INDEPENDENT AUDITOR'S REPORT

To the Members of HCC OPERATIONS & MAINTENANCE LIMITED
Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of **HCC OPERATIONS & MAINTENANCE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2022 and the Statement of Profit and Loss(including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone 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, 2022, and its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

a) 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.7,571.32 lakhs(Previous Year Rs.8,450.32 lakhs) and interest accrued thereon amounting to Rs. 4,546.81 lakhs (Previous Year Rs.3,754.10 lakhs) as on 31st March, 2022 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.7,571.32 lakhs (Previous Year Rs.8,450.32 lakhs) & Interest Receivable on Inter Corporate Deposit by Rs. 4,546.81 lakhs (Previous Year Rs.3,754.10 lakhs) and under-statement of Accumulated Losses by Rs. 12,118.13 lakhs (Previous Year Rs.12,204.42 lakhs) and over statement of profit for the period by Rs. 792.71 lakhs (Previous Year Rs.859.82 lakhs).

b) Attention is drawn to Note. 31, 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

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consideration of Rs.13,800 lakhs plus Interest @ 10.27% per annum. The Company has not accounted interest cost of Rs. 11,542.08 lakhs (Previous Year: Rs.8,576.56 lakhs) but has disclosed the same as contingent liability. This has resulted in understatement of loss for the period by Rs. 2,965.53 lakhs (Previous Year: Rs.3,851.47 lakhs) and understatement of retained earnings (loss) by Rs.11,542.08 lakhs (Previous Year: Rs.8,576.56 lakhs) and over statement of contingent liability by Rs. 11,542.08 lakhs (Previous Year: Rs.8,576.56 lakhs) & understatement of current financial liabilities by the same amount.

The cumulative impact of above observations have resulted in:
1) Overstatement of:

a) **Inter Corporate Deposit by Rs. 7,571.32 lakhs (Previous Year: Rs.8,450.32 lakhs);**
b) **Interest Receivable on Inter Corporate Deposit by Rs. 4,546.81 lakhs (Previous Year: Rs.3,754.10 lakhs);**
c) **Contingent liability by Rs. 11,542.08 lakhs as on 31st March, 2022 (Previous Year: Rs.8,576.56 lakhs);**

2) Understatement of:

a) **current financial liabilities by Rs. 11,542.08 lakhs as on 31st March, 2022 (Previous Year: Rs.8,576.56 lakhs); &**
b) **retained earnings (loss) by Rs. Rs.23,660.21 lakhs as on 31st March, 2022 (Previous Year: Rs.20,780.97 lakhs)**
c) **loss for the period by Rs.2,965.53 lakhs (Previous Year: Rs.3,851.47 lakhs);**

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 the Standalone 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 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 modified opinion.

Material Uncertainty Related to Going Concern

There has been a substantial erosion in the net worth of the Company. Net worth of the Company is negative as on 31st March, 2022 as the accumulated losses of the Company at Rs.4,712.65 lakhs (Previous Year: Rs.5,765.09 lakhs) has exceeded the paid up share capital of the Company amounting to Rs.5.00 lakhs by Rs.4,707.65 lakhs (Previous Year: Rs.5,760.09 lakhs). 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.

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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 33 to the Financial Statements)

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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, 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.

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 Management and 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 Standalone Ind 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.

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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.

Other Matter

a. *The financial statements of the Company for the year ended March 31, 2021, and Quarter ended 30th June, 2021 were audited by another auditor who expressed an unmodified opinion on those statements on those dates.*

Our opinion is not modified in respect of these matters.

b. *Certificates/Confirmations were not available from Banks for Bank Balances amounting to Rs. 8,979 - State Bank of India, Gazole Branch and Rs. 4,523 - State Bank of India, Armoor Branch as on 31st March, 2022.*

c. ***Independent Auditor's Report without physical visit to the Company due to COVID 19***

- *The opinion expressed in the present report is based on the information, facts and inputs made available to us through electronic means by the Company. We wish to highlight that due to the COVID 19 induced restrictions on physical movement, the entire audit team could not visit the Company for undertaking the required audit procedures as prescribed under ICAI issued Standards on Auditing, including but not limited to:*
- *Inspection, observation, examination and verification of the original documents/ files. Verified the scanned documents provided by the Company on Email.*
- *Examination of the FA register, physical verification process / addition of Fixed Assets documents, if any. Verification of Minute book i.e. AGM, Board minutes and AGM.*

Our opinion is not modified in respect of these matters.

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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 on the functioning of the Company.**

f)

a. On the basis of the written representations received from the management as on March 31, 2022, no funds have been **advanced or loaned or invested** by the company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.

b. On the basis of the written representations received from the management as on March 31, 2022, no funds have been **received by the company** from any person(s) or entities including foreign entities ("Funding Parties") with the understanding that such company shall whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or provide guarantee, security or the like on behalf of the Ultimate beneficiaries.

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c. Based on the audit procedures performed, nothing has come to our notice that has caused us to believe that the below representations given by the management contain any material mis-statement.

g) No dividend were declared/paid during the year by the Company, therefore question of compliance of section 123 of the Act does not arise.

h) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

i) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

i. The Company does not have any pending litigations which would impact its financial position except those disclosed in financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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

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 U B G & Company
CHARTERED ACCOUNTANTS
FRN: 141076W

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FRN
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CA Gaurav J. Parekh
Partner
Membership No.: 140694

Mumbai, Dated:09th May, 2022
UDIN: 22140694AIQLEI6564

Annexure 'A' to the Independent Auditor's Report of HCC OPERATIONS & MAINTENANCE LIMITED for the Year ended as on 31st March 2022

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

i. a. (A) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;

(B) The Company has no intangible assets as on 31st March 2022. Therefore the paragraph 3(i)(B) of the Order is not applicable to the Company.

b. The Property, Plant and Equipment 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. In our opinion and according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to any other entity. Hence, reporting under clause (a) to (c) of Para 3(iii) are not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company has not entered into any transaction in respect of loans, investments, guarantee and securities, which attracts compliance to the provisions of the sections 185 and 186 of the Companies Act, 2013. Therefore the paragraph 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be 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 Sub-section (1) of the Section 148 of the Companies Act, 2013 is not applicable to the Company, hence paragraph 3(vi) of the order is not applicable to the Company.

vii.

a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has been generally regular in depositing undisputed statutory dues including goods & service tax, provident fund, employee state insurance, income tax, service tax, value added tax, cess and other statutory dues during the year with the appropriate authorities. As on 31st March 2022, there are no undisputed statutory dues payables for period exceeding for a period more than six month from the date they become payable.

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

Nature of the Statute	Nature of the dues	Forum where Dispute is Pending	Period to which the amount relates	Amount (Rs. in Lakhs)
Finance Act, 1994	Service Tax	Additional /Joint Commissioner of GST and Central Excise	FY 15-16	363.06
The West Bangal value Added tax, 2003	VAT	Senior Joint Commissioner of Commercial Taxes	FY 16-17	4.64
Sales Tax Authority - West Bengal	VAT	Sales tax officer (Gr-D) Berharmpore charge	FY 17-18	0.29

viii. There are no transactions being not recorded in the books of account and that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. The Company has not taken term loans from any lender during the year, hence paragraph 3(ix) of the order is not applicable to the Company.

x. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and the term loan during the year. Hence reporting under this clause 3(x) of the order is not applicable to the Company.

xi. 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.

xii. The Company is not a Nidhi Company and hence clause3 (xii) of the Order is not applicable to the Company.

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. Internal audit is not applicable to the Company, therefore reporting under this clause is not applicable.

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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. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

xvii. The company has not incurred any cash losses in the current or previous financial year, hence reporting under this clause is not applicable.

xviii. The Predecessor Auditors term was completed in the 14th Annual general meeting and the present Auditors were appointed in the 14th Annual general meeting of the Company to hold the office for a term of 5 year. Therefore, reporting under the said clause is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. Section 135 of the Companies Act, 2013 regarding spending on CSR is not applicable to the Company. Therefore, reporting under the said clause is not applicable.

FOR U B G & Company
CHARTERED ACCOUNTANTS
FRN: 141076W

CA Gaurav J. Parekh
Partner
Membership No.: 140694

U B G & COMPANY
FRN
141076W
CHARTERED ACCOUNTANTS

Mumbai, Dated:09th May, 2022
UDIN: 22140694AIQLEI6564

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 over financial reporting of **HCC OPERATIONS & MAINTENANCE LIMITED** ("the Company") as of March 31, 2022 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (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 over financial reporting 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR U B G & Company
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FRN: 141076W

U B G & COMPANY
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CA Gaurav J. Parekh
Partner
Membership No.: 140694

Mumbai, Dated: 9th May, 2022
UDIN: 22140694AIQLEI6564

HCC Operations & Maintenance Limited
CIN NO:U93030MH2012PLC237676
Balance Sheet as on 31 March 2022
(All amounts are in Rs lakhs, unless stated otherwise)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	0.64	1.85
Other Financial Assets	4	0.03	0.03
Non Current Tax Assets (Net)	5	-	13.17
Current assets			
Financial Assets			
Investments	6	1.69	1.63
Trade receivables	7	625.28	409.13
Cash and cash equivalents	8	12.86	4.76
Loans	9	7,571.32	9,236.68
Other financial assets	10	4,654.77	3,858.71
Other current assets	11	238.14	305.47
Total Assets		**13,104.73**	**13,831.43**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	5.00	5.00
Other equity			
Deemed Capital Contribution from holding Company	13	259.56	259.56
Reserves and Surplus	14	(4,712.66)	(5,765.09)
Total equity		**(4,448.10)**	**(5,500.53)**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	15	-	-
Provisions	16	42.09	28.96
Current Liabilities			
Financial Liabilities			
Short Term Borrowings	17	1,770.49	3,690.43
Trade payables			
i) total outstanding dues of micro and small enterprise	18	67.97	58.82
ii) total outstanding dues other than (i) above		430.02	508.34
Other financial liabilities	19	13,370.46	12,581.46
Provisions	20	3.29	2.23
Current Tax Liabilities	21	100.14	66.54
Other current liabilities	22	1,768.37	2,395.18
Total Liabilities		**17,552.83**	**19,331.96**
Total Equity and Liabilities		**13,104.73**	**13,831.43**

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

As per our report of even date attached

For U B G & Company
Chartered Accountants
Firm Registration No. 141076W

U B G & COMPANY
FRN
141076W
CHARTERED ACCOUNTANTS

CA Gaurav Parekh
Partner
Membership No.:140694

Place: Mumbai
Date: 09/05/22

Santosh Kumar Rai
Director
DIN No. : 08766113

Shekhar S. Mordekar
Director
DIN No. : 08941107

Place: Mumbai
Date:
K.C.

HCC Operations & Maintenance Ltd.

HCC Operations & Maintenance Limited
CIN NO:U93030MH2012PLC237676
Statement of Profit and Loss for the year ended 31 March 2022
(All amounts are in Rs lakhs, unless stated otherwise)

Particulars	Note	Year ended March 31, 2022	Year ended March 31, 2021
Continuing Operations			
Revenue from Operations	23	2,331.21	3,282.39
Other Income	24	923.76	982.23
Total Income		**3,254.97**	**4,264.62**
Expenses			
Employee benefits expense	25	254.59	288.16
Finance costs	26	269.67	475.53
Depreciation and amortization expense	27	1.23	1.23
Other expenses	28	941.28	1,856.43
Total expenses		**1,466.77**	**2,621.35**
Profit / (loss) before exceptional items and tax		**1,788.20**	**1,643.27**
Exceptional Items		-	-
Profit / (loss) before tax		**1,788.20**	**1,643.27**
Tax expense			
Current tax		479.89	433.10
Tax relating to earlier years		255.88	-
Profit/(Loss) for the year		**1,052.43**	**1,210.17**
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		-	15.24
Income tax Effect on above		-	-
b) Items to be reclassified subsequently to profit or loss		-	-
Other Comprehensive Income for the year		**-**	**15.24**
Total Comprehensive Income for the year		**1,052.43**	**1,225.41**
Earnings per equity share of Rs. 10 each (for continuing operation):	29		
Basic earnings per share		2,104.86	2,450.83
Diluted earnings per share		2,104.86	2,450.83

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

As per our report of even date attached

For U B G & Company
Chartered Accountants
Firm Registration No. 141076W

CA Gaurav Parekh
Partner
Membership No.:140694

U B G & COMPANY FRN 141076W CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 09/05/22

Santosh Kumar Rai
Director
DIN No. : 08766113

Shekhar S. Mordekar
Director
DIN No. : 08941107

Place: Mumbai
Date:
K.C.

HCC Operations & Maintenance Ltd.

HCC Operations & Maintenance Limited
CIN NO:U93030MH2012PLC237676
Statement of Cash Flow Statement for the year ended 31 March 2021
(All amounts are in Rs lakhs, unless stated otherwise)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A Cash Flow from operating activities		
Profit before income tax	1,788.20	1,643.27
Adjustments for		
Add:		
Depreciation and amortisation expenses	1.23	1.23
Finance costs	244.01	432.29
Amortisation of Corporate guarantee	25.66	43.24
Less:		
Interest Income	(923.70)	(969.26)
Provisions no longer required	-	(12.92)
Fair valuation gain of current investments	(0.06)	(0.05)
Change in operating assets and liabilities		
(Increase)/decrease in trade receivables	(216.15)	1,171.32
(Increase)/decrease in other financial assets	9.62	57.79
(Increase)/decrease in other current assets	67.32	111.35
Increase/(decrease) in trade payables	(69.17)	(147.16)
Increase/(decrease) in other financial liabilities	665.73	(390.87)
Increase/(decrease) in provisions	14.19	1.55
Increase/(decrease) in other current liabilities	(626.81)	73.31
	980.08	2,015.09
Cash generated from operations		
Income taxes paid	(688.99)	(1,458.73)
Net cash inflow from operating activities	**291.09**	**556.36**
B Cash flow from investing activities:		
Inter Corporate Deposits (ICD) (given)/ repaid (net)	1,665.36	(267.00)
Interest received	92.37	86.49
Net cash outflow from investing activities	**1,757.73**	**(180.51)**
C Cash flow from financing activities		
Repayment of long term borrowings	(2,309.28)	(1,618.88)
Inter corporate deposits taken / (repaid) (net)	389.34	1,381.15
Interest paid	(120.79)	(201.04)
Net cash inflow (outflow) from financing activities	**(2,040.73)**	**(438.77)**
Net increase/(decrease) in cash and cash equivalents	8.09	(62.92)
Add: Cash and cash equivalents at the beginning of the financial year	**4.76**	67.68
Cash and cash equivalents at the end of the year	**12.86**	**4.76**

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

As per our report of even date attached

For U B G & Company
Chartered Accountants
Firm Registration No. 141076W

CA Gaurav Parekh
Partner
Membership No.:140694

U B G & COMPANY FRN 141076W CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 09/05/22

Santosh Kumar Rai
Director
DIN No. : 08766113

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Director
DIN No. : 08941107

Place: Mumbai
Date:

K.C

HCC Operations & Maintenance Ltd.

HCC Operations & Maintenance Limited
CIN NO:U93030MH2012PLC237676
Statement of Changes in Equity as at 31 March 2022
(All amounts are in Rs lakhs, unless stated otherwise)

Statement of Changes in Equity

A

Equity share capital	**Amount**
as at 1 April 2020	**5.00**
Changes in equity share capital	-
as at 31 March 2021	**5.00**
changes in equity share capital	-
as at 31 March 2022	**5.00**

B Other Equity

	Equity Component of Financial Instruments	**Reserves and Surplus**	
	Deemed Equity	**Retained Earnings**	**Total**
Balance as at 1 April, 2020	**259.56**	**(6,990.50)**	**(6,730.94)**
Profit for the year		1,210.17	1,210.17
Other Comprehensive Income for the year	-	15.24	15.24
Balance as at 31 March 2021	**259.56**	**(5,765.09)**	**(5,505.53)**
Profit for the year		1,052.43	1,052.43
Other Comprehensive Income for the year	-	-	-
Balance as at 31 March 2022	**259.56**	**(4,712.66)**	**(4,453.10)**

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

As per our report of even date attached

For U B G & Company
Chartered Accountants
Firm Registration No. 141076W

CA Gaurav Parekh
Partner
Membership No.:140694

Place: Mumbai
Date: 09/05/22

Santosh Kumar Rai
Director
DIN No. : 08766113

Shekhar S. Mordekar
Director
DIN No. : 08941107

Place: Mumbai
Date:
K.C.

HCC Operations & Maintenance Limited
Notes to the financial statements for the period ended 31 March 2022
(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 held for sale - measured at fair value less cost to sell
iii 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.

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(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:

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.

(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.

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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.

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(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.

(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.

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(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.

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HCC Operations & Maintenance Limited
Notes to the financial statements for the period ended 31 March 2022
(All amounts are in Rs lakhs, unless stated otherwise)

3 Property, Plant and Equipment

Particulars	Computers	Total
Gross Block		
Balance as at 1st April 2020	6.71	6.71
Additions	-	-
Balance as at 31st March 2021	**6.71**	**6.71**
Balance as at 1st April 2021	6.71	6.71
Additions	-	-
Balance as at 31 March 2022	**6.71**	**6.71**
Accumulated Depreciation		
Balance as at 1st April 2020	(3.63)	(3.63)
Depreciation for the period	(1.23)	**(1.23)**
Balance as at 31st March 2021	**(4.86)**	**(4.86)**
Balance as at 1st April 2021	(4.86)	(4.86)
Depreciation for the period	(1.22)	**(1.22)**
Balance as at 31 March 2022	**(6.07)**	**(6.07)**
Net Block		
Balance as at 31st March 2021	**1.85**	**1.85**
Balance as at 31 March 2022	**0.64**	**0.64**

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

4 Other Financial Assets

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured unless otherwise stated)		
Non-current		
Considered good		
Security Deposits	0.03	0.03
Total	**0.03**	**0.03**

5 Non Current Tax Assets (Net)

	As at March 31, 2022	As at March 31, 2021
Prepaid Taxes	-	13.17
Total	**-**	**13.17**

6 Current Investments

Particulars	As at March 31, 2022	As at March 31, 2021
Investments in Mutual Funds		
Fair value through profit or loss		
Quoted		
Investments in Mutual fund- Liquid Fund Growth [a] 72.422 Units @ Rs.2308.37 (March 31, 2021: 72.422 Units @ Rs.2248.49)	1.69	1.63
Total	**1.69**	**1.63**
Total Current Investments	1.69	1.63
i. Market value of Investment - quoted	1.69	1.63
ii. Carrying value of Investment - quoted	1.69	1.63
ii. Investment carried at cost	1.39	1.39

7 Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured unless otherwise stated)		
Considered good and		
Related parties (refer note no.30)	625.28	409.13
Total	**625.28**	**409.13**

Trade Receivable Ageing Schedule

Range of O/s period	As at March 31, 2022	As at March 31, 2021
Unbilled	-	-
Not Due	-	-
less than 6 months	-	-
6 months - 1 year	216.15	347.01
1-2 year	347.01	-
2-3 year	-	-
> 3 years	62.12	62.12
Total	**625.28**	**409.13**

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HCC Operations & Maintenance Limited
Notes to the financial statements for the period ended 31 March 2022
(All amounts are in Rs lakhs, unless stated otherwise)

8 Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	-	0.01
Balances with Banks		
In current accounts	12.86	4.75
Total	**12.86**	**4.76**

9 Loans

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Current		
Inter Corporate Deposit to related party *(refer note no.30)*	7,571.32	9,236.68
Total	**7,571.32**	**9,236.68**

10 Other financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Considered good		
Other receivable from related party (refer note no. 30)	45.76	55.37
Financial Guarantee given to Banks by Holding Company (refer note no.30)	-	25.66
Interest receivable on ICD from related party (refer note no. 30)	4,609.01	3,777.68
Total	**4,654.77**	**3,858.71**

11 Other current assets

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Balance with Government Authorities	232.94	301.57
Prepaid expenses	5.21	3.90
Total	**238.14**	**305.47**

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12 Equity share capital

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised		
50,000 (31 March 2021:50,000) equity shares of Rs.10/- each	5.00	5.00
Issued, subscribed and fully paid up		
50,000 (31 March 2021:50,000) 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 2021	50,000	5.00
Add: Issued during the year	-	-
Balance as at the 31 March 2022	**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

Particulars	As at March 31, 2022	As at March 31, 2021
HCC Infrastructure Company Limited and its Nominees, the holding company 50,000 (31 March 2021: 50,000) equity shares of Rs 10/- each.	5.00	5.00

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

	As at March 31, 2022		As at March 31, 2021	
Particulars	No of shares (in lakhs)	% of Share holding	No of shares (in lakhs)	% of Shareholding
Equity shares of Rs 10/- each fully paid				
HCC Infrastructure Company Limited	0.5	100%	0.5	100%

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

	As at March 31, 2022		As at March 31, 2021	
Particulars	No of shares (in lakhs)	% of Share holding	No of shares (in lakhs)	% of Shareholding
Equity shares of Rs 10/- each fully paid				
HCC Infrastructure Company Limited	0.5	100%	0.5	100%

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f **Shareholding of Promoters**

Shares held by promoters at March 31, 2022

Sr No	Name of the Promoter	No of Shares	% of total	% change 2021-22
1	HCC Infrastructure Company Limited	50,000	100.00	-
	Total	**50,000**		
	Total No of Shares issued and Subscribed	50,000		

Shares held by promoters at March 31, 2021

Sr No	Name of the Promoter	No of Shares	% of total	% change 2021-22
1	HCC Infrastructure Company Limited	50,000	100.00	-
	Total	**50,000**		
	Total No of Shares issued and Subscribed	50,000		

13 Deemed Capital Contribution from holding Company

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Opening balance	259.56	259.56
Add : Deemed Capital Contribution during the year	-	-
Less: Deemed Capital Contribution repaid during the year	-	-
Less: Transferred to general reserve	-	-
Closing Balance	**259.56**	**259.56**

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.

14 Surplus in the Statement of Profit and Loss

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Opening balance	(5,765.09)	(6,990.50)
Add: Profit /(Loss) for the year	1,052.43	1,225.41
Closing Balance	**(4,712.66)**	**(5,765.09)**

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15 Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Non Current Borrowings		
Secured		
Term loans		
From banks	-	2,309.28
Secured - total	-	2,309.28
Total non current borrowings	-	**2,309.28**
Less:Current maturity of long term debt	-	(2,309.28)
Non current borrowings	-	-

A Rupee Term Loan I

i Term loans were 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 The company had availed the moratorium period and accordingly interest dues falling due on March 1, 2020, April 1, 2020 and May 1, 2020 would be due and payable on June 1, 2020 as per COVID 19 Regulatory Package dated March 27, 2020, subject to any further clarification from RBI. The instalment falling due on March 31, 2020 would be due and payable on June 30, 2020.

Subsequently, RBI on 21st May 2020 had extended the moratorium period for another 3 months. Accordingly, the moratorium period was extended upto August 31, 2020. The instalment falling due on March 31, 2020 would be due and payable on September 30, 2020. All the interest fallen due on March 1, 2020, April 1, 2020, May 1, 2020, June 1, 2020, July 1, 2020 and August 1, 2020 would be due and payable on September 1, 2020 as per COVID 19 Regulatory Package

D Our Holding Company ie HCC Infrastructure Company Limited's ("HICL") has approached Yes Bank Limited ("Bank") vide letter dated August 4, 2021 ("Settlement Letter") with the One Time Settlement (OTS) proposal in respect of the facilities granted by the Yes Bank to the Company. The Bank had agreed for the One Time Settlement (OTS) proposal and During the current year, entire dues of Yes Bank has been settled by the company as full & final settlement.

E Utilisation of Borrowings taken from Bank and Financial Institution
The company has not taken any fresh loan from banks and financial institutions during the year.

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16 Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Non Current		
Gratuity	23.27	15.03
Leave Encashment	18.82	13.93
Total	**42.09**	**28.96**

17 Short Term Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Current maturities of long-term debt		2,309.28
Inter Corporate Deposit from related party (refer note no.30)	1,770.49	1,381.15
Total	**1,770.49**	**3,690.43**

18 Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Payables		
i) total outstanding dues of micro and small enterprises	67.97	58.82
ii) total outstanding dues other than (i) above	430.02	508.34
Total	**497.99**	**567.16**

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 31 March 2022. 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	55.37	46.87
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	11.95	0.03
(iii) The amount of interest due and payable for the year	0.65	11.91
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year	12.60	11.95
(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 2022 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.

<u>Trade Payable Ageing Schedule</u>

Range of O/s period	As at March 31, 2022	As at March 31, 2021
Unbilled		
Not Due		
Less than 1 year	202.39	342.09
1-2 years	70.52	23.08
2-3 year	23.08	50.26
> 3 years	201.99	151.73
Total	**497.98**	**567.16**

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19 Other Financial Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Security Deposit	-	190.00
Interest Accrued and not due(Term loan)	-	19.91
Interest accrued & due on borrowings (Term loan)	-	-
Interest accrued and due on inter-corporate deposits (Refer note 30)	228.19	85.07
Payables to related party *(refer note no.30)*	1,408.49	413.99
Due to employees	16.59	15.48
Expenses Payable	17.19	157.01
Other payables *(refer note no.36)*	11,700.00	11,700.00
Total	**13,370.46**	**12,581.46**

20 Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Gratuity	1.53	0.97
Leave Encashment	1.77	1.26
Current total	**3.29**	**2.23**

21 Current Tax Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Provision for tax (Net)	100.14	66.54
Total	**100.14**	**66.54**

Disclosure:

Particulars	As at March 31, 2022	As at March 31, 2021
Current tax liabilities		
- Provision for tax	2,605.79	1,930.07
Less:		
Current tax assets		
- Advance payment of taxes	2,552.52	1,863.53
Provision for tax (Net)	**53.26**	**66.54**

22 Other current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory Dues	44.66	71.46
Advance from Others	-	600.00
Advance from Related Party	1,723.72	1,723.72
Total	**1,768.37**	**2,395.18**

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23 Revenue from Operations

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Operation & Maintenance fees	2,331.21	3,282.39
Total	**2,331.21**	**3,282.39**

24 Other Income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest Income	923.70	969.26
Gain on Fair valuation of current investments	0.06	0.05
Reversal of previous year provisions	-	12.92
Total	**923.76**	**982.23**

25 Employee benefits expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and wages	226.19	256.32
Contribution to provident funds and other funds	12.01	13.62
Workmen and Staff welfare expenses	16.40	18.22
Total	**254.59**	**288.16**

26 Finance costs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest expense on Term Loans	84.98	340.32
Interest expense on Inter Corporate Deposit	159.03	91.97
Amortization of Financial Guarantee	25.66	43.24
Total	**269.67**	**475.53**

27 Depreciation and amortization expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on Property, Plant and Equipment	1.23	1.23
Total	**1.23**	**1.23**

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28 Other expenses

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Audit expenses	6.09	4.85
Travelling	1.45	1.78
Rates & Taxes	3.45	6.71
Legal, Professional and Consultancy Charges	3.40	4.60
Security expenses	160.24	262.82
Insurance Charges	9.16	3.55
Car Hire Charges	19.29	18.69
Vehicle Hire Charges	14.11	60.89
Motor Car Expenses	48.47	74.16
Telephone Charges	1.81	2.16
Courier Charges	0.49	0.57
Repairs and Maintenance	528.33	1,055.39
Housekeeping and Maintenance	132.28	236.37
Miscellaneous Expenses	12.71	123.89
Total	**941.28**	**1,856.43**

Details of payment to auditors

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Details of payment to auditors		
Statutory Audit fees	1.50	2.00
Tax audit fees	0.38	0.50
Limited Review	2.25	2.25
Fees for other audit related services	1.09	0.10
Total payments to auditors	**5.22**	**4.85**

29 Earnings per share (EPS)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net profit/ (loss) after tax	1,052.43	1,225.41
Number of equity shares in calculating basic EPS	50,000	50,000
Basic and diluted EPS	2,104.86	2,450.83

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30 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.

Ultimate holding company
Hindustan Construction Company Limited

Fellow subsidiaries:
HCC Concessions Ltd
Baharampore Farakka Highways Ltd
Farakka Raiganj Highways Ltd (upto 22 September 2020)
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, 2022	As at March 31, 2021
Transactions During the year		
O & M fees including MMR & Other charges		
Baharampore-Farakka Highway Ltd	2,331.21	2,180.05
Farakka Raiganj Highway Ltd	-	1,102.34
Financial Income		
HCC Infrastructure Company Limited	42.91	39.73
Dhule Palesner Operations & Maintenance Ltd	880.79	929.53
Financial Expense		
HCC Concessions Ltd	152.92	91.97
HCC Infrastructure Company Limited	6.11	
Inter-Corporate Deposit-given during the year		
HCC Infrastructure Company Limited	0.33	600.00
Inter-Corporate Deposit-Recovered during the year		
HCC Infrastructure Company Limited	786.04	333.00
Dhule Palesner Operations & Maintenance Ltd	879.00	-
HCC Infrastructure Company Limited	0.66	
Inter corporate deposit taken		
HCC Concessions Ltd	200.00	2,408.65
HCC Infrastructure Company Limited	189.34	
Repaid - Inter corporate deposit taken		
HCC Concessions Ltd	-	1,027.51
Amortisation of Corporate Guarantee		
HCC Infrastructure Company Limited	25.66	43.24

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Nature of Transactions	As at March 31, 2022	As at March 31, 2021
Balance Sheet (Closing Balances as on 31 March 2022)		
Outstanding Payables		
HCC Concessions Ltd	990.46	-
HCC Power Ltd	2.72	2.72
Amount payable for other services		
Hindustan Construction Company Limited	415.31	411.27
Advance received from customer		
Hindustan Construction Company Limited	1,723.72	1,723.72
Inter Corporate Deposit taken		
HCC Concessions Ltd	1,581.15	1,381.15
Steiner India Ltd	189.34	
Interest payable on ICD		
HCC Concessions Ltd	222.70	85.07
HCC Infrastructure Company Limited	5.50	
Trade receivable		
Badarpur Faridabad Tollway Ltd	62.12	62.12
Baharampore-Farakka Highway Ltd	563.16	347.01
Other Receivables		
Badarpur Faridabad Tollway Ltd	0.75	0.75
Raiganj Dalkhola Highway Ltd	0.03	0.03
Dhule Palesner Operations & Maintenance Ltd	51.92	51.92
HCC Infrastructure Company Limited	(7.08)	1.57
HCC Concessions Ltd	-	0.97
HCC Energy Ltd	0.13	0.13
Interest receivable on ICD		
HCC Infrastructure Company Limited	66.48	23.57
Dhule Palesner Operations & Maintenance Ltd	4,546.81	3,754.10
Inter-Corporate Deposit Given		
HCC Infrastructure Company Limited		786.37
Dhule Palesner Operations & Maintenance Ltd	7,571.32	8,450.32
Financial Guarantee		
HCC Infrastructure Company Limited	-	25.66
Capital Contribution towards Corporate Guarantee		
HCC Infrastructure Company Limited	259.56	259.56
Contribution in share capital		
HCC Infrastructure Company Limited	5.00	5.00

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31 Gratuity and other post-employment benefit plans

A Defined benefit obligations - Gratuity (unfunded)

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.

The following tables summaries the amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	As at March 31, 2022	As at March 31, 2021
a) Change in defined benefit obligations		
Present value of obligation as at the beginning of the year	16.00	27.29
Current service cost	2.74	6.06
Interest expenses	1.09	1.87
Past service cost		-
Benefits paid	(0.45)	(3.97)
Liability Transferred Out		-
Remeasurements - net actuarial (gains)/ losses	5.42	(15.24)
Present value of obligation as at the end of the year	**24.79**	**16.00**

	As at March 31, 2022	As at March 31, 2021
b) Expenses recognised in the Statement of Profit and Loss		
Current service cost	2.74	6.06
Past service cost	-	-
Interest expenses	1.09	1.87
Other obligations	-	-
Total	**3.83**	**7.92**

	As at March 31, 2022	As at March 31, 2021
c) Remeasurement (gains)/ losses recognised in OCI		
Actuarial changes arising from changes in financial assumptions	(0.94)	(3.70)
Actuarial loss / (gain) arising on account of demographic assumptions	(0.00)	(0.51)
Experience adjustments	6.36	(11.03)
Total	**5.42**	**(15.24)**

	As at March 31, 2022	As at March 31, 2021
d) Actuarial assumptions:		
Discount rate	7.32%	6.82%
Expected rate of return on plan assets (p.a.)	N.A.	N.A.
Rate of increase of compensation levels	6.00%	6.00%
Expected average remaining working lives of employees	13	14
Mortality table	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08)

The attrition rate ranges from 0 years to 4 years is 8% p.a. and 4% p.a. thereafter

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

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e) Sensitivity analysis for significant assumptions is as below:

	As at March 31, 2022	As at March 31, 2021
	1% increase	
i. Discount rate	(2.06)	(1.46)
ii. Salary escalation rate - over a long-term	2.40	1.73
iii. Attrition rate	0.17	0.03
	1% decrease	
i. Discount rate	2.40	1.73
ii. Salary escalation rate - over a long-term	2.10	(1.49)
iii. Attrition rate	(0.20)	(0.04)

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other actuarial assumptions constant.

	As at March 31, 2022	As at March 31, 2022
f) Maturity analysis of defined benefit obligation		
Within the next 12 months	1.53	0.97
Between 2 and 5 years	7.53	5.01
Between 6 and 10 years	8.23	5.32
Sum of Years 11 and above	38.91	26.45
Total expected payments	**56.19**	**37.75**

B Defined contribution plans

Amount recognised as an expense and included in note 25, Contribution to provident and other funds amounted to Rs 21.51 lakhs (31 March 2020 Rs 28.86 lakhs)

	As at March 31, 2022	As at March 31, 2022
Superannuation fund	2.75	2.41
Pension fund	5.25	5.88
Employee's provident fund	4.01	5.34
	12.01	**13.62**

C Current/ non-current classification

	As at March 31, 2022	As at March 31, 2022
Gratuity		
Current	1.53	0.97
Non-current	23.27	15.03
	24.79	**16.00**

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32 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, 2022	As at March 31, 2021
Variable rate borrowings	-	2,309.28
Total borrowings	**-**	**2,309.28**

The Company has not entered into any interest rate swap agreement.

Interest rates - increase by 0.50 basis points	-	(24.21)
Interest rates - decrease by 0.50 basis points	-	24.21

(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 31 March 2022

Particulars	Less than 1 year	1 to 2 Years	2 to 5 Years	Over 5 Years	Total
Non-derivatives					
Borrowings	1,770.49	-		-	1,770.49
Other Financials liabilities	13,370.46	-	-	-	13,370.46
Trade payables	497.99	-	-	-	497.99
Total	**15,638.94**	**-**	**-**	**-**	**15,638.94**

As at 31 March 2021

Particulars	Less than 1 year	1 to 2 Years	2 to 5 Years	Over 5 Years	Total
Non-derivatives					
Borrowings	3,690.43	-		-	3,690.43
Other Financials liabilities	12,581.46	-	-	-	12,581.46
Trade payables	567.16	-	-	-	567.16
Total	**16,839.05**	**-**	**-**	**-**	**16,839.05**

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33 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 2022 were as follows:

(Rs. in Lakhs)

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Total carrying value	Total fair value
		Designated upon initial recognition	Recurring		
Assets:					
Investments in Mutual Funds	-	-	1.69	1.69	1.69
Trade Receivables	625.28	-	-	625.28	625.28
Cash and Cash Equivalents	12.86	-	-	12.86	12.86
Loans	7,571.32	-	-	7,571.32	7,571.32
Financial Guarantee	-		-	-	-
Other Financial Asset	4,654.79	-	-	4,654.79	4,654.79
Total	**12,864.25**	**-**	**1.69**	**12,865.94**	**12,865.94**
Liabilities:					
Borrowings	1,770.49		-	1,770.49	1,770.49
Trade payables	497.99		-	497.99	497.99
Other financial liabilities	13,370.46		-	13,370.46	13,370.46
Total	**15,638.94**	**-**	**-**	**15,638.94**	**15,638.94**

The carrying value and fair value of financial instruments by categories as at 31 March 2021 were as follows:

(Rs. in Lakhs)

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Total carrying value	Total fair value
		Designated upon initial recognition	Recurring		
Assets:					
Investments in Mutual Funds	-	-	1.63	1.63	1.63
Trade Receivables	409.13	-	-	409.13	409.13
Cash and Cash Equivalents	4.76	-	-	4.76	4.76
Loans	9,236.68	-	-	9,236.68	9,236.68
Financial Guarantee	-		-	-	-
Other Financial Asset	3,858.73	-	-	3,858.73	3,858.73
Total	**13,509.30**	**-**	**1.63**	**13,510.93**	**13,510.93**
Liabilities:					
Borrowings	3,690.43		-	3,690.43	3,690.43
Trade payables	567.16		-	567.16	567.16
Other financial liabilities	12,581.46		-	12,581.46	12,581.46
Total	**16,839.05**	**-**	**-**	**16,839.05**	**16,839.05**

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 :

Rs. in Lakhs

Particulars	31st March 2022		31st March 2021	
	Level 1	Level 3	Level 1	Level 3
Assets				
Investments in Mutual Funds	1.69		1.63	
Other Assets		-		-
Liabilities	-	-	-	-

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

34 Net Debt Reconciliation

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Cash and Cash Equivalents	12.86	4.76	67.68
Liquid Investments	1.69	1.63	1.58
Non-Current Borrowings	(1,770.49)	(3,690.43)	(3,717.97)
Interest Accrued - Current	(228.19)	(104.98)	(83.91)
Net Debt	**(1,984.13)**	**(3,789.03)**	**(3,732.63)**

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 2020	**67.68**	**1.58**	**(3,717.99)**	**(83.90)**	(3,732.63)
Cash Flows	(62.92)		237.73	-	174.81
Interest Expense				(432.31)	(432.31)
Interest paid				201.04	201.04
-Fair Value Adjustments		0.05			0.05
Interest Converted into FITL Loan			(210.19)	210.19	-
Net Debt as at 31st March 2021	**4.76**	**1.63**	**(3,690.46)**	**(104.98)**	**(3,789.03)**
Net Debt as at 1 April 2021	**4.76**	**1.63**	**(3,690.46)**	**(104.98)**	(3,789.03)
Cash Flows	8.09		1,919.97	-	1,928.06
Interest Expense				(244.02)	(244.02)
Interest paid				120.79	120.79
-Fair Value Adjustments		0.06			0.06
Interest Converted into FITL Loan			(210.19)	210.19	-
Net Debt as at 31st March 2022	**12.86**	**1.69**	**(1,980.68)**	**(18.03)**	**(1,984.13)**

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35 Notes to the financial statements for the period ended 31 March 2022

Sr. No.	Ratio	Numerator/ Denominator	Ratio (2021-22)	Ratio (2020-21)	% of Variation	Reason for variance
1	Current ratio	Current Asset / Current Liabilities	74.83	71.58	4.55	*
2	Debt-Equity ratio	Total Debts / Shareholders Equity	-	(41.98)	(100.00)	Variation is because Total Debt Repaid in Current year.
3	Debt Service Coverage ratio	Earnings available for debt service / Debt Service	86.00	52.25	64.59	Variation is because Total Debt Repaid in Current year.
4	Return on Equity ratio (ROE)	Net Profits after taxes – Preference Dividend / Average Shareholder's Equity	(21.16)	(20.05)	5.55	*
5	Inventory Turnover Ratio	Cost of goods sold OR sales / Average Inventory	Not Applicable			
6	Trade Receivables turnover ratio	Net Credit Sales / Average Accounts Receivable	450.73	329.96	36.60	Variation is because of reduction in revenue in FY 21-22 compared to previous year.
7	Trade payables turnover ratio	Net Credit Purchases / Average Trade Payables	Not Applicable			
8	Net capital turnover ratio	Net Sales / Average working capital	(47.13)	(55.67)	(15.35)	*
9	Net profit ratio	Net Profit after Tax / Net Sales	45.15	37.33	20.93	*
10	Return on Capital employed (ROCE)	Earning before interest and taxes / Capital Employed	(76.85)	(117.05)	(34.34)	Variation is due to reduction in capital employed
11	Return on Investment (ROI)	Net Income / Cost oF Investment	397.81	463.19	(14.12)	*

* As per amendment to Schedule III reasons for variances to be given only if variance is greater than 25%

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Notes to the financial statements for the period ended 31 March 2022
(All amounts are in Rs lakhs, unless stated otherwise)

36	Contingent Liability & Commitment	As at March 31, 2022	As at March 31, 2021
	(i) Commitment given to Lender of a Fellow subsidiary to purchase Debentures in the event of default by issuer. (refer note below)	11,542.08	8,576.56
	(ii) Service tax liability that may arise in respect of matter for which notice is received	363.06	190.82
	(iii) VAT Liablity that may arise in respect of matter for which demand is received	4.64	4.64
	(iv) Entry Tax Demand raised by Sales Tax Authority - West Bengal (FY 2017-18)	0.29	0.29

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 to the aforesaid debenture holders towards these debentures. As per 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 2022, there exist a liability in the books (after adjusting advances of INR 2,100 lakhs paid) amounting to INR 117,00 lakhs , 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.

There were no litigation pending against the company except as mentioned above which could be materially impact its financial position as at the end of the year.

37 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.

38 Net worth and Going concern assumption

During the current period, the Company has made profit amounting to Rs. 1052.43 lakhs (Previous Year Profit : Rs. 1225.42 Lakhs). There has been a substantial erosion in the net worth of the Company . Net worth of the company is negative as on 31 March 2022 as the accumulated losses of the company at Rs. 4712.67 lakhs has exceeded the paid up share capital of the company amounting to Rs 5.00 lakhs by Rs. 5765.09 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.

39 In January 2020, the World Health Organization has declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern", which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. The impact of COVID-19 on the business operations of the Company, including the duration, cannot be reasonably ascertained at this point in time, the management does not anticipate any material adverse impact on the business, results of operations, financial position and cash flows."

40 Previous years figures

Previous years figures have been regrouped/reclassified/recasted wherever necessary including to conform current period classification in order to comply with the requirements of amended schedule III to the companies act 2013 effective April 1, 2021.

As per our report of even date attached

For U B G & Company
Chartered Accountants
Firm Registration No. 141076W

CA Gaurav Parekh
Partner
Membership No.:140694

U B G & COMPANY
FRN
141076W
CHARTERED ACCOUNTANTS

Santosh Kumar Rai
Director
DIN No. : 08766113

Shekhar S. Mordekar
Director
DIN No. : 08941107

Place: Mumbai
Date: 09/05/22

Place: Mumbai
Date:

KC

HCC Operations & Maintenance Ltd.