FINANCIAL STATEMENT
2019-20

HCC OPERATIONS & MAINTENANCE LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Members of HCC Operations and Maintenance Limited

Report on the audit of the Standalone Ind AS Financial Statements

Qualified Opinion

We have audited the StandaloneInd AS financial statements of **HCC Operations and Maintenance Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020 and the Statement of Profit and Loss, the Statement of Changes in Equityand the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, **except for the effects of the matter described in the basis for Qualified Opinion section of our report,**the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its loss, changes in equity and its cash flows for the year ended on that date.

Basis forQualified Opinion

1. In the absence of availability of sufficient and convincing audit evidence regarding recoverability of an Inter Corporate Deposit extended to a related party (namely Dhule Palesner Operations & Maintenance Ltd – DPOML) amounting to Rs.8, 450.32lakhsand interest accruedthereon amounting to2,894.28lakhs as on 31st March, 2020 which are outstanding for a long period and also where in default has also been committed on account of payment of interest, in our opinion, above advance including interest there on is doubtful of recovery and should be provided for.Non-provision of above Inter Corporate Deposit including interest thereon as doubtful has resulted in overstatement of Inter Corporate Deposit by Rs.8,450.32 lakhs&Interest Receivable on Inter Corporate Deposit by 2,894.28 lakhs and under-statement of loss for the year by Rs. 11,344.6 lakhs amount.

Consequently, to the extent of abovementioned qualification, the unreserved and explicit statement of compliance with Indian Accounting Standards as notified in the Companies (Indian Accounting Standards) Rules, 2015 in Note 2(a) is not proper.

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 theStandalone Ind AS 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 Standalone Ind AS 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

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these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern
During the year, there has been a substantial erosion in the net worth of the Company. Net worth of the company is negative as on 31st Mar 2020 as the accumulated losses of the company at Rs.6,990.50lakhs has exceeded the paid up share capital of the company amounting to Rs 5.00 lakhs by Rs. 6,985.50lakhs. However,it has been represented by the management that the Company is financially supported by holding Company and will be supported in future also to discharge its obligations.

The above events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern- (Refer Note No 40 to the Financial Statements).

Our opinion is not modified in respect of this matter.

Emphasis of matter

Attention is drawn to Note. 39 to the financial statements. The Company (HOML) had signed a debenture Sale Purchase (DSP) agreement on 29th September 2017 with SSG Investment Holding India Ltd (SSG) and India Opportunities Pte I Ltd. (IOPL) for purchasing of debentures of Lavasa Corp Ltd., in the event of any default. As per terms of the agreement, Company has committed to purchase debentures from SSG and IOPL in the event of default by issuer for an aggregate consideration of Rs 13,800 lakhs plus Interest @ 10.27 % per annum. During the financial year 2019-20 the Company has paid advances to debenture holdersagainst debentures amounting to Rs 300 lakhs (PY : 1,800 lakhs). During the year vide letter dated 08th August 2019, the Company has received recall notice from SSG and IOPL for Rs 18,525.09 lakhs due to payment default as per DSP agreement and the Company has recognized Liability Rs. 11,700 lakhs after adjustment of Rs.2, 100 Lakhs advances which has been already paid and remaining amount to Rs. 4,725.09 lakhs on the account of interest thereon has been shown under contingent liability as it has been represented by the Company that it is in talk with the parties to waive off the interest part.

Our opinion is not modified in respect of this matter.

Information other than the Ind AS Financial Statements and Auditor's Report thereon
The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report (but does not include the Ind AS financial statements and our auditor's report thereon).

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Responsibility of Managementand Those Charged with Governance for the Standalone 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 StandaloneInd AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act.This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statement 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.

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

Auditor's Responsibilities for the Audit of the Standalone 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 it 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.

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.

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. **Except for the effects of the matter described in the basis for Qualified Opinion section of our report,** as required by Section 143(3) of the Act, we report that:

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

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

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

d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) **Our observations made on the matters stated in the 'Basis for qualified Opinion and Material Uncertainty Related to Going Concern' paragraphs above may have adverse effect onthe functioning of the Company.**

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

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

h) 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 no pending litigation which would impact its financial position except those disclosed in financial statements;

   ii. The Companydoes not envisage any material foreseeable losses inlong-term contracts including derivative contract requiring provision;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

3.)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 our information and according to the explanations given to us, no remuneration has been paid by the Company to its directors during the year so the provisions of section 197 of the Act are not applicable.

For Gianender & Associates
Chartered Accountants
(Firm's Registration No. 004661N)

GIANENDER & ASSOCIATES NEW DELHI Chartered Accountants

G. K. Agrawal
(Partner)
(M No. 081603)

Place: New Delhi
Date: 26.06.2020

UDIN: 20081603AAAAGU9979

Annexure 'A'to the Independent Auditor's Report of HCC Operations and Maintenance Limited For the Year ended as on 31st March 2020

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report on even date:-

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

b. The Fixed Assets have been physically verified by the Management at regular Intervals and no material discrepancies were noticed on such verification.

c. The company does not have any immovable property.

ii. As per the information and explanations given to us, there is no inventory in hand at any point of time during the year, hence paragraph 3(ii) of the Order is not applicable to the Company.

iii. According to the information and explanations given to us and based on our examination of the records of the Company, the Companyhas not granted any loans, secured or unsecured to companies, firms, limited liabilities partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, reporting under clause (a) to (c) of Para 3(iii) of the Order are not applicable.

iv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has complied with provisions of Section 185 & 186 of Companies Act, 2013 in respect of transactions relating to Loans, investments, guarantee and Securities, as applicable.

v. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not accepted deposits and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the Company.

vi. The Company is prima-facie maintaining the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

vii. a. According to the information and explanations given to us and on the basis of our examination of the books of accounts, except in case of undisputed statutory dues pertaining to Provident Fund and Employee State Insurance, the Company has been regularin depositing undisputed statutory dues including income tax, service tax, value added tax, cess and other statutory dues during the year with the appropriate authorities. As on 31st March 2020, there are no undisputed statutory dues payables for period exceeding for a period more than six month from the date they become payable except TDS Payable amounting to Rs.1.67 lakhs and IncomeTax Payable amounting to Rs.173.49 lakhs.

b. According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues which have not been deposited on account of dispute except the following:

Nature of the Statute	Nature of the dues	Forum where Dispute is Pending	Period to which the amount relates	Amount (in Lakhs)
Finance Act, 1994	Service Tax	Additional /Joint Commissioner of GST and Central Excise	FY 15-16	83.52
The West Bangal value Added tax, 2003	VAT	Senior Joint Commissioner of Commercial Taxes	FY 16-17	4.64

viii. According to the information and explanations given to us and based on our examination of the records of the Company, the company has defaulted in repayment of Principal and interest dues to bank in respect of Interest and Principal as per the following details given below:

Name of Bank	Principal default (Amount in Rs. Lakhs)	Interest Default (Amount in Rs. Lakhs)	Period of default
Yes Bank	653.59	43.53	0-90 Days

The Company has not taken any loans or borrowings from any Government and has not issued any debentures during the year.

ix. In our opinion and according to the information and explanation given to us, the Company has not raised money by way of initial public offeror further public offer (including debt instruments) and the term loan during the year. Hence reporting under this clause 3(ix) of the order is not applicable to the Company.

x. According to the information and explanation given to us by the management which have been relied by us, there were no frauds on or by the Company noticed or reported during the period under audit.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid any managerial remuneration. Hence, reporting under Para 3(xi) are not applicable.

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xii. In our opinion and according to the information and explanations given to us, the Company is not a NidhiCompany and hence clause3 (xii) of the Companies (Auditor's Report) Order 2016 is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Standalone Ind AS financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. According to the information provided to us, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Therefore, paragraph 3(xvi) of the Order is not applicable to the Company.

For Gianender & Associates
Chartered Accountants
(Firm's Registration No. 004661N)

GIANENDER & ASSOCIATES NEW DELHI Chartered Accountants

G. K. Agrawal
Partner)
(M No. 081603)
UDIN: 20081603AAAAGU9979

Place: New Delhi
Date: 26.06.2020

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in our Report of even date)

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 with reference to financial statements of **HCC Operations and Maintenance Limited** ("the Company") as of March 31, 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 with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to financial statements issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

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

For Gianender & Associates
Chartered Accountants
(Firm's Registration No. 004661N)

G. K. Agrawal
(Partner)
(M No. 081603)
UDIN: 20081603AAAAGU9979

Place: New Delhi
Date: 26.06.2020

HCC Operations & Maintenance Limited
CIN NO:L93030MH2012PLC237676
Balance Sheet as on 31st March 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Particulars	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	3.08	4.31
Other Financial Assets	4	68.93	112.16
Non Current Tax Assets (Net)	5	13.17	13.17
Other Non Current Assets	6	-	-
Current assets			
Financial Assets			
Investments	7	1.58	1.49
Trade receivables	8	1,580.45	2,506.38
Cash and cash equivalents	9	67.68	20.07
Loans	10	8,969.68	8,555.04
Other financial asset	11	3,008.05	3,533.25
Other current assets	12	416.82	328.59
Total Assets		**14,129.44**	**15,074.46**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	5.00	5.00
Other equity			
Capital contribution from holding Company	14	259.56	2,059.56
Reserves and Surplus	15	(6,990.50)	1,712.93
Total Equity		(6,725.94)	3,777.49
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	16	450.00	3,064.38
Provisions	17	55.37	34.26
Current Liabilities			
Financial Liabilities			
Trade payables			
i) total outstanding dues of micro and small enterprises	18	71.53	82.51
ii) total outstanding dues other than (i) above		642.79	633.65
Other financial liabilities	19	15,867.12	4,897.81
Provisions	20	354.54	508.71
Current Tax Liabilities	21	1,092.17	135.83
Other current liabilities	22	2,321.87	1,939.61
Total Liabilities		**20,855.38**	**11,206.95**
Total Equity and Liabilities		**14,129.44**	**15,074.46**

The accompanying notes are an integral part of the financial statements.
As per our report of even date attached

For Gianender & Associates
Chartered Accountants
ICAI Registration No. 04661N

GIANENDER & ASSOCIATES
NEW DELHI
Chartered Accountants

G K Agrawal
Partner
Membership No.:081603
UDIN : 20081603AAAAGU9971

Place: New Delhi
Date: 26/6/20

Kishore Venkata Ramana Repaka
Director
DIN No. : 07402969

Mahesh Sitaram Gaikwad
Director
DIN No. : 06664942

Place: Mumbai
Date: 26.06.2020

HCC Operations & Maintenance Limited
CIN NO:U93030MH2012PLC237676
Statement of Profit and Loss for the year ended 31st March 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Particulars	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
Continuing Operations			
Revenue from Operations	23	6,319.19	4,233.27
Other Income	24	1,266.42	1,033.54
Total Income		7,585.61	5,266.81
Expenses			
Purchase of Stock in trade	25	-	-
Employee benefits expense	26	421.23	391.18
Finance costs	27	608.37	772.82
Depreciation and amortization expense	28	1.23	1.23
Other expenses	29	2,087.36	4,702.58
Total expenses		3,118.19	5,867.82
Profit / (loss) before exceptional items and tax		4,467.43	(601.01)
Exceptional Items		12,000.00	-
Profit / (loss) before tax		(7,532.57)	(601.01)
Tax expense			
Current tax		1,135.60	361.37
Tax relating to earlier years		35.25	26.83
Profit/(Loss) for the period		(8,703.43)	(989.21)
Other Comprehensive Income			
Other Comprehensive Income			
a) Items not to be reclassified subsequently to profit or loss			
- Gain/(Loss) on fair value of defined benefit plans as per actuarial valuation		-	2.03
INCOME tax Effect on above		-	-
b) Items to be reclassified subsequently to profit or loss		-	-
Other Comprehensive Income for the year		-	2.03
Total Comprehensive Income for the year		(8,703.43)	(987.18)
Earnings per equity share of Rs. 10 each (for continuing operation):	30		
Basic earnings per share (not annualised)		(17,406.86)	(1,974.36)
Diluted earnings per share (not annualised)		(17,406.86)	(1,974.36)

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

For Gianender & Associates
Chartered Accountants
ICAI Registration No. 04661N

G K Agrawal
Partner
Membership No. 081603

Place: New Delhi
Date: 26/6/20

Kishore Venkata Ramana Repaka
Director
DIN No. : 07402960

Mahesh Sitaram Gaikwad
Director
DIN No. : 06664942

Place: Mumbai
Date: 26.06.2020

HCC Operations & Maintenance Limited
CIN NO :U93030MH2012PLC237676
Cashflow statement for the year ended March 31st, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
A Cash Flow from operating activities		
Profit after income tax including discontinued operations	(8,703.43)	(959.21)
Adjustments for		
Add:		
Depreciation and amortisation expenses	1.23	1.23
Impairment losses on financial /non financial assets	-	1,800.00
Finance costs	565.13	754.15
Income tax	1,170.85	-
Less:		
Interest income	(1,024.78)	(1,033.43)
Profit on sale of investment	(0.09)	(0.11)
Change in operating assets and liabilities		
(Increase)/decrease in trade receivables	925.93	(2,135.92)
(Increase)/decrease in other financial assets	(18.86)	18.57
(Increase)/decrease in other current assets	(88.23)	(97.44)
Increase/(decrease) in trade payables	(2.04)	468.27
Increase/(decrease) in other financial liabilities	10,986.23	615.37
Increase/(decrease) in provisions	(133.07)	143.58
Increase/(decrease) in other current liabilities	382.28	52.94
Cash generated from operations	3,819.58	(402.02)
Income taxes paid	(214.51)	(23.25)
Net cash inflow from operating activities	**3,605.07**	**(425.27)**
B Cash flow from investing activities:		
Purchase of property, plant and equipment/ intangible assets	-	-
Inter Corporate Deposits (ICD)	(1,567.64)	1,478.59
Proceeds from sale of investments	-	-
Purchase of Investments	-	-
Interest received	665.07	338.51
Net cash outflow from investing activities	(661.02)	1,817.10
C Cash flow from financing activities		
Repayment of long term borrowings	(2,246.51)	(1,307.17)
Interest paid	(649.93)	(653.95)
Net cash inflow (outflow) from financing activities	(2,896.44)	(1,961.13)
Net increase/(decrease) in cash and cash equivalents	47.61	(569.29)
Add: Cash and cash equivalents at the beginning of the financial year	20.07	589.36
Cash and cash equivalents at the end of the year	67.68	20.07
Reconciliation of Cash Flow statements as per the cash flow statement		
Cash Flow statement as per above comprises of the following	**31 March 2020**	**31 March 2019**
Cash and cash equivalents	67.68	20.07
Bank overdrafts	-	-
Balances as per statement of cash flows	67.68	20.07

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

For Gianender & Associates
Chartered Accountants
ICAI Registration No. 04661N

GIANENDER & ASSOCIATES NEW DELHI Chartered Accountants

G K Agrawal
Partner
Membership No. 081603

Place: New Delhi
Date: 26/6/20

Kishore Venkata Ramana Repaka
Director
DIN No. : 07402969

Mahesh Sitaram Gaikwad
Director
DIN No. : 08664942

Place: Mumbai
Date: 26.06.2020

HCC Operations & Maintenance Limited
Notes to financial statement for the year ended 31st March 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

A

Equity share capital	
As at 1 April 2019	5.00
changes in equity share capital	-
As at 31st March 2020	5.00

B **Statement of change in Equity**

	Equity Component of Financial Instruments	Reserves and Surplus	
	Deemed Equity	Retained Earnings	Total
Balance as at 1st April-2019	2,059.56	1,712.93	3,772.49
Profit for the period		(8,703.43)	(8,703.43)
Capital Contribution accepted /(repaid)	(1,800.00)	-	(1,800.00)
Other Comprehensive Income for the period	-	-	-
Balance as at 31st March 2020	259.56	(6,990.50)	(6,730.94)

The accompanying notes are an integral part of the financial statements.
As per our report of even date attached
For Gianender & Associates

Chartered Accountants
ICAI Registration No. 04661N

G K Agrawal
Partner
Membership No. 081603

Place: New Delhi
Date: 26/6/20

Kishore Venkata Ramana Repaka
Director
DIN No. : 07402969

Mahesh Sitaram Gaikwad
Director
DIN No. : 06664942

Place: Mumbai
Date: 26.06.2020

HCC Operations & Maintenance Limited
Notes to the financial statements for the year ended 31st March 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

1 **Corporate information**
HCC Operations & Maintenance Limited (the company) was incorporated under the Companies Act, 1956 on 7th November, 2012 for the purpose of Operations and maintenance of roads and similar business. The Company is wholly owned subsidiary of HCC Infrastructure Company Limited.

2 **Summary of significant accounting policies**
(a) **Basis of preparation**
The financial statements are prepared on an accrual basis of accounting and in accordance with the Indian Accounting Standards (Ind AS) notified under the companies (Indian Accounting standards) Rules, 2015 as amended by the companies (Indian Accounting standard) Rules 2016.
In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after 1 April 2018.
IndAS115:
Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. The new revenue standard is applicable to the Company from 1 April 2018.

The financial statements have been prepared on a historical cost basis, except for the following :

i certain financial assets and liabilities (including derivative instruments) and contingent consideration that is measured at fair value;

ii assets under service concession arrangement;

iii assets held for sale - measured at fair value less cost to sell

iv defined benefit plans - plan assets measured at fair value.

(b) **Current & Non Current classification**
Current Asset :
An asset shall be classified as current when it satisfies any of the following criteria:
(a) it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
(b) it is held primarily for the purpose of being traded
(c) It is expected to be realized within twelve months after the reporting date, or
(d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets shall be classified as non-current.

Current Liabilities:
A liability shall be classified as current when it satisfies any of the following criteria:
i (a) it is expected to be settled in the company's normal operating cycle;
ii (b) it is held primarily for the purpose of being traded;
iii (c) it is due to be settled within twelve months after the reporting date ; or
iv (d) the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could at the option of the counterparty, result in its settlement by the issue of equity instruments do not effect its classification.

All other liabilities shall be classified as non-current.

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(c) Property, plant and equipment:

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value:

Depreciation is provided as per the useful lives of the assets as per schedule II of Companies Act, 2013 using Straight Line Method (SLM).

(d) Investments and other financial assets:

i) Classification:

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

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

• those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

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

(ii) Measurement:

• Amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

• Fair value through other comprehensive income (FVOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

• Fair value through profit or loss:

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

(e) Equity instruments

(i) The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

(ii) Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Derecognition of financial assets:
A financial asset is derecognised only when
• The Company has transferred the rights to receive cash flows from the financial asset or

• retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(f) Cash and cash equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(g) Income Tax:

The Company does not have taxable income and hence no provision for current tax has been made.

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

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

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

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

(h) Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

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(i) **Segment reporting:**
The Company's operations constitutes a single business segment namely "Infrastructure Development" as per Ind As 108, further the Company's operation are within single geographical segment which is India.

(j) **Borrowings Cost:**
i) General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.
ii) Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.
iii) Other borrowing costs are expensed in the period in which they are incurred.

(k) **Revenue Recognition:**
Revenue is measured at the fair value of the consideration received or receivable. The Company recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company's activities. Insurance and other claims are recognized as revenue on certainty of receipt basis.
Dividend income is recognized when the right to receive is established. Other items of income are accounted as and when the right to receive arises and recovery is certain.

(l) **Employee benefits:**
Short-term obligations

Other long-term employee benefit obligations
The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as current liabilities in the balance sheet as the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period.

Post-employment obligations

Defined contribution plans

The Company pays provident fund contributions and superannuation fund as post employee benefits under defined contribution plans. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefits plans
The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.
Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.
Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined benefit obligation:
The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employments plans include the discount rate. Any changes in these assumptions will impact the carrying amount of such obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds of maturity approximating the terms of the related plan liability.

Fair valuation of derivatives and other financial instruments:
The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgments to select a variety of methods and makes assumptions that are mainly based on market conditions existing at each balance sheet date.

(m) Provisions and Contingent Liabilities:
Provisions for legal claims are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions for restructuring are recognised by the Company when it has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that the Company will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Company.

(n) Foreign currency translation:
Functional and presentation currency:
Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

Transactions and balances:
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs (if any). All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non- monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income. Currently Company does not have any foreign operations.

(o) Trade receivable
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

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(p) Financial guarantee contract:

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued.The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation, where appropriate. The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations. Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

(q) Earnings per share:

Basic Earnings per share is calculated by dividing the net profit / (loss) after tax for the period attributable to equity shareholders of the Company by the weighted average number of equity in issue during the period. Diluted earnings per share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the Group by the weighted average number of equity shares determined by assuming conversion on exercise of conversion rights for all potential dilutive securities.

(r) Leases

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

(i) the contract involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e.the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset b.asis unless the asset does not generate cashflows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(s) Revenue Recognition:

Revenue is measured at the fair value of the consideration received or receivable. The Company recognizes revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company's activities, as described below.

Others

Insurance and other claims are recognized as revenue on certainty of receipt basis.Dividend income is recognized when the right to receive is established. Other items of income are accounted as and when the right to receive arises and recovery is certain.

(t) Critical accounting estimates and judgements:

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are disclosed below.

HCC Operations & Maintenance Limited
Notes to the financial statements for the year ended 31st March 2020
(All amounts are in Rs lakhs, unless stated otherwise)

3 Property, Plant and Equipment

Particulars	Computers	Total
Balance as at 1st April 2019	6.71	6.71
Additions	-	-
Balance as at 31st March 2020	**6.71**	**6.71**
Balance as at 1st April 2019	(2.40)	(2.40)
Depreciation for the period	(1.23)	(1.23)
Balance as at 31st March 2020	**(3.63)**	**(3.63)**
Net Block		
Balance as at 31st March 2019	**4.31**	**4.31**
Balance as at 31st March 2020	**3.08**	**3.08**

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HCC Operations & Maintenance Limited
Notes to the financial statements for the year ended 31st March 2020
(All amounts are in Rs lakhs, unless stated otherwise)

4 Other Financial Assets

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured unless otherwise stated)		
Non-current		
Considered good		
Security Deposits	0.03	0.03
Financial Guarantee given to Banks by Holding Company	68.90	112.14
Total	**68.93**	**112.16**

5 Non Current Tax Assets (Net)

	As at March 31, 2020	As at March 31, 2019
Prepaid Taxes	13.17	13.17
Total	**13.17**	**13.17**

6 Other Non Current Assets

	As at March 31, 2020	As at March 31, 2019
Advances for Purchase of Debentures (Ref Note No 39)	-	1,800.00
Less: Loss allowance	-	(1,800.00)
Total	-	-

7 Current Investments

Particulars	As at March 31, 2020	As at March 31, 2019
Investments in Mutual Funds		
Fair value through profit or loss		
Quoted		
Investments in Mutual fund- Liquid Fund Growth [a] 72.422 Units @ Rs.2179.0848 (March 31, 2020: 72.422 Units @ Rs.2061.3157)	1.58	1.49
Total	**1.58**	**1.49**
Total Current Investments	1.58	1.49
Aggregate amount of quoted investments and Market value thereof	1.58	1.49

8 Trade receivables

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured unless otherwise stated)		
Considered good and		
Related parties	1,580.45	2,506.38
Total	**1,580.45**	**2,506.38**

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9 Cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on hand	0.25	0.04
Balances with Banks		
In current accounts	67.44	20.03
Term deposits with original maturity of less than three months	-	-
Total	**67.68**	**20.07**

10 Loans

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Current		
Inter Corporate Deposit to related party *(refer note no.31)*	8,969.68	8,555.04
Total	**8,969.68**	**8,555.04**

11 Other financial asset

Considered good		
Other receivable from related party (refer note no. 31)	113.15	51.06
Interest receivable on ICD from related party *(refer note no. 31)*	2,894.90	3,482.19
Total	**3,008.05**	**3,533.25**

12 Other current assets

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Balance with Government Authorities	410.42	322.88
Prepaid expenses	4.71	2.84
Other Advances	1.69	2.86
Total	**416.82**	**328.59**

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HCC Operations & Maintenance Limited
Notes to the financial statements for the year ended 31st March 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

13 Equity share capital

Particulars	As at March-31st -2020	As at March-31st -2019
Authorised		
50,000 (31 March 2020:50,000) equity shares of Rs.10/- each	5.00	5.00
Issued, subscribed and fully paid up		
50,000 (31 March 2020:50,000) equity shares of Rs.10/- each	5.00	5.00
	5.00	5.00

a **Reconciliation of number of shares**

Particulars	No of Shares	Amount
Equity Shares :		
Balance as at the 1 April 2019	50,000	5.00
Add: Issued during the period	-	-
Balance as at the 31st March 2020	50,000	5.00

b **Rights, preferences and restrictions attached to shares**

Equity shares: The company has only one class of equity shares having par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c **Details of equity shares held by holding / ultimate holding company**

		As at March-31st -2020		As at March-31st -2019
Particulars	**Nos**	**No of shares**	**% of Share holding**	**No of shares**
Equity shares of Rs 10/- each fully paid				
HCC Infrastructure Company Limited		0.5	100%	0.5

d **Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company**

		As at March-31st -2020		As at March-31st -2019
Particulars	**Nos**	**No of shares**	**% of Share holding**	**No of shares**
Equity shares of Rs 10/- each fully paid				
HCC Infrastructure Company Limited		0.5	100%	0.5

14 Capital contribution from holding Company

Particulars	As at March-31st -2020	As at March-31st -2019
Opening balance	2,059.56	259.44
Capital Contribution (Financial interest)	-	0.12
Add : Equity Contribution during the year	300.00	1,800.00
Less: Equity Contribution repaid	(2,100.00)	-
Less: Transferred to general reserve	-	-
Closing Balance	259.56	2,059.56

Note : The holding company when transfers benefit to the Company in form of financial guarantee or interest free loan, a deemed equity investment account is created. This will be derecognised on disposal of control in the Company.

15 Surplus in the Statement of Profit and Loss

Particulars	As at March-31st -2020	As at March-31st -2019
Opening balance	1,712.93	2,700.11
Add: Profit /(Loss) for the year	(8,703.43)	(987.18)
Closing Balance	(6,990.50)	1,712.93

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HCC Operations & Maintenance Limited
Notes to the financial statements for the year ended 31st March 2020
(All amounts are in Rs lakhs, unless stated otherwise)

16 Borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current Borrowings		
Secured		
Term loans		
From banks	3,717.97	5,964.48
Secured - total	3,717.97	5,964.48
Total non current borrowings	**3,717.97**	**5,964.48**
Less:Current maturity of long term debt	(3,267.97)	(2,900.10)
Non current borrowings	**450.00**	**3,064.38**

A Rupee Term Loan I

i Term loans are repayable in 16 consecutive quarterly instalments commencing from the third year of the loan

ii Extension of the Charge on the pledge of shares of HCC Infrastructure Company Limited(HICL) in HCC Concessions Ltd already charged to Yes Bank Loan at HCC Infrastructure Company Limited

iii Extension of second pari passu charge over entire assets of HICL(Including movable and immovable fixed assets(if any) and current assets), excluding investments, both present and future provided for the YBL facility at HICL for Loan amount of Rs.58,00,00,000

iv Corporate guarantee of HCC Infrastructure Company Limited in a form and manner acceptable to YBL

v First Pari Passu Charge on all assets of Borrower

B Rupee Term Loan II

i First pari passu charge on all assets of the Company

ii Extension of the charge on the pledge of shares of HCC Infrastructure Company Limited in HCC Concessions Ltd already charged to YBL Loan at HICL for loan amount of Rs.30,00,00,000

Extension of second pari passu charge over entire assets of HICL(Including movable and immovable fixed assets(if any) and current assets), excluding investments, both present and future provided for the YBL facility at HICL.

Corporate guarantee of HCC Infrastructure Company Limited in a form and manner acceptable to YBL

C Default in repayments of Overdues to Banks :

Interest Overdue within range of 0-90 days Rs. 43.53 lakhs
Principal Overdue within range of 0-90 days Rs. 653.59 lakhs

17 Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Gratuity	26.95	14.42
Leave Encashment	28.42	19.84
Total	**55.37**	**34.26**

HCC Operations & Maintenance Limited

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

(All amounts are in Rs. lakhs, unless stated otherwise)

18 **Trade payables**

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Payables		
i) total outstanding dues of micro and small enterprises	71.53	82.51
ii) total outstanding dues other than (i) above	642.79	633.85
Total	714.32	716.36

Outstanding dues to Micro and Small Enterprises:

The Company has amount due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as at March 31, 2020. The disclosure pursuant to the said Act is as under:

(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	68.59	82.51
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest due and payable for the year	2.94	-
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year	**2.94**	-
(v) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

The figures for the year ending 31 March 2020 have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

19 **Other Financial Liabilities**

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Current maturities of long-term debt	3,267.97	2,900.10
Interest Accrued and not due(Term loan)	40.38	55.46
Security Deposit	190.00	190.00
Interest accrued & due on borrowings (Term loan)	43.53	113.24
Payables to related party (*refer note no.31*)	528.44	1,434.10
Due to employees	51.63	47.24
Other payables (*refer note no.39*)	11,745.18	157.67
Total	15,867.12	4,897.81

20 **Provisions**

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Gratuity	0.35	0.19
Leave Encashment	2.08	1.45
Provisions for Expenses	352.11	507.07
Current total	354.54	508.71

NEW DELHI

21 **Current Tax Liabilities**

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Provision for tax (Net)	1,092.17	135.83
Total	**1,092.17**	**135.83**

Disclosure:

Particulars	As at March 31, 2020	As at March 31, 2019
Current tax liabilities		
- Provision for tax	1,496.97	1,246.37
Less:		
Current tax assets		
- Advance payment of taxes	404.80	1,110.54
Net	**1,092.17**	**135.83**

22 **Other current liabilities**

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory Dues	598.16	215.90
Advance from Related Party	1,723.72	1,723.71
Total	**2,321.87**	**1,939.61**

HCC Operations & Maintenance Limited
Notes to the financial statements for the year ended 31st March 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

23 Revenue from Operations

Particulars	Year ended March 31 2020	Year ended March 31, 2019
Operation & Maintenance fees	4,531.92	4,233.27
Other Repair & Maintenance	1,787.27	-
Total	6,319.19	4,233.27

24 Other Income

Particulars	Year ended March 31 2020	Year ended March 31, 2019
Interest Income	1,024.78	1,032.14
Interest on Income Tax Refund	-	1.29
Gain on Fair valuation of current investments	0.09	0.11
Reversal of previous year provisions	241.55	-
Miscellaneous Income		-
Total	1,266.42	1,033.54

25 Purchase of Stock in Trade

Particulars	Year ended March 31 2020	Year ended March 31, 2019
Purchase of Stock in Trade	-	-
Total	-	-

26 Employee benefits expense

Particulars	Year ended March 31 2020	Year ended March 31, 2019
Salaries and wages	359.84	341.10
Contribution to provident funds and other funds	28.86	22.59
Workmen and Staff welfare expenses	32.52	27.49
Total	421.23	391.18

27 Finance costs

Particulars	Year ended March 31 2020	Year ended March 31, 2019
Interest expense on Term Loans	565.13	754.15
Amortization of Financial Guarantee	43.24	18.67
Total	608.37	772.82

28 Depreciation and amortization expense

Particulars	Year ended March 31 2020	Year ended March 31, 2019
Depreciation on Property, Plant and Equipment	1.23	1.23
Total	1.23	1.23

NEW DELHI

29 Other expenses

Particulars	Year ended March 31 2020	Year ended March 31, 2019
Audit expenses	5.98	2.95
Travelling	3.80	3.02
Director Sitting Fees	0.10	0.85
Rates & Taxes	14.38	14.57
Legal, Professional and Consultancy Charges	1.79	733.02
Security expenses	347.06	355.83
Entertainment Expenses	5.70	1.63
Insurance Charges	7.86	6.35
Car Hire Charges	25.62	29.74
Loss allowances on Other receivables	-	1,800.00
Vehicle Hire Charges	83.06	85.02
Motor Car Expenses	98.72	101.43
Telephone Charges	3.43	4.79
Courier Charges	1.05	0.67
Repairs and Maintenance	1,108.86	1,146.85
Housekeeping and Maintenance	376.43	384.25
Miscellaneous Expenses	3.52	31.61
Total	**2,087.36**	**4,702.58**

Details of payment to auditors

Particulars	Year ended March 31 2020	Year ended March 31, 2019
Details of payment to auditors		
Statutory Audit fees	1.77	1.50
Tax audit fees	0.59	0.50
Fees for other audit related services	3.62	0.95
Total payments to auditors	**5.98**	**2.95**

30 Exceptional item

Particulars	Year ended March 31 2020	Year ended March 31, 2019
Guarantee Expenses (against purchase of debentures)	13,800.00	-
Reversal of Loss Allowance	(1,800.00)	-
Total	**12,000.00**	-

31 Earnings per share (EPS)

Particulars	Year ended March 31 2020	Year ended March 31, 2019
Net profit/ (loss) after tax	(8,703.43)	(987.18)
Number of equity shares in calculating basic EPS	50,000	50,000
Basic and diluted EPS	(17,406.86)	(1,974.36)

32 Corporate Social Responsibility expenditure

CSR Expenditure	-	-
Total	-	-
Amount required to be spent as per Section 135 of the Act	16.16	26.28
Amount spent during the year on	-	-
(i) on construction / acquisition of an asset	-	-
(ii) on purposes other than (i) above	-	-

Other expenses include Rs Nil (2018-19: Rs. Nil) spent towards various schemes of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013.

HCC Operations & Maintenance Limited
Notes to the financial statements for the year ended 31st March 2020
(All amounts are in Rs lakhs, unless stated otherwise)

33 Transactions with Related Parties:

(a) Name of Related Party with which the Company has transactions during the period and Nature of Relationship

Nature of relationship and name of related party Holding company
HCC Infrastructure Company Ltd. (HICL)

Ultimate holding company
Hindustan Construction Company Limited (HCC)

Fellow subsidiaries:
HCC Concessions Ltd (HCON)
Baharampore Farakka Highways Ltd
Farakka Raiganj Highways Ltd
Raiganj Dalkhola Highways Ltd
Badarpur Faridabad Tollways Ltd
Narmada Bridge Tollway Ltd
HCC Power Ltd
Dhule Palesner Operations & Maintenance Ltd
HCC Energy Ltd

Nature of Transactions	As at March 31, 2020	As at March 31, 2019
O & M fees including MMR & Other charges		
Baharampore-Farakka Highway Ltd	2,180.05	2,056.65
Farakka Raiganj Highway Ltd	2,307.22	2,176.62
HCC Ltd	1,787.27	-
Financial Income		
HCC Infrastructure Company Limited	95.25	23.44
DPOML	929.53	1,008.70
Outstanding Payables		
HCC Infrastructure Company Limited	-	751.50
Baharampore-Farakka Highway Ltd	14.13	171.32
HCC Power Ltd	3.03	-
Amount payable for other services		
Hindustan Construction Company Limited	511.27	511.27
Advance received from customer		
Hindustan Construction Company Limited	1,723.72	1,723.72
Baharampore-Farakka Highway Ltd		-

HCC Operations & Maintenance Limited
Notes to the financial statements for the year ended 31st March 2020
(All amounts are in Rs lakhs, unless stated otherwise)

Trade receivable		
Badarpur Faridabad Tollway Ltd		
Baharampore-Farakka Highway Ltd	62.12	62.12
Farakka Raiganj Highway Ltd	-	404.06
Hindustan Construction Company Limited	1,507.28	2,040.20
	11.05	-
Loans & Advances		
Badarpur Faridabad Tollway Ltd		
Farakka Raiganj Highways Limited	0.75	0.75
Raiganj Dalkhola Highway Ltd	38.88	47.24
Dhule Palesner Operations & Maintenance Ltd	0.03	0.03
HICL (PPTRCL Merged with HICL)	51.81	-
HICL	3.04	3.04
HCON	8.59	
HCC Energy Ltd	9.99	
	0.05	-
Interest receivable on ICD		
HCC Infrastructure Company Limited		
DPOML	0.61	865.89
	2,894.28	2,616.30
Inter-Corporate Deposit		
HCC Infrastructure Company Limited		
DPOML	519.37	104.73
	8,450.32	8,450.32
Contribution in share capital		
HCC Infrastructure Company Limited		
	5.00	5.00
Inter-Corporate Deposit-given during the year		
HCC Infrastructure Company Limited		
DPOML	1,567.84	365.00
	-	
Inter-Corporate Deposit-Recovered during the year		
HCC Infrastructure Company Limited		
DPOML	1,153.00	231.00
	-	1,612.59
Financial Guarantee		
HCC Infrastructure Company Limited		
	68.90	112.14
Financial Guarantee		
Amortised		
HCC Infrastructure Company Limited		
	43.24	18.67
Capital Contribution towards Corporate Guarantee		
HCC Infrastructure Company Limited		
	259.56	259.56
Deemed Capital Contribution		
During the year Transaction		
Capital Contribution Received from HCC Infrastructure Co. Ltd	300.00	-
Capital Contribution repaid to HCC Infrastructure Co. Ltd	2,100.00	-
Closing Deemed Capital Contribution		
	-	1,800.00
CSR Expenditure		
	-	-
Management Fee Paid (excl tax)		
HCC Infrastructure Company Limited		
	-	720.00

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HCC Operations & Maintenance Limited
Notes to the financial statements for the year ended 31st March 2020
(All amounts are in ₹ lakhs, unless stated otherwise)

Note 34 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	As at March 31, 2020	As at March 31, 2019
Contribution to provident fund and other funds	28.86	22.59
Total	**28.86**	**22.59**

a) Defined benefit plan

The Company has a defined benefit plan (Gratuity) for its employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service as per the provision of the Payment of Gratuity Act, 1972 with total ceiling on gratuity of INR 1,000,000/-. The said gratuity plan is unfunded.

Particulars	As at March 31, 2020	As at March 31, 2019
Gratuity	27.30	14.61
Total	**27.30**	**14.61**

The following tables summaries the amounts recognised in the balance sheet and the movements in the net defined benefit

Opening defined benefit liability / (assets)	14.61	13.54
Net employee benefit expense recognised in the employee cost		
Current service cost	4.26	4.52
Past service cost	-	-
Interest cost on benefit obligation	1.13	1.06
Liability Transferred Out	-	-
(Gain) / losses on settlement	-	-
Net benefit expense	5.39	5.58
Amount recorded in Other Comprehensive Income (OCI)		
Measurement during the period due to :		
Return on plan assets, excluding amounts included in interest expense/(income)		-
Actuarial loss / (gain) arising from change in financial assumptions	1.45	0.08
Actuarial loss / (gain) arising on account of demographic assumptions	6.66	(2.11)
Experience (gains)/losses		
Amount recognized in OCI	8.12	(2.03)
Benefits payments from plan	(0.83)	(2.48)
Closing net defined benefit liability / (asset)	27.29	14.61
<u>Fair Value</u>		
Opening fair value of plan assets		-
Net employee benefit expense recognised in the employee cost		
Interest cost / (income) on plan asset		
(Gain) / losses on settlement		
Net benefit expense		-
Amount recorded in Other Comprehensive Income (OCI)		
Measurement during the period due to :		
Return on plan assets, excluding amounts included in interest expense/(income)		
Actuarial loss / (gain) arising from change in financial assumptions		
Actuarial loss / (gain) arising on account of demographic assumptions		
Experience (gains)/losses		
Asset ceiling not recognised as an asset		
Amount recognized in OCI	-	-
Employer contributions/premiums paid		
Benefits Paid	(0.83)	(2.48)
Assets aquired / (settled)	-	-
Closing fair value of plan assets	(0.83)	(2.48)

HCC Operations & Maintenance Limited
Notes to the financial statements for the year ended 31st March 2020

	As at March 31, 2020	As at March 31, 2019
The net (liability) asset disclosed above relates to funded plan is as follows:		
Present value of unfunded obligations	27.29	14.61
Fair value of plan assets		-
Amount not recognised as an asset (asset ceiling)		
	27.29	14.61
Net liability is bifurcated as follows :		
Current	0.35	1.54
Non-current	26.94	13.07
Total	27.29	14.61
Discount rate	7.20%	7.20%
Expected rate of return on plan assets (p.a.)	N.A.	N.A.
Salary escalation rate (p.a.)	8.00%	8.00%
Mortality pre-retirement	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

A quantitative analysis for significant assumption is as shown below:

Assumptions -Discount rate		
Sensitivity Level		
Impact on defined benefit obligation +1 in % increase	(3.50)	1.96
Impact on defined benefit obligation -in % decrease	4.25	3.84
Assumptions -Future salary increases		
Sensitivity Level		
Impact on defined benefit obligation +1 in % increase	3.94	2.38
Impact on defined benefit obligation -1 in % decrease	(3.28)	(1.98)
Assumptions -Employee Turnover		
Sensitivity Level		
Impact on defined benefit obligation +1 in % increase	(0.58)	(0.21)
Impact on defined benefit obligation -1 in % decrease	0.65	0.22

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of

Within the next 12 months (next annual reporting period)		
Between 2 and 5 years	3.50	1.96
Between 6 and 9 years	8.34	3.84
For and Beyond 10 years		
Total expected payments	**11.84**	**5.80**

The average duration of the defined benefit plan obligation at the end of the reporting period

Plan Assets Composition		
Non Quoted		
Insurer Managed Funds	-	-
	-	-

A reconciliation of the asset ceiling during the inter-valuation period is given below:

Opening value of asset ceiling		
Add : Interest on opening balance on asset ceiling		
Remeasurement due to :		
Changes in surplus/deficiet		
closing value of asset ceiling	-	-

CHANDER & ASSOCIATES NEW DELHI Chartered Accountants

HCC Operations & Maintenance Limited
Notes to the financial statements for the year ended 31st March 2020
(All amounts are in ₹ lakhs, unless stated otherwise)

Note - 35 **Financial risk management**

The companies activities exposes it to market risk, liquidity risk and credit risk.
This note explains the source of risk which the entity is exposed to and how the entity is manage the risk.

Risk	Exposure arising from	Management
Credit risk	Cash and cash equivalents, financial assets measured at amortised cost.	Diversification of bank deposits, credit limits and letters of credit
Market risk — foreign exchange	-	-
Market risk — interest rate	Longterm borrowings at variable rate	Actively managed
Liquidity risk	Trade Payables,borrowings and other liabilities	Availability of committed credit lines and borrowing facilities

The Company's risk management is carried out by a project finance team and treasury team group under policies approved by board of directors. Company treasury identifies, evaluates and hedges financial risk in close co-operation with the group's operating units. The Management of the Company provides written principles for overall risk management, as well as policies covering specific areas, such as, interest rate risk, and credit risk, use of derivative financial instrument and non-derivative financial instrument, and investments of excess liquidity.

(a) Credit Risk

The company is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the company. Credit risk arises from cash and cash equivalents, financial assets carried at amortised cost.

(b) Market Risk - Interest rate risk

The exposure of the Company's borrowing is linked to Bank base rate plus fixed spread ,base rate are subject to change in market condition to interest rate changes at the end of the reporting period are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Variable rate borrowings	3,717.97	5,964.48
Total borrowings	**3,717.97**	**5,964.48**
The Company has not entered into any interest rate swap agreement.		
Interest rates - increase by 0.50 basis points	(24.21)	(36.70)
Interest rates - decrease by 0.50 basis points	24.21	36.70

(c) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. The Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies in accordance with practice and limits set by the Company. These limits vary by location to take into account the liquidity of the market in which the entity operates.

Maturities of financial liabilities
The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

As At March-2020

	Less than 1 year	1 to 2 Years	2 to 5 Years	Over 5 Years	Total
Non-derivatives					
Borrowings	3,267.97	450.00		-	3,717.97
Other Financials liabilities	12,599.15	-	-	-	12,599.15
Trade and other payables	714.32	-	-	-	714.32
Total non-derivatives	**16,581.44**	**450.00**	-	-	**17,031.44**
Derivatives (N.A)	-	-	-	-	-
Total	16,581.44	450.00	-	-	17,031.44

As At March-2019

	Less than 1 year	1 to 2 Years	2 to 5 Years	Over 5 Years	Total
Non-derivatives					
Borrowings	2,900.10	3,064.37		-	5,964.48
Other Financials liabilities	1,997.70	-	-	-	1,997.70
Trade and other payables	716.36	-	-	-	716.36
Total non-derivatives	**5,614.16**	**3,064.37**	-	-	**8,678.54**
Derivatives (N.A)	-	-	-	-	-
Total	5,614.16	3,064.37	-	-	8,678.54

HCC Operations & Maintenance Limited
Notes to the financial statements for the year ended 31st March 2020
(All amounts are in ₹ lakhs, unless stated otherwise)

Note 36 - Fair value measurement

(a) Financial Instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31st March 2020 were as follows:

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Total carrying value	Total fair value
		Designated upon initial recognition	Recurring		Rs. in Lakhs
Assets:					
Investments in Mutual Funds	-	-	1.58	1.58	1.58
Trade Receivables	1,580.45	-	-	1,580.45	1,580.45
Cash and Cash Equivalents	67.68	-	-	67.68	67.68
Loans	8,969.68	-	-	8,969.68	8,969.68
Financial Guarantee	68.90	-	-	68.90	68.90
Other Financial Asset	3,008.07	-	-	3,008.07	3,008.07
Liabilities:					
Borrowings	450.00		-	450.00	450.00
Trade payables	714.32		-	714.32	714.32
Other financial liabilities	15,867.12		-	15,867.12	15,867.12

The carrying value and fair value of financial instruments by categories as at 31 March 2019 were as follows:

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Total carrying value	Total fair value
		Designated upon initial recognition	Recurring		Rs. in Lakhs
Assets:					
Investments in Mutual Funds	-	-	1.49	1.49	1.49
Trade Receivables	2,506.38	-	-	2,506.38	2,506.38
Cash and Cash Equivalents	20.07	-	-	20.07	20.07
Loans	8,555.04	-	-	8,555.04	8,555.04
Financial Guarantee	112.14	-		112.14	112.14
Other Financial Asset	3,533.28	-	-	3,533.28	3,533.28
Liabilities:					
Borrowings	3,064.38		-	3,064.38	3,064.38
Trade payables	716.36		-	716.36	716.36
Other financial liabilities	4,897.81		-	4,897.81	4,897.81

Fair value Hierarchy

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

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of :

Particulars	31st March 2020		31 March 2019	Rs. in Lakhs
	Level 1	Level 3	Level 1	Level 3
Assets				
Investments in Mutual Funds	1.58		1.49	
Other Assets		13,694.78		14,726.91
Liabilities	-	17,031.44	-	8,678.55

HCC Operations & Maintenance Ltd
Notes to the Financial statements for the period ended 31st March 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

37 Net Debt Reconciliation

Particulars	As at March 31, 2020	As at March 31, 2019
Cash and Cash Equivalents	67.68	20.07
Liquid Investments	1.58	1.49
Non-Current Borrowings	(3,717.97)	(5,964.48)
Interest Accrued - Current	(83.90)	(168.70)
Net Debt	**(3,732.61)**	**(6,111.62)**

Particulars	Other Assets		Liabilities from Financing Activities		
	Cash and Cash Equivalents	Liquid Investments	Non-Current Borrowings	Interest Payable	TOTAL
Net Debt as at 1 April 2019	20.07	1.49	(5,964.48)	(168.70)	(6,111.62)
Cash Flows	47.61		2,246.51	-	2,294.12
Interest Expense					
Interest paid				(565.13)	(565.13)
Other Non cash movements				649.93	649.93
-Acquisitions/ Disposals					-
-Fair Value Adjustments		0.09			0.09
Net Debt as at 31st March 2020	**67.68**	**1.58**	**(3,717.97)**	**(83.90)**	**(3,732.61)**

38 Segment reporting

The Company is principally engaged in a single business segment viz. "operation and maintenance of road". The Company is primarily operating in India which is considered to be as a single geographical segment.

39 Contingent Liability & Commitment

Contingent Liability & Commitment	Year ended March 31 2020	Year ended March 31, 2019
(i) Commitment given to Lender of a Fellow subsidiary to purchase Debentures in the event of default by issuer. (refer note below)	4,725.09	12,000
(ii) Service tax liability that may arise in respect of matter for which notice is received.	83.52	83.52
(iii) VAT Liability that may arise in respect of matter for which demand is received	4.64	-

Note:

The Company had signed a Debenture Sale Purchase (DSP) agreement on 29 September 2017 with certain debenture holders for purchase of debentures issued by Lavasa Corporation Limited (LCL), in the event of any default for an aggregate consideration of INR 13,800 lakhs plus Interest @ 10.27 % per annum.

Pursuant to default by LCL, the Company has till date paid INR 2,100 lakhs, including INR 300 lakhs paid during the current year, to the aforesaid debenture holders towards these debentures. During the year, vide letter dated 8 August 2019, the Company has received recall notice from SSG and IOPL for INR 18,525.09 lakhs due to payment default as per DSP agreement. As at 31 March 2020, there exist a liability in the books (after adjusting advances of INR 2,100 lakhs paid) amounting to INR 117.00 lakhs as at 31 March 2020 attributable to the principal obligation and the Company is in discussion with the debenture holders for the waiver of interest obligation. Considering the present status of the discussion, management believes that that amount payable on settlement will not exceed the liability provided in books in respect of this matter.

40 Net worth and Going concern assumption

During the current period, the Company has made Loss amounting to Rs.8,703.43 lakhs (Previous Year Loss : Rs. 989.21 Lakhs).

There has been a substantial erosion in the net worth of the Company . Net worth of the company is negative as on 31st Mar 2020 as the accumulated losses of the company at Rs.6,990.50 lakhs has exceeded the paid up share capital of the company amounting to Rs 5.00 lakhs by Rs. 6,985.50 lakhs.

The Company is financially supported by holding Company and will be supported in future also to discharge its obligations.
In view of the above , Going Concern assumption is appropriate & the accounts has been drawn accordingly

41 Previous years figures

Figure for the previous year have been regrouped/recasted where ever necessary

As per our report of even date attached

For Gianendar & Associates
Chartered Accountants
ICAI Registration No. 04661N

G K Agrawal
Partner
Membership No. 081603

Place: New Delhi
Date: 26/6/20

Kishore Venkata Ramana Repaka
Director
DIN No. : 07402969

Mahesh Sitaram Gaikwad
Director
DIN No. : 06664942

Place: Mumbai
Date: 26.06.2020