from various banks under multiple banking arrangements and are secured by:

- First pari-passu charge on all the current assets of the Company.
- First pari-passu charge on unencumbered fixed assets of the Company.
- Equitable Mortgage on pari-passu basis of 7 immovable properties owned by the promoters and third parties.
- Personal guarantee of Mr. B. Seenaiiah and Mr. B. Krishnaiah.

## C. Unsecured Borrowings:

### (i) Long term borrowings:

- a) Term loan from related party of **Rs. 31,331.82** (31 March 2019 Rs. 10,869.28) carries effective interest in the range of 9% - 24% and is repayable within 36 months from the date of withdrawal of the respective tranche.
- b) Loans from others of **Rs. 1,378.59** (31 March 2019 Rs. Nil) carry interest in the range of 11% - 18%.

### (ii) Short term borrowings:

- a) Working capital demand loan from National Small Industries Corporation Limited of **Rs. 298.81** (31 March 2019 Rs. 284.86) carry interest rate of 11.00% p.a. and shall be repaid within 90 days from the date of disbursement.

## 37. Earnings per share

Reconciliation of equity shares used in computation of basic and diluted earnings per shares

Particulars	Unit	31 March 2020	31 March 2019
Profit after tax attributable to share holders	Rs. in lakh	4,018.64	2,467.92
Weighted average number of equity shares during the year	Number	24,857,336	24,857,336
Nominal value per share	Rs.	10.00	10.00
Basic / Diluted earnings per share	Rs.	16.17	9.93



## Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### 38. Provision for defect liability

A provision is recognised for expected costs to repair the road constructed by the Company for a period of 1 to 4 years from the date of completion of the construction. The provision is recognised based on the past experience towards cost of such repairs.

Particulars	31 March 2020	31 March 2019
Opening balance	1,110.56	630.56
Provision made during the year	157.16	482.00
Utilized during the year*	-	-
Provision reversed during the year	-	-
<b>Closing balance</b>	<b>1,267.72</b>	<b>1,110.56</b>

\* Actual expenses against the provision have been accounted under the respective head of expenses.

### 39. Contingent liabilities not provided for

Particulars	31 March 2020	31 March 2019
Entry tax demands arising from disputes not acknowledged as debts	3,697.16	3,697.16
Sales tax demand arising from disputes not acknowledged as debts	1,405.55	1,405.55
Duty Drawback demand arising from disputes not acknowledged as debts	351.15	351.15
Service tax demand arising from disputes not acknowledged as debts	2,736.43	2,736.43
Royalty demand arising from disputes not acknowledged as debts	1,273.46	1,333.26
Customs duty demand arising from disputes not acknowledged as debts	35.07	35.07
Guarantees issued by bankers on behalf of the Company	137,269.53	136,211.03
Corporate Guarantees issued by Company on behalf of subsidiaries and Joint ventures	56,785.00	142,385.00
Claims on joint venture not acknowledged as debts to the extent of our share	3,126.09	1,885.32
Income tax demands of Joint Venture not acknowledged as debts to the extent of our share	15,528.59	16,338.46

Based on the internal assessment and/or legal opinions obtained, the Management is confident that no provision is required to be made as at 31 March 2020.

### 40. Capital and other commitments

- Estimated amount of contracts remaining to be executed on capital account Rs. Nil (31 March 2019: Rs. 524.80)
- Estimated amount of contracts in joint ventures remaining to be executed on capital account, to the extent of our share Rs. Nil (31 March 2019: Rs. Nil)

### 41. Capital management

The Company endeavors to maintain sufficient levels of working capital, current assets, and current liabilities which helps the company to meet its expense obligations while also maintaining sufficient cash flow. The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and equity of the Company (comprising issued capital, reserves and retained earnings). The capital structure of the Company is reviewed by the management on a periodic basis.

## Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
Borrowings (non-current and current, including current maturities of non-current borrowings, interest accrued and due, Interest accrued but not due)	98,339.84	81,234.85
Less: Cash and cash equivalents (including current balances at bank other than cash and cash equivalents and margin money deposits with banks)	(1,916.92)	(7,186.84)
<b>Net debt (A)</b>	<b>96,442.93</b>	<b>74,048.01</b>
<b>Equity(B)(refer note 15 &amp; 16 )</b>	<b>105,837.90</b>	<b>101,890.69</b>
<b>Gearing ratio (%) (A/B)</b>	<b>0.91</b>	<b>0.73</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been breaches in the financial covenants of interest-bearing loans and borrowing in the current year, but that does not permit the bank to immediately call loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2020, 31 March 2019.

### 42. Financial risk management objectives and policies

The Company's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. In performing its operating, investing and financing activities, the Company is exposed to the Credit risk and Liquidity risk.

#### 1. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk. Financial instruments affected by market risk include loans and borrowings, deposits and FVTOCI investments.

##### *Interest Rate Risk*

Out of total borrowings, large portion represents short term borrowings (WCDL) and the interest rate is primarily based on the company's credit rating and also on the changes in the financial market. Company continuously monitors the overall factors which influence credit rating and also other factors which influence the determination of the interest rates by the banks to minimize the interest rate risks.

##### *Foreign Currency Exchange rate Risk*

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's foreign currency loan i.e. External Commercial Borrowings (ECB). The Company does not enter into any derivative instruments for trading or speculative purposes.

## Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

We summarize below the financial instruments which have the foreign currency risks as at 31 March 2020, 31 March 2019.

### (a) Derivatives outstanding as at

Particulars	Purpose	31 March 2020	31 March 2019
Cross Currency Interest Rate Swap	Hedge against exposure to principal and interest outflow on ECB loan.	Nil	Nil

### (b) Particulars of un-hedged foreign currency exposure as at

Particulars	31 March 2020	31 March 2019
Advance received towards sale of investments	Nil	Nil

## 2. Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

### Trade receivables

Credit risk with respect to trade receivables is limited, based on our historical experience of collecting receivables, supported by the level of default. Accordingly, the trade receivables are considered to be a single class of financial assets. Refer note 2(q) for accounting policy on Financial Instruments.

### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's top management in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the top management on an annual basis, and may be updated throughout the year subject to approval of the Company's board of directors. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

## 3. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

The table below analyses derivative and non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

## Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

	Carrying value	Less than 1 year	More than 1 year but less than 3 years	More than 3 years
<b>As at 31 March 2020</b>				
Borrowings	94,814.04	53,856.82	40,957.22	-
Other financial liabilities	24,557.57	17,189.65	5,995.48	1,372.44
Trade payables	15,498.84	15,498.84	-	-
<b>As at 31 March 2019</b>				
Borrowings	78,360.99	57,501.32	20,859.67	-
Other financial liabilities	26,106.16	20,438.02	3,992.42	1,675.72
Trade payables	15,793.51	15,793.51	-	-

At present, the Company does expects to repay all liabilities at their contractual maturity. In order to meet such cash commitments, the operating activity is expected to generate sufficient cash inflows.

### 43. Fair values :

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of the reporting period.

- a) The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used):

Financial asset	Fair value as at		Fair value hierarchy	Valuation techniques	Significant unobservable input(s)	Relationship of unobservable inputs fair value
	31-Mar-20	31-Mar-19				
Investment in equity shares of Bank of Baroda Ltd.	4.31	10.34	Level 1	Quoted prices in active market	None	Not applicable
Investment in equity shares of C&C Constructions Ltd.	0.10	1.04	Level 1	Quoted prices in active market	None	Not applicable
Investment in equity shares of Pipal Tree Ventures Private Limited	148.03	150.42	Level 3	Net assets value of the investee company based on its audited financial statements.	Net assets of the investee company	Direct

## Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

- b) (i). Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Particulars	Carrying value		Fair value	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
<b>Financial assets</b>				
<b>At amortized cost</b>				
Cash and cash equivalents	1,617.92	5,087.81	1,617.92	5,087.81
Bank balances other than above	299.00	2,099.03	299.00	2,099.03
Trade receivables	40,068.65	37,842.02	40,068.65	37,842.02
Loans	6,358.35	5,569.27	6,358.35	5,569.27
Other financial assets	41,836.76	32,300.36	41,836.76	32,300.36
<b>Financial liabilities</b>				
<b>At amortized cost</b>				
Trade payables	15,498.84	15,793.51	15,498.84	15,793.51
Borrowings	94,814.04	78,360.99	94,814.04	78,360.99
Other financial liabilities	24,557.57	26,106.16	24,557.57	26,106.16

### 44. Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorized within the fair value hierarchy described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1: Quoted price in active markets

Level 2: Significant observable inputs

Level 3: Significant unobservable inputs

### Quantitative disclosures fair value measurement hierarchy for financial instruments:

Particulars	Level As at 31 March 2020			Level As at 31 March 2019		
	1	2	3	1	2	3
<b>Financial assets</b>						
<b>At amortized cost</b>						
Cash and cash equivalents	-	-	1,617.92	-	-	5,087.81
Bank balances other than above	-	-	299.00	-	-	2,099.03
Trade receivables	-	-	40,068.05	-	-	37,842.02
Loans	-	-	6,358.35	-	-	5,569.27
Other financial assets	-	-	41,836.76	-	-	32,300.36
<b>Financial liabilities</b>						
Trade payables	-	-	15,498.84	-	-	15,793.51
Borrowings	-	-	94,814.04	-	-	78,360.99
Other financial liabilities	-	-	24,557.57	-	-	26,106.16

There have been no transfers between Level 1 and Level 2 during the period. The fair values of the financial assets and financial liabilities above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

## Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### 45. Details of dues to micro and small enterprises as per MSMED Act, 2006

Particulars	31 March 2020	31 March 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
Principal amount due to micro and small enterprises Interest due on above	556.29	496.80

The above information regarding Micro and Small Enterprises has been determined to the extent such parties are identified on the basis of information available with the Company. There were no delays in the payment of dues to Micro and Small Enterprises.

### 46. Corporate Social responsibility expenditure

Particulars	31 March 2020	31 March 2019
a) Gross amount required to be spent by the Company during the year	-	-
b) Amount spent during the year ending on 31 March 2020:		
i) Construction/acquisition of any asset		
In cash	-	10.10
Yet to be paid in cash	-	-
<b>Total</b>	<b>-</b>	<b>10.10</b>
ii) On purposes other than (i) above		
In cash	-	-
Yet to be paid in cash	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### 47. Segment reporting

In accordance with Accounting Standard (Ind AS) 108 on Operating Segments, segment information has been given in the consolidated financial statements of the Company, and therefore no separate disclosure on segment information is given in these financial statements.

48. As of 31 March 2020, the Company has investment of Rs. 1,994.57(31 March 2019: Rs. 1,992.57) and has given advances of Rs. 9,993.51 (31 March 2019: Rs. 10,144.78) in certain unincorporated joint ventures engaged in execution of irrigation projects in ertswhile state of Andhra Pradesh and these projects have been progressing slow/stopped on account of various pending environmental/forest land clearances. Unincorporated joint ventures are carrying certain advances/ inventory/ trade receivables towards the above irrigation projects to be realized from the State Government. The Company is confident to obtain the clearances at the earliest for commencement of the projects and to recover the entire carrying value of investments in these un-incorporated Joint ventures. Accordingly no provision is considered necessary against these investments in these financial statements. Further, as the clearances are expected to be received at the earliest, the management is of the view to classify these advances as current.

49. In respect of the claims recognized and receivable from the road projects in Siliguri (Contract -WB-VI) to the extent of Rs. 4,140.73 and in MP Deori (Contract - MP-ADB-II/C-7) to the extent of Rs. 4,156.56 the company has de-recognised(FY 2018-19) this claims having unfavorable judgment pronounced by the Honorable Supreme Court of India in similar case.

The Company has preferred such claims based on the terms and conditions implicit in the respective construction contracts. Since the claims are technical in nature and subject to judicial process, the Company has obtained a legal opinion on the recoverability of such claims from an independent counsel. The Company has been legally advised that amounts are good of recovery. On the basis of such past recovery, legal opinion and internal assessment, the management is of the view that the claims are tenable, there exists no uncertainty as to ultimate collection and are expected to be realized in the Company's operating cycle within twelve months after the reporting date. Pending outcome of the judicial process, the above amounts are being carried as recoverable and disclosed under other current financial assets.

50. The Company, on the basis of expert advise and internal assessment, has decided to claim the tax benefit under Section

## Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

80IA of the Income Tax Act, 1961 for projects/sites, which are eligible for deduction. Further, the deferred tax on temporary difference between accounting income and taxable income that have arisen up to current year in respect of these projects are reversing during such holiday period; hence no deferred tax asset/ liability arises and accordingly no provision for those projects is made in the financial statements.

51. As of 31 March 2020, the Company has accounted receivable from its subsidiary BSCPL AurangTollway Limited ("BATL") amounting to Rs. 5,741.69 which is accepted by BATL and is pending acceptance by external engineers/ultimate customer. The Company has preferred such claims based on the terms and conditions implicit in the respective construction contracts. The management believes that the amount is recoverable in the normal operating cycle of the Company and hence has classified the receivable as current.

Further, Company has made the following claims on BSCPL AurangTollway Limited ("BATL")

**Change in Law:** As per Clause 13.9 of the EPC agreement, a claim of Rs. 4,339.80 was raised on BATL for the period from FY 2013-14 to FY 2018-19 vide letter no. BSCPL/BATL/NH-6/OAP/2019-20/1131 dated 22.01.2020; BATL in turn filed the claim with NHAI pursuant to clause 41.1 of the Concession Agreement for release of payment.

**Prolongation claim:** Claim of Rs. 39,989.63 was raised on BATL under Clause 8.7 of the EPC Agreement on the Company vide letter no. BSCPL/BATL/NH-6/OAP/2019-20/1133 dated 24.01.2020 relating to claim of additional costs due to overhead expenses, idling cost of plant and machinery at site, financing charges and loss of profit including delay in release of Performance Security due to various reasons of delays caused by the BATL/NHAI; the same in turn was claimed with NHAI by the BATL as per the terms of the Concession Agreement.

**Change of Scope Claims:** Claim of Rs. 6,844.14 was raised on BATL under Clause 13 of EPC Agreement due to Variations vide letter no. BSCPL/BATL/NH-6/OAP/2019-20/1101 dated 03.09.2018 (part amount for Rs. 2,049.02 was recommended for approval by BATL/RO, NHAI to NHAI HQ under Article 16 of Concession Agreement on 02-01-2018 and is still pending), the same has been claimed by the BATL with NHAI pursuant Article 16 of Concession Agreement.

The above claims have now become a matter of disputes between BATL and NHAI are referred to Arbitration as per terms of Concession Agreement. The above amounts claimed by the Company from BATL will be reimbursed on receipt of same from NHAI.

52. As of 31 March, 2020, the Company has accounted a claim on BSCPL GodhraTollways Limited ("BGTL") (an erstwhile subsidiary of the Company) amounting to Rs. 2,822.25 based on bills certified by BGTL, which are back-to-back dependent on the outcome of arbitration/dispute resolution process with the ultimate customer, which has been appealed against by the counter-party. However, based on the terms of the Share purchase agreement dated 14 November 2016 entered into between the Company, BGTL, other shareholders and IDFC Alternatives Limited, BGTL had agreed to write off the corresponding liability and asset in its books of account for the year ended 31 March 2017. Further, as per the addendum to the Share Purchase agreement, the Company and BGTL have agreed for the procedure for arbitration as per which the claim amount as and when received by BGTL, (after receiving from NHAI) will be transferred to BSCPL.

Further, having received the Arbitration award (dated 27<sup>th</sup> November 2019) for Rs. 2,822.25 against Rs. 3,736.66, the balance amount of Rs. 914.41 has been charged to profit and loss account during the year.

The Company has preferred such claims based on the terms and conditions implicit in the respective construction contracts. Since the claims are technical in nature and subject to judicial process, the Company has obtained a legal opinion on the recoverability of such claims from an independent counsel. The Company has been legally advised that amounts are good of recovery. On the basis of such legal opinion and internal assessment, the management is of the view that the claims are tenable and there exists no uncertainty as to ultimate collection. Pending outcome of the judicial process, the above amounts are being carried as recoverable.

53. Interest free unsecured loans to be recoverable from Subsidiaries/ Joint ventures. Recover ability of unsecured loans is based on impairment test of the corresponding Subsidiaries/ Joint ventures. On the event of significant impairment of any Subsidiaries/ Joint ventures and the unsecured loans is proved to be non-recoverable with all certainty, the said amount is written off.
54. The following Receivables have been written off as referred to the Board of Directors since the realization of the same is not happening based on the facts and circumstances.
- The company has accounted a claim of Rs. 3,736.66 on BSCPL GodhraTollways Ltd (BGTL), a 100% subsidiary of the company against the EPC works done for the project. BGTL had in turn put the claim with NHAI under various categories of claims including the additional cost for COS to be incurred while completing the project. The Arbitration Tribunal has pronounced its award on 27/11/2019 of Rs. 2,822.25 payable against the claim of COS to BGTL. Since the



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

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

claim accounted based on the back to back to be passed on to the company by BGTL, the management has taken view of write off the balance amount of Rs. 914.41 Hence an amount of Rs. 914.41 has been proposed to be written off during the Financial year 2019-20 against the claim already accounted.

- The company had put a claim against NHAI, the employer for the additional cost incurred for the EPC works done on Siliguri Islampur section of NH 31 in the state of West Bengal. The company has recognized the claim of Rs.5,493.50 which comprises of Delay claim of Rs. 1,352.77 and price adjustment of Rs.4,140.62 over a period of time including the accumulated interest till FY 2016-17. The Arbitration Tribunal had awarded a claim of to the company against which NHAI appealed to the court. NHAI was directed to deposit the claim amount by the Court and later released to the company subject to the final verdict against the undertaking given by the company. The company has received an amount of Rs. 5,440.80 towards Delay claim of Rs. 1,279.22, an interest of Rs. 51.70 and the balance of Rs. 4,109.87 for price adjustment. This leaving a balance of Rs. 73.55 which was excess recognized towards Delay claim and offered as income.

Subsequently, the Hon'ble Supreme Court had given judgment in favor of NHAI and against the claimants in the similar cases of price adjustment. NHAI had demanded the price adjustment amount of Rs. 4,109.87 and the interest of Rs. 1,261.94 and the same has been paid. The company had written off the claim amount in the financial year 2018-19 by showing the liability for the amount received. The company has paid an amount of Rs. 5,371.81 to NHAI for the demand made. Further, an amount of Rs. 16.59 which was withheld by NHAI against the IPC bills has not been released by appropriating against the amount to be recovered. Hence, the management has taken a view of writing off the amount of Rs. 90.14 during the financial year 2019-20.

- The company had won the bidding of Simhapuri Expressways Ltd (SEL) a BOT along with KMC Constructions Ltd. For execution of the project both the company have taken the EPC contract in the proportion of 51: 49 for KMC and the company respectively. While executing the project some portion of KMC work had been given to the company on sub contract basis. On completion of the project, having incurred additional cost for COS, CIL etc, both the companies had put the claim on SEL being owner of the BOT project. SEL in turn had put the claim with NHAI to pay to the EPC contractors on back to back to basis. Subsequently, the BOT and NHAI have reached a settlement agreement for an amount of Rs.19,250.00 which is to be shared between the both the EPC contractors. Both the EPC contractors have shared the net claim amount of Rs. 18,152.00 by sharing an amount of Rs. 15,480.00 to BSCPL and Rs. 2,672.00 to KMC for the all works done including the subcontract works given by KMC to BSCPL. After the settlement, there is an amount of Rs. 1,204.94 lying in the books of the company to the debit of KMC Constructions Ltd. Hence, with no further amount to be received from KMC for the works done after the settlement, the management has taken a view for writing off the amount of Rs. 1,204.94 during the financial year 2019-20.

55. The following unsecured loans given to the BOT project have been written off as referred to the Board of Directors since the realization of the same is not happening based on the facts and circumstances.

The company being the joint venture partner along with C & C Constructions Ltd for bidding a road project on NH 30 situated in the state of Bihar has contributed its share of equity in the form of equity share capital and interest free unsecured loan in Patna Bhaktiyarpur Tollway Ltd an SPV formed for the said purpose. The company has contributed Rs. 4,200.73 towards construction of the project. Unfortunately, the project has not been able to generate sufficient toll revenue because of various external factors since COD achieved and failed in servicing of the debt borrowed from the consortium of lenders. Further, the company had contributed an additional support of Rs. 4,465.50 in the form of unsecured loan as 'sponsor support'. However, due to the continuous low toll collections with no improvement, the loan accounts had become NPA and a resolution process of S4A was approved by the lenders at the debt sustainability of 45%. Unfortunately, the resolution process of S4A was withdrawn by RBI before its implementation. With no possible resolution of debt is in sight, the lenders started selling their loan to ARC at 42% - 45%. In these circumstances with no scope of recovery and the asset also becoming impaired, the management has taken view of writing off the unsecured loans to the tune of Rs. 8,666.23 extended being the co-sponsor of the project.

56. The company is mainly engaged in the execution of road works allotted by the National Highways Authority of India and Irrigation related works given by various state governments. Due to lock down restrictions imposed in the month of March, 2020, the work at major sites has come to standstill and post lockdown restrictions, the works are resumed but due to shortage of site workmen and disruption in material supply, the works are being carried at sub-optimal level which may lead to delay in completion of the projects. However, the respective Departments are awarding an extension of time ranging from three to six months with no extra cost to the contractor. COVID 19 Pandemic impact and lockdown restrictions caused temporary stress on the working capital management. The company has opted for the utilization of



## Notes to financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

Moratorium Benefit provided by the Reserve Bank of India and the company has also applied for loan facility under Covid Emergency Credit Line. In view of the above, the COVID19 pandemic impact on the business operations of the company is temporary in nature and it will not impact the continuity of the business operations of the company. However, the Company will closely monitor the future developments and economic conditions across the country and assess its impact on the financial statements.

### 57. Auditor's Remuneration

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Statutory audit fee	40.00	40.00
Tax audit fees	5.00	3.50
Reimbursement of expenses	2.00	1.21
<b>Total</b>	<b>47.00</b>	<b>44.71</b>

58. No subsequent event has been observed which may require an adjustment to the balance sheet.

59. The financial statements contain certain amounts reported as "0" which are less than Rs. 5,000 (i.e. Rs. 0.05 Lakh).

### As per our report of even date

For **K Prahlada Rao & Co**  
ICAI Firm Registration No. 002717S  
Chartered Accountants

For **B Srinivasa Rao & Co.**  
ICAI Firm Registration  
No. 008763S  
Chartered Accountants

For and on behalf of the Board of Directors of  
**BSCPL Infrastructure Limited**

**K Prahlada Rao**  
Partner  
Membership No. 018477

**B Srinivasa Rao**  
Partner  
Membership No. 205449

**B. Krishnaiah**  
Chairman  
DIN:00025094

**B. Seenaiiah**  
Managing Director  
DIN: 00496623

**N. Nani Aravind**  
chief Financial  
Officer

**K. Raghavaiah**  
Company Secretary

Place: Hyderabad  
Date : 04 November 2020

Place: Hyderabad  
Date : 04 November 2020

To the Members of BSCPL Infrastructure Limited

**Report on the Consolidated Ind AS financial statements****Qualified Opinion**

We have audited the accompanying Consolidated Ind AS financial statements of BSCPL Infrastructure Limited (hereinafter referred to as “the Holding Company”), its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) and jointly controlled entities, comprising of the consolidated Balance Sheet as at 31 March 2020, the consolidated Statement of Profit and Loss, including the statement of other Comprehensive Income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated Ind AS financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in paragraph of the Basis for Qualified Opinion paragraph below, the aforesaid Consolidated Ind AS financial statements give the information required by 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 31 March 2020, of its Consolidated profit including other comprehensive income, Consolidated changes in equity and its Consolidated cash flows for the year ended on that date.

**Basis for Qualified Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion. The following are the basis for providing the qualified opinion.

1. As more fully discussed in Note 54 of the Consolidated Ind AS financial statements, as of 31 March 2020, the Holding Company has investment of Rs. 1,994.57 lakhs and has given advances of Rs. 9,993.51 lakhs, to certain unincorporated jointly controlled entities engaged in execution of irrigation projects in the erstwhile state of Andhra Pradesh, which are progressing slow/ stopped due to environmental/ forest land clearances issues. Pending outcome of the above matter, we are unable to comment on the carrying value and classification of these investments and advances including any consequential impact on Share of profit/(loss) of equity accounted investees- un-incorporated, investments and related disclosures that maybe required in these consolidated Ind AS financial statements. Audit report for the previous year was also qualified in respect of this matter.
2. As more fully discussed in Note 56 of the Consolidated Ind AS financial statements, as of 31 March 2020, the Holding Company had accounted claim from customers in the previous year's amounting to Rs. 2,822.25 lakhs which are under arbitration/dispute resolution process. Pending outcome of the arbitration/dispute resolution process, we are unable to comment on the classification and carrying value of the above claim receivable including any provisioning that may be required in these Consolidated Ind AS financial statements. Audit report for the previous year was also qualified in respect of this matter.

### Emphasis of Matters

We draw attention to Note No. 58 of the Consolidated Ind AS financial statement in which the Company describes the uncertainties arising from the COVID 19 pandemic. Our report is not modified in respect of this matter.

### Key Audit Matters

Physical verification of inventory & Property Plant & Equipment at site locations	
Key audit matter description	The Company's management conducts periodical physical verification of inventories and Property Plant & Equipment during the year at reasonable intervals. However, on account of the COVID-19 related lockdown restrictions, management was able to perform year end physical verification of inventories and Property Plant & Equipment, only at certain locations. Management has carried out other procedures to validate the existence of its inventory as at the year-end, such as carrying out consumption analysis, and performing roll-back procedures to determine the quantities of the inventory as at the balance sheet date.
Principal Audit Procedures	<p>The procedures performed includes the following:</p> <ul style="list-style-type: none"> <li>• Understanding the process and tested the management's internal controls to establish the existence of inventory and Property, Plant &amp; Equipment</li> <li>• Analysing the scope and coverage of the periodic verification program for inventories and Property Plant &amp; Equipment and the results of such verification including analysis of discrepancies, if any;</li> <li>• Testing the analytical reviews performed by the Company such as consumption analysis.</li> <li>• Verification of inventory and Property, Plant &amp; Equipment registers certified by the Management and reconciling the same with books of accounts.</li> </ul>

### Information other than the financial statements and auditor's report thereon:

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the board's report including annexures thereto and management discussion and analysis, but does not include the consolidated financial statements and our auditor's report thereon.

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

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 during the course of our audit, or otherwise appears to be materially misstated.

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

## **Responsibility of Management for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including consolidated other comprehensive income, consolidated cash flows and consolidated changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The respective Board of Directors of the companies included in the group are also responsible for overseeing the company's financial reporting process.

## **Auditor's Responsibility for the Audit of the Ind AS Financial Statements**

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.

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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its joint operations to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the standalone financial statements of which we are the independent auditors. For the other entities included in the standalone financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

As required by section 143(3) of the Act, we report that:

- (a) We have sought and, except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- (b) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss including the Consolidated Statement of Other Comprehensive income, and Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) The matters described in the Basis for Qualified Opinion paragraph in our opinion, may have an adverse effect on the functioning of the Company;
- (f) On the basis of written representations received from the directors as on 31 March 2020, and taken on record by the Board of Directors of the Holding company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiaries incorporated in India, none of the directors is disqualified as on 31 March 2020, from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013;
- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraphs above.
- (h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure 1” to this report;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (j) 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 consolidated financial statements disclosed the impact of pending litigations on its consolidated financial position in its consolidated Ind AS financial statements Refer Note 44 to the consolidated Ind AS financial statements;
  - ii. The Group and its jointly controlled entities did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and jointly controlled entities incorporated in India during the year ended 31 March 2020.

**Other Matter**

We did not audit the financial statements and other financial information, in respect of four subsidiaries, whose Ind AS financial statements reflects total assets of Rs184,403.30 lakh and net assets of Rs 8,447.17 lakh as at 31 March 2020, and total revenues of Rs16,466.70 lakh and net loss amounting to Rs. 12,247.68 lakh and the other comprehensive income of Rs. 147.17 lakh for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements and other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. The consolidated Ind AS financial statements also include the Group's share of net profit of Rs. 217.57 lakh for the year ended 31 March 2020 in respect of 12 jointly controlled entities whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and jointly controlled entities, is based solely on the reports of such other auditors.

Our above opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements above, 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.

**For K Prahlada Rao & Co**

ICAI Firm registration number: 002717S  
Chartered Accountants

**Per K Prahlada Rao**

Partner  
Membership No.: 018477  
UDIN - 20018477AAAAKY9772

**For B Srinivasa Rao & Co**

ICAI Firm registration number: 008763S  
Chartered Accountants

**Per B Srinivasa Rao**

Partner  
Membership No.: 205449  
UDIN - 20205449AAAAABW9932

**Place:** Hyderabad  
**Date:** 04 November 2020

**Place:** Hyderabad  
**Date:** 04 November 2020



**ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS  
FINANCIAL STATEMENTS OF BSCPL INFRASTRUCTURE LIMITED****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated Ind AS financial statements of BSCPL Infrastructure Limited as of and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting of BSCPL Infrastructure Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies and jointly controlled entities, which are companies incorporated in India, as of that date (hereinafter referred to as the "Covered Entities", refer Annexure 2 for list of Covered Entities).

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Covered Entities are responsible for establishing and maintaining internal financial controls based on, "the internal financial control over financial reporting criteria established by the Covered Entities 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 Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**



A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 over Financial Reporting**

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

### **Qualified Opinion**

According to the information and explanations given to us and based on the report issued by other auditors on internal financial controls system over financial reporting in case of Covered Entities, the following material weaknesses have been identified as at 31 March 2020:

The Holding Company's internal financial controls with regard to assessment of impairment of carrying value of investments and advances in the case of certain unincorporated jointly controlled entities engaged in execution of irrigation projects as fully explained in Note 54 of the consolidated Ind AS financial statements were not operating effectively, which could potentially result in the Company not providing for adjustments that may be required to be made to the carrying value of such investments and advances.

The Holding Company's internal financial controls over financial statement closure procedure for advances to certain unincorporated jointly controlled entities and trade receivables as fully explained in Note 54 and Note 56 to the consolidated Ind AS financial statements were not operating effectively, which could potentially result in misstatement of classification of such claims, advances to certain unincorporated jointly controlled entities and trade receivables.

The Holding Company's internal financial controls relating to review of trade receivables for appropriate provisioning did not operate effectively which could potentially result in the Company not recognising possible provisions for recoverability of these receivables.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the holding company's annual consolidated Ind AS financial statements will not be prevented or detected on a timely basis.

In our opinion and to the best of our information and according to the explanations given to us, the company and other covered Entities, have, in all material respects, an adequate internal financial controls over financial reporting as at 31 March 2020, based on the internal control over financial reporting criteria established by the Covered Entities 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, and except for the possible effects of the material weaknesses described in paragraphs (a), (b) and (c) above on the achievement of the objectives of the control criteria, the Covered Entities' internal financial controls over financial reporting were operating effectively as at 31 March 2020.

**Explanatory paragraph**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to Covered Entities as listed in Annexure 2, is based on the corresponding reports of the auditors of such companies incorporated in India.

We also have audited, in accordance with the Standards on Auditing issued by the ICAI, as specified under section 143 (10) of the Act, the consolidated Ind AS financial statements of the group and jointly controlled entities as at 31 March 2020, which comprise the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated 04<sup>th</sup> November 2020 expressed a qualified opinion thereon on the consolidated Ind AS financial statements.

**For K Prahlada Rao & Co**

ICAI Firm registration number: 002717S  
Chartered Accountants

**K Prahlada Rao**

Partner  
Membership No.: 018477  
UDIN - 20018477AAAAKY9772

Place: Hyderabad  
Date : 04 November 2020

**For B Srinivasa Rao & Co**

ICAI Firm registration number: 008763S  
Chartered Accountants

**B Srinivasa Rao**

Partner  
Membership No.: 205449  
UDIN - 20205449AAAABW9932

Place: Hyderabad  
Date : 04 November 2020

**Annexure 2**

<b>S.No.</b>	<b>Name of the entity</b>	<b>Nature of relationship</b>
1.	BSCPL Infrastructure Limited	Holding Company
2.	Chilakaluripet Bypass Private Limited	Subsidiary
3.	BSC- C and C- Kurali Toll Road Limited	Subsidiary
4.	BSCPL Aurang Tollway Limited	Subsidiary
5.	Mokama - Munger Highway Limited	Jointly controlled entity
6.	North Bihar Highway Limited	Jointly controlled entity
7.	Patna Bakhtiyarpur Tollway Limited	Jointly controlled entity

**Consolidated Balance sheet as at 31 March 2020**

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

	Notes	31 March 2020	31 March 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	25,706.87	23,929.32
Capital work-in-progress		1,273.88	4,750.93
Investment property	4	3,538.02	3,595.08
Service concession arrangement (SCA)	5	181,594.42	186,536.78
Investment in joint ventures	6A	17,131.44	17,464.91
Financial assets			
Investments	6B	148.03	150.42
Trade Receivables	7	6,551.02	7,007.66
Loans	8	851.48	887.62
Other financial assets	9	7,854.17	507.50
Deferred tax asset (net)	33.2	3,942.05	3,736.72
Non current tax asset (net)	14	9,771.41	6,293.51
Other non-current assets	10	1,765.35	2,252.32
		<b>260,128.14</b>	<b>257,112.77</b>
<b>Current assets</b>			
Inventories	11	79,494.85	78,736.48
Financial assets			
Investments	6B	4.41	11.38
Trade receivables	7	25,943.41	25,092.67
Cash and cash equivalents	12	2,032.43	5,371.93
Other bank balances	13	299.00	2,099.03
Loans	8	5,541.97	4,712.48
Other financial assets	9	36,026.77	34,075.11
Other current assets	10	15,079.72	16,157.50
		<b>164,422.56</b>	<b>166,256.58</b>
<b>Total assets</b>		<b>424,550.70</b>	<b>423,369.35</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	2,485.73	2,485.73
Other equity	16	58,572.42	53,793.04
		<b>61,058.15</b>	<b>56,278.77</b>
Non-controlling interests	45	1,968.00	2,026.90
<b>Total equity</b>		<b>63,026.15</b>	<b>58,305.67</b>

## Consolidated Balance sheet as at 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

	Notes	31 March 2020	31 March 2019
<b>Liabilities</b>			
<b>Non-Current liabilities</b>			
Financial liabilities			
Borrowings	17	132,906.20	116,888.16
Other financial liabilities	18	55,313.33	48,288.47
Long term Provisions	19	9,668.79	6,502.34
Other Non-Current liabilities	20	12,675.89	23,807.71
		<b>210,564.21</b>	<b>195,486.68</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	17	48,295.44	52,654.48
Trade payables	21	15,717.74	15,949.71
Other financial liabilities	18	34,475.42	36,590.51
Provisions	19	1,934.47	2,694.89
Current tax liabilities	22	-	-
Other Current liabilities	20	50,537.27	61,687.41
		<b>150,960.34</b>	<b>169,577.00</b>
<b>Total equity and liabilities</b>		<b>424,550.70</b>	<b>423,369.35</b>
Summary of significant accounting policies	2.4		

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

**For K Prahlada Rao & Co.**

ICAI Firm registration  
number: 002717S  
Chartered Accountants

**For B Srinivasa Rao & Co**

ICAI Firm registration  
Number: 008763S  
Chartered Accountants

For and on behalf of the Board of Directors of  
**BSCPL Infrastructure Limited**

**K Prahlada Rao**

Partner  
Membership No. 018477

**B. Srinivasa Rao**

Partner  
Membership No. 205449

**B. Krishnaiah**

Chairman  
DIN : 00025094

**B. Seenaiiah**

Managing Director  
DIN :00496623

**N. Nani Aravind**

Chief Financial Officer

**K. Raghavaiah**

Company Secretary

Place : Hyderabad  
Date : 4th November 2020

Place : Hyderabad  
Date : 4th November 2020

## Consolidated Statement of profit and loss for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

	Notes	31 March 2020	31 March 2019
<b>Income</b>			
Revenue from operations	23	172,625.59	174,506.99
Other income	24	7,363.94	3,892.45
<b>Total income</b>		<b>179,989.53</b>	<b>178,399.44</b>
<b>Expenses</b>			
Cost of materials consumed	25	39,551.25	39,418.42
Changes in inventory of finished goods, work-in-progress and real estate under development	26	(744.00)	(18,008.16)
Construction expenses	27	40,714.98	88,405.47
Employee benefits expense	28	15,116.42	12,881.81
Other expenses	29	33,158.28	35,987.03
Depreciation and amortisation expense	30	11,773.91	9,106.30
Finance costs	31	36,761.20	39,099.64
<b>Total expenses</b>		<b>176,332.04</b>	<b>206,890.51</b>
<b>Loss before exceptional items, before share of profit of equity accounted investees and tax</b>		<b>3,657.49</b>	<b>(28,491.07)</b>
Exceptional items - profit on sale of investments		-	3,593.13
<b>(Loss)/ Profit before share of profit of equity accounted in vestees and tax</b>		<b>3,657.49</b>	<b>(24,897.94)</b>
Share of (loss)/ profit of equity accounted investees		217.57	<b>340.45</b>
<b>(Loss)/ Profit before tax</b>		<b>3,875.06</b>	<b>(24,557.49)</b>
<b>Tax expense/(credit):</b>	33.1		
Current tax		1,380.19	3,362.79
Deferred tax		(177.40)	654.86
Adjustment of tax relating to earlier periods		(1,963.19)	86.00
		<b>( 760.40)</b>	<b>4,103.65</b>
<b>(Loss)/ profit after tax for the year</b>		<b>4,635.46</b>	<b>(28,661.14)</b>
<b>Other comprehensive income</b>			
<b>(i) Items not to be re classified to profit or loss in subsequent periods:</b>			
Re-measurements of defined benefit liability		(79.58)	58.15
Net (loss)/gain on FVTOCI equity securities		(9.37)	12.08
Income tax effect		27.94	(17.72)
<b>Net other comprehensive (loss)/ income not to be classified to profit or loss in subsequent periods</b>		<b>(61.01)</b>	<b>52.51</b>

## Consolidated Statement of profit and loss for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

	Notes	31 March 2020	31 March 2019
<b>(ii) Items that will be re-classified to profit and loss</b>			
Exchange differences on translation of foreign operations		146.03	117.80
<b>Net other comprehensive (loss)/ income to be classified to profit or loss in subsequent periods</b>		<b>146.03</b>	<b>117.80</b>
<b>Other comprehensive (loss)/ income for the year, net of income tax</b>		<b>85.02</b>	<b>170.31</b>
<b>Total comprehensive income for the year</b>		<b>4,720.48</b>	<b>(28,490.83)</b>
<b>Profit/ (loss) attributable to:</b>			
Owners of the company		4,694.95	(28,855.62)
Non-controlling interests		(59.49)	194.48
<b>(Loss)/ Profit for the year</b>		<b>4,635.46</b>	<b>(28,661.14)</b>
<b>Other comprehensive income attributable to:</b>			
Owners of the company		84.43	167.26
Non-controlling interests'		0.59	3.05
<b>Other comprehensive income for the year</b>		<b>85.02</b>	<b>170.31</b>
<b>Total comprehensive income/ (loss) attributable to:</b>			
Owners of the company		4,779.38	(28,688.36)
Non-controlling interests		(58.90)	197.53
<b>Total comprehensive income for the year</b>		<b>4,720.48</b>	<b>(28,490.83 )</b>
<b>Earnings per each equity share</b>			
Basic and diluted earnings per share (Rs.)	40	18.89	(116.08)
Nominal value per equity share (Rs.)		10.00	10.00
Summary of significant accounting policies	2.4		

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

**For K Prahlada Rao & Co.**

ICAI Firm registration  
number: 002717S  
Chartered Accountants

**For B Srinivasa Rao & Co**

ICAI Firm registration  
Number: 008763S  
Chartered Accountants

For and on behalf of the Board of Directors of  
**BSCPL Infrastructure Limited**

**K Prahlada Rao**

Partner  
Membership No. 018477

**B. Srinivasa Rao**

Partner  
Membership No. 205449

**B. Krishnaiah**

Chairman  
DIN : 00025094

**B. Seenaiiah**

Managing Director  
DIN : 00496623

**N. Nani Aravind**

Chief Financial Officer

**K. Raghavaiah**

Company Secretary

Place : Hyderabad

Date : 4th November 2020

Place : Hyderabad

Date : 4th November 2020

## Consolidated Cash flow Statement for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

	31 March 2020	31 March 2019
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>3,875.06</b>	<b>(24,557.49)</b>
<b>Non cash adjustments to reconcile profit before tax to net cash flows:</b>		
Share of loss/ (profit) of equity accounted investees	(217.57)	(340.45)
Exception item - gain on sale of investments	-	(3,593.13)
Depreciation and amortization	11,773.91	9,106.30
Finance cost	34,468.06	37,195.42
Profit on sale of property, plant and equipment	(236.07)	(148.87)
Provision/ (provision written back) for defect liability	157.16	482.00
Bad debts/ advances written off	2,209.49	-
Provision for major maintenance	1,681.97	1,501.76
Loss on claim settlement	-	8,297.29
Loss on damaged stock	1.53	-
Provision for doubtful receivables and advances	30.23	32.26
Liabilities no longer required written back	(5.06)	(20.22)
Income from financial assets	(1,096.91)	(1,072.55)
<b>Operating profit before working capital changes</b>	<b>52,641.80</b>	<b>26,882.32</b>
Increase in inventories	(759.90)	(19,230.34)
Increase in trade receivables	(2,633.83)	(16,763.65)
Decrease / (Increase) in other financial assets and other assets (current and non current)	2,807.67	(1,707.67)
Increase / (decrease) in trade payables	(226.91)	1,080.07
(Decrease) / Increase in other financial liabilities and other liabilities (current and non current)	(23,440.36)	20,984.09
Increase / (Decrease) in provisions	487.32	(246.71)
<b>Cash generated from operations</b>	<b>28,875.79</b>	<b>44,525.41</b>
Direct taxes paid (net)	(2,894.90)	(2,793.48)
<b>Net cash generated from operating activities (A)</b>	<b>25,980.89</b>	<b>41,731.93</b>
<b>Cash flow from investing activities</b>		
Payments for acquiring property, plant and equipment including Investment property	(4,397.02)	(3,334.70)
Investment in banks deposits (net)	(5,546.64)	431.81
Payments for intangible assets	3,226.97	4,749.22
Decrease in assets held for sale (net)	-	32,882.54
Proceeds from sale of property, plant and equipment and intangible assets	509.37	175.60
Redemption of investments/ advances in joint ventures (net)	(3,237.49)	5,358.26
Interest received	994.48	941.28
<b>Net cash generated from/ (used in) investing activities (B)</b>	<b>(8,450.33)</b>	<b>41,204.01</b>



## Consolidated Cash flow Statement for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

	31 March 2020	31 March 2019
<b>Cash flow from financing activities</b>		
Proceeds from long term borrowings	21,070.77	15,808.65
Repayment of long term borrowings	(4,284.94)	(51,459.85)
Proceeds from short term borrowings (net)	(4,359.04)	(5,803.92)
Interest paid	(33,442.88)	(38,252.98)
<b>Net cash used in financing activities (C)</b>	<b>(21,016.09)</b>	<b>(79,708.10)</b>
<b>Foreign currency translation adjustments (D)</b>	<b>146.03</b>	<b>117.80</b>
<b>Net increase in cash and cash equivalents (A+B+C+D)</b>	<b>(3,339.50)</b>	<b>3,345.64</b>
Cash and cash equivalents at the beginning of the year	5,371.93	2,026.29
<b>Cash and cash equivalents at the end of the year</b>	<b>2,032.43</b>	<b>5,371.93</b>
<b>Note: I</b>		
Cash and bank balance (Refer note 12)	2,032.43	5,371.93
	<b>2,032.43</b>	<b>5,371.93</b>
<b>Note: II</b>		
Profit from integrated jointly controlled entities, considered as non cash item for the purposes of this cash flow statement.		
Summary of Significant accounting policies 2.4		

The accompanying notes are an integral part of the financial statements.  
As per our report of even date.

**For K Prahlada Rao & Co.**  
ICAI Firm registration  
number: 002717S  
Chartered Accountants

**For B Srinivasa Rao & Co**  
ICAI Firm registration  
Number: 008763S  
Chartered Accountants

For and on behalf of the Board of Directors of  
**BSCPL Infrastructure Limited**

**K Prahlada Rao**  
Partner  
Membership No. 018477

**B. Srinivasa Rao**  
Partner  
Membership No. 205449

**B. Krishnaiah**  
Chairman  
DIN : 00025094

**B. Seenaiiah**  
Managing Director  
DIN :00496623

**N. Nani Aravind**  
Chief Financial Officer

**K. Raghavaiah**  
Company Secretary

Place : Hyderabad  
Date : 4th November 2020

Place : Hyderabad  
Date : 4th November 2020

## Consolidated Statement of changes in equity for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### (a) Equity share capital

Equity Shares of Rs. 10 each issued, subscribed and fully paid	No.	Amount
<b>As at 01 April 2018</b>	24,857,336	2,485.73
Issued During the year	-	-
<b>As at 31 March 2019</b>	24,857,336	2,485.73
Issued During the year	-	-
<b>As at 31 March 2020</b>	24,857,336	2,485.73

### (b) Other equity

Particulars	Attributable to the equity holders						
	Reserves & Surplus			Other comprehensive income	FCTR	Non controlling interest	Total
	Securities Premium	General Reserve	Retained Earnings				
As at 01 April 2018	19,428.90	12,655.59	51,943.02	(109.19)	(1,436.92)	1,829.37	84,310.77
Profit/ (loss) for the year	-	-	(28,855.62)	-	-	194.48	(28,661.14)
Other comprehensive income/ (loss)	-	-	-	49.46	117.80	3.05	170.31
Balance at 31 March 2019	19,428.90	12,655.59	23,087.40	(59.73)	(1,319.12)	2,026.90	55,819.94
Profit for the year	-	-	4,694.95	-	-	(59.49)	4,635.46
Other comprehensive loss	-	-	-	(61.60)	146.03	0.59	85.02
Balance at 31 March 2020	19,428.90	12,655.59	27,782.35	(121.33)	(1,173.09)	1,968.00	60,540.42

**For K Prahlada Rao & Co.**  
ICAI Firm registration  
number: 002717S  
Chartered Accountants

**K Prahlada Rao**  
Partner  
Membership No. 018477

**For B Srinivasa Rao & Co**  
ICAI Firm registration  
Number: 008763S  
Chartered Accountants

**B. Srinivasa Rao**  
Partner  
Membership No. 205449

For and on behalf of the Board of Directors of  
**BSCPL Infrastructure Limited**

**B. Krishnaiah**  
Chairman  
DIN : 00025094

**N. Nani Aravind**  
Chief Financial Officer

**B. Seenaiiah**  
Managing Director  
DIN :00496623

**K. Raghavaiah**  
Company Secretary

Place : Hyderabad  
Date : 4th November 2020

Place : Hyderabad  
Date : 4th November 2020

## Notes to Consolidated financial Statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### 3. Property, plant and equipment - Tangible

Particulars	Land	Lease hold improvements	Buildings	Project site offices	Plant and machinery	Furniture and fixtures	Computers	Vehicles	Total
<b>Cost or valuation</b>									
As at 01 April 2018	1,819.66	178.98	351.66	577.68	34,746.13	294.29	174.15	518.97	38,661.52
Additions during the year	75.28	-	-	164.25	2,607.82	21.12	22.95	127.23	3,018.65
Deletions / adjustments	14.13	-	-	-	215.99	3.27	2.32	29.99	265.70
<b>As at 31 March 2019</b>	<b>1,880.81</b>	<b>178.98</b>	<b>351.66</b>	<b>741.93</b>	<b>37,137.96</b>	<b>312.14</b>	<b>194.78</b>	<b>616.21</b>	<b>41,414.47</b>
Additions during the year	219.94	-	-	767.30	5,844.88	24.91	27.31	49.82	6,934.16
Deletions / adjustments	260.89	-	-	-	41.92	(0.11)	0.35	0.72	303.77
<b>As at 31 March 2020</b>	<b>1,839.86</b>	<b>178.98</b>	<b>351.66</b>	<b>1,509.23</b>	<b>42,940.92</b>	<b>337.16</b>	<b>221.74</b>	<b>665.31</b>	<b>48,044.86</b>
<b>Depreciation</b>									
As at 01 April 2018	-	178.89	17.43	447.49	12,228.10	102.20	96.89	243.09	13,314.71
For the year	-	0.09	6.19	155.49	4,008.83	39.36	38.34	92.67	4,336.97
Deletions / adjustments	-	-	-	-	154.13	0.11	0.64	11.65	166.53
<b>At 31 March 2019</b>	<b>-</b>	<b>178.89</b>	<b>23.62</b>	<b>602.98</b>	<b>16,078.80</b>	<b>141.45</b>	<b>134.59</b>	<b>324.11</b>	<b>17,485.15</b>
For the year	-	-	6.19	286.42	4,429.97	37.84	35.90	86.99	4,883.31
Deletions / adjustments	-	-	-	-	29.47	(0.07)	0.35	0.72	30.47
<b>At 31 March 2020</b>	<b>-</b>	<b>178.98</b>	<b>29.81</b>	<b>889.40</b>	<b>20,479.30</b>	<b>179.36</b>	<b>170.14</b>	<b>410.38</b>	<b>22,337.99</b>
<b>Net block</b>									
<b>As at 31 March 2020</b>	<b>1,839.86</b>	<b>-</b>	<b>321.85</b>	<b>619.83</b>	<b>22,461.62</b>	<b>157.80</b>	<b>51.60</b>	<b>254.93</b>	<b>25,706.87</b>
As at 31 March 2019	1,880.81	-	328.04	138.95	21,059.16	170.69	60.19	292.10	23,929.32

**Note:** For property, plant and equipment existing as on the date of transition to Ind AS, i.e., 01 April 2015, the Group has used Indian GAAP carrying value as deemed cost.

## Notes to Consolidated Financial Statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### 4. Investment property

	Land	Building	Total
<b>Cost or valuation</b>			
Opening Balance as at 01 April 2018	582.88	3,239.75	3,822.63
Additions during the year	-	-	-
Deletions/ adjustments during the year	-	-	-
<b>Closing Balance as at 31 March 2019</b>	<b>582.88</b>	<b>3,239.75</b>	<b>3,822.63</b>
Additions during the year	-	-	-
Deletions/ adjustments during the year	-	-	-
<b>Balance as at 31 March 2019</b>	<b>582.88</b>	<b>3,239.75</b>	<b>3,822.63</b>
<b>Depreciation and impairment</b>			
Opening Balance as at 1 April 2018	-	170.61	170.61
Depreciation for the year	-	57.00	57.00
Depreciation on account of deletions/ adjustments during the year	-	-	-
<b>Closing Balance as at 31 March 2019</b>	<b>-</b>	<b>227.61</b>	<b>227.61</b>
Depreciation for the year	-	57.00	57.00
Depreciation on account of deletions/ adjustments during the year	-	-	-
<b>Closing Balance as at 31 March 2020</b>	<b>-</b>	<b>284.61</b>	<b>284.61</b>
<b>Net Block</b>			
<b>At 31 March 2020</b>	<b>582.88</b>	<b>2,955.14</b>	<b>3,538.02</b>
At 31 March 2019	582.88	3,012.14	3,595.02

### Information regarding income and expenditure of investment property

Particulars	31 March 2020	31 March 2019
Rental income derived from investment property	136.25	225.55
Profit arising from investment property before depreciation and indirect expenses	<b>136.25</b>	<b>225.55</b>
Less : Depreciation	57.00	57.00
<b>Profit arising from investment properties before indirect expenses</b>	<b>79.25</b>	<b>168.55</b>

### Footnotes:

- For investment property under development existing as on 1 April 2015, i.e., its date of transition to Ind AS, the Company has used Indian GAAP carrying value as deemed costs.
- All of the Company's investment properties are held under freehold interests.
- Land and buildings include assets given on operating lease amounting to Rs.1,671.47 (31 March 2019: Rs. 1,964.97)
- Fair value of the properties are determined by using market comparable method. This means that valuation performed by the valuer are based on the active market prices, significantly adjusted for difference in nature, location and condition of the specific properties. The properties are fair valued based on valuations performed by independent valuers who has relevant valuation experience for similar properties in India. are as follows As at 31 March 2020 and As at 31 March 2019, the fair values of the properties are Rs. 7,175.50 and Rs. 7,175.50 respectively.

## Notes to Consolidated Financial Statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### 5. Intangible assets

	Rights under service concession arrangements	Intangible assets under development
<b>Cost or valuation</b>		
Opening Balance as at 01 April 2018	193,448.95	7,000.94
Additions and adjustments	7,077.13	76.19
Sales and adjustments	-	(7,077.13)
<b>Closing Balance as at 31 March 2019</b>	<b>200,526.08</b>	-
Additions and adjustments	1,891.25	-
Sales and adjustments	-	-
<b>Closing Balance as at 31 March 2020</b>	<b>202,417.32</b>	-
<b>Accumulated amortisation</b>		
Opening Balance as at 1 April 2018	9,270.39	-
Amortisation for the year	4,718.91	-
Sales and adjustments	-	-
<b>Closing Balance as at 31 March 2019</b>	<b>13,989.30</b>	-
Amortisation for the year	6,833.60	-
Sales and adjustments	-	-
<b>Closing Balance as at 31 March 2020</b>	<b>20,822.90</b>	-
<b>Carrying amounts (net)</b>		
<b>At 31 March 2020</b>	181,594.42	-
<b>At 31 March 2019</b>	186,536.78	-

#### Footnotes:

1. Estimates under Service Concession Arrangement - Right under Service Concession Arrangements/ Intangibles assets under Development
2. Under Service Concession Arrangement (SCA), where a Special Purpose Vehicle (SPV) has received the right to charge users of a public service, such rights are recognized and classified as "Intangible Assets". Such a right is an unconditional right to receive consideration however the amounts are contingent to the extent that the public uses the service. The book value of such an Intangible Asset is recognized by the SPV at the fair value of the constructed asset which comprises of the actual construction cost plus the margins as per the SCA.
3. The Intangible Asset is amortised on the basis of units of usage method over the lower of the remaining concession period or useful life of such intangible asset, in terms of each SCA. However, with respect to toll road assets constructed and in operation as at March 31, 2016, the amortization of such intangible rights are based on actual revenue earned compared to total projected revenue from the project over the balance concession period to cost of intangible assets, instead of traffic count.
4. Estimates of margins are based on internal evaluation by the management. Estimates of units of usage, toll rates, contractual liability for overlay expenditure and the timing of the same are based on technical evaluations and / or traffic study estimates by external agencies.

These factors are consistent with the assumptions made in the previous years.

## Notes to Consolidated Financial Statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### 6A. Investment in Joint Ventures (carrying amount determined using the equity method of accounting)

	31 March 2020	31 March 2019
<b>In subsidiaries</b>		
<b>Unquoted Investments in Joint Ventures (Refer note 37)</b>		
<b>Incorporated Joint Ventures (all fully paid)</b>		
3,972,499 (31 March 2019: 3,972,499) equity shares of Rs. 10 each fully paid of North Bihar Highway Limited	5,251.66	4,996.06
2,312,398 (31 March 2019: 2,312,398) equity shares of Rs. 10 each fully paid and 3,524,798 (31 March 2019: 3,524,798) preference shares of Rs. 100 each fully paid of Mokama - Munger Highway Limited	6,299.01	6,775.07
3,118,755 (31 March 2019: 3,118,755) equity shares of Rs. 10 each fully paid of Patna Bakhtiyarpur Tollway Limited	4,643.14	-
Less: Provision for diminution, other than temporary, in the carrying value of long	4,643.14	-
	-	-
800,000 (31 March 2019: 800,000) equity shares of NPR 100 each fully paid up of BSC - C&C Nepal JV Private Limited	103.62	111.93
4,900 (31 March 2019: 4,900) equity shares of Rs. 10 each in Power Mech BSCPL Consortium Private Limited	0.49	0.49
<b>Unincorporated Joint Ventures</b>		
BSC - C&C Joint Venture	3,122.60	3,147.38
BSC - RBM - PATI Joint Venture	78.78	78.78
BSCPL - SCL Joint Venture	763.24	783.35
CR 18 G - BSCPL Joint Venture	502.11	502.32
SCL - BSCPL Joint Venture	697.56	706.91
BSC - KGLC - Airport Joint Venture	291.65	341.92
BSCPL - KGLC - Consortium Joint Venture	20.71	20.71
<b>Total</b>	<b>17,131.44</b>	<b>17,464.91</b>

### 6B. Investments (at fair value)

	31 March 2020	31 March 2019
<b>A. Non-current investments</b>		
<b>Equity shares at cost- Others</b>		
729,972 (31 March 2019: 729,972) equity shares of Rs. 10 each, fully paid-up, in Aishu Projects Limited	14.60	14.60
Less: Provision for diminution, other than temporary, in the carrying value of long term investments	14.60	14.60
	-	-
<b>B. Investments at fair value through OCI</b>		
<b>Unquoted equity shares</b>		
246,046 (31 March 2019: 246,046) equity shares of Rs. 10 each in Pipal Tree Ventures Private Limited	148.03	150.42
<b>Total non-current investments [(A)+(B)]</b>	<b>148.03</b>	<b>150.42</b>

## Notes to Consolidated Financial Statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### 6B. Investments (at fair value)

	31 March 2020	31 March 2019
Aggregate book value of unquoted investments	148.03	150.42
Aggregate provision for diminution in the value of non current investments	14.60	14.60
<b>Current investments</b>		
<b>Investments at fair value through profit or loss</b>		
<b>Quoted Equity Shares</b>		
8,040 (March 31, 2019: 8,040) equity shares of Rs. 10 each fully paid up in Bank of Baroda Limited (Vijaya Bank )	4.31	10.34
9,140 (March 31, 2019: 9,140) equity shares of Rs. 10 each fully paid up in C & C Constructions Limited	0.10	1.04
<b>Total current investments</b>	<b>4.41</b>	<b>11.38</b>

### 7. Trade receivables (Unsecured)

	31 March 2020	31 March 2019
<b>Non current</b>		
<b>Considered good</b>		
Dues from related parties	-	-
Dues from others	6,551.02	7,007.66
<b>Considered doubtful</b>		
Dues from others	746.47	716.23
	<b>7,297.49</b>	<b>7,723.89</b>
Less: Provision for doubtful receivables	746.47	716.23
	<b>746.47</b>	<b>716.23</b>
	<b>6,551.02</b>	<b>7,007.66</b>
<b>Current</b>		
<b>Considered good</b>		
Dues from related parties (Refer note 36)	6,804.24	7,675.54
Dues from others	19,139.17	17,417.13
	<b>25,943.41</b>	<b>25,092.67</b>

## Notes to Consolidated Financial Statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### 8. Loans (Unsecured and considered good unless otherwise stated)

	31 March 2020	31 March 2019
<b>Non-current loans</b>		
Security deposits	851.48	887.62
	<b>851.48</b>	887.62
<b>Current loans</b>		
Security deposits	4,153.93	3,075.12
Loans and advances to related parties (Refer note 36)	1,388.04	1,637.36
	<b>5,541.97</b>	4,712.48

### 9. Other financial assets (Unsecured and considered good unless otherwise stated)

	31 March 2020	31 March 2019
<b>Non current</b>		
Earmarked bank balances	7,854.17	507.50
	<b>7,854.17</b>	507.50
<b>Current</b>		
Interest accrued	1,290.62	1,188.19
Claims on customers	3,853.13	5,205.91
Advance to joint ventures (Refer note 36)	30,591.68	26,706.73
Advances to related parties (Refer note 36)	285.63	938.59
Other receivables	5.71	35.69
	<b>36,026.77</b>	34,075.11

### 10. Other assets (Unsecured and considered good unless otherwise stated)

	31 March 2020	31 March 2019
<b>Non current</b>		
Capital advances	65.71	65.16
Duty drawback receivable	18.29	18.29
Balances with government authorities	1,681.35	2,168.87
	<b>1,765.35</b>	2,252.32
<b>Unsecured, considered doubtful</b>		
Advances recoverable in cash or kind	171.46	171.46
Capital advance	14.81	14.81
	<b>186.27</b>	186.27
Less: Provision for doubtful advances and capital advances	186.27	186.27
	-	-
	<b>1,765.35</b>	2,252.32



## Notes to Consolidated Financial Statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### 10. Other assets (Unsecured and considered good unless otherwise stated)

	31 March 2020	31 March 2019
<b>Current</b>		
Advances recoverable in cash or kind	9,357.10	10,016.00
Prepaid expenses	918.65	898.50
Balances with government authorities	4,588.28	5,028.84
Others	215.69	214.16
	<b>15,079.72</b>	<b>16,157.50</b>

### 11. Inventories (Valued at lower of cost and net realisable value)

	31 March 2020	31 March 2019
Raw materials [including materials in transit: Rs. 221.57 (31 March 2019: Rs. 63)]	7,211.90	7,403.58
Stores, spares and consumables	2,467.26	2,515.39
Construction work-in-progress	54,106.94	53,151.16
Real estate under development	14,811.76	14,848.18
Finished goods	896.99	818.17
	<b>79,494.85</b>	<b>78,736.48</b>

### 12. Cash and cash equivalents

	31 March 2020	31 March 2019
Cheques in hand	-	20.00
Cash on hand	60.85	134.49
Balance with banks :		
- Current account	1,971.58	2,251.34
- In deposit account (having original maturity less than three months)	-	2,966.10
	<b>2,032.43</b>	<b>5,371.93</b>

### 13. Other bank balances

	31 March 2020	31 March 2019
Deposits with remaining maturity for more than 12 months (under lien)	-	2,054.03
Deposits with remaining maturity for more than 3 months but less than 12 months (under lien)	-	45.00
Deposits with original maturity of less than three months	299.00	-
	<b>299.00</b>	<b>2,099.03</b>

### 14. Non current tax asset (net)

	31 March 2020	31 March 2019
Advance income tax (net of provision for taxation)	9,771.41	6,293.51
	<b>9,771.41</b>	<b>6,293.51</b>

## Notes to Consolidated Financial Statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### 15. Share Capital

	31 March 2020	31 March 2019
<b>Authorized share capital</b>		
70,000,000 (31 March 2019: 70,000,000) equity shares of Rs. 10 each and	8,000.00	8,000.00
1,000,000 (31 March 2019: 1,000,000) preference shares of Rs. 100 each	<b>8,000.00</b>	8,000.00
<b>Issued, subscribed and fully paid up shares</b>		
24,857,336 (31 March 2019: 24,857,336) equity shares of Rs. 10 each	2,485.73	2,485.73
<b>Total Issued, Subscribed and paid-up Share Capital</b>	<b>2,485.73</b>	2,485.73

#### 15.1. Reconciliation of number of shares outstanding and amount at the beginning and at the end of the year

	31 March 2020		31 March 2019	
	No.	Rs.	No.	Rs.
Number of shares at the beginning of the year	24,857,336	2,485.73	24,857,336	2,485.73
Issued during the year	-	-	-	-
<b>Outstanding, at the end of the year</b>	<b>24,857,336</b>	<b>2,485.73</b>	24,857,336	2,485.73

#### 15.2. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The Company in general meeting may declare dividend but no dividend shall exceed the amount recommended by the Board.

In case of Liquidation, subject to the applicable laws and the availability of funds with the Company

##### I. For promoters

B. Seenaiah, B. Krishnaiah, B. Sujatha, B. Yamuna and their relatives are collectively referred to as promoters. To the extent of funds available thereof and after payment to investors as below, the promoters shall receive the amount in the proportion to the equity shares held by each of them.

##### II. For investors

The investors (shareholders other than promoters) shall be eligible to receive a preferential payment from the Company in cash or kind, to the extent of funds available thereof, the investors shall receive an amount that shall provide the investors higher of:

- (i) their investment in the Company with 10% IRR, or
- (ii) the amount which would be distributed to the investors if all the amounts available with the Company were distributed among all the shareholders of the Company (including the investors) in the proportion to the equity shares held by each of them.

## Notes to Consolidated Financial Statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### 15.3 Details of shareholders holding more than 5% equity shares in the Company

	31 March 2020		31 March 2019	
	Number	%Holding	Number	%Holding
B. Seenaiah	4,847,180	19.50%	4,847,180	19.50%
New Vernon Private Equity Limited	2,836,878	11.41%	2,836,878	11.41%
B. Sujatha	2,361,450	9.50%	2,361,450	9.50%
B. Krishnaiah	2,280,000	9.17%	2,280,000	9.17%
B. Aishwarya	1,909,672	7.68%	1,909,672	7.68%
D. Anitha	1,500,000	6.03%	1,500,000	6.03%
B. Yamuna	1,242,870	5.00%	1,242,870	5.00%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

### 16. Other Equity

	31 March 2020	31 March 2019
<b>Securities premium account</b>		
Balance as per last financial statements	19,428.90	19,428.90
<b>General reserve</b>		
Balance as per last financial statements	12,655.59	12,655.59
<b>Foreign currency translation reserve</b>		
As per last balance sheet	(1,319.12)	(1,436.92)
Increase/(decrease) during the year	146.03	117.80
	<b>(1,173.09)</b>	<b>(1,319.12)</b>
<b>Items of other comprehensive income</b>		
As per last balance sheet	(59.73)	(109.19)
Re-measurement gain for the year	(52.23)	37.38
Net fair value gain on investments in equity instruments at FVTOCI	(9.37)	12.08
	<b>(121.33)</b>	<b>(59.73)</b>
<b>Retained Earnings</b>		
Balance as per last financial statements	23,087.40	51,943.02
Add: Surplus as per statement of profit and loss	4,694.95	(28,855.62)
	<b>27,782.35</b>	<b>23,087.40</b>
	<b>58,572.42</b>	<b>53,793.04</b>

**Notes to Consolidated Financial Statements for the year ended 31 March 2020**

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

**17. Borrowings (At amortised cost)**

	Non-Current	
	31 March 2020	31 March 2019
<b>Debentures (Refer note 38)</b>		
-18.5% Redeemable, Non-Convertible Debentures	-	4,532.82
<b>Term loan (Secured) (Refer note 38)</b>		
- From banks	71,968.07	75,655.77
- From others	26,606.31	22,995.55
<b>Term loan (Unsecured)</b>		
From related party	34,331.82	13,704.02
	<b>132,906.20</b>	<b>116,888.16</b>
	Current	
	31 March 2020	31 March 2019
<b>Debentures</b>		
-18.5% Redeemable, Non-Convertible Debentures	3,453.91	2,666.67
<b>Term loan (Secured)</b>		
- From banks	4,362.38	4,070.98
- From others	6,333.81	6,644.66
	<b>14,150.10</b>	<b>13,382.31</b>
<b>The above amount includes:</b>		
Secured borrowings	14,150.10	13,382.31
Unsecured borrowings	-	-
Less: Amount disclosed under the head "other financial liabilities" (Refer note. 18)	14,150.10	13,382.31
	-	-
<b>Short term borrowings (Refer note 39)</b>		
From banks (Secured)		
- Cash credit	15,655.79	43,654.64
- Working capital demand loans	27,510.67	3,894.17
- LC acceptance	983.10	973.74
	<b>44,149.56</b>	<b>48,522.55</b>
From banks (Unsecured)		
- Working capital demand loans	-	-
	-	-
From others (Unsecured)		
Loan from related parties repayable on demand	3,847.07	3,847.07
Loan from others	298.81	284.86
	<b>4,145.88</b>	<b>4,131.93</b>
<b>Current borrowings</b>	<b>48,295.44</b>	<b>52,654.48</b>

**Notes to Consolidated Financial Statements for the year ended 31 March 2020**

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

**18. Other financial liabilities**

	31 March 2020	31 March 2019
<b>Non-current</b>		
<b>At amortised cost</b>		
Retention money	5,388.92	3,385.86
NHAI Payable (Premium)	49,361.82	44,243.60
	<b>54,750.74</b>	<b>47,629.46</b>
<b>Fair value through profit or loss</b>		
Financial guarantee obligation	562.59	659.01
	<b>562.59</b>	<b>659.01</b>
	<b>55,313.33</b>	<b>48,288.47</b>
<b>Current</b>		
<b>At amortised cost</b>		
Current maturities of long-term borrowings (Refer note 17)	14,150.10	13,382.31
Interest accrued and due	1,681.31	2,385.33
Interest accrued but not due on borrowings	3,248.36	1,519.16
Capital creditors	1,930.48	2,869.92
Retention money	2,926.78	2,796.69
Book overdraft	3,090.83	557.53
Advance against claim	5,171.19	10,560.29
Financial guarantee obligation	96.42	96.42
NHAI Payable (Premium)	361.00	361.00
Amount payable to related party	1,577.65	1,585.40
Dues to joint venture	241.30	476.46
	<b>34,475.42</b>	<b>36,590.51</b>

**19. Provisions**

	31 March 2020	31 March 2019
<b>Non-current</b>		
<b>Provision for employee benefits</b>		
Liability for gratuity (Refer note 35)	1,072.31	843.99
	<b>1,072.31</b>	<b>843.99</b>
<b>Other provision</b>		
For defect liability (Refer note 41)	1,061.27	612.45
Provision for Major Maintenance (Refer note 42)	7,535.21	5,045.90
	<b>8,596.48</b>	<b>5,658.35</b>
	<b>9,668.79</b>	<b>6,502.34</b>

**Notes to Consolidated Financial Statements for the year ended 31 March 2020**

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

	31 March 2020	31 March 2019
<b>Current</b>		
<b>Provision for employee benefits</b>		
Liability for gratuity (Refer note 35)	69.17	48.73
Liability for compensated absences	53.83	25.37
	<b>123.00</b>	<b>74.10</b>
<b>Other provisions</b>		
For defect liability (Refer note 41)	208.45	500.11
Provision for Major Maintenance (Refer note 42)	1,603.02	2,120.68
	<b>1,811.47</b>	<b>2,620.79</b>
	<b>1,934.47</b>	<b>2,694.89</b>

**20. Other Liabilities**

	31 March 2020	31 March 2019
<b>Non-current</b>		
Advances from customers	366.23	366.23
Mobilisation and material advances	12,309.66	23,441.48
	<b>12,675.89</b>	<b>23,807.71</b>
<b>Current</b>		
Advances from customers	7,115.84	19,594.12
Other liabilities	17,444.94	20,515.03
Mobilisation and material advances	20,211.75	16,132.19
Statutory dues	5,764.74	5,446.07
	<b>50,537.27</b>	<b>61,687.41</b>

**21. Trade payables**

	31 March 2020	31 March 2019
<b>Trade payables</b>		
- Outstanding dues to micro enterprises and small enterprises	556.29	496.80
- Outstanding dues to creditors other than micro enterprises and small enterprises	15,161.45	15,452.91
	<b>15,717.74</b>	<b>15,949.71</b>
<p>Terms and conditions of the above financial liabilities:</p> <p>Trade payables are non-interest bearing and are normally settled on 0-180 day terms.</p> <p>For explanation of the Group's credit risk management process, refer note 48.</p> <p><b>Details of dues to micro and small enterprises as per MSMED Act, 2006</b></p>		

## Notes to Consolidated Financial Statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### Details of dues to micro and small enterprises as per MSMED Act, 2006

	31 March 2020	31 March 2019
<b>The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:</b>		
Principal amount due to micro and small enterprises Interest due on above	556.29	496.80

The above information regarding Micro and Small Enterprises has been determined to the extent such parties are identified on the basis of information available with the Company. There were no delays in the payment of dues to Micro and Small Enterprises.

### 22. Current tax liabilities

	31 March 2020	31 March 2019
For income tax (net of advance tax and tax deducted at source)	-	-
	-	-

### 23. Revenue from operations

	31 March 2020	31 March 2019
Revenue from construction contracts (Refer note 32)	149,237.51	146,627.34
Revenue from real estate development (Refer note 32)	4,460.30	8,863.66
Income from toll operations	16,466.70	16,201.67
Revenue from maintenance contracts	-	13.51
Sale of metals	2,461.08	2,800.81
	<b>172,625.59</b>	<b>174,506.99</b>

### 24. Other income

	31 March 2020	31 March 2019
Interest income on		
Bank deposits	435.73	228.95
Loans to related parties (Refer note 36)	252.20	269.29
Financial guarantees to related parties (Refer note 36)	96.42	208.40
Claims on customers	-	241.76
Others	312.56	124.15
Rental income (Refer note 34)	141.39	163.80
Profit on sale of Property, plant and equipment (net)	236.07	148.87
Exchange fluctuation gain (net)	42.41	28.18
Liabilities no longer required written back	5.06	20.22
Income from redemption of mutual funds	-	4.61
NHAI toll suspension income	49.35	-
Miscellaneous income	5,792.75	2,454.22
	<b>7,363.94</b>	<b>3,892.45</b>

**Notes to Consolidated Financial Statements for the year ended 31 March 2020**

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

**25. Cost of raw materials consumed**

	31 March 2020	31 March 2019
Opening stock	7,403.58	7,287.42
Purchases during the period	39,359.57	39,534.58
	<b>46,763.15</b>	<b>46,822.00</b>
Less: Closing stock	7,211.90	7,403.58
	<b>39,551.25</b>	<b>39,418.42</b>

**26. (Increase) / decrease in inventories of construction work-in-progress and finished goods**

	31 March 2020	31 March 2019
<b>Work-in-progress</b>		
Opening work-in-progress	53,151.16	34,361.85
Less: Closing work-in-progress	53,971.74	53,151.16
	<b>(820.58)</b>	<b>(18,789.31)</b>
<b>Finished goods</b>		
Opening finished goods	818.17	744.94
Less: Closing finished goods	896.99	818.17
	<b>(78.82)</b>	<b>(73.23)</b>
<b>Real estate under development</b>		
Opening real estate under development	13,418.37	14,315.75
Less: Closing real estate under development	13,262.97	13,418.37
	<b>155.40</b>	<b>897.38</b>
<b>Real estate under development pertaining to assets held for sale</b>		
Opening real estate under development	1,429.81	1,299.24
Less: Closing real estate under development	1,548.79	1,429.81
	<b>(118.98)</b>	<b>(130.57)</b>
Less: Forex adjustment	118.98	87.57
	-	<b>(43.00)</b>
	<b>(744.00)</b>	<b>(18,008.16)</b>

**27. Construction expenses**

	31 March 2020	31 March 2019
Construction expenses	40,714.98	88,405.47
	<b>40,714.98</b>	<b>88,405.47</b>

**28. Employee benefit expense**

	31 March 2020	31 March 2019
Salaries, wages and bonus	12,945.00	11,245.42
Contribution to provident and other fund (Refer note 35)	315.43	283.92
Staff welfare expense	1,680.14	1,146.87
Gratuity expense (Refer note 35)	175.85	205.60
	<b>15,116.42</b>	<b>12,881.81</b>



**Notes to Consolidated Financial Statements for the year ended 31 March 2020**

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

**29. Other expenses**

	31 March 2020	31 March 2019
Operation and maintenance expenses	257.03	291.35
Major Maintenance (Refer note 42)	1,681.97	1,501.76
Power and fuel	14,643.43	11,670.08
Rent (Refer note 34)	586.54	513.96
Rates and taxes	1,881.21	2,186.11
Insurance	614.56	417.41
Repairs and maintenance		
- Plant and machinery	2,766.98	3,503.12
- Vehicles	56.94	124.43
- Toll plaza	86.56	44.15
- Others	262.76	361.75
Equipment hire charges	4,218.97	2,600.77
Freight and transportation charges	1,359.30	1,493.85
Communication cost	79.46	62.10
Printing and stationery	82.95	62.71
Legal and professional charges	937.68	1,188.20
Security charges	97.53	88.64
Tender expenses	3.42	14.27
Business promotion	554.86	384.98
Travelling and conveyance	159.00	171.35
Auditors' remuneration (Refer note 51)	47.00	44.71
Bad debts written off (Refer note 57)	2,209.49	-
Claim written off (Refer note 55)	-	8,297.29
Provision for doubtful receivables and advances	30.23	32.26
Provision for defect liability (Refer note 41)	157.16	482.00
Corporate social responsibility expenditure (Refer note. 50)	-	10.10
Loss on damaged stock	1.53	-
Miscellaneous expenses	381.72	439.68
	<b>33,158.28</b>	<b>35,987.03</b>

**30. Depreciation / amortisation**

	31 March 2020	31 March 2019
Depreciation on tangible assets	4,883.31	4,330.45
Depreciation on investment property	57.00	56.00
Amortisation of intangible assets	6,833.60	4,718.91
	<b>11,773.91</b>	<b>9,106.30</b>

**31. Finance costs**

	31 March 2020	31 March 2019
Interest expense *	34,468.06	37,195.42
Bank charges and commission	2,293.14	1,904.22
	<b>36,761.20</b>	<b>39,099.64</b>

\* Includes borrowing costs aggregating to Rs. Nil (March 2019: Rs. 404.91) transferred to real estate under development.

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

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

**1. Corporate information**

BSCPL Infrastructure Limited ('the Company' or 'the Holding Company' or 'BSCPL') is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is the merged Company w.e.f 01 April 2016 having merged BSCPL Infra Projects Limited, a 100% subsidiary Company owned by it by virtue of confirmation order of scheme Amalgamation as approved vide No.3(Telangana)/CP.No.06/CAA-11/2019/RD(SER)/Sec.233 of CA 2013 dated 28 March 2019.

The Company together with its subsidiaries and joint arrangements (collectively termed as 'the Group' or 'the consolidated entities') is primarily engaged in the business of real estate and infrastructure development and execution of engineering, procurement and construction (EPC) facilities in various infrastructure projects in roads, buildings, large scale bridge works and irrigation for Central / State Governments, other local bodies and private sector. The Group is also engaged in development of highways on Build, Operate and Transfer (BOT)/Design, Build, Finance, Operate and Transfer (DBFOT) model on annuity or toll basis. The registered office is located at M.No 8-2-502/1/A, JIVI Towers, Road No. 7, Banjara Hills, Hyderabad 500034.

The consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 04 November 2020.

**2. Significant accounting policies****2.1 Statement of compliance**

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The Group has prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 these consolidated financial statements for the year ended 31 March 2020. The Group has prepared and presented in accordance with Ind AS.

**2.2 Basis of preparation and presentation**

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (refer accounting policy regarding financial instruments) which have been measured at fair value or at amortised cost.

The consolidated financial statements are presented in Indian Rupee ('INR') which is also the Group's functional currency and all values are rounded to the nearest lakhs, except when otherwise indicated. Wherever the amount represented '0' (zero) construes value less than Rupees five thousand.

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 this basis.

The principal accounting policies are set out below.

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

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

**2.3 Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Subsidiaries are entities controlled by the Group. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The financial statements of each of the subsidiaries used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on 31 March.

The consolidated financial statements are prepared on the following basis:

- (i) Subsidiary companies are consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances, intra-group transactions and unrealized profit or loss, except where cost cannot be recovered. The results of operations of a subsidiary are included in the consolidated financial statements from the date on which the parent subsidiary relationship came into existence.
- (ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- (iii) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intra group transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full, except as stated in point (iv). Intra group losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra group transactions.
- (iv) The Build, Operate and Transfer (BOT)/ Design, Build, Finance, Operate and Transfer (DBFOT) contracts are governed by "service concession agreements" with government authorities (grantor). Under these agreements, the operator does not own the road, but gets "toll collection rights" against the construction services rendered. Since the construction revenue earned by the operator is considered as exchanged with the grantor against "toll collection rights", revenue is recognized at fair value of construction services rendered and profit from such contracts is considered as realized.
- (v) Accordingly, the intra group transactions on BOT/DBFOT contracts and the profits are considered as realised and not eliminated on BOT/DBFOT contracts awarded to Group companies (operator), where work is subcontracted to the Company / joint ventures.
- (vi) Non-controlling interests in the net assets of consolidated subsidiaries consists of:

## Notes to Consolidated financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

- a) The amount of equity attributed to non-controlling interests at the date on which investment in a subsidiary relationship came into existence;
  - b) The non-controlling interest share of movement in equity since the date parent subsidiary relationship came into existence;
  - c) Non-controlling interest share of net profit/ (loss) of consolidated subsidiaries for the year is identified and adjusted against the profit after tax of the Group.
- (vii) The consolidated financial statements as at and for the year ended 31 March 2020 have been prepared on the basis of the financial statements of the following subsidiaries and joint venture entities:

Name of the consolidated entities	Principal nature of activity	Country of incorporation	% of interest as at	
			31 March 2020	31 March 2019
<b>Subsidiaries of BSCPL</b>				
BSCPL International FZE (BIF)	Infrastructure	United Arab Emirates	100%	100%
BSCPL AurangTollway Limited (BATL)	Infrastructure	India	100%	100%
Chilakaluripet Bypass Private Limited (CBPL)	Infrastructure	India	100%	-
BSC- C & C- Kurali Toll Road Limited (BKTL)	Infrastructure	India	51%	51%

### Joint ventures:

Refer note 37 below for list of joint ventures.

## 2.4 Summary of significant accounting policies

### (a) Investments in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether joint control exists are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

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

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

If an entity's share of losses of an joint venture equals or exceeds its interest in the joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit of a joint venture' in the statement of profit or loss.

**(b) Interest in Joint Operation**

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 arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists 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:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- 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 a group entity is a joint operator (such as a salary 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 recognized in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

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

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

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

**(c) Current and non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The group adopts operating cycle based on the project period and accordingly all project related assets and liabilities are classified into current and non-current. Other than project related assets and liabilities, 12 months period is considered as normal operating cycle.

**(d) Foreign currencies**

The financial statements are presented in INR, which is also the Parent Company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

**Transactions and balances**

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet, foreign currency monetary items are reported using the closing exchange rate.

Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet of the Group's monetary items at the closing rate are recognized as income or expenses in the period in which they arise.

Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

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

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

**Translation of financial statements of foreign entities**

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Cumulative currency translation differences for all foreign operations are deemed to be zero at the date of transition, viz., 1 April 2015. Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

**(e) Fair value measurement**

The Group measures financial instruments such as derivatives, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

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

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

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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



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

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

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

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

Periodically, the Management present the valuation results to the Board of Directors/ Audit Committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summaries accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimate and assumptions (notes 47 and 48)
- Financial instruments (including those carried at amortized cost) (notes 47 and 48)
- Quantitative disclosure of fair value measurement hierarchy (Refer note 47)
- Investment in unquoted equity shares (Refer note 6B)
- Investment properties (Refer note 4)

**(f) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The following specific recognition criteria must also be met before revenue is recognized:

**Contract revenue (construction contracts)**

Revenue from long term construction contracts is recognized over period of time as mentioned in Indian accounting standard (Ind AS 115) "Revenue from Contracts with Customers" notified under the Companies (Indian Accounting standards) Rules, 2015. Revenue is recognized from the satisfaction of the performance obligation as it is invoiced in accordance with Right-to-Invoice on performance done. Where the total cost of a contract, based on technical and other estimates is expected to exceed the corresponding contract value, such expected loss is provided for. The effect of any adjustment arising from revisions to estimates is included in the statement of profit and loss of the period in which the revisions are made.

Price escalation and other claims and /or variation in the contract work are included in contract revenue only when:

- Negotiations have reached at an advanced stage (which is evidenced on receipt of favourable Dispute Resolution Board (DRB) order/ first level of arbitration as per respective arbitration contract clauses, acceptance by customers, other probable assessments, etc.) such that it is probable that customer will accept the claim; and
- The amount that is probable will be accepted by the customer can be measured reliably.



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

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

**Sale of goods**

Revenue from sale of metal and aggregates is recognized when significant risk and reward of ownership of the goods have passed to the buyer, i.e. usually on delivery of goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

**Real estate development**

Revenue from real estate projects is recognised when it is reasonably certain that the ultimate collection will be made and that there is buyers' commitment to make the complete payment. The following specific recognition criteria must also be met before revenue is recognized:

*Recognition of revenue from property development:*

Revenue from real estate projects is recognised upon transfer of all significant risks and rewards of ownership of such real estate/ property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements. Where the Company still has obligations to perform substantial acts even after the transfer of all significant risks and rewards, revenue in such cases is recognised over period of time only if the following thresholds have been met:

- (a) All critical approvals necessary for the commencement of the project have been obtained;
- (b) The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

When the outcome of a real estate project can be estimated reliably and the conditions above are satisfied, project revenue and project costs associated with the real estate project should be recognised as revenue and expenses by reference to the stage of completion of the project activity at the reporting date arrived at with reference to the entire project costs incurred (including land costs).

Further, for projects executed through joint development arrangements, wherein the land owner/possessor provides land and the Group undertakes to develop properties on such land and in lieu of land owner providing land, the Group has agreed to transfer certain percentage of constructed area or certain percentage of the revenue proceeds, the revenue from the development and transfer of constructed area/revenue sharing arrangement in exchange of such development rights/ land is being accounted on gross basis on launch of the project.

The revenue is measured at the fair value of the land received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the land received cannot be measured reliably, the revenue is measured at the fair value of the estimated construction service rendered to the land owner, adjusted by the amount of any cash or cash equivalents transferred. The fair value so estimated is considered as the cost of land in the computation of percentage of completion for the purpose of revenue recognition as discussed above.

**Maintenance Contracts**

Revenue from maintenance contract is recognized on accrual basis over the period of contract as and when the service is rendered and billed as per the terms of the specific contract.

**Interest Income**

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When

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

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

**Dividend Income**

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

**(i) Taxes****Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered or paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates and generates taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the country where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future
- Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:
- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**Minimum Alternate Tax (MAT)**

Minimum Alternate Tax (MAT) paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credit which can be carried forward and utilised when the Group will pay normal income tax during the specified period. Deferred tax assets on such tax credit is recognised to the extent that it is probable that the unused tax credit can be utilised in the specified future period. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

**(j) Non current assets held for sale**

Non-current assets comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met: (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition. (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortized.

**(k) Investment Property**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred. Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are de-recognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

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**(l) Property, plant and equipment**

For transition to Ind AS, the Group has decided to continue with the carrying value of all of its Property, plant and equipment as at April 1, 2015 (transition date) measured as per the previous GAAP and are that carrying value as its deemed cost as of the transition date.

**Recognition and measurement**

Property, plant and equipment are stated at original cost, net of tax/duty credit availed, less accumulated depreciation/amortization and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

When significant parts of Property, plant and equipment are required to be replaced at intervals, the Group de-recognises the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognised in the statement of profit and loss as incurred.

**Capital work in progress and Capital advances:**

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of Property, plant and equipment outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

**De recognition:**

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the De recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

**(m) Depreciation/Amortisation of Property, plant and equipment and investment property**

Depreciation/Amortisation is provided on the straight-line method, based on the useful life of the assets as estimated by the management. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The Group has estimated the following useful lives to provide depreciation on its Property, plant and equipment /investment property which are in compliance with the Companies Act, 2013:

Category of Assets	Useful life (In years)
Freehold buildings	60
Plant and machinery	3-20
Furniture and fittings	10
Computer	3-6
Office equipment	5
Vehicles	8-10

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Freehold land is not depreciated. Leasehold improvements are amortized over the period of the lease.

Based on the planned usage of certain project-specific assets and technical assessment, the management has estimated the useful lives of Property, plant and equipment which are different from the useful life prescribed in Schedule II to the Companies Act, 2013 for the following:

- Leasehold improvements are amortized over the period of the lease or estimated useful life whichever is lower i.e. 7 years,
- Temporary erections in the form of sheds, camps, etc., are depreciated over the period of the respective project i.e. 3 years,
- Shuttering materials are depreciated over a period of 6 years, and
- Crushers are depreciated over the period of 20 years.
- Individual asset not exceeding Rs. 5,000 have been fully depreciated in the year of purchase.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

**(n) Accounting for rights under service concession arrangements and revenue recognition****(i) Recognition and measurement**

The Group builds, operates and maintains infrastructure assets under public-to-private Service Concession Arrangements ("SCA's"), which is an arrangement between the "grantor" (a public sector entity/authority) and the "operator" (a private sector entity) to provide services that give the public access to major economic and social facilities utilizing private-sector funds and expertise. The infrastructures accounted for by the Group as concessions are mainly related to the activities concerning roads.

Concession contracts are public-private agreements for periods specified in the SCA's including the construction, up gradation, restoration of infrastructure and future services associated with the operation and maintenance of assets in the concession period.

With respect to service concession arrangements, revenue and costs are allocated between those relating to construction services and those relating to operation & maintenance services, and are accounted for separately. Consideration received or receivable is allocated by reference to the relative fair value of services delivered when the amounts are separately identifiable. The infrastructures used in a concession are classified as an intangible asset or a financial asset, depending on the nature of the payment entitlements established in the concession agreement. Service concession arrangement has been applied retrospectively by the Group.

When the amount of the arrangement consideration for the provision of public services is substantially fixed by a contract, the Group recognizes revenues from construction services for public facilities (infrastructures) by the percentage-of-completion method, and recognizes the consideration as a financial asset and the same is classified as "Receivables against Service Concession Arrangements". The Group accounts for such financial assets at amortized cost, calculates interest income based on the effective interest method and recognizes it in revenue as Finance Income

When the demand risk to the extent that the Group has a right to charge the user of infrastructure facility, the Group recognizes revenues from construction services for public facilities (infrastructures) by the percentage-of-completion method, and recognizes the consideration for construction services at its fair value, as an intangible asset. The Group accounts for such intangible asset (along with the present value of committed

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payments towards concession arrangement to the grantor at the appointed date e.g. Negative Grant, premium etc.) in accordance with the provisions of Ind AS 38 and is amortized based on projected traffic count or revenue, taking into account the estimated period of commercial operation of infrastructure which generally coincides with the concession period. Intangible asset is capitalized when the project is complete in all respects and when the Group receives the final completion certification from the grantor as specified in the Concession Agreement and not on completion of component basis as the intended purpose and economics of the project is to have the complete length of the infrastructure available for use. The component based certification which is received is an intermediate mechanism provided in the Concession Agreement to provide a right to collect eligible toll to compensate the Group for cost recovery during construction period and for any delays beyond the control of the Group. However, where there is other than temporary delay due to reasons beyond the control of the Group, the management may treat constructed portion of the infrastructure as a completed project.

**(ii) Contractual obligation to restore the infrastructure to a specified level of serviceability**

The Group has contractual obligations to maintain the infrastructure to a specified level of serviceability or restore the infrastructure to a specified condition during the concession period and/or at the time of hand over to the grantor of the SCA. Such obligations are measured at the best estimate of the expenditure that would be required to settle the obligation at the balance sheet date. In case of concession arrangements under intangible asset model, the timing and amount of such cost are estimated and recognized on a discounted basis by charging costs to revenue on the units of usage method i.e. on the number of vehicles expected to use the project facility, over the period at the end of which the overlay is estimated to be carried out based on technical evaluation by independent experts. In case of concession arrangements under financial asset model, such costs are recognized in the period in which such costs are actually incurred.

**(iii) Revenue recognition**

Once the infrastructure is in operation, the treatment of income is as follows:

Finance income for concession arrangements under financial asset model is recognized using the effective interest method. Revenues from operations and maintenance services and overlay services are recognized in each period as and when services are rendered in accordance with Ind AS 18 Revenue.

Revenue for concession arrangements under intangible asset model is recognized in the period of collection of toll which generally coincides with the usage of public service or where from such rights have been auctioned, in the period to which auctioned amount relates.

**(iv) Revenue from construction contracts**

The Group recognizes and measures revenue, costs and margin for providing construction services during the period of construction of the infrastructure in accordance with Ind AS 115 'Construction Contracts'.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The following specific recognition criteria must also be met before revenue is recognized:

Revenue from long term construction contracts is recognized over period of time as mentioned in Indian



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accounting standard (Ind AS 115) "Revenue from Contracts with Customers" notified under the Companies (Indian Accounting standards) Rules, 2015. Revenue is recognized from the satisfaction of the performance obligation as it is invoiced in accordance with Right-to-Invoice on performance done. Where the total cost of a contract, based on technical and other estimates is expected to exceed the corresponding contract value, such expected loss is provided for. The effect of any adjustment arising from revisions to estimates is included in the statement of profit and loss of the period in which the revisions are made.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognized only to the extent of contract costs incurred of which recovery is probable and the related contract costs are recognized as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense in the Consolidated Statement of Profit and Loss in the period in which such probability occurs.

**(v) Amortization of intangible asset under SCA**

The intangible rights relating to infrastructure assets, which are recognized in the form of right to charge users of the infrastructure asset are amortized by taking proportionate of actual traffic count for the period over total projected traffic count from project to cost of intangible assets; i.e. proportionate of actual traffic for the period over total projected traffic count from the intangible assets expected to be earned over the balance concession period as estimated by the management. However, with respect to toll road assets constructed and in operation as at 31 March 2016, the amortization of such intangible rights are based on actual revenue earned compared to total projected revenue from the project over the balance concession period to cost intangible assets, instead of traffic count.

Total projected revenue / traffic count is reviewed at the end of each financial year and is adjusted to reflect any changes in the estimates which lead to the actual collection at the end of the concession period.

**(vi) Borrowing cost related to SCA's**

In case of concession arrangement under financial asset model, borrowing costs attributable to construction of the infrastructure are charged to Consolidated Statement of Profit and Loss in the period in which such costs are incurred.

In case of concession arrangement under intangible asset model, borrowing costs attributable to the construction of infrastructure assets are capitalized up to the date of the final completion certificate of the asset /facility received from the authority for its intended use specified in the Concession Agreement. All borrowing costs subsequent to the capitalization of the intangible assets are charged to the Consolidated Statement of Profit and Loss in the period in which such costs are incurred.

**(vii) Accounting of receivable and payable from / to the grantor****Receivable towards the concession arrangement from the grantor**

When the arrangement has a contractual right to receive cash or other financial asset from the grantor specifically towards the concession arrangement (in the form of grants) during the construction period or otherwise, such a right, to the extent eligible, is recorded as financial asset in accordance with Ind AS 109 "Financial Instruments," at amortized cost. The receivable so recognized will be adjusted against the related intangible asset (toll) / financial asset (annuity).

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**Payable towards the concession arrangement to the grantor**

When the arrangement has a contractual obligation to pay cash or other financial asset to the grantor specifically towards the concession arrangement during the construction period or otherwise, such unconditional obligation to pay cash is recorded as a financial liability on the date when the obligation arises in accordance with Ind AS 109 "Financial Instruments," at amortised cost, with a corresponding recognition of an intangible asset. Thereafter, the interest expense is recognized based on the effective interest rate method, which also becomes eligible for capitalization on qualifying assets.

**Claims**

Claims raised with the concession granting authority towards reimbursement for costs incurred due to delay in handing over of unencumbered land to the [Project Special Purpose Vehicle ("SPVs")] Group for construction or other delays attributable solely to the concession granting authority are recognized when there is a reasonable certainty that there will be inflow of economic benefits to the [concerned Project [SPVs] Group]. The claims when recognized as such are reduced from the carrying amount of the intangible asset under the service concession arrangement, as the case may be, to the extent the claims relate to costs earlier included as a part of the carrying amount of these assets.

**(o) Borrowing costs**

Borrowing cost includes interest, amortization of ancillary costs in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset (including real estate project) that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized/ inventoried as part of the cost of the respective asset/ project. All other borrowing costs are expensed in the period they occur.

**(p) Leases**

Leases are accounted as per Ind AS 116 which has become mandatory from April 1, 2019. Assets taken on lease are accounted as right-of-use assets and the corresponding lease liability is accounted at the lease commencement date.

Initially the right-of-use asset is measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate, or a change in the estimate of the guaranteed residual value, or a change in the assessment of purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of-use asset, or is recorded in the Statement of Profit and Loss if the carrying amount of the right-of-use asset has been reduced to zero.

The right-of-use asset is measured by applying cost model i.e. right-of-use asset at cost less accumulated depreciation and cumulative impairment, if any. The right-of-use asset is depreciated using the straight-line method from the commencement date to the end of the lease term or useful life of the underlying asset whichever is earlier. Carrying amount of lease liability is increased by interest on lease liability and reduced by



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lease payments made.

Lease payments associated with following leases are recognised as expense on straight-line basis:

- (i) Low value leases; and
- (ii) Leases which are short-term.

**Group as a lessor**

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in Property, plant and equipment. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

**(q) Inventories**

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- (i) Materials and stores and spares are valued at lower of cost and net realizable value. Cost of raw materials and stores and spares is determined on first-in-first out basis.
- (ii) Construction work-in-progress related to project and construction is valued at cost till such time the outcome of the related project is ascertained reliably and at contractual rates thereafter.
- (iii) Finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods is determined on a first-in-first out basis.
- (iv) Real estate under development related to project works is valued at lower of cost incurred on projects where the revenue is yet to be recognized or cost incurred in respect of unsold area of the real estate development projects.

Cost includes cost of land, cost of materials, borrowing costs to the extent it relates to specific project and other related project overheads.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**(r) Impairment of assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less cost of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group's of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

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asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses, are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

**(s) Provisions**

Provisions are recognized when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a Provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

**(t) Contingent liabilities/ Contingent assets**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is not recognized unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

**(u) Retirement and other employee benefits****Defined contribution plan**

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Retirement benefits in the form of provident fund and pension fund are a defined contribution scheme and the contributions are charged to the Statement of profit and loss of the period when the employee renders related services. There are no other obligations other than the contribution payable to the respective authorities.

**Defined benefit plan**

Gratuity liability for eligible employees are defined benefit obligation and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Obligation is measured at the present value of estimated future cash flows using discounted rate that is determined by reference to market yields at the balance sheet date on Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimated terms of the defined benefit obligation.

Re measurements, comprising of actuarial gains and losses excluding amounts included in net interest on the net defined benefit liability are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

**Leave encashment**

As per the leave encashment policy of the Group, the employees have to utilise their eligible leave during the calendar year and lapses at the end of the calendar year. Accrual towards compensated absences at the end of the financial year are based on last salary drawn and outstanding leave absence at the end of the financial year.

**(v) Financial instruments**

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

**Financial assets****Initial recognition and measurement**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

**Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows

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flows, and

- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in other income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss.

**Debt instrument at FVTOCI**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to Statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

**Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as at FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The group has designated certain debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

**Equity investments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI.

There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Group<sup>158</sup> may transfer the cumulative gain or loss within equity.

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Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Group's consolidated balance sheet) when:

- The rights to receive cash flows from The asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

**Impairment of financial assets**

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

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as contractual revenue receivables' in these financial statements).
- Financial guarantee contracts which are not measured as at FVTPL.

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables; and
- Other receivables

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether

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

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

**Financial liabilities****Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

**Subsequent measurement**

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

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

**Loans and borrowings**

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

**Financial guarantee contracts**

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

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

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

**Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

**(w) Derivative instruments**

The Group uses derivative financial instruments, such as currency rate swap and interest rate swaps to hedge its foreign exchange exposure risks and interest rate risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Statement of profit or loss.

**(x) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**(y) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(z) Segment reporting**

Based on "Management Approach" as defined in Ind AS 108 - Operating Segments, the Management evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.



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

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

**Segment Policies:**

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

**(aa) Events after reporting date**

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the consolidated financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

**(bb) Cash flow statement**

The Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

**2.5 Significant accounting judgement, estimates and assumptions**

The preparation of Group's consolidated Financial Statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, estimates and assumptions that affect the reported balances of revenue, expenses, assets and liabilities, accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the financial statement.

**Revenue recognition:**

The Group uses the stage of completion method using survey method to measure progress towards completion in respect of construction contracts. This method is followed when reasonably dependable estimates of costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labor costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognized revenue and profit are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable.

**Determination of joint arrangements and accounting thereof**

Based on the contractual agreements with joint venture partners, the Group assesses whether they exercise joint control over an entity or not. Joint control is exercised when all decisions are unanimously decided. Once joint control is established, based on the terms of individual agreements, the Group categorizes its joint arrangements as joint operations.



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

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the 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 arrangement. Accounting of joint venture and joint operation is discussed under 2.4 (a) and 2.4 (b) above.

**Estimates and assumptions**

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

**Traffic count / Revenue for amortization of assets**

The Company has recognized the amortization of intangible assets relating to Service Concession Agreements based on the estimated traffic count / estimated revenue over the project life cycle. These estimates are corroborated through a traffic study report issued by an independent field expert. As the traffic study report is based on the various assumptions such as infrastructure development in the area, commercial developments, economic conditions, inflation, government policies etc., these are reviewed on an annual basis.

**Taxes**

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

**Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**Defined benefit plans (gratuity benefits)**

A liability in respect of defined benefit plans is recognized in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date. The present value of the defined benefit obligation is based on expected future payments at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service. Refer note 35 for details of the key assumptions used in determining the accounting for these plans.

**Resurfacing Expenses**

As per the Service Concession Agreements, the Group is obligated to carry out resurfacing of the roads under concession. The Group estimates the likely provision required towards resurfacing and accrues the costs on a straight line basis over the period at the end of which resurfacing would be required, in the statement of profit and

## Notes to Consolidated financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

loss in accordance with Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets".

### 32. Disclosure under Indian Accounting Standard (Ind AS - 115)

#### (a) For construction contracts

	31 March 2020	31 March 2019
Contract revenue from construction activity recognized for the year	149,237.51	146,627.34
Contract cost incurred and recognized profits (less recognized losses) for contracts in progress up to the reporting date	847,634.28	717,509.11
Advances received for contracts in progress	30,876.77	56,007.02
Amount of retention money for contracts in progress (net of provision)	13,668.25	10,910.27
Gross amount due from customers for contract work	53,971.74	53,151.16

#### (b) For real estate contracts

	31 March 2020	31 March 2019
Contract revenue from construction activity recognized for the year	4,460.30	8,863.66
Contract cost incurred and recognized profits (less recognized losses) for contracts in progress up to the reporting date	115,768.67	111,308.37
Advances received for contracts in progress	2,747.67	391.56
Gross amount due from customers for contract work	-	-

### 33. Income taxes

#### 33.1 Income tax recognized in statement of profit or loss

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>Current tax</b>		
In respect of current period	1,380.19	3,362.79
In respect of prior period	(1,963.19)	86.00
<b>Deferred tax</b>		
In respect of current period	(205.34)	654.86

## Notes to Consolidated financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### 33.2 Components of deferred tax are as follows:

	31 March 2020	31 March 2019
<b>Deferred tax liability</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	204.11	142.45
	<b>204.11</b>	<b>142.45</b>
<b>Deferred tax assets</b>		
Employee benefits	479.07	316.95
Provision for doubtful receivables and advances	-	286.40
Provision for defect liability	-	17.47
Others	395.63	1,804.42
MAT credit entitlement*	3,271.45	1,453.94
	<b>4,146.15</b>	<b>3,879.18</b>
<b>Net deferred tax asset/ (liability)</b>	<b>(3,942.04)</b>	<b>3,736.72</b>

\* The management of the Group expects that it is probable that the Group will earn sufficient taxable profit (both business gains and capital gains) in future periods and deferred tax assets is recognised for business loss and capital loss and similarly MAT credit entitlement is recognized (to the extent considered recoverable).

### 33.3 The income tax expense for the period can be reconciled to the accounting period as follows:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Profit / (Loss) as per statement of profit & loss	3,657.49	(28,491.07)
At income tax rate of 34.944%	1,278.07	(9,955.92)
Income tax expense reported in the statement of profit and loss	(788.34)	4,121.37
<b>Movement to be explained</b>	<b>(2,066.41)</b>	<b>14,077.29</b>
Tax rate difference due to claim of Deduction U/s 80IA	(489.48)	-
Additional MAT Credit on disallowance	890.71	2,161.16
Increase in DTA on timings diff - Normal rates	1,612.18	(741.23)
Increase in DTA on timings diff - Special rates	-	2,374.98
Effect of income that is exempt from taxation	14.80	23.69
Increase in DTA due to current year MAT Credit entitlement	(1,380.19)	(746.95)
MAT Credit on Differential Income (MAT vs Capital gain)	-	(1,141.28)
Differential tax rate on Normal Income (MAT vs Capital gain)	-	180.12
Deferred tax not recognised on losses due to absence of reasonable certainty	4,265.75	3,573.55
Income tax relating prior years	(2,401.63)	86.00
Profit from consolidation adjustment non-taxable in nature	(4,578.55)	8,307.25
<b>Total movement explained</b>	<b>(2,066.41)</b>	<b>14,077.29</b>

## Notes to Consolidated financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### 34. In case of assets taken on lease

The Group has certain operating leases for corporate office premises and other construction sites ending within 12 months from the date of reporting period. There are no restrictions imposed by these leases. There are no subleases. The charge on account of lease rentals under such agreements to statement of profit and loss for the year ended 31 March 2020 is Rs. 586.54 (31 March 2019: Rs. 513.96).

### In case of assets given on lease

Lease rentals given on operating lease recognized in the statement of profit and loss for the year ended 31 March 2020 is Rs. 141.39 (31 March 2019: Rs. 163.80).

### 35. Gratuity and other post-employment benefit plans

#### (a) Defined contribution plan

The following amount recognized as an expense in Statement of profit and loss on account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Contribution in defined plan	271.63	240.61

#### (b) Defined benefit plan

The Group has a defined benefit gratuity plan, wherever applicable. Every employee who has completed five years or more of continuous service gets a gratuity on retirement at 15 days last drawn basic salary for each completed year of service. The scheme is funded with an insurance Company in the form of a qualifying insurance policy for the Company. The scheme is unfunded for BSCPL Aurang Tollways Limited and BSC- C and C- Kurali Toll Road Limited.

The following table's summaries the components of net benefit expense recognized in the Statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan:

#### Statement of profit and loss

	31 March 2020	31 March 2019
<b>Net employee benefit expense recognized in the employee cost</b>		
Current service cost	107.60	147.63
Interest cost on defined benefit obligation	68.25	57.97
<b>Net benefit expense</b>	<b>175.85</b>	<b>205.60</b>
<b>Re measurement during the period/year due to :</b>		
Actuarial loss / (gain) arising from change in financial assumptions	3.42	(0.71)
Actuarial loss / (gain) arising on account of experience changes	67.87	(66.46)
Actuarial loss / (gain) arising because of change in effect of asset ceiling / expenses	6.17	6.23
Return on plan assets excluding interest income	2.12	2.79
<b>Amount recognized in OCI outside profit and loss statement</b>	<b>79.58</b>	<b>(58.15)</b>

## Notes to Consolidated financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### Balance Sheet

	31 March 2020	31 March 2019
<b>Reconciliation of net liability / asset</b>		
Closing present value of defined benefit obligation	1,279.27	1,093.33
Closing fair value of plan assets	137.79	200.61
<b>Closing net defined benefit liability</b>	<b>1,141.48</b>	<b>892.72</b>

	31 March 2020	31 March 2019
Opening fair value of plan assets	200.61	281.47
Plan asset expenses through		
- Statement of profit and loss	(6.17)	(6.23)
Interest Income	15.35	21.73
Contributions paid by the employer	4.92	4.68
Benefits paid	(74.78)	(98.26)
Return on plan assets excluding interest income	(2.13)	(2.79)
<b>Closing fair value of plan assets</b>	<b>137.79</b>	<b>200.61</b>

	31 March 2020	31 March 2019
Opening defined benefit obligation	1,033.18	1,033.18
Current service cost	107.63	147.63
Interest cost	83.59	79.7
Re measurement during the period due to :		
Actuarial loss/(gain) arising from change in financial Assumptions	3.42	(0.71)
Actuarial loss/(gain) arising on account of experience Changes	67.87	(66.46)
Benefits paid	(76.53)	(100.01)
<b>Closing defined benefit obligation</b>	<b>1,279.27</b>	<b>1,093.33</b>

	31 March 2020	31 March 2019
<b>Net liability is bifurcated as follows:</b>		
Current	69.17	48.73
Non-current	1,072.31	843.99
<b>Net liability</b>	<b>1,141.48</b>	<b>892.72</b>

The principal assumptions used in determining gratuity benefit obligation for the Group's plans are shown below:

	31 March 2020	31 March 2019
Discount rate (p.a.)	6.55% - 6.80%	7.65% - 7.60%
Salary escalation rate (p.a.)	5.00% - 8.00%	5.00% - 8.00%
Mortality pre-retirement	3.00% - 3.50%	3.50% - 3.0%

## Notes to Consolidated financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

A quantitative analysis for significant assumption is as shown below:

	31 March 2020	31 March 2019
<b>Assumptions - Discount rate</b>		
Sensitivity Level (a hypothetical increase/(decrease) by)		
Impact of Increase in 100 bps on defined benefit obligation	1,171.64	1,000.60
Impact of Decrease in 100 bps on defined benefit obligation	1,401.66	1,201.29
<b>Assumptions - Salary Escalation rate</b>		
Sensitivity Level		
Impact on defined benefit obligation		
Impact of Increase in 100 bps on defined benefit obligation	1,477.76	1,312.15
Impact of Decrease in 100 bps on defined benefit obligation	1,109.33	915.23

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The gratuity liabilities of the Company unfunded and hence there are no assets held to meet the liabilities.

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	31 March 2020
<b>Expected contribution</b>	
During the year ended 31 March 2021	107.71
<b>Expected future benefit payments</b>	
Within the next 12 months (next annual reporting period)	28.74
Between 2 and 5 years	84.71
Between 6 and 10 years	206.46
More Than 10 years	959.37
<b>Total expected payments</b>	<b>1,279.28</b>

The weighted average duration of the defined benefit plan obligation at the end of the reporting period	19.35 years
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## Notes to Consolidated financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### 36. Related party transactions

#### (a) Nature of relationship and names of related parties

Nature of relationship	Name of related parties
Joint Ventures (JV) (where transactions exist)	<ol style="list-style-type: none"> <li>1) Simhapuri Expressway Limited (Up to 07 September 2018)</li> <li>2) Mokama - Munger Highway Limited</li> <li>3) North Bihar Highway Limited</li> <li>4) Patna Bakhtiyarpur Tollway Limited</li> <li>5) BSC - C &amp; C JV Nepal Private Limited</li> <li>6) BSC - C&amp;C Joint Venture</li> <li>7) BSC - RBM - PATI Joint Venture</li> <li>8) SOMA - BSCPL Joint Venture</li> <li>9) BSCPL- SCL Joint Venture</li> <li>10) SCL - BSCPL Joint Venture</li> <li>11) CR18G - BSCPL Joint Venture</li> <li>12) BSCPL - KGLC - Consortium Joint Venture</li> <li>13) BSCPL - KGLC Airport Joint Venture</li> </ol>
Joint Controlled Operations (JCO)	<ol style="list-style-type: none"> <li>1) BSCPL - KNR Joint Venture</li> <li>2) BSCPL-BEKEM-RE Joint Venture</li> <li>3) BSCPL- GVPR Joint Venture</li> </ol>
Enterprises owned by or where significant influence exercised by Key Management Personnel (KMP) or their relatives (where transactions exist)	<ol style="list-style-type: none"> <li>1) Bollineni Castings and Steel Limited</li> <li>2) Bollineni Developers Limited</li> <li>3) Aishu Castings Limited</li> <li>4) Aishu Projects Limited</li> <li>5) Krishna Institute of Medical Sciences Limited (KIMS)</li> <li>6) Amar Biotech Limited</li> <li>7) Bollineni Family Trust</li> <li>8) Krishnaiah Projects Private Limited</li> <li>9) Aishu Deramlands Limited</li> <li>10) Beaky Dreamlands Private Limited</li> <li>11) Seenaiah Constructions Private Limited</li> <li>12) BSCPL-Powermech Consortium Private Limited</li> <li>13) Bollineni Ramanaiah Memorials Hospitals Limited</li> <li>14) Venkateswara Financiers Hyderabad Private Limited</li> <li>15) Shangrila Infracon India Private Limited</li> </ol>
Key management personnel (KMP)	<ol style="list-style-type: none"> <li>1) B. Krishnaiah, Chairman</li> <li>2) B. Seenaiah, Managing Director</li> <li>3) K. Thanu Pillai, Whole Time Director</li> <li>4) Dandamudi Anitha, Director</li> <li>5) Kameswara Rao Bhagwati, Independent Director</li> <li>6) Balakrishnan Rajagopala, Independent Director</li> <li>7) N. Nani Aravind, Chief Financial Officer</li> <li>8) K. Raghavaiah, Company Secretary</li> </ol>
Relatives of key managerial personnel	<ol style="list-style-type: none"> <li>1) B. Sujatha (Wife of Chairman)</li> <li>2) B. Yamuna (Wife of Managing Director)</li> </ol>

## Notes to Consolidated financial statements for the year ended 31 March 20

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### (b) Transactions with the related parties during the year

	Year ended 31 March 2020	Year ended 31 March 2019
<b>A) Transactions with joint venture entities</b>		
<b>1) Simhapuri Expressway Limited</b>		
a) Construction revenue	-	1,188.35
b) Revenue from maintenance contract	-	13.50
c) Reimbursable expenses incurred by the company	-	2.01
d) Unsecured loan received back	-	(5,250.00)
e) Share of profit/(loss) of equity accounted investees	-	784.35
f) Trade advance received	-	17,849.61
g) Sale of equity Shares	-	32,490.44
<b>2) Mokama Munger Highway Limited</b>		
a) Loans and advances	0.05	1.27
b) Interest expense	202.58	341.33
c) Interest income on financial guarantees to related parties	34.66	34.66
d) Share of profit of equity accounted investees	(476.06)	5.42
<b>3) North Bihar Highway Limited</b>		
a) Loans and advances	0.09	9.72
b) Interest income on financial guarantees to related parties	61.77	61.77
c) Share of profit of equity accounted investees	255.60	218.61
<b>4) Patna Bakhtiyarpur Tollway Limited</b>		
a) Unsecured loan written off	(8,666.23)	-
b) Loans and advances	0.60	29.65
c) Share of loss of equity accounted investees	-	(1,651.29)
<b>5) BSC C &amp; C JV Nepal Private Limited</b>		
a) Share of loss of equity accounted investees	(8.31)	(11.94)
<b>6) BSC - C&amp;C Joint Venture</b>		
a) Investment/ (withdrawal) in venturer's capital (net)(including below transactions)	3,691.34	3,795.32
b) Share of profit of equity accounted investees	286.91	1,046.29
c) Bank guarantees given/(withdrawn)	3,034.48	(14,040.41)
d) Sale of materials and spare	1,069.02	4,449.77
e) Sub-contract expenses	110.84	25,679.82
f) Purchases of materials and spares	780.50	938.37
g) Reimbursable expenses incurred by the Company on their behalf	-	68.24
h) Loan taken	-	535.00
i) BG commission income (other income)	691.24	1,093.76
j) Hire charges expenses	1,507.61	442.64
k) Other income	0.51	79.61
l) Other expenses	381.81	259.01



## Notes to Consolidated financial statements for the year ended 31 March 20

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### (b) Transactions with the related parties during the year

	Year ended 31 March 2020	Year ended 31 March 2019
<b>7) BSC - RBM - PATI Joint Venture</b>		
a) Investment/ (withdrawal) in venturer's capital (net)	(3.20)	(3.81)
b) Share of loss of equity accounted investees	238.36	(39.59)
<b>8) SOMA - BSCPL Joint Venture</b>		
a) Share of profit/ (loss) of equity accounted investees	-	(0.06)
<b>9) BSCPL - SCL Joint Venture</b>		-
a) Investment in venturer's capital (net) (including below transactions)	271.13	282.14
b) Share of profit of equity accounted investees	(20.11)	3.48
c) BG commission income	229.77	-
<b>10) SCL - BSCPL Joint Venture</b>		
a) Investment/ (withdrawal) in venturer's capital (net) (including below transactions)	(390.75)	(3,456.42)
b) Share of profit of equity accounted investees	(9.34)	(0.01)
c) BG commission income	3.53	-
<b>11) CR-18G-BSCPL Joint Venture</b>		
a) Investment in venturer's capital (net)	-	11.15
b) Share of profit of equity accounted investees	(0.21)	0.14
<b>12) BSCPL - KGLC Airport Joint Venture</b>		
a) Investment in venturer's capital (net)	0.56	-
b) Share of loss of equity accounted investees	(49.28)	(14.97)
<b>13) BSCPL-KNR Joint Venture</b>		
a) Construction Revenue	17,211.30	16,714.50
b) Reimbursable expenses incurred by the Company	19.27	27.73
c) Mobilisation advance received	1,015.11	-
d) Mobilisation advance recovered	5,899.62	3,357.81
<b>14) BSCPL-BEKEM-RE Joint Venture</b>		
a) Construction Revenue	11,287.37	6,198.80
<b>15) BSCPL-Powermech Consortium Private Limited</b>		
a) Construction Revenue	3,115.07	11,535.21
<b>16) BSCPL-GVPR Joint Venture</b>		
a) Purchases/Services received	206.16	51.93
b) Construction Revenue	18,348.91	-
c) Mobilisation advance received	4,976.33	-
<b>B) Transactions with enterprises over which KMP or their relatives exercise significant influence</b>		
<b>1) Bollineni Castings and Steel Limited</b>		
a) Purchases of fixed assets	15.30	-
b) Rent expense	-	12.00
c) Hire charge	5.83	5.73
d) Sale of materials/spares	0.04	0.15

## Notes to Consolidated financial statements for the year ended 31 March 20

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### (b) Transactions with the related parties during the year

	Year ended 31 March 2020	Year ended 31 March 2019
<b>2) Bollineni Developers Limited</b>		
a) Reimbursable expenses incurred by the Company	4.64	-
b) Construction revenue	192.95	378.83
c) Security deposit for Land development	1,088.99	-
<b>3) Aishu Castings Limited</b>		
a) Purchases of raw materials	239.70	251.84
b) Sale of scrap	34.04	52.03
<b>4) Aishu Projects Limited</b>		
a) Interest income on unsecured loan given	71.45	70.32
b) Unsecured loan given	-	20.00
<b>5) Amar Biotech Limited</b>		
a) Unsecured loan taken	-	80.00
b) Unsecured loan repaid (incl. interest payable)	(670.00)	(35.00)
c) Interest expense	262.44	294.15
d) Service provides / expenses incurred	6.95	-
<b>6) Krishnaiah Projects Private Limited</b>		
a) Construction revenue	324.07	607.98
b) Sale of materials	318.93	13.45
c) Rental income	4.00	-
d) Purchase of raw materials	25.44	-
e) Services received	5.54	-
<b>7) Aishu Deramlands Limited</b>		
a) Unsecured loan given	-	300.00
b) Unsecured loan received back	(7.00)	(200.00)
c) Interest income on unsecured loan given	22.87	27.37
<b>8) Beekay Dreamlands Private Limited</b>		
a) Unsecured loan given	95.00	980.64
b) Unsecured loan received back	500.00	-
c) Interest income on unsecured loan given	157.88	57.89
d) Revenue from construction contracts/service	200.90	-
e) Reimbursable expense incurred by the company	3.60	-
<b>9. Seenaiiah Constructions Private Limited</b>		
a) Trade advances received (net)	-	96.83
b) Rental income	0.60	0.10
c) Sale of materials / spares	11.77	42.21
d) Purchase of materials / spares	-	3.20
e) Purchase of fixed asset	6.50	-
<b>10) Bollineni Ramanaiah Memorials Hospitals Limited</b>		
a) Unsecured loan taken	5,675.00	-
b) Unsecured loan repaid	(1,075.00)	-
c) Interest expenses on unsecured loan given	882.73	-

## Notes to Consolidated financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
<b>11) Venkateswara Financiers Hyderabad Private Limited</b>		
a) Unsecured loan taken	2,500.00	-
b) Interest expenses on unsecured loan	50.82	-
<b>12) ShangrilalInfracon IndiaPrivate Limited</b>		
a) Unsecured loan taken	300.00	-
b) Unsecured loan repaid	300.00	-
c) Interest expenses on unsecured loan	20.39	-
<b>C) Transactions with KMP</b>		
<b>1) B. Krishnaiah</b>		
a) Managerial remuneration	198.71	230.71
b) Unsecured loan taken	4,709.69	8,851.15
c) Unsecured loan repaid (incl. interest payable)	(182.20)	(5,443.35)
d) Interest expense	1,059.18	564.40
e) Personal guarantees against loans *	55,683.12	62,904.33
<b>2) B. Seenaiah</b>		
a) Managerial remuneration	180.00	180.00
b) Unsecured loan taken	15,754.89	2,103.00
c) Unsecured loan repaid (incl. interest payable)	(5,767.34)	(1,361.10)
d) Interest expense	1,115.21	338.90
e) Personal guarantees against loans *	53,784.83	62,393.92
<b>3) Kameshwara Rao Bhagwati</b>		
a) Director sitting fee	2.00	3.00
b) Audit committee meeting	1.00	1.00
c) Nomination and remuneration committee	-	0.25
d) CSR committee fee	0.25	0.25
<b>4) Balakrishnan Rajagopala</b>		
a) Director sitting fee	2.50	2.00
b) Audio committee meeting	1.00	1.00
c) Nomination and remuneration committee	0.50	0.25
<b>5) Anitha D</b>		
a) Director sitting fee	2.50	3.00
b) Nomination and remuneration committee	0.50	0.25
c) Unsecured loan taken	-	100.00
d) Interest expense	19.89	11.64
<b>6) Thanu Pillai K</b>		
a) Managerial Remuneration	63.00	2.44
<b>7) N. Nani Aravind</b>		
a) Remuneration	24.00	24.00
<b>8) K Raghavaiah</b>		
a) Remuneration	13.08	13.08
<b>D) Transactions with relatives of KMP</b>		
<b>1) B. Yamuna</b>		
a) Rent expenses	6.00	6.00

## Notes to Consolidated financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
<b>2) B. Sujatha</b>		
a) Unsecured loan taken	150.00	1,640.00
b) Unsecured loan repaid	119.95	-
c) Interest expense	-	221.63

\*Represents the closing balance of loan against which personal guarantees has been given by B. Krishnaiah and B. Seenaiah.

### (c) Balance outstanding at the end of the year

Amounts receivable / (payable)	31 March 2020	31 March 2019
Mokama -Munger Highway Limited	3,761.97	3,630.59
North Bihar Highway Limited	1,866.48	1,866.39
Patna Bakhtiyarpur Tollway Limited	203.21	202.61
BSC - C&C Joint Venture	12,530.49	8,522.58
BSC - RBM - PATI Joint Venture	241.30	(476.46)
BSCPL - SCL Joint Venture	5,249.78	4,978.65
CR 18 G - BSCPL Joint Venture	62.78	62.78
SCL - BSCPL Joint Venture	4,712.61	5,103.36
BSC - KGLC - Airport Joint Venture	82.16	80.60
Bollineni Castings and Steel Limited	(24.77)	(51.85)
Bollineni Developers Limited	10,712.93	9,552.00
Aishu Castings Limited	(405.82)	(250.75)
Aishu Projects Limited	1,609.15	1,537.70
Amar Biotech Limited	(1,472.97)	(1,907.86)
AishuDeramlands Limited	143.21	129.62
Beekay Dreamlands Private Limited	1,001.47	1,032.74
Seenaiah Construction Private Limited	(4.35)	(96.83)
Bollineni Ramanaiah Memorials Hospitals Limited	(5,394.45)	-
Venkateswara Financiers Hyderabad Private Limited	(2,545.74)	-
Shangrila Infracon India Private Limited	(18.35)	-
B. Krishnaiah	(8,263.92)	(4,307.48)
B. Seenaiah	(13,722.23)	(2,638.57)
K Thanu Pillai	(24.07)	(2.15)
Krishnaiah Projects Private Limited	(488.94)	171.50
Krishna Institute of Medical Sciences Limited (KIMS)	(40.41)	(39.35)
B.Sujatha	(1,870.00)	(1,839.95)
B.Yamuna	1.02	1.02
N. Nani Aravind	(3.40)	(8.13)
K. Raghavaiah	(0.39)	(3.98)
<b>Shares held in joint ventures pledged (No. of shares)</b>		
Mokama -Munger Highway Limited	733,176	733,176
Patna Bakhtiyarpur Tollway Limited	1,203,806	1,203,806
North Bihar Highway Limited	2,912,088	2,912,088

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

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

**37. Interest in joint venture****a) Joint arrangement in which the Group is a joint venturer**

Name of the consolidated entities	Principal nature of activity	Country of incorporation	Accounting method	% of interest as at	
				31 March 2020	31 March 2019
<b>Joint Ventures</b>					
North Bihar highway Limited (NBHL)	Infrastructure	India	Equity Method	50%	50%
Mokama - Munger Highway Limited (MMHL)	Infrastructure	India	Equity Method	50%	50%
Patna Bakhtiyarpur Tollway Limited (PBTL)	Infrastructure	India	Equity Method	50%	50%
BSC - C&C JV Nepal Private Limited	Infrastructure	Nepal	Equity Method	50%	50%
BSC - C&C (JV)	Infrastructure	India	Equity Method	50%	50%
BSC - RBM - PATI (JV)	Infrastructure	India	Equity Method	50%	50%
BSCPL - SCL (JV)	Infrastructure	India	Equity Method	50%	50%
CR18G - BSCPL (JV)	Infrastructure	India	Equity Method	50%	50%
SOMA -BSCPL (JV)	Infrastructure	India	Equity Method	50%	50%
SCL - BSCPL (JV)	Infrastructure	India	Equity Method	35%	35%
BSCPL - KGLC (JV)	Infrastructure	India	Equity Method	60%	60%
BSCPL - KGLC Airport (JV)	Infrastructure	India	Equity Method	90%	90%
<b>Joint Venture Operations</b>					
BSCPL - KNR Joint Venture	Infrastructure	India	Equity Method	50%	50%
BSCPL-BEKEM-RE Joint Venture	Infrastructure	India	Equity Method	51%	51%
BSCPL-GVPR Joint venture	Infrastructure	India	Equity Method	50%	50%
Green Desert Venture Limited.	Infrastructure	United Arab Emirates	Equity Method	70%	70%
Green Desert Venture Inc.	Infrastructure	Bahamas	Equity Method	100%	100%
Progressive International Holding Inc.	Infrastructure	British Virgin Islands	Equity Method	70%	70%

**b) Details and financial information of material joint ventures**

The Group has identified SEL, MMHL, NBHL and BSC C&C (JV) as material joint venture as per group policy i.e. greater than 1% of group network against carrying value of individual investment in joint ventures as at 31 March 2020.

## Notes to Consolidated Financial Statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

- c) Summarised financial information in respect of the Group's material joint venture is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with Ind AS.

	SEL		MMHL		NBHL		BSC C&C (JV) *	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Current Assets	-	-	10,980.73	6,591.73	7,626.91	7,159.85	48,176.82	46,623.25
Non-current assets	-	-	21,821.89	32,882.93	52,456.01	55,267.43	18,097.53	24,988.51
Current liabilities	-	-	5,774.88	7,490.83	4,597.54	4,525.86	26,384.08	28,944.99
Non-current liabilities	-	-	14,429.73	18,433.69	44,982.06	47,909.31	13,213.56	20,396.32
<b>Net Assets</b>	-	-	<b>12,598.01</b>	<b>13,550.13</b>	<b>10,503.32</b>	<b>9,992.11</b>	<b>26,676.71</b>	<b>22,270.45</b>
Proportion of the Group's ownership	-	-	6,299.01	6,775.07	5,251.66	4,996.06	13,338.36	11,135.23
Carrying amount of the investment	-	-	6,299.01	6,775.07	5,251.66	4,996.06	3,122.60	3,147.38

\* Proportion of the Group's ownership as at 31 March 2020 and 31 March 2019 includes Rs. 10,215.76 and Rs. 7,987.85 disclosed under other financial assets respectively.

	SEL		MMHL		NBHL		BSC C&C (JV) *	
	31 March 2020	20 August 2018	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Total Income	-	13,130.87	7,676.42	8,125.89	7,910.57	7,688.95	32,066.62	52,543.12
Total expense	-	11,530.15	7,615.90	8,115.05	7,399.36	7,251.72	31,492.81	50,466.58
<b>Profit for the year</b>	-	<b>1,600.72</b>	<b>60.52</b>	<b>10.84</b>	<b>511.21</b>	<b>437.23</b>	<b>573.81</b>	<b>2,076.54</b>
Other comprehensive income	-	-	-	-	-	-	-	16.04
<b>Total comprehensive income</b>	-	<b>1,600.72</b>	<b>60.52</b>	<b>10.84</b>	<b>511.21</b>	<b>437.23</b>	<b>573.81</b>	<b>2,092.57</b>
Group's share of profit	-	784.35	30.26	5.42	255.60	218.62	286.91	1,038.27
Group's share of OCI	-	-	-	-	-	-	-	8.02
<b>Group's share of total comprehensive income</b>	-	<b>784.35</b>	<b>30.26</b>	<b>5.42</b>	<b>255.60</b>	<b>218.62</b>	<b>286.91</b>	<b>1,046.29</b>

- d) Aggregate information of joint ventures that are not individually material

Particulars	31 March 2020	31 March 2019
The group's share of profit/ (loss)	(5,276.57)	(4,401.80)
The group's share of other comprehensive income	-	-
The group's share of total comprehensive income	(5,276.57)	(4,401.80)

Particulars	31 March 2020	31 March 2019
Aggregate carrying amount of joint ventures that are not individually material	2,457.68	2,545.92

- e) The joint venture had no other capital commitments or contingent liabilities as at 31 March 2020 and 31 March 2019, except as disclosed in Note 44 and 43 below.

## Notes to Consolidated financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### 38. Long term borrowings

Entity wise details of the long term borrowings are as follows:

Name of the entities	Non-current portion		Current maturities	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
BSCPL	40,957.22	20,859.67	9,408.45	8,693.91
BATL	81,472.22	84,189.95	2,976.40	1,713.40
BKTL	10,476.75	11,838.54	1,765.25	2,975.00
<b>Total</b>	<b>132,906.20</b>	<b>116,888.16</b>	<b>14,150.10</b>	<b>13,382.31</b>

#### I. BSCPL

	Non-current portion		Current maturities	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
<b>Secured</b>				
<b>Debentures</b>	-	4,532.82	3,453.91	2,666.67
<b>Term loans</b>				
From banks	550.50	503.94	223.26	225.78
From others	7,696.32	4,953.63	5,731.27	5,801.46
<b>Unsecured</b>				
From related parties	31,331.82	10,869.28	-	-
Others	1,378.59	-	-	-
<b>Total</b>	<b>40,957.22</b>	<b>20,859.67</b>	<b>9,408.45</b>	<b>8,693.91</b>

#### (i) Repayment and security details of secured debentures:

Debentures Rs. 3,453.91

**Redeemable, Non-Convertible Debentures issued to Reliance Nippon Life Asset Management Limited (RNLAM) with the following principle terms:**

Secured, Rated, To be Listed, Non-Convertible Debentures.

- During year 2017-18, Company issued 6,300 Secured, Rated, To be Listed, Redeemable, Non-Convertible Debentures of Rs. 1,00,000 each amounting to Rs.6,300.00 lakhs to Reliance Nippon Life Asset management, shall be repaid within 38/50 months not later than 30<sup>th</sup> September 2021.
- Interest shall be payable at a rate of @18.5% p.a compounded monthly, payable quarterly.
- Security by
  - First charge by way of simple mortgage (without possession of) land/super structures in OMR Chennai.
  - Take possession (without intervention of the court) on underlying leasehold and development rights on land, unsold units and receivable of sold units of the OMR Chennai project.
  - Mortgage of 18.73 acres of land in OMR Chennai.
  - Personal guarantee of Mr. B.Krishnaiah and Mr. B. Seenaiiah.

#### (ii) Repayment and security details of secured loans from Banks:

##### (a) Axis Bank (Car loan) Rs. 1.29

- Loans from Axis Bank carry effective interest rate 13% p.a. on diminishing balance and loan shall be repaid in 36 monthly installments starting from July 01, 2017.

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

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

- The loan is secured by
  - Exclusive charge on the vehicle's procured out of the loan.
  - Personal guarantee of Mr. B. Seenaiiah

**(b) Indus Ind Bank (Equipment loan) Rs. 748.63**

- Loans from Indus Ind Bank carry effective interest rate 10.01% p.a. on diminishing balance and loan shall be repaid in 60 monthly installments starting from September 18, 2017.
- The loan is secured by
  - Exclusive charge on the construction equipment's procured out of the loan.

**(c) HDFC Bank (Equipment loan) Rs. 23.85**

- Loans from HDFC bank carry effective interest rate 9.25% p.a. on diminishing balance and loan shall be repaid in 36 monthly installments.
- The loan is secured by
  - Exclusive charge on the construction equipments procured out of the loan.
  - Personal guarantee of Mr. B. Seenaiiah.

**(iii) Repayment and security details of secured loans from others:****(a) SREI Equipment Finance Limited Rs. 6,796.18**

- Loans from SREI Equipment Finance Limited carry effective interest rate range of 13% to 14% p.a. on diminishing balance and loan shall be repaid in 60 monthly installments.
- The loan is secured by
  - Exclusive charge on the construction equipments procured out of the loan
  - Personal guarantee of Mr. B. Krishnaiah.

**(b) Shriram Equipment Finance Limited - Rs. 1,395.31**

- Loans from Shriram Equipment Finance Limited carry effective interest rate 12% p.a. on diminishing balance and loan shall be repaid in 60 monthly installments.
- The loan is secured by
  - Exclusive charge on the construction equipments procured out of the loan
  - Personal guarantee of Mr. B. Seenaiiah.

**(c) L&T Infrastructure Finance Company Limited Rs. 669.41**

- Loans from L&T Infrastructure Company Limited carry effective interest rate range of 12% to 14% p.a. on diminishing balance and loan shall be repaid at the end of 12 Months from 25-07-2017.
- The loan is secured by
  - Demand promissory Note.
  - Personal guarantee of Mr. B. Krishnaiah and Mr. B. Seenaiiah.

**(d) Adani Capital Private Limited Rs. 1,597.16**

- Loans from Adani Capital Private Limited carry effective interest rate range of 16% to 20.50% p.a. on diminishing balance and Rs. 6,000.00 loan shall be repaid within 12 months from date of receipt i.e 27-10-2017 and balance Rs. 4,000.00 loan amount shall be repaid 10 equal quarterly installments payable from 01-07-2018.
- The loan is secured by
  - Exclusive charge by way of mortgage of 14.97 cents of land situated at perumbakkam, Tamilnadu.



**Notes to Consolidated financial statements for the year ended 31 March 2019**

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

- Exclusive charge by way of mortgage of Land and Buildings situated at perumbakkam, Tamilnadu.
- Exclusive charge on land and building measuring 2,655 Sq yards and building (G+2 basements+ 4 floors) property with total built up area of 56,028 sqfts located at plot no 30, Institutional Area sector 32, Gurgaon, Haryana.
- Personal guarantee of Mr. B. Krishnaiah and Mr. B. Seenaiah.

**(e) Volvo Financial Services (India) Pvt. Limited Rs. 1,020.58**

- Loans from Volvo Financial Services (India) Pvt. Limited carry effective interest rate 11.50% p.a. on diminishing balance and loan shall be repaid in 35 monthly installments.
- The loan is secured by
  - Exclusive charge on the construction equipments procured out of the loan.
  - Personal guarantee of Mr. B. Seenaiah.

**(f) Tata Motors Finance Solutions Limited Rs. 364.97**

- Loans from Tata Motors Finance Solutions Limited carry effective interest rate 12.50% p.a. on diminishing balance and loan shall be repaid in 35 monthly installments.
- The loan is secured by
  - Exclusive charge on the construction equipments procured out of the loan.
  - Personal guarantee of Mr. B. Seenaiah.

**(g) Tata Motors Finance Limited Rs. 476.99**

- Loans from Tata Motors Finance Limited carry effective interest rate 11.63% p.a. on diminishing balance and loan shall be repaid in 46 monthly installments.
- The loan is secured by
  - Exclusive charge on the construction equipments procured out of the loan.
  - Personal guarantee of Mr. B. Seenaiah

**(h) Mahindra Financial Services Limited Rs. 45.45**

- Loans from Mahindra Financial Services Limited carry effective interest rate 10.82% p.a. on diminishing balance and loan shall be repaid in 36 monthly installments.
- The loan is secured by
  - Exclusive charge on the construction equipments procured out of the loan.
  - Personal guarantee of Mr. B. Seenaiah.

**(i) Daimler Financial Services India Pvt. Limited Rs. 475.32**

- Loans from Daimler Financial Services India Pvt. Limited carry effective interest rate 11.50% p.a. on diminishing balance and loan shall be repaid in 35 monthly installments.
- The loan is secured by
  - Exclusive charge on the construction equipments procured out of the loan.
  - Personal guarantee of Mr. B. Seenaiah.

**(j) Hinduja Leyland Finance Limited Rs. 345.50**

- Loans from Hinduja Leyland Finance Limited carry effective interest rate 11.00% p.a. on diminishing balance and loan shall be repaid in 46 monthly installments.
- The loan is secured by
  - Exclusive charge on the construction equipments procured out of the loan.
  - Personal guarantee of Mr. B. Seenaiah.

## Notes to Consolidated financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### (k) PNB Housing Finance Limited Rs. 240.72

- Loans from PNB Housing Finance Limited carry effective interest rate 11.75% p.a. on diminishing balance and loan shall be repaid in 36 monthly installments.
- The loan is secured by
  - Exclusive charge on the construction equipments procured out of the loan.
  - Personal guarantee of Mr. B. Seenaiyah.

### (iv) Repayment terms of unsecured Borrowings

- a) Term loan from related party of Rs. 31,331.82 (31 March 2019 : Rs. 10,869.28) carries effective interest in the range of 9% - 24% and is repayable within 36 months from the date of withdrawal of the respective tranche.
- b) Loans from others of Rs. 1,378.59 (31 March 2019 : Rs. Nil) carry interest in the range of 11% - 18%.

## II. BATL

	Non-current portion		Current maturities	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
<b>Secured</b>				
<b>Term loans</b>				
From banks	62,552.81	65,135.29	2,657.20	1,520.20
From others	15,919.40	16,219.92	319.20	193.20
<b>Unsecured</b>				
From related parties	3,000.00	2,834.73	-	-
	<b>81,472.22</b>	<b>84,189.95</b>	<b>2,976.40</b>	<b>1,713.40</b>

### (i) Repayment and security details of secured loans from Banks and financial institutions:

- (a) A first ranking mortgage and charge on all BATL's immoveable properties, both present and future;
- (b) BATL's all tangible movable properties including plant and machinery, machine spares, tools and accessories, furniture, fixtures, and other movable assets, both present and future.
- (c) BATL's all intangible assets, including but not limited to its goodwill, rights, undertaking and uncalled capital, both present and future excluding the project Assets.
- (d) A first ranking pledge over 30% of the issued, paid up and voting equity share Capital of BATL, held by the Sponsors in compliance with the requirements of Section 19 (2) and 19 (3) of the Banking Regulation Act, 1949, till the final settlement date. Provided that enforcement of such pledge to be created over the Pledged Shares shall be subject to Articles 5.3 and 7.1 (k) of the Concession Agreement and with the prior written consent of NHAI as provided therein.
- (e) The aforesaid mortgages, charges, assignments, guarantees and pledge over the pledged shares shall in all respects paripassu inter-se amongst the lenders, in accordance with the Concession Agreement, without any preference or priority to one over the other or others.
- (f) Repayment started from financial year ending 2016-17 and is payable in 54 un-equal quarterly instalments.

## Notes to Consolidated financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### (ii) Repayment terms of unsecured Borrowings:

Term loan from related party of Rs. 3,000.00 (31 March 2019 : Rs. 2,834.73) carries effective interest in the range of 12% and is repayable within 36 months from the date of withdrawal of the respective tranche.

### III. BCTL

	Non-current portion		Current maturities	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
<b>Secured</b>				
<b>Term loans</b>				
From banks	8,864.75	10,016.54	1,481.92	2,325.00
From others	1,612.00	1,822.00	283.34	650.00
	<b>10,476.75</b>	<b>11,838.54</b>	<b>1,765.26</b>	<b>2,975.00</b>

### (i) Repayment and security details of secured loans from Banks and financial institutions:

- Secured by way of mortgage, charges and assignments of following on paripassu basis in favour of lenders. All the immovable Properties, both present and future, all movable properties including receivables, accounts, book debts, current and non-current assets, movable machinery and all other movable assets, all rights and interest, project documents, Guarantees, other performance warranties, indemnities and securities, bank accounts, Government Approvals, Intangible Assets, save and except project assets, as defined in the Concession Agreement.
- Term loans consists of loans borrowed from a consortium of three bankers and two other institutions as on 31st March 2020. The interest rate is base rate of individual bank plus 2 % and the same is reset every year.
- Repayment started from June 2011 and is payable in 138 monthly unequal installments.

### 39. Short term borrowings

Entity wise details of the long term borrowings are as follows:

Name of entities	31 March 2020	31 March 2019
BSCPL (Secured)	44,149.56	47,548.81
BSCPL (Unsecured)	298.81	284.86
BCTL(Unsecured)	3,847.07	3,847.07
<b>Total</b>	<b>48,295.44</b>	<b>51,677.74</b>

#### I. BSCPL (Secured)

#### Working capital demand loans/cash credit facilities/Buyers's Credit/Letter of Credits:

- Working capital demand loans/cash credit facilities/Buyers's Credit/Letter of Credits-Rs. 44,149.56 (31 March 2019 : Rs. 47,548.81)

Working capital loans/cash credit facilities to the extent availed from various banks under multiple banking arrangements and are secured by:

## Notes to Consolidated financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

- First pari-passu charge on all the current assets of the Company.
- First pari-passu charge on unencumbered fixed assets of the Company.
- Equitable Mortgage on pari-passu basis of 7 immovable properties owned by the promoters and third parties.
- Personal guarantee of Mr. B.Seenaiah and Mr. B.Krishnaiah.

### II. BSCPL(Unsecured)

Working capital demand loan from National Small Industries Corporation Limited of **Rs. 298.81** (31 March 2019 : Rs. 284.86) carry interest rate of 11.00% p.a. and shall be repaid within 90 days from the date of disbursement

### III. BKTL(Unsecured)

Loans from related party of Rs. 3,847.07(31 March 2019 : Rs. 3,847.07) is interest free and payable on demand.

### 40. Earnings per share

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit attributable to equity holders of the parent	4,704.20	(28,855.62)
Weighted average number of equity shares	24,857,336	24,857,336
Basic / Diluted earnings per share	18.92	(116.08)

### 41. Provision for defect liability

A provision is recognized for expected costs to repair the road constructed by the Group for a period of 1 to 2 years from the date of completion of the construction. The provision is recognized based on the past experience towards the cost of such repairs. The details are as under:

Particulars	31 March 2020	31 March 2019
Opening balance	1,110.56	630.57
Provision made during the year	157.16	482.00
Utilised during th year*	-	-
Provision reversed during the year	-	-
<b>Closing balance</b>	<b>1,267.72</b>	<b>1,110.56</b>

\* Actual expenses against the provision have been booked under the respective head of expenses.

### 42. Provision for major maintenance

The Group has a contractual obligation to periodically maintain, replace or restore infrastructure as per the terms of the concession agreement. The actual expense incurred at the end of the concession period may vary from the above. No reimbursements are expected from any sources against the above obligation.

Particulars	31 March 2020	31 March 2019
Opening Balance	7,166.58	6,110.66
Additions during the year*	2,489.31	2,042.39
Amount used during the year	(517.67)	(986.47)
	<b>9,138.22</b>	<b>7,166.58</b>

\*Additions includes unwinding of discount on non-current provision amounting to Rs. 807.34 (31 March 2019 : Rs. 540.63).

## Notes to Consolidated financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### 43. Capital commitments

- Estimated amount of contracts remaining to be executed on capital account Rs. Nil (31 March 2019: Rs. 524.80).
- Estimated amount of contracts in joint ventures remaining to be executed on capital account, to the extent of our share Rs. Nil (31 March 2019: Rs. Nil).

### 44. Contingent liabilities not provided for

Particulars	As at 31 March 2020	As at 31 March 2019
Entry tax demands arising from disputes not acknowledged as debts	3,697.16	3,697.16
Sales tax demand arising from disputes not acknowledged as debts	1,405.55	1,405.55
Duty Drawback demand arising from disputes not acknowledged as debts	351.15	351.15
Service tax demand arising from disputes not acknowledged as debts	2,736.43	2,736.43
Royalty demand arising from disputes not acknowledged as debts	1,333.26	1,333.26
Customs duty demand arising from disputes not acknowledged as debts	35.07	35.07
Guarantees issued by bankers on behalf of the Group	137,269.53	136,211.03
Corporate Guarantees issued by Company on behalf of Joint ventures	43,185.00	43,185.00
Claims on joint venture not acknowledged as debts to the extent of our share	3,126.09	1,885.32
Income tax demands of Joint Venture not acknowledged as debts to the extent of our share	17,409.38	16,338.46
Damages leviable by NHAI for non-compliance to operation and maintenance	5,028.42	2,666.52

Based on internal assessment and / or legal opinions obtained, the Management is confident that no provision is required to be made as at 31 March 2020.

### 45. Material partly-owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

Name	Country of incorporation and operation	31 March 2020	31 March 2019
BSC - C&C Kurali Toll Road Limited	India	49%	49%

Information regarding non-controlling interest:

Particulars	31 March 2020	31 March 2019
<b>Accumulated balances of material non-controlling interest:</b>		
BSC - C&C Kurali Toll Road Limited	1,968.00	2,026.90
<b>Profit/(loss) allocated to material non-controlling interest:</b>		
BSC - C&C Kurali Toll Road Limited	(58.36)	197.53

## Notes to Consolidated financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

The summarised financial information of this subsidiary is provided below. This information is based on amounts before inter company eliminations.

### Summarised statement of profit and loss for the year ended 31 March 2020:

	BKTL	
	31 March 2020	31 March 2019
Revenue	4,918.12	4,860.52
Operating & Maintenance Expenses	459.63	512.92
Employee Benefit Cost	326.56	342.33
Finance costs	1,585.04	1,986.41
Depreciation and Amortisation expense	2,667.19	1,621.97
Other expenses	-	-
<b>Profit for the year</b>	<b>(120.30)</b>	<b>396.89</b>
<b>Other comprehensive income</b>	<b>1.20</b>	<b>6.23</b>
<b>Total comprehensive income</b>	<b>(119.10)</b>	<b>403.12</b>
<b>Attributable to non-controlling interests</b>	<b>(58.36)</b>	<b>197.53</b>

### Summarised balance sheet as at 31 March 2020

	BKTL	
	31 March 2020	31 March 2019
Non-current assets	27,179.58	29,845.27
Current assets	149.09	87.56
Non-current liabilities	10,579.42	11,935.40
Current liabilities	12,732.93	13,860.90
Total equity	<b>4,016.32</b>	<b>4,136.53</b>
<b>Attributable to:</b>		
<b>Equity holders of parent</b>	<b>2,048.32</b>	<b>2,109.64</b>
<b>Non-controlling interest</b>	<b>1,968.00</b>	<b>2,026.90</b>

### Summarised cash flow information as at 31 March 2020

	BKTL	
	31 March 2020	31 March 2019
Operating	3,719.15	3,251.51
Investing	-	(36.90)
Financing	(3,663.63)	(3,246.04)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>55.52</b>	<b>(31.43)</b>
<b>Attributable to:</b>		
Cash and cash equivalent as at the beginning of the year	41.07	72.50
Cash and cash equivalent at the end of the year	96.59	41.07
<b>Share of:</b>		
Equity holders of parent (51%)	49.26	20.95
Non-controlling interest (49%)	47.33	20.12

## Notes to Consolidated financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### 46. Segment information

The Group has identified business segments in accordance with Indian Accounting Standard 108 "Operating Segment" notified under Section 133 of the Companies Act, 2013, read together with relevant rules issued thereunder.

The Group has organized its operations into three major businesses. The business segments of the Group comprise of the following:

- Infrastructure: Handling of engineering, procurement and construction solution in the infrastructure sector
- Real Estate: Construction of buildings
- Others: Other ancillary activities

No operating segments have been aggregated to form the above reportable operating segments.

The Executive Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. However, the performance of joint ventures is evaluated using proportionate consolidation.

Unallocable expenses are the expenses relating to Head office and Regional Office

Unallocable Assets and Liabilities are the assets and liabilities relating to Head office and Regional Office

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

### Segment Revenue

Segment	31 March 2020	31 March 2019
Infrastructure	165,704.21	162,842.52
Real estate	4,460.30	8,863.66
Others	2,461.08	2,800.81
	<b>172,625.59</b>	<b>174,506.99</b>

### Segment Result

Segment	31 March 2020	31 March 2019
Infrastructure	49,271.04	18,098.77
Real estate	(220.41)	2,121.00
Others	75.76	(340.57)
	<b>49,126.39</b>	<b>19,879.20</b>
<b>Reconciliation to net profit:</b>		
Un allocable expenses (net of other income)	(9,804.61)	(10,343.19)
Interest income	1,096.91	1,072.55
Interest expense	(36,761.20)	(39,099.63)
Share of loss of equity accounted investee	217.57	340.45
Exceptional gain	-	3,593.13
Income tax credit/ (expense)	760.40	(4,103.65)
<b>Net profit after tax</b>	<b>4,635.46</b>	<b>(28,661.14)</b>

## Notes to Consolidated financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### Segment Assets

	31 March 2020	31 March 2019
Infrastructure	352,180.90	355,695.67
Real estate	18,524.96	21,133.99
Others	3,745.13	3,854.82
Unallocable	50,099.71	42,684.87
<b>Total</b>	<b>424,550.70</b>	<b>423,369.35</b>

### Segment Liabilities

	31 March 2020	31 March 2019
Infrastructure	128,845.52	157,313.51
Real estate	3,953.64	1,432.31
Others	2,175.82	2,438.86
Unallocable	226,549.57	203,879.01
<b>Total</b>	<b>361,524.55</b>	<b>365,063.69</b>

### Footnote:

- 1) Unallocated assets include corporate property plant and equipment/ investment properties, deferred tax assets, advance payment of taxes (net of provision), cash and bank, fixed deposits, loan balances, interest accrued and others.
- 2) Unallocated liabilities include borrowings, interest accrued due and not due on borrowings, deferred tax liabilities (net), provision for tax (net), financial guarantee obligations, corporate trade payables/ statutory dues payable, provision for gratuity and others.

### Adjustments

Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a group basis.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

### Geographical segment information

#### Segment Revenue

Segment	31 March 2020	31 March 2019
India	172,625.59	174,506.99
Rest of the World	-	-
<b>Total</b>	<b>172,625.59</b>	<b>174,506.99</b>

### Carrying amount of segment assets

Segment	31 March 2020	31 March 2019
India	422,578.61	421,509.96
Rest of the World	1,972.09	1,859.39
<b>Total</b>	<b>424,550.70</b>	<b>423,369.35</b>



## Notes to Consolidated financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### 47. (A) Fair values :

Some of the group's financial assets and financial liabilities are measured at fair value at the end of the reporting period.

- a) The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used) :

Financial asset	Fair value as at		Fair value hierarchy	Valuation techniques	Significant unobservable input(s)	Relationship of unobservable inputs fair value
	31-Mar-20	31-Mar-19				
Investment in equity shares of Bank of Baroda Limited	4.31	10.34	Level 1	Quoted prices in active market	None	Not applicable
Investment in equity shares of C & C Constructions Ltd.	0.10	1.04	Level 1	Quoted prices in active market	None	Not applicable
Investment in equity shares of Pipal Tree Ventures Private Limited	148.03	150.42	Level 3	Net assets value of the investee company based on its audited financial statements.	Net assets of the investee company	Direct

- b) (i). Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Particulars	Carrying value		Fair value	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
<b>Financial assets</b>				
<b>At amortized cost</b>				
Cash and cash equivalents	2,032.43	5,371.93	2,032.43	5,371.93
Bank balances other than above	299.00	2,099.03	299.00	2,099.03
Trade receivables	32,494.43	32,100.33	32,494.43	32,100.33
Loans	6,393.45	5,600.10	6,393.45	5,600.10
Other financial assets	43,880.94	34,582.61	43,880.94	34,582.61
<b>Financial liabilities</b>				
<b>At amortized cost</b>				
Trade payables	15,717.74	15,949.71	15,717.74	15,949.71
Borrowings (including current maturities)	195,351.74	182,924.95	195,351.74	182,924.95
Other financial liabilities	75,638.65	71,496.67	75,638.65	71,496.67

### (B) Fair value hierarchy

All financial instruments for which fair value is recognized or disclosed are categorized within the fair value hierarchy described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1: Quoted price in active markets

Level 2: Significant observable inputs

Level 3: Significant unobservable inputs

## Notes to Consolidated financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### Quantitative disclosures fair value measurement hierarchy for financial instruments:

Particulars	Level As at 31 March 2020			Level As at 31 March 2019		
	1	2	3	1	2	3
<b>Financials assets</b>						
<b>At amortized cost</b>						
Cash and cash equivalents	-	-	2,032.43	-	-	5,371.93
Bank balances other than above	-	-	299.00	-	-	2,099.03
Trade receivables	-	-	32,494.43	-	-	32,100.33
Loans	-	-	6,393.45	-	-	5,600.10
Other financial assets	-	-	43,880.94	-	-	34,582.61
<b>Financials liabilities</b>						
Trade payables	-	-	15,717.74	-	-	15,949.71
Borrowings	-	-	195,351.74	-	-	182,924.95
Other financial liabilities	-	-	75,638.65	-	-	71,496.67

There have been no transfers between Level 1 and Level 2 during the period. The fair values of the financial assets and financial liabilities above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

### 48. Financial risk management objectives and policies

The Group's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Group's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. In performing its operating, investing and financing activities, the Group is exposed to the Credit risk and Liquidity risk.

#### (a) 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. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The group's exposure to market risk is primarily on account of foreign currency exchange rate risk. Financial instruments affected by market risk include loans and borrowings, deposits and FVTOCI investments.

#### *Interest Rate Risk*

Out of total borrowings, large portion represents short term borrowings (cash credit) and the interest rate is primarily based on the group's credit rating and also on the changes in the financial market. The group continuously monitors the overall factors which influence credit rating and also other factors which influence the determination of the interest rates by the banks to minimize the interest rate risks.

#### *Foreign Currency Exchange rate Risk*

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The group's exposure to the risk of changes in foreign exchange rates relates primarily to the group's foreign currency loan i.e. External Commercial Borrowings (ECB). The group does not enter into any derivative instruments for trading or speculative purposes.

We summarize below the financial instruments which have the foreign currency risks as at 31 March 2020 and 31 March 2019.

## Notes to Consolidated financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### (i) Derivatives outstanding as at

Particulars	Purpose	As at 31 March 2020	As at 31 March 2019
Cross Currency Interest Rate Swap	Hedge against exposure to principal and interest outflow on ECB loan.	Nil	Nil

### (ii) Unhedged foreign currency exposure is as follows:

	31 March 2020		31 March 2019	
	AED	Rs.	AED	Rs.
Assets classified as asset held for sale	-	-	-	-
Liabilities directly associated with assets held for sale	-	-	-	-

### (b) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

#### Trade receivables

Credit risk with respect to trade receivables is limited, based on our historical experience of collecting receivables, supported by the level of default. Accordingly, the trade receivables are considered to be a single class of financial assets.

#### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's top management in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the top management on an annual basis, and may be updated throughout the year subject to approval of the Company's board of directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

### (c) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Group also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

The table below analyses derivative and non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows(excluding assets held for sale).

	Carrying value	Less than 1 year	More than 1 year but less than 3 years	More than 3 years
<b>As at 31 March 2020</b>				
Borrowings	195,351.74	65,382.54	57,017.30	72,951.90
Other financial liabilities	75,638.65	35,097.66	13,352.41	27,188.58
Trade and other payables	15,717.74	15,717.74	-	-
<b>As at 31 March 2019</b>				
Borrowings	182,924.95	69,036.79	35,351.37	78,536.79
Other financial liabilities	71,496.67	23,208.18	3,578.71	44,709.78
Trade and other payables	15,949.71	15,949.71	-	-

## Notes to Consolidated financial statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

At present, the Group does expects to repay all liabilities at their contractual maturity. In order to meet such cash commitments, the operating activity is expected to generate sufficient cash inflows.

### 49. Capital management

The group endeavors to maintain sufficient levels of working capital, current assets, and current liabilities which helps the group to meet its expense obligations while also maintaining sufficient cash flow. The capital structure of the group consists of net debt (borrowings offset by cash and bank balances) and equity of the group (comprising issued capital, reserves and retained earnings). The capital structure of the group is reviewed by the management on a periodic basis.

	As at 31 March 2020	As at 31 March 2019
Borrowings (non-current and current, including current maturities of non-current borrowings, interest accrued and due, Interest accrued but not due)	200,281.41	186.829.44
Less: Cash and cash equivalents (including current balances at bank other than cash and cash equivalents and margin money deposits with banks)	(2,331.43)	(7,470.96)
<b>Net debt (A)</b>	<b>197,949.98</b>	<b>179,358.48</b>
<b>Equity(B) (refer note 15 &amp; 16)</b>	<b>61,058.15</b>	<b>56,278.77</b>
<b>Gearing ratio (%) (A/B)</b>	<b>3.24</b>	<b>3.19</b>

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been breaches in the financial covenants of any interest-bearing loans and borrowing in the current year but that does not permit the bank to immediately call loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2020 and year ended 31 March 2019.

### 50. Corporate Social responsibility expenditure

Particulars	31 March 2019	31 March 2018
a) Gross amount required to be spent by the Group during the year	-	-
b) Amount spent during the year ending on 31 March 2020:		
i) Construction/acquisition of any asset		
-In cash	-	10.10
-Yet to be paid in cash	-	-
<b>Total</b>	<b>-</b>	<b>10.10</b>
ii) On purposes other than (i) above		
-In cash	-	-
-Yet to be paid in cash	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### (51) Auditors' remuneration

Particulars	31 March 2020	31 March 2019
<b>As auditor:</b>		
Statutory audit fees	40.00	40.00
Tax audit fees	5.00	3.50
<b>In other capacity:</b>		
- Reimbursement of expenses	2.00	1.21
<b>Total</b>	<b>47.00</b>	<b>44.71</b>

## Notes to Consolidated Financial Statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

### 52. Information required for consolidated financial statements pursuant to Schedule III of the Companies Act, 2013 : For the year ended and as at 31 March 2020

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income / (loss)		Share in total other Comprehensive income / (loss)	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other Comprehensive income / (loss)	Amount	As % of consolidated total other Comprehensive income / (loss)	Amount
BSCPL (Holding Company)	167.93%	105,837.90	76.84%	3,563.04	-73.11%	(62.16)	-49.19%	3,500.88
<b>Subsidiaries of BSCPL</b>								
Chilakaluripet Bypass Private Limited (CBPL)	0.00%	1.00	0.00%	-	0.00%	-	0.00%	-
BSCPL International FZE	2.78%	1,753.36	-0.84%	(39.18)	171.76%	146.03	-1.50%	106.85
BATL	4.25%	2,676.49	-260.66%	(12,087.09)	-0.07%	(0.06)	169.82%	(12,087.14)
BKTL	6.47%	4,079.32	-2.62%	(121.41)	1.41%	1.20	1.69%	(120.21)
<b>Joint Ventures of BSCPL</b>								
BSCPL - KGLC Airport (JV)	0.45%	285.61	-1.06%	(49.28)	0.00%	-	0.69%	(49.28)
BSCPL - KGLC (JV)	0.04%	24.31	0.00%	-	0.00%	-	0.00%	-
BSC - C&C (JV)	21.16%	13,338.36	6.19%	286.91	0.00%	-	-4.03%	286.91
BSC - RBM - PATI (JV)	3.42%	2,153.39	5.14%	238.27	0.00%	-	-3.35%	238.27
BSCPL - SCL (JV)	1.21%	763.24	-0.43%	(20.11)	0.00%	-	0.28%	(20.11)
CR18G - BSCPL (JV)	0.80%	502.11	0.00%	(0.21)	0.00%	-	0.00%	(0.21)
SOMA -BSCPL (JV)	0.01%	5.33	0.00%	-	0.00%	-	0.00%	-
SCL - BSCPL (JV)	1.11%	697.56	-0.20%	(9.34)	0.00%	-	0.13%	(9.34)
NBHL	8.33%	5,251.66	5.51%	255.60	0.00%	-	-3.59%	255.60
MMHL	9.99%	6,299.01	0.65%	30.26	0.00%	-	-0.43%	30.26
PBTL	0.00%	-	0.00%	-	0.00%	-	0.00%	-
BSC - C&C JV Nepal Private Limited	0.16%	103.62	-0.20%	(9.18)	0.00%	-	0.13%	(9.18)
Minority Interest in all subsidiaries	3.12%	1,968.00	-1.28%	(59.49)	0.69%	0.59	-1.25%	(58.90)
<b>Total</b>	<b>231.24%</b>	<b>145,740.28</b>	<b>-172.98%</b>	<b>(8,021.20)</b>	<b>100.69%</b>	<b>85.60</b>	<b>110.67%</b>	<b>(7,935.60)</b>
Consolidated adjustment and elimination	-134.36%	(84,682.13)	274.26%	12,717.77	-1.38%	(1.17)	269.30%	12,716.60
<b>Consolidated net assets / profit/ (loss)</b>	<b>100.00%</b>	<b>63,026.15</b>	<b>100.00%</b>	<b>4,637.08</b>	<b>100.00%</b>	<b>85.02</b>	<b>100.00%</b>	<b>4,722.10</b>

#### Notes:

- The disclosure as above represents separate information for each of the consolidated entities before elimination of inter-company transactions. The net impacts on elimination of inter company transactions/profits/consolidation adjustments have been disclosed separately. Based on the Group structure, the management is of the view that the above disclosure is appropriate under requirements of the Companies Act, 2013.
- Percentages below 0.01 have been disclosed as 0.00.

## Notes to Consolidated Financial Statements for the year ended 31 March 2020

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

For the year ended and as at 31 March 2019

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income / (loss)		Share in total other Comprehensive income / (loss)	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other Comprehensive income / (loss)	Amount	As % of consolidated total other Comprehensive income / (loss)	Amount
BSCPL (Holding Company)	174.75%	101,809.69	-8.61%	2,467.92	26.75%	45.56	-35.31%	2,513.48
<b>Subsidiaries of BSCPL</b>								
BSCPL International FZE	2.82%	1,646.51	0.24%	(67.79)	69.17%	117.80	-0.70%	50.01
BATL	24.55%	14,313.65	37.07%	(10,623.38)	0.42%	0.71	149.25%	(10,622.67)
BKTL	7.20%	4,199.53	-1.38%	396.88	3.66%	6.23	-5.66%	403.11
<b>Joint Ventures of BSCPL</b>						-		
BSCPL - KGLC Airport (JV)	0.57%	334.62	0.05%	(14.97)	0.00%	-	0.21%	(14.97)
BSCPL - KGLC (JV)	0.04%	24.31	0.00%	-	0.00%	-	0.00%	-
BSC - C&C (JV)	19.10%	11,135.23	-3.62%	1,038.27	4.71%	8.02	14.70%	1046.29
BSC - RBM - PATI (JV)	3.30%	1,922.73	0.14%	(39.59)	0.00%	-	0.56%	(39.59)
BSCPL - SCL (JV)	1.34%	783.35	-0.01%	3.48	0.00%	-	-0.05%	3.48
CR18G - BSCPL (JV)	0.86%	502.32	-0.00%	0.14	0.00%	-	-0.00%	0.14
SOMA -BSCPL (JV)	0.05%	27.88	0.00%	(0.06)	0.00%	-	0.00%	(0.06)
SCL - BSCPL (JV)	1.21%	706.91	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
NBHL	8.57%	4,996.06	-0.76%	218.62	0.00%	-	-3.07%	218.62
MMHL	11.62%	6,773.05	-0.02%	5.42	0.00%	-	-0.08%	5.42
SEL	0%	-	-2.74%	784.35	0.00%	-	-11.02%	784.35
PBTL	0%	-	5.76%	(1,651.29)	0.00%	-	23.20%	(1,651.29)
BSC - C&C JV Nepal Private Limited	0.19%	111.93	0.04%	(11.29)	0.00%	-	0.16%	(11.29)
Minority Interest in all subsidiaries	3.48%	2,026.90	-0.68%	194.48	1.79%	3.05	-0.69%	197.53
<b>Total</b>	<b>259.66%</b>	<b>15,1397.66</b>	<b>25.47%</b>	<b>(7,298.82)</b>	<b>106.49%</b>	<b>181.37</b>	<b>102.78%</b>	<b>(7,117.45)</b>
Consolidated adjustment and elimination	-163.14%	(95,118.89)	75.21%	(21,556.80)	-8.28%	(14.11)	75.71%	(21,570.91)
<b>Consolidated net assets / profit/ (loss)</b>	<b>100.00%</b>	<b>58,305.67</b>	<b>100.00%</b>	<b>(28,661.14)</b>	<b>100.00%</b>	<b>170.31</b>	<b>100.00%</b>	<b>(28,490.83)</b>

### Notes:

- The disclosure as above represents separate information for each of the consolidated entities before elimination of inter-company transactions. The net impacts on elimination of inter company transactions/profits/consolidation adjustments have been disclosed separately. Based on the Group structure, the management is of the view that the above disclosure is appropriate under requirements of the Companies Act, 2013.
- Percentages below 0.01 have been disclosed as 0.00.

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

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

53. The Holding Company, on the basis of expert advise and internal assessment, has decided to claim the tax benefit under Section 80IA of the Income Tax Act, 1961 for projects/sites, which are eligible for deduction. Further, the deferred tax on temporary difference between accounting income and taxable income that have arisen up to current year in respect of these projects are reversing during such holiday period; hence no deferred tax asset/liability arises and accordingly no provision is made in the financial statements.

Further, certain components of the Group are eligible for deduction under Section 80IA of the Income Tax Act, 1961 and the concession period of the Components project falls within the tax holiday period as defined in Section 80IA.

54. As of 31 March 2020, the Company has investment of of Rs. 1,994.57 (31 March 2019: Rs. 1,992.57) and has given advances of Rs. 9,993.51 (31 March 2019: Rs. 10,144.78) in certain unincorporated joint ventures engaged in execution of irrigation projects in erstwhile state of Andhra Pradesh and these projects have been progressing slow/stopped on account of various pending environmental/forest land clearances. Unincorporated joint ventures are carrying certain advances/ inventory/ trade receivables towards the above irrigation projects to be realized from the State Government. The Company is confident to obtain the clearances at the earliest for commencement of the projects and to recover the entire carrying value of investments in these un-incorporated Joint ventures. Accordingly no provision is considered necessary against these investments in these financial statements. Further, as the clearances are expected to be received at the earliest, the management is of the view to classify these advances as current.

55. In respect of the road projects executed by the Holding Company in earlier years, the Holding Company has recognized and receivable from the road projects in Siliguri (Contract -WB-VI) to the extent of Rs. 4,140.73 and MP Deori (Contract - MP-ADB-II/C-7) to the extent of Rs. 4,156.56 the company has de-recognised (FY2008-19) this claims having unfavorable judgment pronounced by the Honorable Supreme Court of India in similar case.

The Holding Company has preferred such claims based on the terms and conditions implicit in the respective construction contracts. Since the claims are technical in nature and subject to judicial process, the Company has obtained a legal opinion on the recoverability of such claims from an independent counsel. The Holding Company has been legally advised that amounts are good of recovery. On the basis of such past recovery, legal opinion and internal assessment, the management is of the view that the claims are tenable, there exists no uncertainty as to ultimate collection and are expected to be realized in the Company's operating cycle within twelve months after the reporting date. Pending outcome of the judicial process, the above amounts are being carried as recoverable and disclosed under other current financial assets.

56. As of 31 March, 2020, the Holding Company has continued to carry the claim on BSCPL Godhra Tollways Limited ("BGTL") (an erstwhile subsidiary of the Company) amounting to Rs.2,822.25 based on bills certified by BGTL, which are back-to-back dependent on the outcome of arbitration/dispute resolution process with the ultimate customer, which has been appealed against by the counter-party. However, based on the terms of the Share purchase agreement dated 14 November 2016 entered into between the Holding Company, BGTL, other shareholders and IDFC Alternatives Limited, BGTL had agreed to write off the corresponding liability and asset in its books of account for the year ended 31 March 2017. Further, as per the addendum to the Share Purchase agreement, the Holding Company and BGTL have agreed for the procedure for arbitration as per which the claim amount as and when received by BGTL, (after receiving from NHAI) will be transferred to BSCPL.

Further, having received the Arbitration award (dated 27<sup>th</sup> November 2019) for Rs. 2,822.25 against Rs.



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

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

3,736.66 the balance amount of Rs. 914.41 has been charged to profit and loss account during the year.

The Holding Company has preferred such claims based on the terms and conditions implicit in the respective construction contracts. Since the claims are technical in nature and subject to judicial process, the Holding Company has obtained a legal opinion on the recoverability of such claims from an independent counsel. The Holding Company has been legally advised that amounts are good of recovery. On the basis of such legal opinion and internal assessment, the management is of the view that the claims are tenable and there exists no uncertainty as to ultimate collection. Pending outcome of the judicial process, the above amounts are being carried as recoverable.

57. The following Receivables have been written off as referred to the Board of Directors since the realization of the same is not happening based on the facts and circumstances.

- The company has accounted a claim of Rs. 3,736.66 on BSCPL GodhraTollways Ltd (BGTL), a 100% subsidiary of the company against the EPC works done for the project. BGTL had in turn put the claim with NHAI under various categories of claims including the additional cost for COS to be incurred while completing the project. The Arbitration Tribunal has pronounced its award on 27/11/2019 of Rs. 2,822.25 payable against the claim of COS to BGTL. Since the claim accounted based on the back to back to be passed on to the company by BGTL, the management has taken view of write off the balance amount of Rs. 914.41 Hence an amount of Rs. 914.41 has been proposed to be written off during the Financial year 2019-20 against the claim already accounted.
- The company had put a claim against NHAI, the employer for the additional cost incurred for the EPC works done on Siliguri Islampur section of NH-31 in the state of West Bengal. The company has recognized the claim of Rs.5,493.50 which comprises of Delay claim of Rs. 1,352.77 and price adjustment of Rs. 4,140.62 over a period of time including the accumulated interest till FY 2016-17. The Arbitration Tribunal had awarded a claim of to the company against which NHAI appealed to the court. NHAI was directed to deposit the claim amount by the Court and later released to the company subject to the final verdict against the undertaking given by the company. The company has received an amount of Rs. 5,440.80 towards Delay claim of Rs. 1,279.22, an interest of Rs. 51.70 and the balance of Rs. 4,109.87 for price adjustment. This leaving a balance of Rs. 73.55 which was excess recognized towards Delay claim and offered as income.

Subsequently, the Hon'ble Supreme Court had given judgment in favor of NHAI and against the claimants in the similar cases of price adjustment. NHAI had demanded the price adjustment amount of Rs. 4,109.87 and the interest of Rs. 1,261.94 and the same has been paid. The company had written off the claim amount in the financial year 2018-19 by showing the liability for the amount received. The company has paid an amount of Rs. 5,371.81 to NHAI for the demand made. Further, an amount of Rs. 16.59 which was withheld by NHAI against the IPC bills has not been released by appropriating against the amount to be recovered. Hence, the management has taken a view of writing of the amount of Rs. 90.14 during the financial year 2019-20.

- The company had won the bidding of Simhapuri Expressways Ltd (SEL) a BOT along with KMC Constructions Ltd. For execution of the project both the company have taken the EPC contract in the proportion of 51: 49 for KMC and the company respectively. While executing the project some portion of KMC work had been given to the company on sub contract basis. On completion of the project, having



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

(All amounts are in Indian Rupee lakh except share data and unless otherwise stated)

incurred additional cost for COS, CIL etc, both the companies had put the claim on SEL being owner of the BOT project. SEL in turn had put the claim with NHAI to pay to the EPC contractors on back to back to basis. Subsequently, the BOT and NHAI have reached a settlement agreement for an amount of Rs.19,250.00 which is to be shared between the both the EPC contractors. Both the EPC contractors have shared the net claim amount of Rs. 18,152.00 by sharing an amount of Rs. 15,480.00 to BSCPL and Rs. 2,672.00 to KMC for the all works done including the subcontract works given by KMC to BSCPL. After the settlement, there is an amount of Rs. 1,204.94 lying in the books of the company to the debit of KMC Constructions Ltd. Hence, with no further amount to be received from KMC for the works done after the settlement, the management has taken a view for writing of the amount of Rs. 1,204.94 during the financial year 2019-20.

58. The company is mainly engaged in the execution of road works allotted by the National Highways Authority of India and Irrigation related works given by various state governments. Due to lock down restrictions imposed in the month of March, 2020, the work at major sites has come to standstill and post lockdown restrictions, the works are resumed but due to shortage of site workmen and disruption in material supply, the works are being carried at sub-optimal level which may lead to delay in completion of the projects. However, the respective Departments are awarding an extension of time ranging from three to six months with no extra cost to the contractor. COVID 19 Pandemic impact and lockdown restrictions caused temporary stress on the working capital management. The company has opted for the utilization of Moratorium Benefit provided by the Reserve Bank of India and the company has also applied for loan facility under Covid Emergency Credit Line. In view of the above, the COVID19 pandemic impact on the business operations of the company is temporary in nature and it will not impact the continuity of the business operations of the company. However, the Company will closely monitor the future developments and economic conditions across the country and assess its impact on the financial statements

59. The carrying value of the investment is taken as "Zero" if the losses incurred more than the carrying value of investment under equity accounting method.

60. No subsequent event has been observed which may require an adjustment to the balance sheet

As per our report of even date

**For K Prahlada Rao & Co.**

ICAI Firm registration  
number: 002717S  
Chartered Accountants

**For B Srinivasa Rao & Co**

ICAI Firm registration  
Number: 008763S  
Chartered Accountants

For and on behalf of the Board of Directors of  
**BSCPL Infrastructure Limited**

**K Prahlada Rao**

Partner  
Membership No. 018477

**B. Srinivasa Rao**

Partner  
Membership No. 205449

**B. Krishnaiah**

Chairman  
DIN : 00025094

**B. Seenaiah**

Managing Director  
DIN :00496623

**N. Nani Aravind**

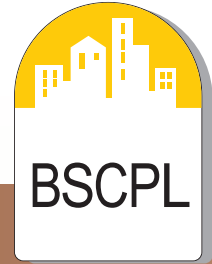
Chief Financial Officer

**K. Raghavaiah**

Company Secretary

Place : Hyderabad  
Date : 4th November 2020

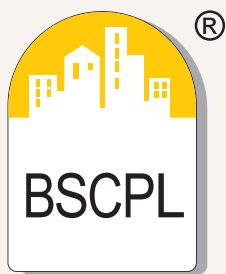
Place : Hyderabad  
Date : 4th November 2020



# ***BUILDING BETTER LIVES***

BSCPL Infrastructure Limited





## **BSCPL Infrastructure Limited**

M.No. 8-2-502/1/A, JIVI Towers, Road No. 7, Banjara Hills, Hyderabad - 500 034.

Phones: 040 - 23303663, 23307704, 23307831, Fax: 040 - 23307385. Email: [info@bscpl.net](mailto:info@bscpl.net)