FINANCIAL STATEMENT
2017-2018

HCC OPERATIONS & MAINTENANCE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HCC OPERATIONS & MAINTENANCE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **HCC Operations & Maintenance Limited**('the Company'), which comprise the balance sheet as at 31 March 2018, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.;

(d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

(e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and

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

i. The company has no pending litigation which would impact its financial position except those disclosed in financial statements;

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

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

2. As required by Section 143(3) of the Act, based on our audit we report that:

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

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

GIANENDER & ASSOCIATES ★ NEW DELHI ★ Chartered Accountants

R K Agrawal
(Partner)
(M No. 085671)

Place: New Delhi
Date : 0 2 MAY 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **HCC Operations & Maintenance Limited** 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, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 on Audit of Internal Financial Controls Over Financial Reporting (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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

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, 2018, 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 Gianender & Associates
Chartered Accountants
(Firm's Registration No. 004661N)

GIANENDER & ASSOCIATES NEW DELHI Chartered Accountants

R K Agrawal
(Partner)
(M No. 085671)

Place: New Delhi
Date : 0 2 MAY 2018

Annexure 'B' to the Independent Auditor's Report of HCC Operations & Maintenance Limited for the Year ended as on 31st March 2018

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

i.
 a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
 b) The Fixed Assets have been physically verified by the management at regular intervals and no material discrepancies were noticed on such verification
 c) The title deeds of immovable properties are held in the name of the company.

ii. According to the information & explanations given to us, physical verification of inventory was conducted during the year by the management and no material discrepancy was noticed on such verification .

iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liabilities partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, reporting under clause (a) to (c) of Para 3(iii) are not applicable.

iv. As per information and explanations given to us, the company has complied with the provisions of section 185 & 186 of Companies act, 2013 in respect of transactions relating to loans, investments, guarantee and securities, as applicable.

v. The Company has not accepted deposits in terms of the provisions of section 73 to 76 of the Companies Act, 2013 and rules framed there under. Therefore the paragraph 3(v) of the Order is not applicable to the company.

vi. We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accountsand records have been made and maintained.

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 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 2018, 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 explanations given to us, there were no statutory dues pending in respect of income tax, sales tax, VAT, custom duty and cess etc. on account of any dispute.

viii. The company has taken Loans from bank. During the year, the company has not defaulted in repayment of loans or borrowing to a bank The company has not taken any loans or borrowings from financial institution ,Government and not issued any debenture during the year.

ix. Money raised by way of term loans from Yes bank Limited for repayment of ICDs were utilized for giving ICDs to the related parties. The Company has not raised money by way of initial public offer or further public offer.

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

xi. The company has not paid any managerial remuneration , hence paragraph 3(ix) of the order is not applicable to the company.

xii. The company is not a Nidhi Company, therefore para 3(xii) of the Order is not applicable to the company.

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NEW DELHI
Chartered Accountants

xiii. In our opinion and according to the information provided to us, the transaction entered with the related partied are in compliance with section 177 and 188 of the Act and are disclosed in the financial statements as required by the applicable accounting standards.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review, therefore para 3(xiv) of the order is not applicable to the company..

xv. According to the information provided to us, the company has not entered into any non-cash transaction with directors or the persons connected with him covered under section 192 of the Companies Act 2013. Therefore, paragraph 3(xv) of the Order is not applicable to the company.

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

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

GIANENDER & ASSOCIATES
NEW DELHI
Chartered Accountants

R K Agrawal
(Partner)
(M No. 085671)

Place: New Delhi
Date : 0 2 MAY 2018

HCC Operations & Maintenance Limited
Balance Sheet as on 31st March,2018
(All amounts are in Rs lakhs, unless stated otherwise)

Particulars	Note	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	5.54	6.12
Other Financial Assets	4	130.73	173.85
Non Current Tax Assets (Net)	5	1,100.46	378.23
Current assets			
Financial Assets			
Investments	6	1.39	-
Trade receivables	7	370.46	386.20
Cash and cash equivalents	8	589.36	261.72
Loans	9	10,033.63	9,349.35
Other financial asset	10	2,787.27	1,689.50
Other current assets	11	282.21	81.53
Total Assets		**15,301.04**	**12,326.50**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	5.00	5.00
Other equity			
Capital contribution from holding Company	13	259.44	259.44
Reserves and Surplus	14	2,700.11	558.92
Total Equity		2,964.56	823.36
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	15	5,528.74	7,271.66
Provisions	16	32.50	32.56
Current Liabilities			
Financial Liabilities			
Borrowings	17	-	-
Trade payables	18	248.09	489.46
Other financial liabilities	19	3,087.36	1,928.31
Provisions	20	365.13	420.82
Current Tax Liabilities	21	1,188.00	313.00
Other current liabilities	22	1,886.67	1,047.34
Total Liabilities		**12,336.48**	**11,503.15**
Total Equity and Liabilities		**15,301.04**	**12,326.50**

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

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

GIANENDER & ASSOCIATES
NEW DELHI
Chartered Accountants

R K Agrawal
Partner
Membership No.:085671

Place: Delhi
Date: 2nd May 2018

Shripad Gaitonde
Director
DIN No. : 06981627

Digvijay Kudtarkar
Director
DIN No. : 03616705

Place: Mumbai
Date: 2nd May 2018

HCC Operations & Maintenance Limited
Statement of Profit and Loss for the year ended 31st March, 2018
(All amounts are in Rs lakhs, unless stated otherwise)

Particulars	Note	For the year ended March 31, 2018	For the year ended March 31, 2017
Continuing Operations			
Revenue from Operations	23	7,264.55	3,640.15
Other Income	24	1,132.34	764.22
Total Income		**8,396.89**	**4,404.37**
Expenses			
Purchase of Stock in trade	25	18.24	21.34
Employee benefits expense	26	387.58	379.15
Finance costs	27	935.07	994.26
Depreciation and amortization expense	28	1.17	0.65
Other expenses	29	4,040.13	2,472.76
Total expenses		**5,382.19**	**3,868.15**
Profit / (loss) before exceptional items and tax		**3,014.70**	**536.22**
Exceptional Items	30	-	526.00
Profit / (loss) before tax		**3,014.70**	**10.22**
Tax expense			
Current tax		878.51	-
Profit/(Loss) for the period		**2,136.19**	**10.22**
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		5.00	
- Income Tax Effect on above			
b) Items to be reclassified subsequently to profit or loss			
Other Comprehensive Income for the year		**5.00**	-
Total Comprehensive Income for the year		**2,141.19**	**10.22**
Earnings per equity share of Rs. 10 each (for continuing operation):	31		
Basic earnings per share		4,282.39	20.44
Diluted earnings per share		4,282.39	20.44

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

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

GIANENDER & ASSOCIATES NEW DELHI Chartered Accountants

R K Agrawal
Partner
Membership No.:085671

Place: Delhi
Date: 2nd May-2018

Shripad Gaitonde
Director
DIN No. : 06981627

Digvijay Kudtarkar
Director
DIN No. : 03616705

Place: Mumbai
Date: 2nd May-2018

HCC Operations & Maintenance Limited
Cashflow statement
(All amounts are in `. lakhs, unless stated otherwise)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
A Cash Flow from operating activities		
Profit after income tax including discontinued operations	2,136.19	10.22
Adjustments for		
Add:		
Depreciation and amortisation expenses	1.17	0.65
Finance costs	935.07	994.26
Less:		
Dividend received	-	(3.54)
Interest Income	(1,127.15)	(749.85)
Provisions no longer required	-	(10.02)
Profit on sale of investment	(5.19)	(0.81)
Change in operating assets and liabilities		
(Increase)/decrease in trade receivables	15.75	574.68
(Increase)/decrease in other financial assets	43.12	42.92
(Increase)/decrease in other current assets	(200.68)	28.35
Decrease / (increase) in short-term loans and advances	(684.28)	147.63
Increase/(decrease) in trade payables	(241.37)	361.70
Increase/(decrease) in other financial liabilities	1,746.38	(222.93)
Increase/(decrease) in provisions	(55.69)	0.10
Increase/(decrease) in other current liabilities	843.83	(100.32)
	3,407.15	1,073.02
Cash generated from operations		
Income taxes paid	(720.40)	(256.09)
Net cash inflow from operating activities	**2,686.76**	**816.93**
B Cash flow from investing activities:		
Purchase of property, plant and equipment/ intangible assets	(0.59)	(6.77)
Proceeds from sale of investments	3.80	0.81
Provisions no longer required	-	10.02
Purchase of Investments	(1.39)	-
Interest received	29.38	287.26
Dividend received	-	3.54
Net cash outflow from investing activities	31.21	294.86
C Cash flow from financing activities		
Repayment of long term borrowings	(1,442.92)	-
Interest paid	(947.40)	(1,003.43)
Net cash inflow (outflow) from financing activities	(2,390.32)	(1,003.43)
Net increase/(decrease) in cash and cash equivalents	327.65	108.37
Add: Cash and cash equivalents at the beginning of the financial year	261.72	153.35
Cash and cash equivalents at the end of the year	589.36	261.72
Reconciliation of Cash Flow statements as per the cash flow statement		
Cash Flow statement as per above comprises of the following	**31 March 2018**	**31 March 2017**
Cash and cash equivalents	589.36	261.72
Bank overdrafts	-	-
Balances as per statement of cash flows	589.36	261.72

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

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

GIANENDER & ASSOCIATES
NEW DELHI
Chartered Accountants

R K Agrawal
Partner
Membership No.:085671

Place: Delhi
Date: 2nd May-2018

Shripad Gaitonde
Director
DIN No. : 06981627

Digvijay Kudtarkar
Director
DIN No. : 03616705

Place: Mumbai
Date: 2nd May-2018

HCC Operations & Maintenance Limited
Notes to financial statement for the year ended 31st March,2018
(All amounts are in Rs lakhs, unless stated otherwise)

A

Equity share capital	
as at 1 April 2017	**5.00**
changes in equity share capital	-
as at 31st March-2018	**5.00**

B **Statement of change in Equity**

	Reserves and Surplus		
	Capital Reserve	**Retained Earnings**	**Total**
Balance as at 1st April-2017	**259.44**	**558.92**	**818.36**
Profit for the year		2,136.19	2,136.19
Other Comprehensive Income for the year			-
Balance as at 31st March, 2018	**259.44**	**2,695.11**	**2,954.55**

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

Chartered Accountants
ICAI Registration No. 04661N

R K Agrawal
Partner
Membership No.:085671

Place: Mumbai
Date:2nd May-2018

Shripad Gaitonde
Director
DIN No. : 06981627

Digvijay Kudtarkar
Director
DIN No. : 03616705

Place: Mumbai
Date: 2nd May-2018

HCC Operations & Maintenance Limited
Notes to the financial statements for the year ended March 31st, 2018
(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 17th 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 Company is evaluating the requirement of the amendment and the impact on the financial statements.

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

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

ii assets under service concession arrangement;

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

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

(b) **Current & Non Current classification**

Current Asset :

An asset shall be classified as current when it satisfies any of the following criteria:

(a) it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;

(b) it is held primarily for the purpose of being traded

(c) It is expected to be realized within twelve months after the reporting date, or

(d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets shall be classified as non-current.

Current Liabilities:

A liability shall be classified as current when it satisfies any of the following criteria:

i (a) it is expected to be settled in the company's normal operating cycle;

ii (b) it is held primarily for the purpose of being traded;

iii (c) it is due to be settled within twelve months after the reporting date : or

iv (d) the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could at the option of the counterparty, result in its settlement by the issue of equity instruments do not effect its classification.

All other liabilities shall be classified as non-current.

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(c) Property, plant and equipment:

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

(d) <u>Investments and other financial assets:</u>

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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NEW DELHI
Chartered Accountants

(e) Equity instruments

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

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

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

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

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

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

(f) Cash and cash equivalents:

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

(g) Income Tax:

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

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

(h) Offsetting financial instruments:

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

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(i) Segment reporting:

The Company's operations constitutes a single business segment namely "Infrastructure Development" as per Ind As 108, further the Company`s operation are within single geographical segment which is India.

(j) Borrowings Cost:

i) General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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

iii) Other borrowing costs are expensed in the period in which they are incurred.

(k) Revenue Recognition:

Revenue is measured at the fair value of the consideration received or receivable. The Company recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company`s activities. Insurance and other claims are recognized as revenue on certainty of receipt basis.

Dividend income is recognized when the right to receive is established. Other items of income are accounted as and when the right to receive arises and recovery is certain.

(l) Employee benefits:

Short-term obligations

Other long-term employee benefit obligations

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

Post-employment obligations

Defined contribution plans

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

Defined benefits plans

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

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

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

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

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

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

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

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

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

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

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

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

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

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

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(p) Financial guarantee contract:

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

(q) Earnings per share:

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

(r) 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.

(s) 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 year ended March 31st, 2018
(All amounts are in Rs lakhs, unless stated otherwise)

3 Property, Plant and Equipment

Particulars	Computers	Total
Balance as at 1st April 2017	6.12	6.12
Additions	0.59	**0.59**
Balance as at 31st March 2018	**6.71**	**6.71**
Balance as at 1st April 2017	-	-
Depreciation for the year	(1.17)	**(1.17)**
Balance as at 31st March 2018	**(1.17)**	**(1.17)**
Net Block		
Balance as at 31st March 2018	**5.54**	**5.54**

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

4 Other Financial Assets

Particulars	As at March 31, 2018	As at March 31, 2017
(Unsecured unless otherwise stated)		
Non-current		
Considered good		
Security Deposits	0.03	0.03
Corporate Guarantee given to Banks by Holding Company	130.69	173.82
Total	**130.73**	**173.85**

5 Non Current Tax Assets (Net)

	As at March 31, 2018	As at March 31, 2017
Prepaid Taxes (Net of Provisions)	1,100.46	378.23
Closing Balance	**1,100.46**	**378.23**

6 Current Investments

Particulars	As at March 31, 2018	As at March 31, 2017
Investments in Mutual Funds		
Fair value through profit or loss		
Quoted		
Investments in Mutual fund	1.39	-
[a] 72.422 Units @ Rs.1905.1372 (March 31, 2017: Nil,) Liquid Fund Growth		
Total	**1.39**	**-**
Aggregate amount of quoted investments and Market value thereof	1.39	

7 Trade receivables

Particulars	As at March 31, 2018	As at March 31, 2017
(Unsecured unless otherwise stated)		
Considered good and		
Related parties	370.46	386.20
Total	**370.46**	**386.20**

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8 **Cash and cash equivalents**

Particulars	As at March 31, 2018	As at March 31, 2017
Cash on hand	0.04	0.02
Balances with Banks		
In current accounts	589.32	261.70
Term deposits with original maturity of less than three months	-	-
Total	**589.36**	**261.72**

9 **Loans**

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good		
Current		
Loans to related parties	10,033.63	9,349.35
Inter Corporate Deposit		
Total	**10,033.63**	**9,349.35**

10 **Other financial asset**

Considered good		
Interest receivable ICD	2,787.27	1,689.50
Total	**2,787.27**	**1,689.50**

11 **Other current assets**

Particulars	As at March 31, 2018	As at March 31, 2017
Current		
Balance with Government Authorities	259.93	53.81
Loans and advances to related party	15.57	26.05
Prepaid expenses	2.63	0.88
Other Advances	4.07	0.79
Total	**282.21**	**81.53**

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

12 Equity share capital

Particulars	As at March-31st -2018	As at March-31st -2017
Authorised		
50,000 (31 March 2017:50,000) equity shares of Rs.10/- each	5.00	5.00
Issued, subscribed and fully paid up		
50,000 (31 March 2017:50,000) 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 2017	50,000	5.00
Add: Issued during the year	-	-
Balance as at the 31st March,2018	50,000	5.00

b Rights, preferences and restrictions attached to shares

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

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

		As at March 31, 2018		As at March 31, 2017
Particulars	Nos	No of shares	% of Share holding	No of shares
Equity shares of Rs 10/- each fully paid				
HCC Infrastructure Company Limited		0.5	100%	0.5

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

		As at March 31, 2018		As at March 31, 2017
Particulars	Nos	No of shares	% of Share holding	No of shares
Equity shares of Rs 10/- each fully paid				
HCC Infrastructure Company Limited		0.5	100%	0.5

13 Capital contribution from holding Company

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance	259.44	259.44
Capital Contribution (corporate guarantee)	-	-
Less: Transferred to general reserve	-	-
Closing Balance	259.44	259.44

14 Surplus in the Statement of Profit and Loss

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance	558.92	548.70
Add: Profit for the year	2,141.19	10.22
Closing Balance	2,700.11	558.92

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HCC Operations & Maintenance Limited
Notes to the financial statements for the year ended March 31st, 2018
(All amounts are in Rs lakhs, unless stated otherwise)

15 Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017
Non Current Borrowings		
Secured		
Term loans		
From banks	7,271.67	8,714.58
Secured - total	7,271.67	8,714.58
Total non current borrowings	**7,271.67**	**8,714.58**
Less:Current maturity of long term debt	(1,742.92)	(1,442.92)
Non current borrowings	**5,528.74**	**7,271.66**

A Rupee Term Loan I

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

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

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

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

v First Pari Passu Charge on all assets of Borrower

B Rupee Term Loan II

i First pari passu charge on all assets of the Company

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

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

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

16 Provisions

Particulars	As at March 31, 2018	As at March 31, 2017
Non Current		
Provision for employee benefits	32.50	32.56
Total	**32.50**	**32.56**

17 Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017
Current Borrowings		
Unsecured		
Inter Corporate deposit	-	-
Total	-	-

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HCC Operations & Maintenance Limited
Notes to the financial statements for the year ended March 31st, 2018
(All amounts are in Rs lakhs, unless stated otherwise)

18 Trade payables

Particulars	As at March 31, 2018	As at March 31, 2017
Others	248.09	489.46
Total	**248.09**	**489.46**

19 Other Financial Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Current		
Current maturities of long-term debt	1,742.92	1,442.92
Interest accrued but not due on borrowings (Term loan)	68.50	80.83
Payables to related party	960.66	307.47
Due to employees	25.65	45.43
Other payables	289.63	51.66
Total	**3,087.36**	**1,928.31**

20 Provisions

Particulars	As at March 31, 2018	As at March 31, 2017
Current		
Gratuity	1.54	2.93
Provisions for Expenses	363.59	417.88
Current total	**365.13**	**420.82**

21 Current Tax Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Current		
Provision for tax	1,188.00	313.00
Total	**1,188.00**	**313.00**

22 Other current liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Statutory Dues	39.71	32.30
Advance from Customers	1,846.96	1,015.04
Total	**1,886.67**	**1,047.34**

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HCC Operations & Maintenance Limited
Notes to the financial statements for the year ended March 31st, 2018
(All amounts are in Rs lakhs, unless stated otherwise)

23 Revenue from Operations

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sale of Material	30.56	148.42
Operation & Maintenance fees	4,068.71	3,491.73
Other Repair & Maintenance	3,165.28	-
Total	**7,264.55**	**3,640.15**

24 Other Income

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest income	1,127.15	749.85
Net gain/loss on sale of investments	5.19	0.81
Dividend	-	3.54
Reversal of previous year provisions	-	10.02
Total	**1,132.34**	**764.22**

25 Purchase of Stock in Trade

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Purchase of Stock in Trade	18.24	21.34
Total	**18.24**	**21.34**

26 Employee benefits expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and wages	347.47	343.72
Contribution to provident funds and other funds	24.43	18.37
Workmen and Staff welfare expenses	15.69	17.06
Total	**387.58**	**379.15**

27 Finance costs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest expense on Term Loans	891.94	951.34
Amortisation of Corporate Guarantee	43.13	42.92
Total	**935.07**	**994.26**

28 Depreciation and amortization expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation on Property, Plant and Equipment	1.17	0.65
Total	**1.17**	**0.65**

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29 Other expenses

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Audit expenses	2.00	2.00
Travelling	10.15	5.18
Service tax written off	24.09	136.70
Director Sitting Fees	1.05	0.95
Rates & Taxes	12.80	4.03
Legal, Professional and Consultancy Charges	744.99	674.45
Security expenses	309.19	166.02
Entertainment Expenses	1.42	8.45
Insurance Charges	8.00	5.93
Car Hire Charges	49.41	52.10
Vehicle Hire Charges	86.32	68.74
Motor Car Expenses	99.48	74.48
Telephone Charges	6.14	5.73
Courier Charges	0.94	0.90
Repairs and Maintenance	2,305.02	1,120.76
Housekeeping and Maintenance	355.44	131.46
CSR Expenses	6.04	6.50
Miscellaneous Expenses	17.66	8.38
Total	**4,040.13**	**2,472.76**

Details of payment to auditors

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Details of payment to auditors		
Statutory Audit fees	1.50	1.50
Tax audit fees	0.50	0.50
Total payments to auditors	**2.00**	**2.00**

30 Exceptional item

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Reversal of claim recievable	-	526.00
Total	**-**	**526.00**

31 Earnings per share (EPS)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Net profit/ (loss) after tax	2,141.19	10.22
Number of equity shares in calculating basic EPS	50,000	50,000
Basic and diluted EPS	4,282.39	20.44

32 Corporate Social Responsibility expenditure

CSR Expenditure	6.04	6.50
Total	**6.04**	**6.50**
Amount required to be spent as per Section 135 of the Act		
Amount spent during the year on		
(i) on construction / acquisition of an asset		
(ii) on purposes other than (i) above	6.04	6.50

Other expenses include Rs 6.04 Lacs (.2016-17: Rs.6.50 Lacs) spent towards various schemes of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013.

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HCC Operations & Maintenance Limited
Notes to the financial statements for the year ended March 31st, 2018
(All amounts are in Rs lakhs, unless stated otherwise)

33 Transactions with Related Parties:

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

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

Ultimate holding company
Hindustan Construction Company Limited

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

Nature of Transactions	As at March 31, 2018	As at March 31, 2017
O & M fees including MMR & Other charges		
NirmalBOTLtd.	-	-
Badarpur Faridabad Tollway Ltd	-	-
Baharampore-Farakka Highway Ltd	5,095.87	2,207.92
Farakka Raiganj Highway Ltd	2,052.51	1,270.00
HCC Ltd	85.61	
Financial Income		
HCC Infrastructure Company Limited	38.44	48.88
DPOML	1,086.50	700.95
Claim income		
Baharampore-Farakka Highway Ltd	-	-
Claim income written off		
Baharampore-Farakka Highway Ltd	-	526.00
Outstanding Payables		
HCC Infrastructure Company Limited	277.72	307.42
HCC Concessions	0.13	
Baharampore-Farakka Highway Ltd	171.82	
Sale of goods		
Hindustan Construction Company Limited	30.56	148.42
Sale of service		
Hindustan Construction Company Limited	-	13.81
Purchase of traded goods		
Hindustan Construction Company Limited	-	21.34
Services received		
Hindustan Construction Company Limited	-	5.00
Inter-Corporate Deposit-Recovered		
HCC Infrastructure Company Limited	-	547.63
Amount payable for other services		
Hindustan Construction Company Limited	511.27	307.42
Advance received from customer		
Hindustan Construction Company Limited	1,847.11	1,014.91
O&M Expense		
Hindustan Construction Company Limited	969.31	-
Advance received for services		
Hindustan Construction Company Limited	-	5.75

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HCC Operations & Maintenance Limited
Notes to the financial statements for the year ended March 31st, 2018
(All amounts are in Rs lakhs, unless stated otherwise)

Trade receivable		
NirmalBOTLtd.		-
Badarpur Faridabad Tollway Ltd	62.12	62.12
Baharampore-Farakka Highway Ltd	250.21	160.88
Farakka Raiganj Highway Ltd	58.12	163.20
Other receivable		
NirmalBOTLtd.	-	-
Badarpur Faridabad Tollway Ltd	0.47	0.40
HCC ConcessionsLtd	-	-
Baharampore-Farakka Highway Ltd	-	10.76
Farakka Raiganj Highways Limited	10.74	
Raiganj Dalkhola Highway Ltd		9.14
PPTRCL	3.04	-
HCC Energy Ltd	1.55	
Claim receivable		
Baharampore-Farakka Highway Ltd		-
Interest receivable on ICD		
HCC Infrastructure Company Limited	844.80	807.90
DPOML	1,942.47	881.60
Inter-Corporate Deposit		
HCC Infrastructure Company Limited	335.73	377.03
DPOML	9,697.90	8,972.32
Contribution in share capital		
HCC Infrastructure Company Limited	5.00	5.00
Inter-Corporate Deposit-given during the year		
HCC Infrastructure Company Limited	-	-
DPOML	725.58	-
Inter-Corporate Deposit-recovered during the year		
HCC Infrastructure Company Limited	41.30	547.63
Corporate Guarantee taken from related parties		
HCC Infrastructure Company Limited	130.69	173.82
Commission on Corporate Guarantee taken from related parties		
HCC Infrastructure Company Limited	43.13	42.92
Capital Contribution towards Corporate Guarantee		
HCC Infrastructure Company Limited	259.44	259.44
CSR Expenditure		
Gulabchand Foundation	6.04	-
Management Fee Paid		
HCC Infrastructure Company Limited	720.00	615.00

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HCC Operations & Maintenance Limited
Notes to the financial statements for the year ended March 31st, 2018
(All amounts are in Rs lakhs, unless stated otherwise)

Trade receivable		
NirmalBOTLtd.		-
Badarpur Faridabad Tollway Ltd	62.12	62.12
Baharampore-Farakka Highway Ltd	250.21	160.88
Farakka Raiganj Highway Ltd	58.12	163.20
Other receivable		
NirmalBOTLtd.	-	-
Badarpur Faridabad Tollway Ltd	0.47	0.40
HCC ConcessionsLtd	-	-
Baharampore-Farakka Highway Ltd	-	10.76
Farakka Raiganj Highways Limited	10.74	
Raiganj Dalkhola Highway Ltd		9.14
PPTRCL	3.04	-
HCC Energy Ltd	1.55	
Claim receivable		
Baharampore-Farakka Highway Ltd		-
Interest receivable on ICD		
HCC Infrastructure Company Limited	844.80	807.90
DPOML	1,942.47	881.60
Inter-Corporate Deposit		
HCC Infrastructure Company Limited	335.73	377.03
DPOML	9,697.90	8,972.32
Contribution in share capital		
HCC Infrastructure Company Limited	5.00	5.00
Inter-Corporate Deposit-given during the year		
HCC Infrastructure Company Limited	-	-
DPOML	725.58	-
Inter-Corporate Deposit-recovered during the year		
HCC Infrastructure Company Limited	41.30	547.63
Corporate Guarantee taken from related parties		
HCC Infrastructure Company Limited	130.69	173.82
Commission on Corporate Guarantee taken from related parties		
HCC Infrastructure Company Limited	43.13	42.92
Capital Contribution towards Corporate Guarantee		
HCC Infrastructure Company Limited	259.44	259.44
CSR Expenditure		
Gulabchand Foundation	6.04	-
Management Fee Paid		
HCC Infrastructure Company Limited	720.00	615.00

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

Note 34 Gratuity and other post-employment benefit plans

a) Defined contribution plan

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

Particulars	As at March 31, 2018	As at March 31, 2017
Contribution to provident fund and other funds	24.43	18.37
Total	24.43	18.37

a) Defined benefit plan

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

Particulars	As at March 31, 2018	As at March 31, 2017
Gratuity	13.54	20.32
Total	13.54	20.32

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

Opening defined benefit liability / (assets)	20.32	16.78
Net employee benefit expense recognised in the employee cost		
Current service cost	4.71	3.46
Past service cost	-	-
Interest cost on benefit obligation	1.46	1.35
Liability Transferred Out	(8.69)	-
(Gain) / losses on settlement	1.01	(1.01)
Net benefit expense	(1.51)	3.80
Amount recorded in Other Comprehensive Income (OCI)		
Measurement during the period due to :		
Return on plan assets, excluding amounts included in interest expense/(income)		-
Actuarial loss / (gain) arising from change in financial assumptions	0.40	
Actuarial loss / (gain) arising on account of demographic assumptions	(5.41)	
Experience (gains)/losses		
Amount recognized in OCI	(5.00)	-
Benefits payments from plan	(0.27)	(0.25)
Closing net defined benefit liability / (asset)	13.54	20.32
<u>Fair Value</u>		
Opening fair value of plan assets		-
Net employee benefit expense recognised in the employee cost		
Interest cost / (income) on plan asset		
(Gain) / losses on settlement		
Net benefit expense		-
Amount recorded in Other Comprehensive Income (OCI)		
Measurement during the period due to :		
Return on plan assets, excluding amounts included in interest expense/(income)		
Actuarial loss / (gain) arising from change in financial assumptions		
Actuarial loss / (gain) arising on account of demographic assumptions		
Experience (gains)/losses		
Asset ceiling not recognised as an asset		
Amount recognized in OCI	-	-
Employer contributions/premiums paid		
Benefits Paid	(0.27)	(0.25)
Assets aquired / (settled)		-
Closing fair value of plan assets	(0.27)	(0.25)

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	As at March 31, 2018	As at March 31, 2017
The net (liability)/asset disclosed above relates to funded plan is as follows:		
Present value of unfunded obligations	13.54	20.32
Fair value of plan assets		-
Amount not recognised as an asset (asset ceiling)		
	13.54	20.32
Net liability is bifurcated as follows :		
Current	1.54	2.93
Non-current	12.00	17.39
Total	13.54	20.32
Discount rate	7.20%	7.20%
Expected rate of return on plan assets (p.a.)	N.A.	N.A.
Salary escalation rate (p.a.)	8.00%	8.00%
Mortality pre-retirement	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
A quantitative analysis for significant assumption is as shown below:		
Assumptions -Discount rate		
Sensitivity Level		
Impact on defined benefit obligation +1 in % increase	(1.81)	(2.05)
Impact on defined benefit obligation -in % decrease	2.22	2.46
Assumptions -Future salary increases		
Sensitivity Level		
Impact on defined benefit obligation +1 in % increase	2.19	2.42
Impact on defined benefit obligation -1 in % decrease	(1.83)	(2.05)

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

Within the next 12 months (next annual reporting period)		
Between 2 and 5 years	2.17	1.98
Between 6 and 9 years	3.44	13.67
For and Beyond 10 years		
Total expected payments	**5.60**	**15.66**

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

Plan Assets Composition

Non Quoted		
Insurer Managed Funds	-	-
	-	-

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

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

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

Note - 35 **Financial risk management**

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

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

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

(a) Credit Risk

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

(b) Market Risk - Interest rate risk

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

Particulars	As at March 31, 2018	As at March 31, 2017
Variable rate borrowings	7,271.67	8,714.58
Total borrowings	**7,271.67**	**8,714.58**
The Company has not entered into any interest rate swap agreement.		
Interest rates - decrease by 0.50 basis points	-	-

(c) Liquidity Risk

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

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

Maturities of financial liabilities

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

As At March-2018

	Less than 1 year	1 to 2 Years	2 to 5 Years	Over 5 Years	Total
Non-derivatives					
Borrowings	1,742.92	5,078.75	450.00	-	7,271.67
Other Financials liabilities	1,344.44	-	-	-	1,344.44
Trade and other payables	248.09	-	-	-	248.09
Total non-derivatives	**3,335.45**	**5,078.75**	**450.00**	**-**	**8,864.19**
Derivatives (N.A)	-	-	-	-	-
Total	**3,335.45**	**5,078.75**	**450.00**	**-**	**8,864.19**

As At March-2017

	Less than 1 year	1 to 2 Years	2 to 5 Years	Over 5 Years	Total
Non-derivatives					
Borrowings	1,442.91	1,742.92	5,528.75	-	8,714.57
Other Financials liabilities	485.40	-	-	-	485.40
Trade and other payables	489.46	-	-	-	489.46
Total non-derivatives	**2,417.76**	**1,742.92**	**5,528.75**	**-**	**9,689.43**
Derivatives (N.A)	-	-	-	-	-
Total	**2,417.76**	**1,742.92**	**5,528.75**	**-**	**9,689.43**

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HCC Operations & Maintenance Limited
Notes to the financial statements for the year ended March 31st, 2018
(All amounts are in ` lakhs, unless stated otherwise)

Note 36 - Fair value measurements

(a) Financial Instruments

Financial Instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2018 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	-	-	1.39	1.39	1.39
Trade Receivables	370.46	-	-	370.46	-
Cash and Cash Equivalents	589.36	-	-	589.36	-
Loans	10,033.63	-	-	10,033.63	-
Corporate Guarantee			130.69	130.69	130.69
Other Financial Asset	2,787.30	-	-	2,787.30	-
Liabilities:					
Borrowings	5,528.74		-	5,528.74	-
Trade payables	248.09		-	248.09	-
Other financial liabilities	3,087.36		-	3,087.36	-

The carrying value and fair value of financial instruments by categories as at 31 March 2017 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	-	-	-	-	-
Trade Receivables	386.20	-	-	386.20	-
Cash and Cash Equivalents	261.72	-	-	261.72	-
Loans	9,349.35	-	-	9,349.35	-
Corporate Guarantee			173.82	173.82	173.82
Other Financial Asset	1,689.53	-	-	1,689.53	-
Liabilities:					
Borrowings	7,271.66		-	7,271.66	-
Trade payables	489.46		-	489.46	-
Other financial liabilities	1,928.31		-	1,928.31	-

Note 37- 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	31 March 2018		31 March 2017	
	Level 1	Level 3	Level 1	Level 3
Assets				
Investments in Mutual Funds	1.39		-	
Other Assets		13,911.44		11,860.62
Liabilities	-	8,864.19	-	9,689.42

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

37 Net Debt Reconciliation

Particulars	As at March 31, 2018	As at March 31, 2017
Cash and Cash Equivalents	589.36	261.72
Liquid Investments (i)	1.39	-
Current Borrowings		
Non-Current Borrowings	(7,271.67)	(8,714.58)
Interest Accrued - Current	(68.50)	(80.83)
Interest Accrued - Non Current		
Net Debt	**(6,749.42)**	**(8,533.70)**

Particulars	Other Assets		Liabilities from Financing Activities		
	Cash and Cash Equivalents	Liquid Investments	Non-Current Borrowings	Interest Payable/Recievable.	TOTAL
Net Debt as at 1 April 2017	261.72	-	(8,714.58)	(80.83)	(8,533.70)
Cash Flows	327.65	1.39	1,442.92	-	1,771.95
Interest Expense				(891.94)	(891.94)
Interest paid				947.40	947.40
Other Non cash movements					-
-Acquisitions/ Disposals					-
-Fair Value Adjustments				(43.13)	(43.13)
Net Debt as at 31 March 2018	**589.36**	**1.39**	**(7,271.67)**	**(68.50)**	**(6,749.42)**

38 Segment reporting

There have been no claimed transactions during the year with Micro, Small and Medium Enterprises covered under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. Hence, reporting details of Principal and Interest does not arise.

39 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

The enterprises dealing with company are not providing details about their coverage under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, Hence, reporting details of Principal and Interest are not available.

40	**Contingent Liability & Commitment**	**Year ended March 31, 2018**	**Year ended March 31, 2017**
	(i) Capital Commitment - NIL	-	-
	(ii) Commitment given to Lender of a Fellow subsidiary to sell Debentures in the event of default .	13800	-

41 Previous years figures

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

As per our report of even date attached

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

GIANENDER & ASSOCIATES NEW DELHI Chartered Accountants

R K Agrawal
Partner
Membership No.:085671

Place: Mumbai
Date: 2nd May-2018

Shripad Gaitonde
Director
DIN No. : 06981627

Digvijay Kudtarkar
Director
DIN No. : 03616705

Place: Mumbai
Date: 2nd May-2018