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Highlights 2020-21

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

HCC'S MAJOR PROJECTS

□ Completed projects

● Projects in progress

▲ New projects

★ BOT projects

ANDHRA PRADESH

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

ARUNACHAL PRADESH

- Pare Hydro Power Project

ASSAM

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

BIHAR

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

CHATTISGARH

- Bhilai Steel Plant

DELHI

- ★ Delhi Faridabad Elevated Expressway
- DMRC - Airport Metro Express Line
- DMRC - Dwarka to Najafgarh
- DMRC - Janakpuri West to Palam Station
- DMRC - Janakpuri West to RK Ashram Corridor

- DMRC - Netaji Subhash Place to Shalimar Bagh

- DMRC - Vishwa Vidyalaya to ISBT

- Flyover linking existing Munirka flyover to Army RR Hospital

GOA

- Goa Barge Berth at Marmugoa

GUJARAT

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

HARYANA

- Hathnikund Barrage
- Panipat Chimney

HIMACHAL PRADESH

- Chamera Hydro Power Project, Stage I
- Chamera Hydro Power Project, Stage III
- Kashang Hydro Power Project
- Nathpa Jhakri Hydro Power Project
- Sainj Hydro Power Project

- Sawra Kuddu HRT

JAMMU & KASHMIR

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

JHARKHAND

- Chandil Dam
- Grand Trunk Road Improvement Project

KARNATAKA

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

KERALA

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

LADAKH

- Chutak Hydro Power Project
- Nimoo Bazgo Hydro Power Project

MADHYA PRADESH

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

MAHARASHTRA

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

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

MANIPUR

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

ORISSA

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

PUNJAB

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

RAJASTHAN

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

TAMIL NADU

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

TELANGANA

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

UTTAR PRADESH

- ☐ Allahabad Bypass
- ☐ Gomti Aqueduct
- ☐ Maneri Bhali Hydroelectric Power Project

- ☐ Naini Cable Stayed Bridge
- ☐ Narora Atomic Power Project
- ☐ NH - 28 - Lucknow Muzaffarpur Highway
- ☐ Rihand Dam
- ☐ Sai Aqueduct
- ☐ Sharda and Ghogra Barrages
- ☐ Varanasi Bridge
- ☐ Yamuna Hydro Power Project

UTTARAKHAND

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

WEST BENGAL

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

BHUTAN

- ☐ Dagachhu Hydro Power Project
- ☐ Kurichhu Hydro Power Project
- Nikachhu Hydro Power Project
- Punatsangchhu Hydro Power Project
- ☐ Tala Hydro Power Project

BANGLADESH

- Rooppur Nuclear Power

CHAIRMAN'S LETTER



Dear Shareholder,

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

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

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

Amidst these developments, suddenly, a second wave of the pandemic precipitously enveloped the nation and caught us unprepared. The Government embarked on quick course correction measures with ramping up of health infrastructure

for patients and vaccinations of eligible citizens on war-footing. The stringent localised lockdowns and enhancement of critical medical infrastructure will ensure containment of the virus and hopefully overcome the pandemic soon.

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

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

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

While we had a challenging situation at the project sites due to the lockdown, HCC remobilized the required workmen, strengthened the supply chain management with improved vendor management, and took various measures with clients

to improve cash flow to successfully bring stalled projects back into regular operation during the year.

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

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

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

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

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

Your Company takes a 360-degree view of sustainable development that encompasses the organization's social, economic, governance, and financial aspects. We have been disclosing our sustainability performance through our annual Sustainability Reports published for the last 11 years. The Report adheres to the Global Reporting Initiative (GRI) framework and is independently verified by a third-party assurance agency. Through these initiatives, we make sure that the communities around us see a tangible and durable benefit from our presence. They see it in the shape of better

access to potable water, improved sanitation levels, facilities for health, education and skill-building. The Company has also supported authorities in disaster relief during the glacier burst at Tapovan Vishnugarh HEP in Uttarakhand.

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

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

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

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

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

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

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

Yours sincerely,



Ajit Gulabchand
Chairman & Managing Director



1

PROJECTS



2

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



3

3. NH34 Concession Projects:

The balance works on Farakka Raiganj Highway and the additional construction of 14.35 km of Bahrapore Farakka Highway was completed in FY21 with revised tolling from May 2021, leading to an increase in revenues.

4. **Anji Khad Bridge:** Substructure, Pylon construction and fabrication works are in progress. The bridge superstructure work has commenced by the incremental launching method. On completion this will be one amongst longest cable stayed bridges in the world for railways.



4



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

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

