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MADHUCOR

CHHAPRA – HAJIPUR EXPRESSWAYS LIMITED

**10TH
ANNUAL REPORT
2019-20**



CHHAPRA-HAJIPUR EXPRESSWAYS LIMITED

BOARD OF DIRECTORS:

- | | |
|--------------------------------|----------|
| 1. Srinivasa Rao Kamma | Director |
| 2. Ravi Kamma | Director |
| 3. Krishnarjun Rao Vemulapalli | Director |

AUDITORS:

Ghoshal & Ghoshal
Chartered Accountants
Flat No.204, Anand Plaza,
Opp. R.R District Collectorate
Lakdikapul, Hyderabad-500 004
(Firm Regn. No. 304013E)

SECRETARIAL AUDITOR(S)

Sri. Venkat Krishna Reddy
Practicing Company Secretary
Flat # C-1, 4th Floor, Eureka Court, Behind Image Hospitals,
Ameerpet, Hyderabad-500073

REGISTERED OFFICE:

"Madhucon House",
Plot No.1129/A, Road No.36,
HITECH City Road, Jubilee Hills,
Hyderabad-500 033

BANKERS:

State Bank of India
Allahabad Bank
Andhra Bank
Punjab & Sind Bank
IndusInd Bank



MADHUCON

CHHAPRA-HAJIPUR EXPRESSWAYS LIMITED
NOTICE OF TENTH ANNUAL GENERAL MEETING

To
The Members of
Chhapra-Hajipur Expressways Limited

NOTICE is hereby given that the **TENTH (10TH) Annual General Meeting** of the Members of **Chhapra-Hajipur Expressways Limited (CIN: U45209TG2010PLC068742)** will be held on **Tuesday, 27th October 2020** at the Registered office of the Company Situated at **Madhucon House, Plot No.1129/A, Road No.36, Jubilee Hills, Hyderabad-500 033** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31st March, 2020, together with the reports of the Board of Directors and the Auditors thereon.
2. To appoint director in place of Sri. Srinivasa Rao Kamma (DIN: 00022855), who retires by rotation and being eligible, offers himself for reappointment.

By Order of the Board
Chhapra-Hajipur Expressways Limited

Ravi Kamma
Director
DIN: 02985836

Place: Hyderabad
Date: 17.08.2020

NOTES

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
2. Proxies in order to be effective must be received at the Registered Office of the Company at any time but not less than 48 hours before the commencement of the meeting. A proxy form is enclosed.
3. Corporate Members need to send their Authorized Representatives along with a copy of Board resolution authorizing them to participate in the meeting. And Authorized representative need not be a member of the company.
4. Members seeking any information with regards to the accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready for the Meeting.

EXPLANATORY STATEMENT

(Pursuant to section 102(1) of the Companies Act, 2013)

#None of the Items in notice require any Explanatory Statement under this section 102(1)#



CHHAPRA-HAJIPUR EXPRESSWAYS LIMITED

CIN: U45209TG2010PLC068742

Reg off: Madhucon House, Plot No.1129/A, Road No.36, Hitech City Road, Jubilee Hills
Hyderabad-500033, Telangana, India

Tel 040-235569001; Fax: 040-23556005; website: www.madhucon.com

FORM NO. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

10TH ANNUAL GENERAL MEETING- Tuesday, 27th October 2020 at the Registered office
of the Company Situated at **Madhucon House, Plot No.1129/A, Road No.36, Jubilee Hills,
Hyderabad-500 033.**

| | |
|-----------------------|--|
| Name of the Company | : CHHAPRA-HAJIPUR EXPRESSWAYS LIMITED |
| Registered office | : Madhucon House, Plot No.1129/A, Road No.36 Hitech City Road, Jubilee Hills, Hyderabad-500033, Telangana, India |
| Name of the Member(s) | : |
| Registered Address | : |
| E-mail ID | : |
| Folio No/Client ID | : |
| DP ID (If Applicable) | : |

I/We, being the member(s) of shares of the above named company, hereby
appoint

- Name:
Address:
E-mail Id:
Signature:

and whose signature (s) are appended below as my proxy to attend and vote (on poll) on my
behalf at the 10TH Annual general meeting of the Company, to be held on **Tuesday, 27th October
2020** at the Registered office of the Company Situated at **Madhucon House, Plot No.1129/A,
Road No.36, Jubilee Hills, Hyderabad-500 033** and at any adjourned thereof in respect of such
resolutions as are indicated below:

| Resolution No. | Resolutions | Vote** | |
|-------------------|--|--------|---------|
| | | For | Against |
| Ordinary Business | | | |
| | To receive, consider and adopt the Audited Financial | | |

| | | | |
|---|---|--|--|
| 1 | Statements for the year ended 31st March, 2020, together with the reports of the Board of Directors and the Auditors thereon. | | |
| 2 | To appoint director in place of Sri. Srinivasa Rao Kamma (DIN: 00022855), who retires by rotation and being eligible, offers himself for reappointment. | | |

Signed this -----Day----2020.

Signature of Shareholder

Signature of Proxy holder (S)

Affix
Revenue
Stamp
here

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



CHHAPRA-HAJIPUR EXPRESSWAYS LIMITED
DIRECTOR'S REPORT

To
The Members of
Chhapra-Hajipur Expressways Limited.

Your Directors have pleasure in presenting their Tenth (10th) Annual Report together with Audited Financial Statements for the financial year ended 31st March, 2020.

Financial highlights

| Particulars | <u>2019-20</u> | <u>2018-19</u> |
|---|-------------------------|-------------------------|
| | Rs. | Rs. |
| Operating Income | 8,60,29,456 | 53,52,31,920 |
| Other Income | NIL | NIL |
| Total Income | 8,60,29,456 | 53,52,31,920 |
| Operating Expenses | 16,79,74,585 | 54,34,72,890 |
| Finance Costs | 1,10,24,61,746 | 1,88,88,54,693 |
| General and Administration Expenses | 14,106 | 68,386 |
| Total Expenses | 1,27,04,50,437 | 2,43,23,95,969 |
| Profit / (Loss) from Continuing Operations | (1,18,44,20,981) | (1,89,71,64,049) |
| Add: Other Comprehensive income | NIL | NIL |
| Total Comprehensive Income for the Period | (1,18,44,20,981) | (1,89,71,64,049) |

Dividend

During the year 2019-20, Company has not earned any profit and hence not recommended dividend.

Transfer to reserves

No amount has been transferred to General Reserve Account due to the loss incurred by the Company for the financial year ended 31st March, 2020.

Deposits

During the year under review, your Company has neither accepted nor renewed any deposits covered under Chapter V of the Act.

Extract of annual return

The extracts of Annual Return pursuant to the provisions of Section 92(3) of the Companies Act, 2013 ("the Act") read with Rule 12(1) of the Companies (Management and administration) Rules, 2014, in Form MGT-9 is as per Annexure-I and forms part of this report.

Change in the nature of business

There are no such changes in the Nature of Business during the year under review.

Material changes and commitments, if any affecting the financial position, occurred between end of the financial year and the date of the report: None

Significant and material orders passed by the courts and tribunals

The Company has not received any significant/material orders from the statutory regulatory bodies/courts/tribunals which affects the operations/status of the Company.

Changes in directors and key managerial personnel

During the year under review, there are no changes in the constitution of Board of Directors and/or Key Managerial Personnel.

Director(s) retirement by rotation

As per the provisions of Companies Act, 2013 and Articles of Association of Company, Sri. Srinivasa Rao Kamma (DIN: 00022855), who retires by rotation and being eligible, offers himself for reappointment.

Directors' responsibility statement

Pursuant to the requirement under section 134(3) (c) of the Companies Act, 2013, it is hereby Confirmed:

- a. That in the preparation of annual accounts for the financial year ended 31st March, 2020; the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- b. That the Directors have selected Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company, at the end of the financial year and of the profit or loss of the Company for that period.

- c. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- d. That the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively.
- e. That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Formal annual evaluation of directors

The performance of Directors is evaluated by the Board (excluding the Director being evaluated) on the following criteria.

Evaluation Criteria:

- Contribution to development of strategy and risk management.
- Guidance on corporate strategy, risk policy, corporate governance practices.
- Independent and unbiased decisions/opinions etc.

Compliance with secretarial standards on Board meetings and General meetings:

The Company has complied with Secretarial Standards issued by the institute of Company Secretaries of India (ICSI) on Board meetings and General meetings.

Board meetings and General meetings:

The Board 4 (Four) times during the financial year 2019-20 on May 25, 2019; September 19, 2019; November 19, 2019 and January 16, 2020. The Maximum interval between any two meetings did not exceed 120 days.

| First Quarter | | Second Quarter | | Third Quarter | | Fourth Quarter | |
|---------------|------------|----------------|------------|---------------|------------|----------------|------------|
| Meeting No. | Date | Meeting No. | Date | Meeting No. | Date | Meeting No. | Date |
| 76 | 25.05.2019 | 77 | 19.09.2019 | 78 | 19.11.2019 | 79 | 16.01.2020 |

Statutory Auditors

M/s. Ghoshal & Ghoshal, Chartered Accountants, Hyderabad (Firm Regn. No. 304013E), were appointed as statutory Auditors of your Company at the Annual General Meeting of the Company held on 22nd September, 2017 for a term of 5 (Five) consecutive years. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of

Auditors is required to be ratified by Members at every Annual General Meeting. In accordance with the Companies Amendment Act, 2017, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

State of company's affairs and Board's response to observations in Audit Report

Chhapra-Hajipur Expressways Ltd is a Special Purpose Vehicle and subsidiary of Madhucon Infra Limited for execution and maintenance of Four Lanes of Chhapra Hajipur Section (KM 143.200 - KM 207.200) road project on NH-19 in the state of Bihar on Design, Built, Finance, Operate and Transfer (DBFOT) Annuity basis, on a concession period of 15 years. The Concession Agreement, on execution, will entitle the Company to receive a fixed sum of Annuity every 6 Months, in arrears, starting from the date of the Commencement of Commercial Operations. The Construction work is under Progress.

Secretarial audit report

As required under Section 204 of the Companies Act, 2013 and rules made thereunder, the board has appointed Sri. Venkat Krishna Reddy, Practicing Company Secretary (ACS-53083, CP-19542), to carry on the Secretarial Audit for the financial year 2019-20. The Secretarial Audit report in form MR-3 is attached to this report as Annexure III and forms part of this report.

Composition of audit committee:

The Audit committee consisting of board members as follows:

The Ministry of Corporate Affairs (MCA), Government of India, through a Circular dated July 13, 2017, exempted certain classes of unlisted public companies from the requirements of constituting the Audit Committee and the Nomination and Remuneration Committee.

In view of the aforesaid Circular, the Company has been exempted by the MCA from constituting the aforesaid committee, as Madhucon Project Limited (Listed Entity) is an Ultimate Holding Company which holds shares through their wholly owned subsidiaries.

Accordingly, the Audit Committee of the Company was dissolved with requisite approval of the Board.

Corporate social responsibility

The Company does not fall under the criteria specified in Section 135 of the Act and hence no policy was developed by the company on Corporate Social Responsibility.

Related party transactions

All related party transactions during the financial year 2019-20 were in the ordinary course of business at arms-length price and the Particulars of contracts or arrangements

with related parties in form No. AOC-2 as required pursuant to provisions of Section 134(3)(h) and Rule 8 of Companies (Accounts) Rules, 2014 are as per **Annexure - II** and forms part of this report.

Particulars of loans, investments, guarantees and securities

Loans, Guarantees and Investments of the Company were in compliance with Sec 180 and Sec 186 of the Companies Act 2013.

Information as per section 134 (3) (m) the companies act, 2013 read with rule 8 of companies (accounts) rules, 2014

(a) Conservation of energy and technology absorption: The Particulars as required under the provisions of section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 have not been furnished considering the nature of activities undertaken by the Company during the year under review.

However, the Company is taking steps with respect to conservation of Energy and Technology absorption and making continuous efforts to keep the employees informed of all emerging technologies and developments which are relevant to Business of the Company.

(b) Foreign exchange earnings and outgo: Nil

Adequacy of internal financial controls

The Company has structured and implemented a process Driven framework for Internal Financial Controls ("IFC") in terms of the explanation to Section 134(5)(e) of the Companies Act, 2013. The Board of Directors of the Company is of the opinion that the Company has sound IFC for the year 2019-20. The Company is continuously monitoring and identified the gaps if any, and implements improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

Further, Your Company has adequate system of Internal Financial Control developed by our in-house Internal Audit team consisting of qualified and experienced accounting, costing and technical professionals. The Internal Audit Team suggests various means of cost reduction and cost control measures in all resources used in the Company. The Internal Financial Control Systems and the Reports of Internal Audit will be reviewed by the Audit Committee in consultation with the Internal Auditors and Statutory Auditors and experts in the field thereafter by Board of Directors.

Vigil mechanism

The company has established Vigil Mechanism for Directors / Employees to report their genuine concerns or grievances. The Audit Committee of the Company oversees the vigil Mechanism through the Committee. It provides for adequate safeguards against victimization of directors/ employees who avail of the mechanism. It also provides for direct access to the Chairman of the Audit Committee. In case of repeated frivolous complaints, the suitable action will be initiated by the Chairman of the Audit Committee.

Risk management policy:

The Company has formulated a policy for Risk management and Periodic assessments to identify the risk areas are carried out by the management and necessary actions were taken to eliminate risk.

Disclosures under sexual harassment of women at workplace (prevention, prohibition & redressal) act, 2013.

Your Company has always believed in providing a safe and harassment free workplace for every individual working in company's premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

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

Acknowledgements

Your Directors place on record their appreciation for the co-operation and assistance received from the Government Authorities, NHAI, Bankers and Clients during the period under review. Your Directors also extend their appreciation for the valuable work rendered by the employees for the development of the Company at various levels.

For and on behalf of the Board of Directors of
Chhapra-Hajipur Expressways Limited

Place: Hyderabad
Date: 17.08.2020



Ravi Kanima
Director
DIN: 02985836



Krishnarjun Rao Vemulapalli
Director
DIN: 07388694

ANNEXURE I

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

I. Registration & other details:

| | | |
|----|--|--|
| 1. | CIN | U45209TG2010PLC068742 |
| 2. | Registration Date | 02.06.2010 |
| 3. | Name of the Company | CHHAPRA-HAJIPUR EXPRESSWAYS LIMITED |
| 4. | Category/Sub-category of the Company | Company Limited by Shares |
| 5. | Address of the Registered office & contact details | Madhucon House, 1129/A, Road No.36, Jubilee Hills, Hyderabad-500033, Telangana. |
| 6. | Whether listed company | No |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | KFintech Pvt Ltd Tower – B, Plot No 31 & 32, Selenium Building Financial District, Nanakramguda, Gachibowli, Hyderabad, Telangana 500032. |

II. Principal business activities of the company:

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

| S. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|--------|--|---------------------------------|------------------------------------|
| 1 | Execution works of development of 4 laning of Chhapra – Hajipur Section of NH-19 from km. 143.200 to km.207.200 in the state of Bihar under NHDP Phase-III on Design, Build, Finance, Operate and Transfer (DBFOT) Annuity Basis | 421 | 100% |

III. Particulars of holding, subsidiary and associate companies:

| S.No | Name of the Company and CIN | Holding/ Subsidiary/ Associate | % of shares held |
|------|---|--------------------------------------|------------------|
| 1 | Madhucon Projects Limited (CIN: L74210TG1990PLC011114) | Ultimate Holding | 0.16 |
| 2 | Madhucon Infra Limited (U45200TG2006PLC049235) | Holding Company | 54.23 |
| 3 | Madhucon Toll Highways Limited (CIN:U93000TG2008PLC060479) | Subsidiary of Holding Company | 45.58 |

IV. Share holding pattern (Equity share capital breakup as percentage of total equity)

A. Category-wise Share Holding

[illegible]

| | | | | | | | | | |
|--|-----------------|--------------|-----------------|------------|-----------------|--------------|-----------------|------------|----------|
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (B)(1):- | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Indian | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ii) Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Non Resident Indians | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Overseas Corporate Bodies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Foreign Nationals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Clearing Members | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Trusts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Foreign Bodies - D R | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (B)(2):- | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 64163800 | 20000 | 64183800 | 100 | 64163800 | 20000 | 64183800 | 100 | 0 |

B. Shareholding of Promoters

| S N | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|--------|--------------------|---|----------------------|----------------------------------|-------------------------------------|----------------------------------|---------------------|--|
| | | No. of Shares | % of total Shares of | % of Shares Pledged / encumbered | No. of Shares | % of total Shares of the company | % of Shares Pledged | |
| | | | | | | | | |

| | | | the company | to total shares | | | /encumbe red to total shares | |
|---|--------------------------------|----------|----------------|--------------------|----------|--------|---------------------------------------|---|
| 1 | Nama Seethaiah | 8888 | 0.03 | 0 | 8888 | 0.03 | 0 | 0 |
| 2 | Nama Prithvi Teja | 3888 | | | 3888 | | | 0 |
| 3 | Kamma Ravi | 888 | | | 888 | | | 0 |
| 4 | Sai Ram Nama | 888 | | | 888 | | | 0 |
| 5 | K Srinivasa Rao | 3888 | | | 3888 | | | 0 |
| 6 | M. Madhu | 1560 | | | 1560 | | | 0 |
| 7 | Madhucon Infra Limited | 34807500 | 54.23 | 54.23 | 34807500 | 54.23 | 54.23 | 0 |
| 8 | Madhucon Toll Highways Limited | 29256300 | 45.58 | 0 | 29256300 | 45.58 | 0 | 0 |
| 9 | Madhucon Projects Limited | 100000 | 0.16 | 0 | 100000 | 0.16 | 0 | 0 |
| | Total | 64183800 | 100.00 | 54.23 | 64183800 | 100.00 | 54.23 | 0 |

C) Change in promoters' shareholding (please specify, if there is no change)

| SN | Particulars | Shareholding | | Cumulative Shareholding during the year | |
|----|---|-----------------|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | At the beginning of the year 01.04.2019 | 64183800 | 100 | 64183800 | 100 |
| 2 | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.): | NA | NA | NA | NA |
| 3 | At the end of the year 31.03.2020 | 64183800 | 100 | 64183800 | 100 |

D) Shareholding pattern of top ten shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

There are no top ten shareholders who are Other than Directors, Promoters and Holders of GDRs and ADRs.

E) Shareholding of directors and key managerial personnel:

| SN | Shareholding of each Directors and each Key Managerial Personnel | Shareholding | | Cumulative Shareholding during the year | |
|-----------|---|---------------|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | Srinivasa Rao Kamma | | | | |
| | At the beginning of the year | 3888 | 0.0061 | 3888 | 0.0061 |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): | 0 | 0 | 0 | 0 |
| | At the end of the year | 3888 | 0.0061 | 3888 | 0.0061 |
| 2. | Ravi Kamma | | | | |
| | At the beginning of the year | 888 | 0.0014 | 888 | 0.0014 |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): | 0 | 0 | 0 | 0 |
| | At the end of the year | 888 | 0.0014 | 888 | 0.0014 |

V) Indebtedness -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

-----The Details were stated in Notes to Audited Financial Statements as on 31.03.2020-----

VI. Remuneration of directors and key managerial personnel

The Disclosures under this head - NIL

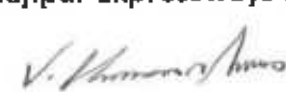
VII. Penalties / punishment/ compounding of offences:

There are no Penalties, Punishments and Compounding Levied/Prosecuted on any of the Directors, other officers and on Company during the year 2019-20. On these grounds, this heading is not applicable.

**For and on behalf of the Board of Directors of
Chhapra-Hajipur Expressways Limited**

Place: Hyderabad
Date: 17.08.2020


Ravi Kamma
Director
DIN: 02985836


Krishnarjun Rao Vemulapalli
Director
DIN: 07388694

ANNEXURE-II**FORM NO. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and rule 8(2) of the Companies (Accounts) Rules, 2014)

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

1. Details of contracts or arrangements or transactions not at arm's length basis: None

| | |
|---|----------------|
| (a) Name(s) of the related party and nature of relationship | Not applicable |
| (b) Nature of Contract(s) or arrangement(s) | |
| (c) Duration of the Contracts/arrangements/Transactions | |
| (d) Salient terms of the Contracts/arrangements/transactions including the value, if any | |
| (e) Justification for entering into such contracts/arrangements/transactions | |
| (f) Date(s) of approval by the board | |
| (g) Amount paid as advances, if any | |
| (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 | |

2. Details of material contracts or arrangement or transactions at arm's length basis

| | |
|--|---|
| (a) Name(s) of the related party and nature of relationship | As stated in Notes (Note 24) to Audited Financial Statements. |
| (b) Nature of Contract(s) or arrangement(s) | |
| (c) Duration of the Contracts/arrangements/Transactions | |
| (d) Salient terms of the Contracts/arrangements/transactions including the value, if any | |
| (e) Date(s) of approval by the board | |
| (f) Amount paid as advances, if any | |

**For and on behalf of the Board of Directors of
Chhapra-Hajipur Expressways Limited**

Place: Hyderabad
Date: 17.08.2020


Ravi Kamma
Director
DIN: 02985836


Krishnarjun Rao Vemulapalli
Director
DIN: 07388694



FORM NO: MR3
SECRETARIAL AUDIT REPORT

Pursuant to Section 204 (1) of the Companies Act, 2013 and the Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

To,
The Members of,
CHHAPRA-HAJIPUR EXPRESSWAYS LIMITED,
Madhucon House, Plot No.1129/A, Road No.36
HITECH City Road, Jubilee Hills - Hyderabad TG 500033 IN

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions of the Acts, Rules and Regulations as mentioned below and the adherence to good corporate practices by **M/s. Chhapra-Hajipur Expressways Limited (U45209TG2010PLC068742)** (herein after called the Company) subsidiary of **M/s. Madhucon Infra Limited (U45200TG2006PLC049235)**. The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification on the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and other authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has during the audit period covering the financial year ended on 31st March, 2020 Not complied with the some of the statutory provisions listed here under and also that the company has no Proper Composition of the Board and compliance mechanism in place to the extent, in the manner and subject to the reporting made here in after:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **CHHAPRA-HAJIPUR EXPRESSWAYS LIMITED** for the financial year ended 31st March, 2020 according to the provisions of:-

The Companies Act, 2013 and the rules made there under as applicable.

The Securities Contracts (Regulation) Act, 1956 and the rules made there under.



- iii. The Depositories Act, 1996 and the Regulations and Bye Laws framed there under.
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment.

Since the Company's Equity Shares are not listed on any Stock Exchange, the following regulations, which are applicable to companies whose Equity Shares are listed, does not apply to the Company:

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefit Schemes) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
 - (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
- v. I have also examined compliance with the applicable clauses of the following:
- (a) Secretarial Standards issued by the Institute of Company Secretaries of India in respect of Board and General Meetings of the Company through Revised SSI and SS2.

I, further report that:

- (a) The Board of Directors of the Company is constituted with only Three Directors, there is no Independent and Women Directors.
- (b) Adequate Notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance. There is adequate system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting. Majority decision are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.
- (c) It is also noted that the Company has an Internal Audit System to constantly monitor the process for efficient compliances.



(d) During the period under review the Company has complied with the provisions of the Act, Rules , Regulations Guidelines , Standards etc mentioned above subject to the following observations:

- i) The Company has not complied the provision of Section 203 of the Companies Act, 2013 regarding KMP appointment as there is no CFO and Company Secretary and not appointed the managing Director or Whole time Directors or CFO to Manage the day to day affairs of the Company.
- ii) The Company has not complied with the provision of Rule 25A of the Companies (incorporation) Rules,2014 of the Companies Act, 2013 regarding mandatory filling of e-Form INC-22-A(Active Company Tagging Identities and Verification. The Company has not filed the Above Form.
- iii) The Company has yet to be filed e-Form DPT-3 Required under the provisions of Rule 16A(3) of the Companies(Acceptance of deposits Rules)2014 of the Companies Act,2013.
- iv) The Company is having Three Directors in the Board, and there is no Independent Directors in the Board of the Company and so the Company is not in a position to form Audit Committee and Nomination and Remuneration Committee in the absence of Definition of the word wholly owned subsidiary, company is defending himself by MCA Circular No.09/2017 dated 05.09.2017 as wholly owned subsidiary and take exemption to mandatory appointment of independent directors required under Rule 4 of Chapter XI The Companies (Appointment and Qualifications of Directors) whereas as of my opinion it is mandatory to comply with the act and to form the Audit Committee and Nomination and Remuneration Committee.

In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished and representations made to me by the Company, its officers and agents, I report that Company has complied with the provisions of the Act, the Rules made there under and the Memorandum and Articles of Association of the Company with regard to:

- a. Maintenance of various statutory registers and documents and making necessary entries therein;
- b. Closure of Register of Members;



- c. Forms, returns, documents and resolutions required to be filed with the Registrar of Companies, Regional Director, Central Government, National Company Law Tribunal (NCLT) or other Authorities;
- d. Service of documents by the Company on its Members, Stock Exchanges, Auditors and the Registrar of Companies;
- e. Notice of Board and various Committee meetings of Directors;
- f. The meetings of Directors and all the Committees of Directors and passing of circular resolutions;
- g. Notice and convening of Annual General Meeting held on 30th August, 2019.
- h. Minutes of the proceedings of the Board Meetings, Committee Meetings and General Meetings;
- i. Approvals of the Board of Directors, Committee of Directors, Members and Government Authorities, where ever required;
- j. Payment of remuneration to Directors, Managing Director and Executive Directors;
- k. Appointment and Remuneration of Statutory Auditors and Cost Auditors;
- l. Transfer and transmission of the Company's shares, issue and allotment of shares and issue and delivery of certificates of shares;
- m. Borrowings and registration of charges;
- n. Report of the Board of Directors;
- o. Investment of the Company's funds including inter-corporate loans and investments;
- p. Generally, all other applicable provisions of the Act and the Rules there under.

I further report that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by internal auditors and other designated professionals.

I further report that on examination of the relevant documents and records and based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of compliance reports by respective department heads / Company Secretary of the Company, in our opinion, there are adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws.



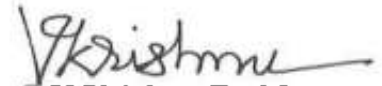
I further report that during the audit period there were no embezzlement / frauds and no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

I have relied on the information supplied and representation made by the Company and its officers, agents, for systems and mechanism followed by the Company for compliance under the applicable Acts, Laws and Regulations to the Company and my Annexed even letter dated is to be read along-with with this report.

Place: Hyderabad
Date: 17.08.2020



For Venkata Krishna & Associates
Company Secretaries


S V Krishna Reddy
Proprietor
(ACS 53083; CP 19542)
UDIN:A053083B000637150



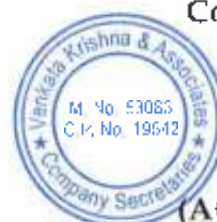
VENKATA KRISHNA & ASSOCIATES
Company Secretaries

To,
The Members of,
CHHAPRA-HAJIPUR EXPRESSWAYS LIMITED,
Madhucon House, Plot No.1129/ A, Road No.36
HITECH City Road, Jubilee Hills Hyderabad TG 500033 IN

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records, Books of Accounts and Statutory Dues of the Company as commented by the Auditors.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Venkata Krishna & Associates
Company Secretaries



V Krishna

S V Krishna Reddy
Proprietor
(ACS 53083; CP 19542)

Place: Hyderabad
Date: 17.08.2020



INDEPENDENT AUDITOR'S REPORT

To,
The Members of Chhapra-Hajipur Expressways Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone financial statements of **Chhapra-Hajipur Expressways Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, 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, (herein after referred to as "standalone Ind AS financial statements")

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules thereunder.

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 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 Ind AS financial statements based on 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.

We conducted our audit 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 Ind AS financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 Ind AS financial statements.

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

Emphasis of Matters

Chhapra-Hajipur Expressways Limited (CHEL), a Public Limited Company, was incorporated under the Companies Act, 1956, on 2nd Day of June, 2010 as a Special Purpose Vehicle for Design, Build, Operate, Finance and Transfer of 4 laning of Chhapra-Hajipur section of NH-19 from KM 143.200 to Km 207.200 in the state of Bihar on annuity basis for a concession period of 15 years (2.5 years of construction period and 12.5 years of operating period).

This contract was awarded by NHAI .The company shall hand over project to the NHAI on expiry of concession period. The Concession Agreement, on execution, will entitle the company to take a fixed sum of annuity every 6 months, in arrears, starting from the date of commencement of commercial operations (COD) from NHAI. The construction work is under progress.

No deferred tax provisions have been made in view of the estimation of inadequate revenue in future to adjust the same.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS :

- a) In the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2020.
- b) In the case of Profit and Loss Account, of the profit/loss for the year ended as on March 31, 2020.
- c) In the case of Cash Flow Statement, of the cash flows for the year ended as on March 31, 2020.

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 in India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. 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 cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone In AS financial statements comply with the "Accounting-Standards" specified under Section 133 of the Act read with relevant rule issued thereunder;

(e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of on 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 B"; 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, 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.
- 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 and

For GHOSHAL & GHOSAL

Chartered Accountants

Firm Reg. No. 304013E



(SSR Gupta)

Partner

M. No.023640

Hyderabad

UDIN NO:- 20023640 AAAADD9595

Date: 17-08-2020

Annexure - A to the Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of **Chhapra-Hajipur Expressways Limited** ("The Company") on the standalone Ind AS financial statements for the year ended 31 March 2020, we report that:

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 the immovable properties are held in the name of the Company.

1) The Company is not carrying Inventory in hand at any point of time. Hence, clause 3 (ii) of the Companies (Auditor's Report) Order 2016 relating to inventory is not applicable.

2) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') by the respective entities.

3) According to the information and explanations given to us, provisions of sec 185 and 186 of the Companies act, 2013 are complied with in the respect of loans, investments, guarantees and securities given by the company, if any.

4) The Company has not accepted deposits and the derivatives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable to the Company.

5) Maintenance of cost records has not been prescribed by the Central Government under section 148(1) of the Companies Act, 2013 and accordingly clause vi of paragraph 3 of the Order is not applicable to the Company.

6) (a) According to the information and explanations given to us and on the basis of our examination of our books of accounts, the company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales- tax, service tax, and any other statutory dues to the appropriate authorities though there has been delay in few cases.

7) The Company has taken term loans from banks and financial institutions. According to the information given to us, the Company has delayed in payment of dues of Interest and principal. The company is not able to quantify the correct portion of interest expense delayed due to the interrelated terms and conditions existing with the bank.

8) According to the information and explanation given to us the money raised by the way of term loans were applied for the purpose for which those are raised. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments).

9) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

10) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid or provided any managerial remuneration during the year under



audit. Hence, this clause is not applicable.

- 11) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- 12) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- 13) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 14) 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 non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- 15) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.



Annexure – B to the Auditors' Report

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 **Chhapra - Jaipur Expressways Limited** ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 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 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 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 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 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



Chhapra - Hajipur Expressways Limited

Balance Sheet as at 31st March, 2020

| Particulars | Note | As at March 31, 2020 | As at March 31, 2019 |
|--|--------------|----------------------|----------------------|
| | | Amount (₹) | Amount (₹) |
| ASSETS | | | |
| 1. Non-current assets | | | |
| a) Property, Plant and Equipment | 1 | 17 98 626 | 18 01 866 |
| b) Intangible assets | 2 | | |
| c) Receivable From NHAI | 3 | 769 28 93 372 | 858 95 91 217 |
| d) Financial Assets | | | |
| i) Security Deposits | 4 | 1 70 445 | 4 500 |
| e) Deferred tax assets (net) | | | |
| f) Other non-current assets | 5 | 1 77 52 311 | 30 46 09 772 |
| | A | 771 26 14 755 | 889 60 07 355 |
| 2. Current assets | | | |
| a) Inventories | | | |
| b) Financial Assets | | | |
| i) Cash and bank balances | 6 | 20 02 15 981 | 1 22 25 850 |
| ii) Loans | 4 | | |
| c) Other current assets | 5 | 5 38 44 871 | 56 88 495 |
| | B | 25 40 60 852 | 1 79 14 345 |
| TOTAL | A+B | 796 66 75 607 | 891 39 21 700 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| a) Equity Share capital | 7 | 64 18 38 000 | 64 18 38 000 |
| b) Other Equity | 8 | -275 03 57 786 | -156 59 36 805 |
| | C | -210 85 19 786 | -92 40 98 805 |
| LIABILITIES | | | |
| 1. Non-current liabilities | | | |
| a) Financial liabilities | | | |
| i) Borrowings | 9 | 965 67 61 942 | 933 34 61 763 |
| ii) Others | 10 | 36 163 | 29 15 56 032 |
| b) Provisions | 11 | 4 13 420 | 3 36 863 |
| c) Deferred tax liabilities (net) | | | |
| d) Other non-current liabilities | 12 | | |
| | D | 965 72 11 525 | 962 53 54 657 |
| 2. Current liabilities | | | |
| a) Financial liabilities | | | |
| i) Trade payables | 13 | 1 55 91 618 | 1 55 91 618 |
| a). Total Outstanding dues of Micro Enterprises and Small Enterprises | | | |
| b) Total Out standing dues of Creditors other than Micro and Small Enterprises | | | |
| ii) Others | 10 | 2 32 32 867 | 1 14 44 690 |
| b) Other current liabilities | 12 | 37 91 59 383 | 18 55 52 985 |
| c) Provisions | 11 | | 76 555 |
| d) Current tax liabilities (net) | | | |
| | E | 41 79 83 868 | 21 26 65 848 |
| Total Equity and Liabilities | C+D+E | 796 66 75 607 | 891 39 21 700 |
| Commitments | 19 | | |
| Other notes forming part of accounts | 20-36 | | |
| Significant accounting policies | 36 | | |

As per our report attached

Ghoshal & Ghosal

Chartered Accountants

Firm's Registration No.: 304013E

S.R. Gupta

Partner

Membership No.: 023640

Place: Hyderabad

Date: 17-08-2020

For and on behalf of the Board

of CHHAPRA- HAJIPUR EXPRESSWAYS LIMITED

RAVI KAMMA

Director

Din - 02985836

A. D. NIRMALAYA

AGM (F&A)

V. KRISHNARAJUN RAO

Director

Din - 07388694

Chhapra - Hajipur Expressways Limited
Statement of Profit and loss for the year ended 31st March 2020

| Particulars | Note | As at March 31, 2020 | As at March 31, 2019 |
|--|------------|-----------------------|-----------------------|
| | | Amount (₹) | Amount (₹) |
| REVENUE | | | |
| Revenue from Operations | 14 | | |
| Construction contract revenue | 15 | 8 60 29 456 | 53 52 31 920 |
| Other income | | | |
| Total Revenue | A | 8 60 29 456 | 53 52 31 920 |
| EXPENSES | | | |
| Construction contract expenses | 15 | 8 60 29 456 | 53 52 31 920 |
| Operating expenses | 16 | 8 19 45 129 | 82 40 970 |
| Employee benefit expenses | | | |
| Finance costs | 17 | 110 24 61 746 | 188 88 54 693 |
| Administration and other expenses | 18 | 14 106 | 68 386 |
| Total Expenses | B | 127 04 50 437 | 243 23 95 969 |
| Profit/(loss) before tax | A-B | -118 44 20 981 | -189 71 64 049 |
| Tax Expense: | | | |
| Current tax | | | |
| Adjustment of tax relating to earlier periods | | | |
| MAT credit entitlement | | | |
| Deferred tax | | | |
| Profit/(loss) after tax for the year | | -118 44 20 981 | -189 71 64 049 |
| Prior period adjustments | | | |
| Profit for the year | | -118 44 20 981 | -189 71 64 049 |
| Other Comprehensive Income | | | |
| Nature | | | |
| Income-tax effect | | | |
| i) Reclassifiable to profit or loss in subsequent periods | | | |
| ii) Not reclassifiable to profit or loss in subsequent periods | | | |
| Total Comprehensive Income for the year | | -118 44 20 981 | -189 71 64 049 |
| Earnings per equity share (Basic and Diluted) | 27 | - 2 | - 30 |
| Face value per equity share | | 10 | 10 |

As per our report attached

Ghoshal & Ghosal

Chartered Accountants

Firm's Registration No.: 304013E



S.R. Gupta

Partner

Membership No.: 023640

For and on behalf of the Board
of CHHAPRA- HAJIPUR EXPRESSWAYS LIMITED

RAVI KAMMA

Director

Din - 02985836

V. KRISHNARAJU RAO
Director
Din - 07388694

A. DANUMJAYA
A.M. (F&A)

Place: Hyderabad

Date: 17-08-2020

Chhapra - Hajipur Expressways Limited
Cash Flow Statement as on 31st March 2020

| S. No. | Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--------|---|----------------------|------------------------|
| | | Amount (₹) | Amount (₹) |
| A | Net profit / (loss) before tax and extraordinary items | (1,184,420,981) | (1,897,164,049) |
| | Adjustment for | | |
| | Depreciation and amortisation expense | 5,375 | 8,129 |
| | Interest expense - Ind AS adjustments | 1,102,461,746 | 1,888,854,693 |
| | Interest income | - | - |
| | Operating profit before working capital changes | (81,953,860) | (8,301,227) |
| | Adjustments for: | | |
| | Increase / (Decrease) in other non-current financial liabilities | (291,519,869) | 22,598,261 |
| | Increase / (Decrease) in long term provisions | 76,557 | (167,192) |
| | Increase / (Decrease) in trade payables | - | - |
| | Increase / (Decrease) in other current financial liabilities | 11,788,177 | 1,084,978 |
| | Increase / (Decrease) in other current liabilities | 193,606,398 | 25,972,227 |
| | Increase / (Decrease) in short term provisions | (76,555) | (63,309) |
| | (Increase) / Decrease in other non current financial assets | (165,945) | - |
| | (Increase) / Decrease in other non-current assets | 286,837,461 | 129,431,183 |
| | (Increase) / Decrease in other current assets | (48,156,376) | 345,014 |
| | (Increase) / Decrease in Lease Receivables | 896,697,845 | 1,270,073,627 |
| | Net cash generated from/(used in) operating activities | 967,153,833 | 1,440,973,561 |
| | Direct taxes paid (net of refunds) | - | - |
| | Net Cash(used in)/generated from Operating Activities | 967,153,833 | 1,440,973,561 |
| B | Cash flow from investing activities | | |
| | Purchase of fixed assets | (2,140) | - |
| | Sale of fixed assets | - | - |
| | Interest received | - | - |
| | Net cash (used in)/generated from investing activities | (2,140) | - |
| C | Cash flow from financing activities | | |
| | Proceeds from issue of capital | - | - |
| | Proceeds from Non Current Borrowings - Ind AS adjustments | 212,504,696 | 2,684,158 |
| | Proceeds from NHAI Loan | 110,795,489 | 454,076,299 |
| | Proceeds from Unsecured Loan | - | 2,500,000 |
| | Interest paid - Ind AS adjustments | (1,102,461,746) | (1,888,854,693) |
| | Net cash (used in)/generated from financing activities | (779,161,561) | (1,429,594,236) |
| | Net increase / (decrease) in cash and cash equivalents (A+B+C) | 187,990,132 | 11,379,325 |
| | Cash and cash equivalents as at the beginning of the year | 12,225,850 | 846,525 |
| | Cash and cash equivalents as at the end of the year | 200,215,982 | 12,225,850 |

Notes:

1. Cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7 - Cash Flow statements
2. Cash and cash equivalents represent cash and bank balances.
3. Previous year's figures have been regrouped/reclassified wherever applicable.

As per our report attached

Ghoshal & Ghosal
Chartered Accountants
Firm's Registration No.: 304013E

S.S.R. Gupta
Partner
Membership No.: 023640

Place: Hyderabad
Date: 17-08-2020

As per our report attached
of CHHAPRA- HAJIPUR EXPRESSWAYS LIMITED

RAVI KAMMA
Director
Din - 02985836

V. KRISHNARAJUN RAO
Director
Din - 07388694

A. DANUMJAYA
AGM (F&A)

Chhabra - Hajipur Expressways Limited
Notes forming part of Accounts

1 Property, Plant and Equipment

| Particulars | Cost | | | Depreciation | | | Book Value | |
|---------------------------------|----------------------|--------------|------------|----------------------|----------------------|--------------|----------------------|----------------------|
| | As at April 01, 2019 | Additions | Deductions | As at March 31, 2020 | As at April 01, 2019 | For the year | As at March 31, 2020 | As at March 31, 2019 |
| Owned | | | | | | | | |
| Land | 1,794,700 | - | - | 1,794,700 | - | - | - | 1,794,700 |
| Furniture and fixtures | 1 | 2,140 | - | 2,141 | 10,186 | - | 10,186 | 2,141 |
| Office equipment | 7,159 | - | - | 7,159 | 24,725 | - | 24,725 | 1,785 |
| Computers, laptops and printers | 6 | - | - | 6 | 17,174 | 6 | 17,180 | 7,159 |
| Total | 1,801,866 | 2,140 | - | 1,804,006 | 52,085 | 6 | 52,091 | 1,798,626 |
| | | | | | | | | 1,801,866 |

2 Intangible Assets

| Particulars | Cost | | | Amortisation | | | Book Value | |
|----------------------|----------------------|-----------|------------|----------------------|----------------------|--------------|----------------------|----------------------|
| | As at April 01, 2019 | Additions | Deductions | As at March 31, 2020 | As at April 01, 2019 | For the year | As at March 31, 2020 | As at March 31, 2019 |
| Specialised Software | 9,850 | - | - | 9,850 | 9,849 | - | 9,850 | 0 |
| Total | 9,850 | - | - | 9,850 | 9,849 | - | 9,850 | 1 |

- (a) the existence and amounts of restrictions on title, and property, plant and equipment pledged as security for liabilities;
- (b) the amount of expenditures recognised in the carrying amount of an item of property, plant and equipment in the course of its construction;
- (c) the amount of contractual commitments for the acquisition of property, plant and equipment; and
- (d) Gross carrying amount of any fully depreciated property, plant and equipment that is still in use



3 Lease Receivable

| Particulars | As at March 31, 2020 | | | As at March 31, 2019 | | |
|----------------------|----------------------|------------------------|------------------|----------------------|------------------------|------------------|
| | Current Amount (₹) | Non-current Amount (₹) | Total Amount (₹) | Current Amount (₹) | Non-current Amount (₹) | Total Amount (₹) |
| Receivable from NHAI | - | 7,692,893,372 | 7,692,893,372 | - | 8,589,591,217 | 8,589,591,217 |
| | - | 7,692,893,372 | 7,692,893,372 | - | 8,589,591,217 | 8,589,591,217 |

4 Loans

| Particulars | As at March 31, 2020 | | | As at March 31, 2019 | | |
|--|----------------------|------------------------|------------------|----------------------|------------------------|------------------|
| | Current Amount (₹) | Non-current Amount (₹) | Total Amount (₹) | Current Amount (₹) | Non-current Amount (₹) | Total Amount (₹) |
| Secured Considered Good | | | | | | |
| Unsecured, considered good | | 170,445 | 170,445 | | 4,500 | 4,500 |
| Which have significant Increase In Credit Risk | | | | | | |
| Trade receivable Credit Impaired | | | | | | |
| c) Other loans(specify nature) | | | | | | |
| | - | 170,445 | 170,445 | - | 4,500 | 4,500 |

5 Other non-current and current assets

| Particulars | As at March 31, 2020 | | | As at March 31, 2019 | | |
|---|----------------------|------------------------|------------------|----------------------|------------------------|------------------|
| | Current Amount (₹) | Non-current Amount (₹) | Total Amount (₹) | Current Amount (₹) | Non-current Amount (₹) | Total Amount (₹) |
| <u>Capital advances</u> | | | | | | |
| For intangible assets under development | 532,921 | 0 | 532,921 | - | 285,927,732 | 285,927,732 |
| <u>Advance recoverable other than in cash</u> | 28,407,067 | | | | | |
| Prepaid Insurance | 232,127 | | 232,127 | 5,106,765 | - | 5,106,765 |
| Prepaid expenses | 24,538 | | 24,538 | 48,809 | - | 48,809 |
| Statutory Recivables: GST & IGST | 24,648,218 | | 24,648,218 | - | 1,204,813 | 1,204,813 |
| Others | | 17,752,311 | 17,752,311 | 532,921 | 17,477,227 | 18,010,148 |
| Income tax not of previous year provisions | | | | | | |
| | 53,844,871 | 17,752,311 | 43,190,115 | 5,688,495 | 304,609,772 | 310,298,267 |

6 Cash and cash equivalents

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------------|----------------------|
| | Amount (₹) | Amount (₹) |
| a) Balances with banks | | |
| Trust retention and escrow accounts | 200,099,621 | 11,731,961 |
| Other accounts | 116,037 | 493,792 |
| b) Cash on hand | 323 | 97 |
| c) Fixed deposits with banks including interest accrued thereon | | |
| | 200,215,981 | 12,225,850 |

Balances with banks earn interest at floating rate based on daily bank deposit rates.

At 31 March 2019, the Company had available INR (31 March 2015: INR, 1 April 2014: INR) of undrawn committed borrowing facilities.

The trust retention and escrow accounts carry a first charge to the extent of amount payable as per the waterfall mechanism as defined in the Concession agreement / Coramion loan agreement. As at March 31, 2019 there were no amounts included in this which are restricted earmarked for any specific purposes by virtue of the said waterfall mechanism.



7 Share Capital

(i) Authorised, issued, subscribed and paid up

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|--------------------------------------|----------------------|-------------|----------------------|-------------|
| | No. of shares | Amount (₹) | No. of shares | Amount (₹) |
| Authorised: | | | | |
| Equity shares of ₹ 10 each | 70,000,000 | 700,000,000 | 70,000,000 | 700,000,000 |
| Issued, subscribed and fully paid up | | | | |
| Equity shares of ₹ 10 each | 64,183,800 | 641,838,000 | 64,183,800 | 641,838,000 |

(ii) Reconciliation of the number of equity shares and share capital issued, subscribed and paid-up:

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|--------------------------------------|----------------------|-------------|----------------------|-------------|
| | No. of shares | Amount (₹) | No. of shares | Amount (₹) |
| At the beginning of the year | 64,183,800 | 641,838,000 | 64,183,800 | 641,838,000 |
| Issued during the year as fully paid | | | | |
| Others | | | | |
| At the end of the year | 64,183,800 | 641,838,000 | 64,183,800 | 641,838,000 |

(iii) Terms / rights attached to shares

Equity shares

- The Company has only one class of equity share having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.
- The Company has not issued any securities during the year with the right/option to convert the same into equity shares at a later date.
- The Company has not reserved any shares for issue under options and contracts/commitments for the sale of shares/disinvestment.
- The shares issued carry equal rights to dividend declared by the company and no restrictions are attached to any specific shareholder.

(iv) Details of Shares held by Holding Company/Ultimate Holding Company/its subsidiaries or associates:

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|--|----------------------|-------------|----------------------|-------------|
| | No. of shares | Amount (₹) | No. of shares | Amount (₹) |
| Madhucon Projects Limited (Ultimate Holding Company) | 100,000 | 1,000,000 | 100,000 | 1,000,000 |
| Madhucon Infra Limited (Holding Company) | 34,807,500 | 348,075,000 | 34,807,500 | 348,075,000 |
| Madhucon Toll Highways Limited (Subsidiary of Holding company) | 29,256,300 | 292,563,000 | 29,256,300 | 292,563,000 |
| | 64,163,800 | 641,638,000 | 64,163,800 | 641,638,000 |

(v) Details of Shareholders holding more than 5% shares in the company:

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|--|----------------------|--------|----------------------|--------|
| | No. of shares | % | No. of shares | % |
| Madhucon Infra Limited (Holding Company) | 34,807,500 | 54.23% | 34,807,500 | 54.23% |
| Madhucon Toll Highways Limited (Subsidiary of Holding company) | 29,256,300 | 45.58% | 29,256,300 | 45.58% |

(vi) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL

(vii) Calls unpaid : NIL; Forfeited Shares : NIL



Chhapra - Hajipur Expressways Limited

Statement of Changes in Equity for the period ended 31st March 2020

8 Other Equity as on 31.03.2020

Amount (₹)

| Particulars | Share application money pending | Equity component of compound financial instruments | Reserves & Surplus | | | | | Total |
|--|---------------------------------|--|--------------------|--------------------|-----------------|---------------------|------------------------------|----------------|
| | | | Capital reserve | Securities premium | General Reserve | Revaluation Reserve | Debenture Redemption Reserve | |
| Balance at the beginning of the reporting period | - | 2,085,417,448 | - | - | - | - | - | -1,565,936,805 |
| Equity component of Unsecured Loan | - | - | - | - | - | - | - | - |
| Profit for the year | - | - | - | - | - | - | - | -1,184,420,981 |
| Other comprehensive income | - | - | - | - | - | - | - | - |
| Balance at the end of the reporting period | - | 2,085,417,448 | - | - | - | - | - | -2,750,357,786 |

Other Equity as on 31.03.2019

| Particulars | Share application money pending allotment | Equity component of compound financial instruments | Reserves & Surplus | | | | | Total |
|--|---|--|--------------------|--------------------|-----------------|---------------------|------------------------------|----------------|
| | | | Capital reserve | Securities premium | General Reserve | Revaluation Reserve | Debenture Redemption Reserve | |
| Balance at the beginning of the reporting period | - | 2,082,917,448 | - | - | - | - | - | 328,727,244 |
| Equity component of Unsecured Loan | - | 2,500,000 | - | - | - | - | - | 2,500,000 |
| Profit for the year | - | - | - | - | - | - | - | -1,897,164,049 |
| Other comprehensive income | - | - | - | - | - | - | - | - |
| Balance at the end of the reporting period | - | 2,085,417,448 | - | - | - | - | - | -3,651,354,253 |



Cjhaptia - Hajipur Expressways Limited

Notes forming part of Accounts

9 Borrowings

| Particulars | As at March 31, 2020 | | | As at March 31, 2019 | | |
|-------------------------------|----------------------|------------------------|------------------|----------------------|------------------------|------------------|
| | Current Amount (₹) | Non current Amount (₹) | Total Amount (₹) | Current Amount (₹) | Non current Amount (₹) | Total Amount (₹) |
| Secured borrowings | | | | | | |
| a) Term loans | | | | | | |
| i) From banks | - | 8,220,443,666 | 8,220,443,666 | - | 8,014,643,666 | 8,014,643,666 |
| ii) From NHAI | - | 1,434,038,518 | 1,434,038,518 | - | 1,323,243,029 | 1,323,243,029 |
| Ind As Adjustment | - | 2,279,758 | 2,279,758 | - | -4,424,932 | -4,424,932 |
| Unsecured borrowings | | | | | | |
| a) Loans from related parties | - | - | - | - | - | - |
| b) Others | - | - | - | - | - | - |
| | - | 9,656,761,942 | 9,656,761,942 | - | 9,333,461,763 | 9,333,461,763 |

Details of Long Term Loans

i) Term loans from banks - The loan is repayable in 17 semiannual unequal instalments starting from March, 2019.

ii) NHAI Loan - The loan is repayable at the time of receipt of semi annuities after PCOD.

iii) Unsecured Loan - Repayment shall be made only after the Final Settlement date, on which all the Secured Obligations have been discharged.

Presentation of Long term borrowings in the Balance Sheet is as follows:

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------------|----------------------|
| Long term borrowings | 8,220,443,666 | 8,010,036,912 |
| Current maturities of long term borrowings | | - |

Terms of Security of secured term loans:

- A first mortgage/charge over the Company's immovable properties (other than Project assets), both present and future.
- A first mortgage/charge over the Company's movable assets including moveable plant & machinery, machinery spares, tools & accessories, furniture, fixtures, vehicles and all other moveable assets (other than Project assets), both present and future.
- A first charge on all intangible assets of the Company, including but not limited to goodwill, undertaking and uncalled capital of the Borrower.
- First charge on all the accounts of the Borrower, including the Escrow Account, MMRA and other reserves without limitation, and each of the other account(s) required to be maintained/created by the Borrower under any Project Document or contract.
- A first charge by way of assignment/security interest on all the rights, titles, benefits, interests, demand and claims under the concession Agreement, Project Documents, Contracts insurance policies obtained/procured by the Company, and/or any of its contractors favoring the Company and all licenses, permits, approvals and consents in respect of the Project, present & future, in respect of the Project. Madhucon Toll Highways Limited are provided to the lenders.



(vi) Pledge of 74% of shares of the paid up equity capital of the company held by the Promoters. Currently 4,74,96,012 (74%) equity shares held by Madhucon Infra Limited and Madhucon Toll Highways Ltd

(vii) A charge on the uncalled capital of the borrower, provided that such charge, shall be limited for ensuring that the Borrower calls the balance uncalled capital and makes the shares fully paid up.

(viii) Corporate guarantee of Madhucon Toll Highways Limited.

xi) Due to various reasons the company could not achieve PCOD and the project is still under construction. Term loan Accounts has become NPA and the bankers has not charged Interest on term loan I & II and only some bankers have charged interest on term loan III. On achievement of PCOD, repayment schedule will be revised. No interest has been provided on term loan during the Year.

Terms of Repayment of unsecured loan:

The above unsecured loans are given by the Promoters of the Company as per the Concession Agreement with NITAI, by way of Subordinate Loan. Such subordinate loans are interest free and the repayment shall be made only after the Final Settlement date, the date on which all the Secured Obligations have been discharged in full to the satisfaction of the Lenders.

10 Other financial liabilities

| Particulars | As at March 31, 2020 | | | As at March 31, 2019 | | |
|---------------------------------------|----------------------|------------------------|------------------|----------------------|------------------------|------------------|
| | Current Amount (₹) | Non current Amount (₹) | Total Amount (₹) | Current Amount (₹) | Non current Amount (₹) | Total Amount (₹) |
| a) Interest accrued | - | - | - | - | - | - |
| b) Other liabilities | - | - | - | - | - | - |
| i) Creditors for capital supplies | - | - | - | - | - | - |
| ii) Retention money - Related Parties | - | 36,163 | 36,163 | - | 291,556,032 | 291,556,032 |
| iii) Related Parties | 23,232,865 | - | 23,232,865 | 11,444,686 | - | 11,444,686 |
| | 23,232,865 | 36,163 | 23,269,028 | 11,444,686 | 291,556,032 | 303,000,718 |

11 Provisions

| Particulars | As at March 31, 2020 | | | As at March 31, 2019 | | |
|---------------------------------|----------------------|------------------------|------------------|----------------------|------------------------|------------------|
| | Current Amount (₹) | Non current Amount (₹) | Total Amount (₹) | Current Amount (₹) | Non current Amount (₹) | Total Amount (₹) |
| Provision for employee benefits | - | 413,420 | 413,420 | 76,557 | 336,863 | 413,420 |
| | - | 413,420 | 413,420 | 76,557 | 336,863 | 413,420 |

12 Other liabilities

| Particulars | As at March 31, 2020 | | | As at March 31, 2019 | | |
|------------------------|----------------------|------------------------|------------------|----------------------|------------------------|------------------|
| | Current Amount (₹) | Non current Amount (₹) | Total Amount (₹) | Current Amount (₹) | Non current Amount (₹) | Total Amount (₹) |
| i) Other liabilities | 379,033,011 | - | 379,033,011 | 153,376,987 | - | 153,376,987 |
| ii) Statutory payables | 126,371 | - | 126,371 | 32,175,998 | - | 32,175,998 |
| | 379,159,382 | - | 379,159,382 | 185,552,985 | - | 185,552,985 |

13 Trade payables

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------------|----------------------|
| | Amount (₹) | Amount (₹) |
| Acceptances | | |
| Due to related parties | 15,591,618 | 15,591,618 |
| a). Total Outstanding dues of Micro Enterprises and Small Enterprises | | |
| b) Total Outstanding dues of Creditors other than Micro and Small Enterprises | | |
| | 15,591,618 | 15,591,618 |

There has been no claimed transaction during the year 2018-19 with MICRO, Small and Medium Enterprises covered under the MICRO, Small and Medium Enterprises development act, (MEMED Act, 2006) Hence reporting details of principal and interest does not arise.



14 Revenue from operations

| Particulars | 2019-20 | 2018-19 |
|-------------------|------------|------------|
| | Amount (₹) | Amount (₹) |
| Operating revenue | - | - |
| Total | - | - |

15 Construction Contract Revenue/Expense

| Particulars | 2019-20 | 2018-19 |
|-------------|------------|-------------|
| | Amount (₹) | Amount (₹) |
| Road Work | 86,029,456 | 535,231,920 |
| Total | 86,029,456 | 535,231,920 |

16 Operating Expenses

| Particulars | 2019-20 | 2018-19 |
|----------------|------------|------------|
| | Amount (₹) | Amount (₹) |
| Operating Cost | 81,945,129 | 8,240,970 |
| Total | 81,945,129 | 8,240,970 |

17 Finance costs

| Particulars | 2019-20 | 2018-19 |
|-------------------------------------|---------------|---------------|
| | Amount (₹) | Amount (₹) |
| Interest on TDS | 3,055,841 | 591,100 |
| IND AS Adjustment (Borrowing Cost) | 95,251,997 | 88,514,859 |
| IND AS Adjustment (Upfront Fee) | 2,279,758 | 2,684,158 |
| IND AS Adjustment (Financial Asset) | 1,001,874,150 | 1,797,064,576 |
| Total | 1,102,461,746 | 1,888,854,693 |

18 Administration and other expenses

| Particulars | 2019-20 | 2018-19 |
|----------------------------|------------|------------|
| | Amount (₹) | Amount (₹) |
| Annual surveillance fees | 0 | |
| Certification fee | 0 | |
| Concession fees | 6 | |
| Depository Service charges | 0 | |
| Electricity Charges | 0 | |
| Employer pf contribution | 0 | |
| Insurance charges | 0 | |
| Internet charges | 0 | |
| Postage & telegram | 0 | |
| Processing fees | 0 | |
| Repairs and maintenance | 0 | |
| Travelling expenses | 0 | |
| Watch & wards-hyd | 0 | |
| Audit expenses | 14,106 | |
| Rent | 0 | 300 |
| Filing Fee | 0 | 7,200 |
| Conveyance Expenses | 0 | - |
| Office Maintenance | 0 | 2,040 |
| Professional Fee | 0 | 53,846 |
| Miscellaneous expenses | 0 | 5,000 |
| Total | 14,112 | 68,386 |

(a) Professional fees includes Auditors remuneration (including service tax) as follows:

| Particulars | 2019-20 | 2018-19 |
|----------------------------|------------|------------|
| | Amount (₹) | Amount (₹) |
| a) As auditor | 0 | 66,340 |
| b) For taxation matters | | (12,494) |
| c) For company law matters | | - |
| d) For other services | | - |
| Total | | 53,846 |

19 Capital Commitments

The Company has an amount of ₹ 109,50,00,000/- (Previous year: ₹ 199,22,16,114/-) contracts remaining to be executed on capital account as at March 31, 2020.



Chhapra - Hajipur Expressways Limited**Notes forming part of Accounts****20 Corporate Information**

Chhapra - Hajipur Expressways Limited was incorporated under the Companies Act, 1956, on 02nd Day of June, 2010 as a Special Purpose Vehicle for Design, Build, Finance, Operate and Transfer of 4 laning of Chhapra - Hajipur section of NH 19 from km 143.200 to km 207.200 in the state of Bihar on Annuity basis for a concession period of 15 years (2.5 years of construction period and 12.5 years of operating period). However, the construction is in progress as on date.

This contract was awarded by National Highway Authority of India. The Company shall hand over the Project Highway to NHAI on expiry of the Concession Period. The Concession Agreement, on execution, will entitle the Company to receive a fixed sum of annuity every 6 months, in arrears, starting from the date of commencement of commercial operations (COD) from NHAI.

21 The Company has not earned any income/incurred any expenditure in foreign currency during the year. (previous year: Nil)

22 Disclosure pursuant to Ind AS 19 "Employee benefits":**(i) Defined benefit plans:**

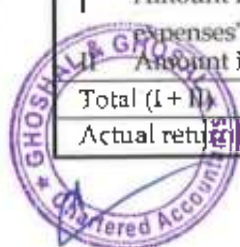
a) The Company operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service. The fund is managed by LIC.

b) The amounts recognised in Balance Sheet are as follows:

| Particulars | Gratuity plan | | Compensated absences | |
|---|----------------------|----------------------|----------------------|----------------------|
| | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| | Amount (₹) | Amount (₹) | Amount (₹) | Amount (₹) |
| A) Present value of defined benefit obligation | | | | |
| - Wholly funded | 17,19,128 | 3,12,293 | 4,95,830 | 1,01,126 |
| - Wholly unfunded | 17,19,128 | 3,12,293 | 4,95,830 | 1,01,126 |
| Less : Fair value of plan assets | - | - | - | - |
| Amount to be recognised as liability or (asset) | 17,19,128 | 3,12,293 | 4,95,830 | 1,01,126 |
| B) Amounts reflected in the Balance Sheet | | | | |
| Liabilities | 17,19,128 | 3,12,293 | 4,95,830 | 1,01,126 |
| Assets | - | - | - | - |
| Net Liability / (asset) | 17,19,128 | 3,12,293 | 4,95,830 | 1,01,126 |

c) The amounts recognised in the Statement of Profit and loss are as follows:

| Particulars | Gratuity plan | | Compensated absences | |
|--|----------------------|----------------------|----------------------|----------------------|
| | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| | Amount (₹) | Amount (₹) | Amount (₹) | Amount (₹) |
| 1 Current service cost | 2,60,544 | 27,872 | - | - |
| 2 Interest on Defined benefit obligation | 23,828 | 22,896 | 7,716 | 28,618 |
| 3 Expected return on plan assets | - | - | - | - |
| 4 Actuarial losses/(gains) | 10,54,211 | (30,296) | 3,74,871 | (2,86,320) |
| From changes in demographic assumptions | - | - | - | - |
| From changes in financial assumptions | 68,252 | 5,621 | 12,117 | 1,109 |
| 5 Past service cost | - | - | - | - |
| 6 Actuarial gain/(loss) not recognised in books | - | - | - | - |
| 7 Adjustment for earlier years | - | - | - | - |
| Total (1 to 7) | 14,06,835 | 26,093 | 3,94,704 | (2,56,593) |
| 1 Amount included in "employee benefit expenses" | 14,06,835 | 26,093 | 3,94,704 | ##### |
| 2 Amount included as part of "finance costs" | - | - | - | - |
| Total (1 + 2) | 14,06,835 | 26,093 | 3,94,704 | (2,56,593) |
| Actual return on plan assets | - | - | - | - |



Chhapra - Hajipur Expressways Limited

Notes forming part of Accounts

- d) Effect of defined benefit plans on the amount, timing and uncertainty of entity's future cash flows.
e) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

| Particulars | Gratuity plan | | Compensated absences | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| | Amount (₹) | Amount (₹) | Amount (₹) | Amount (₹) |
| Opening balance of the present value of defined benefit obligation | 3,12,293 | 2,86,200 | 1,01,126 | 3,57,720 |
| Add: Current service cost | 2,60,514 | 27,872 | - | - |
| Add: Interest cost | 23,828 | 22,896 | 7,716 | 28,618 |
| Add: Contribution by plan participants | | | | |
| i) Employer | - | - | - | - |
| ii) Employee | - | - | - | - |
| Add/(less): Actuarial losses/(gains) | 11,22,463 | (24,675) | 3,86,988 | (2,85,211) |
| Less: Benefits paid | - | - | - | - |
| Add: Past service cost | - | - | - | - |
| Closing balance of the present value of defined benefit obligation | 17,19,128 | 3,12,293 | 4,95,830 | 1,01,127 |

- f) The major categories of plan assets of the fair value of the total plan assets are as follows:

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--------------------------------------|-------------------------|-------------------------|
| Investments quoted in active markets | | |
| Cash and cash equivalents | | |
| Unquoted investments | | |
| Total | - | - |

- 23 Disclosure pursuant to Ind AS 23 "Borrowing Costs"

Borrowing cost capitalised during the year ₹ Nil (previous year : ₹ Nil).

- 24 Disclosure of segment information pursuant to Ind AS 108 "Operating Segments"

The Company is engaged in the business of construction, operation and maintenance of Toll road projects on a Build Operate Transfer basis in a single business segment. Hence reporting of operating segments does not arise. The Company does not have operations outside India. Hence, disclosure of geographical segment information does not arise.



Chhapra - Hajipur Expressways Limited

Notes forming part of Accounts

25 Disclosure of related parties / related party transactions pursuant to Ind AS 24 "Related Party Disclosures"

a) List of related parties

| | |
|----------------------------|---|
| Ultimate Holding Company : | Madhucon Projects Limited |
| Holding Company : | Madhucon Infra Limited |
| Fellow Subsidiaries : | Madhucon Toll Highways Limited Ranchi Expressways Limited. Barasat-Krishnagar Expressways Limited |
| Key Managerial Personnel: | Ravi Kamma V.Krishnarjun Rao |

b) Disclosure of related party transactions:

| Particulars | 2019-20 | 2018-19 |
|---|---------------|--------------|
| | Amount (₹) | Amount (₹) |
| A) EPC COST(Construction contract expenses) | | |
| Ultimate Holding Company Madhucon Projects Limited | 9,06,541 | 45,19,65,236 |
| B) Mobilisation & Interim Advance | | |
| Ultimate Holding Company Madhucon Projects Limited | - | - |
| C) Retention Money | | |
| Ultimate Holding Company Madhucon Projects Limited | -29,15,19,869 | 2,25,98,261 |
| D) Reimbursement of expenses charged by | | |
| Ultimate Holding company Madhucon Projects Limited | - | - |
| Holding company Madhucon Infra Limited | 62,55,644 | 10,86,974 |
| E) Reimbursement of expenses charged from | | |
| Ultimate Holding company Madhucon Projects Limited | - | - |
| Holding company Madhucon Infra Limited | 9,002 | 2,000 |
| F) Utility Shifting | | |
| Ultimate Holding company Madhucon Projects Limited | - | - |
| G) Unsecured Loan | | |
| Holding company Madhucon Infra Limited | 0 | 25,00,000 |
| | -28,43,48,682 | 47,81,52,471 |

c) Amount due to and due from related parties(net):

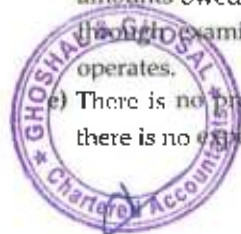
| Particulars | Amounts due (to)/from | |
|--|-----------------------|----------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| Ultimate Holding Company Madhucon Projects Limited | -1,86,25,863 | -18,44,89,335 |
| Holding Company Madhucon Infra Limited | -1,42,25,70,806 | -1,43,20,58,568 |
| Fellow Subsidiaries | | |
| Madhucon Tollways Limited | -49,50,00,000 | -49,50,00,000 |
| Barasat-Krishnagar Expressways Limited | -45,34,149 | -45,34,149 |
| Ranchi Expressways Limited | -20,00,000 | -20,00,000 |

d) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

For the year ended 31 March 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2019: INR Nil). This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

e) There is no provision for bad and doubtful debts to related parties with regard to outstanding expenses and there is no expense recognized in respect of bad and doubtful debts due from related parties.



Chhapra - Hajipur Expressways Limited

Notes forming part of Accounts

26 Disclosure pursuant to Ind AS 17 "Leases"

The Company has not acquired any assets either under Finance lease or under Operating lease. Hence disclosures pertaining to Ind AS 17 - "Leases" are not applicable.

27 Disclosure pursuant to Ind AS 33 "Earnings per share"

Basic and Diluted Earnings per share (EPS) computed in accordance with Ind AS 33 "Earnings per share".

| Particulars | | 2019-20 | 2018-19 |
|---|--------------|------------------|------------------|
| | | Amount (₹) | Amount (₹) |
| Basic and Diluted | | | |
| Profit after tax as per accounts (₹) | A | (1,18,44,20,981) | (1,89,71,64,049) |
| Weighted average number of shares outstanding | B | 64,18,38,000 | 6,41,83,800 |
| Basic and Diluted EPS (₹) | A / B | (1.85) | (29.56) |
| Face value per equity share (₹) | | 10.00 | 10.00 |

28 Disclosures as per Ind AS 37 - "Provisions, Contingent Liabilities and Contingent assets "

a) Nature of provisions:

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- the Company has a present obligation as a result of a past event.
- a probable outflow of resources is expected to settle the obligation, and
- the amount of the obligation can be reliably estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

Contingent Liability is disclosed in the case of:

- A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation
- A possible obligation when no reliable estimate is possible and
- A possible obligation arising from a past event unless the probability of outflow of resources is remote

Contingent Assets are neither recognized, nor disclosed. Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance sheet date.

29 Disclosure pursuant to Ind AS 11 - "Construction Contracts"

Amount (₹)

- Amount of contract revenue recognised in the year : -
- Aggregate amount of costs incurred and recognised profits (less recognised losses) to date; -

30 Disclosure pursuant to Ind AS 38 - "Intangible Assets"

| Intangible asset | Useful Life (in years) | Amortisation method used | Internally generated or Acquired |
|----------------------|---------------------------|--|-------------------------------------|
| Specialised Software | 3 | Straight Line/ Remaining useful life | Acquired |

31 Disclosure as per Ind AS 1 - "Presentation of Financial Statements"

For the purpose of the company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the parent. The primary objective of the company's capital management is to maximise the shareholder value.

(Ind AS 1 requires the company to make quantitative and qualitative disclosures regarding objectives policies and processes for managing capital. Also, if comparative amounts are reclassified, nature amount and reason to be disclosed and not just the fact of reclassification.)



32 Disclosure Under Appendix B to Ind AS 11

| Description of the arrangement | Significant terms of the arrangement | |
|--|---|---|
| Construction, operation and maintenance of the Toll Road on Design, Build, Finance, operate and Transfer basis | Period of the Concession | A period of 15 years from Appointed Date(27 - 01 - 2011). |
| | Remuneration | Annuities to be paid Semi - Annually by NHAI. |
| | Conditions of Pricing | As per notification issued by NHAI from time to time. |
| | Infrastructure return at the end of the concession period | Being DBFOT project, the project assets have to be transferred at the end of concession period |
| | Obligations & Rights | The Concessionaire shall at its own cost and expense undertake, comply with and perform, in addition to and not in derogation of its obligations elsewhere setout in Concession Agreement. The Concessionaire has the rights to collect the Toll from users of the Toll Road. |
| | Changes in the arrangement occurring during the period | Any changes in the arrangement like change in the Shareholding etc needs approval from the NHAI. |
| | Classification of Service Arrangement | The service arrangement has been classified as a Service Concession Arrangement for a PPP project as per Appendix A to Ind AS 11- Construction Contracts; accordingly construction revenues and expenses are accounted during construction phase and intangible asset is recognised towards rights to charge the users of the system. |

33 Disclosure in pursuant to Ind AS 107- Financial Instruments:

33.1 Financial Risk Management

The company's activities expose it to variety of financial risks : market risk, credit risk and liquidity risk. The company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established a risk management policy to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Board of Directors oversee compliance with the Company's risk management policies and procedures, and reviews the risk management framework.

33.2 Market risk

The market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

33.2.1 Foreign Currency Risk

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate.

The company is not exposed to foreign currency risk as it has no borrowing in foreign currency.

33.2.2 Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Interest risk arises to the company mainly from Long term borrowings with variable rates. The company measures risk through sensitivity analysis.

Currently, Lending by Commercial Banks is at variable rate only, which is the inherent business risk.



Chhapra - Hajipur Expressways Limited
Notes forming part of Accounts

The company's exposure to interest rate risk due to variable interest rate borrowings is as follows:

| Particulars | 31.03.2020 | 31.03.2019 |
|---|----------------|----------------|
| Senior Debt from Banks - Variable rate borrowings | 8,21,58,36,912 | 8,01,00,36,912 |

Sensitivity analysis based on average outstanding Senior Debt

| Interest Rate Risk Analysis | Impact on profit/ loss after tax | |
|---|----------------------------------|-------------|
| | FY 2019-20 | FY 2018-19 |
| Increase or decrease in interest rate by 25 basis point | 2,02,82,342 | 2,00,25,092 |

Note: Profit will increase in case of decrease in interest rate and vice versa

33.2.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

The company is not exposed to any price risk during the year.

The company measures risk through sensitivity analysis.

33.2.4 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets.

The company is exposed to liquidity risk due to bank borrowings and trade and other payables.

The company measures risk by forecasting cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient fund to meet expected operational expenses, servicing of financial obligations.

The following are the contractual maturities of financial liabilities

| As at March 31, 2020 | Carrying Amount | upto 1 year | 1 - 2 years | 2 - 5 years | > 5 years |
|---|-----------------|-------------|-------------|----------------|----------------|
| Non Derivative Financial Liability | | | | | |
| Senior Debt from Banks | 8,21,58,36,912 | - | - | 3,27,15,00,000 | 4,94,43,36,912 |
| Trade Payables | 1,55,91,618 | | 1,55,91,618 | - | - |
| Other financial liabilities | 36,163 | 36,163 | - | - | - |

| As at March 31, 2019 | Carrying Amount | upto 1 year | 1 - 2 years | 2 - 5 years | > 5 years |
|---|-----------------|--------------|-------------|----------------|----------------|
| Non Derivative Financial Liability | | | | | |
| Senior Debt from Banks | 8,01,00,36,912 | - | | 3,27,15,00,000 | 4,73,85,36,912 |
| Trade Payables | 1,55,91,618 | 1,55,91,618 | - | - | - |
| Other financial liabilities | 29,15,56,032 | 29,15,56,032 | - | - | - |

33.2.5 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The company generally does not have trade receivables as collection of toll income coincide as and when the traffic passes through toll - plazas. The company has other receivables primarily from government authority i.e. NHAI.

Hence, the management believes that the company is not exposed to any credit risk.



Chhapra - Hajipur Expressways Limited

Notes forming part of Accounts

34 Disclosure of Financial Instruments

34.1 Disclosure of Financial Instruments by Category

Amount in (₹)

| Financial instruments by categories | Note no. | As at March 31, 2020 | | | As at March 31, 2019 | | |
|---|----------|-----------------------|----------|-----------------------|-----------------------|----------|-----------------------|
| | | FVTPL | FVTOCI | Amortized cost | FVTPL | FVTOCI | Amortized cost |
| Financial asset | | | | | | | |
| Loans & advances | 4 | | | 1,70,445 | | | 4,500 |
| Lease Receivable | 3 | 7,69,28,93,372 | | | 8,58,95,91,217 | | |
| Cash and cash equivalents | 6 | | | 20,02,15,981 | | | 1,22,25,850 |
| Total Financial Asset | | 7,69,28,93,372 | - | 20,03,86,426 | 8,58,95,91,217 | - | 1,22,30,350 |
| Financial liability | | | | | | | |
| Term Loan from Banks & others | 9 | | | 9,65,67,61,942 | | | 9,33,34,61,763 |
| Other Non Current Financial Liabilities | 10 | | | 36,163 | | | 29,15,56,032 |
| Other Current Financial Liabilities | 10 | | | 2,32,32,867 | | | 1,14,44,690 |
| Trade Payables | 13 | | | 1,55,91,618 | | | 1,55,91,618 |
| Total Financial Liabilities | | | | 9,69,56,22,590 | - | - | 9,65,20,54,103 |

34.2 Default and breaches

There are no defaults with respect to payment of principal, interest and no breaches of the terms and conditions of the loan.

There are no breaches during the year which permitted lender to demand accelerated payment.

34.3 Fair value of Financial asset and liabilities at amortized cost

Amount in (₹)

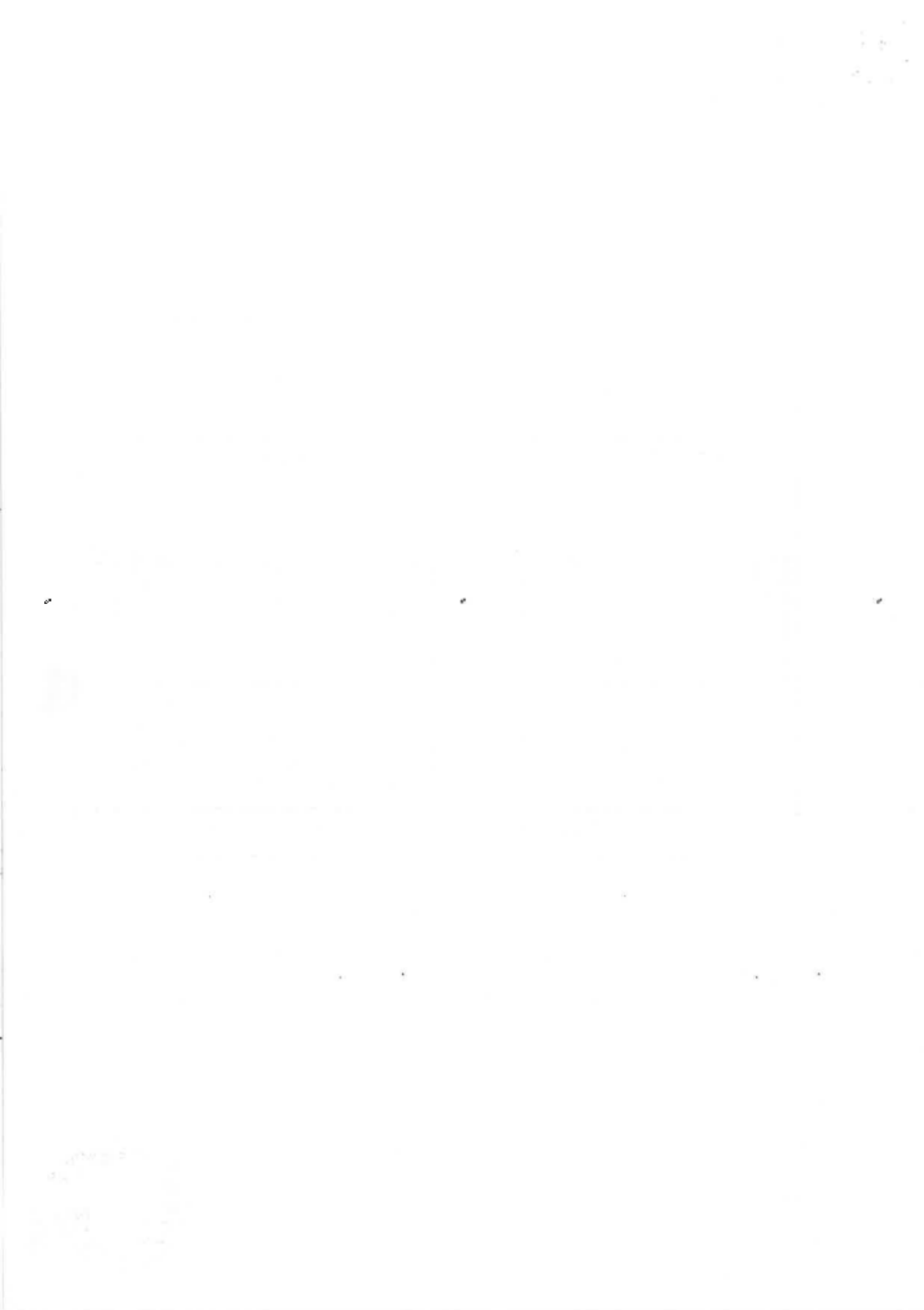
| Fair value of Financial asset and liabilities at amortized cost | | | | | | |
|---|----------|----------------------|----------------|----------------------|----------------|--|
| Particular | Note no. | As at March 31, 2020 | | As at March 31, 2019 | | |
| | | Carrying amount | Fair value | Carrying amount | Fair value | |
| Financial Assets | | | | | | |
| Loans & advances | 4 | 1,70,445 | 1,70,445 | 4,500 | 4,500 | |
| Lease Receivable | 3 | 7,69,28,93,372 | 7,69,28,93,372 | 8,58,95,91,217 | 8,58,95,91,217 | |
| Cash and cash equivalents | 6 | 20,02,15,981 | 20,02,15,981 | 1,22,25,850 | 1,22,25,850 | |
| Total Financial Assets | | 7,89,32,79,798 | 7,89,32,79,798 | 8,60,18,21,567 | 8,60,18,21,567 | |
| Financial liability | | | | | | |
| Term Loan from Banks & others | 9 | 9,65,67,61,942 | 9,65,67,61,942 | 9,33,34,61,763 | 9,33,34,61,763 | |
| Other Non Current Financial Liabilities | 10 | 36,163 | 36,163 | 29,15,56,032 | 29,15,56,032 | |
| Other Current Financial Liabilities | 10 | 2,32,32,867 | 2,32,32,867 | 1,14,44,690 | 1,14,44,690 | |
| Trade Payables | 13 | 1,55,91,618 | 1,55,91,618 | 1,55,91,618 | 1,55,91,618 | |
| Total Financial Liabilities | | 9,69,56,22,590 | 9,69,56,22,590 | 9,65,20,54,103 | 9,65,20,54,103 | |

The carrying amount of current financial assets and current trade and other payables measured at amortised cost are considered to be the same as their fair values, due to their short term nature.

The carrying amount of Security Deposit measured at amortized cost is considered to be the same as its fair value due to its insignificant value.

The carrying value of Rupee Term Loan and approximate fair value as the instruments are at prevailing market rate.





As at March 31, 2020

| Financial Asset & Liabilities Measured at FV - Recurring FVM | Note No. | Level 1 (₹) | Level 2 (₹) | Level 3 (₹) | Total (₹) |
|--|----------|----------------|----------------|----------------|--------------|
| Financial asset measured at FVTPL | | | | | |
| Investments in Mutual Funds | | - | - | - | - |
| Total of Financial Assets | | - | - | - | - |

| Financial Asset & Liabilities Measured at Amortized cost for which fair values are to be disclosed | Note No. | Level 1 (₹) | Level 2 (₹) | Level 3 (₹) | Total (₹) |
|--|----------|----------------|----------------|----------------|----------------|
| Financial Assets | | | | | |
| Loans & advances | 4 | - | 1,70,445 | - | 1,70,445 |
| Total of Financial Assets | | - | 1,70,445 | - | 1,70,445 |
| Financial Liabilities | | | | | |
| Term Loan from Banks | 9 | - | 9,65,67,61,942 | - | 9,65,67,61,942 |
| Other Non Current Financial Liabilities | 10 | - | 36,163 | - | 36,163 |
| Other Current Financial Liabilities | 10 | - | 2,32,32,867 | - | 2,32,32,867 |
| Trade Payables | 13 | - | 1,55,91,618 | - | 1,55,91,618 |
| Total of Financial Liabilities | | - | 9,69,56,22,590 | - | 9,69,56,22,590 |

As at March 31, 2019

| Financial Asset & Liabilities Measured at FV - Recurring FVM | Note No. | Level 1 (₹) | Level 2 (₹) | Level 3 (₹) | Total (₹) |
|--|----------|----------------|----------------|----------------|--------------|
| Financial asset measured at FVTPL | | | | | |
| Investments in Mutual Funds | | - | - | - | - |
| Total of Financial Assets | | - | - | - | - |

| Financial Asset & Liabilities Measured at Amortized cost for which fair values are to be disclosed | Note No. | Level 1 (₹) | Level 2 (₹) | Level 3 (₹) | Total (₹) |
|--|----------|----------------|----------------|----------------|----------------|
| Financial Assets | | | | | |
| Loans & advances | 4 | - | 4,500 | - | 4,500 |
| Total of Financial Assets | | - | 4,500 | - | 4,500 |
| Financial Liabilities | | | | | |
| Term Loan from Banks | 9 | - | 9,33,34,61,763 | - | 9,33,34,61,763 |
| Other Non Current Financial Liabilities | 10 | - | 29,15,56,032 | - | 29,15,56,032 |
| Other Current Financial Liabilities | 10 | - | 1,14,44,690 | - | 1,14,44,690 |
| Trade Payables | 13 | - | 1,55,91,618 | - | 1,55,91,618 |
| Total of Financial Liabilities | | - | 9,65,20,54,103 | - | 9,65,20,54,103 |

There are no transfer between level 1 and level 2 during the year

The company policy is to recognise transfers into and transfer out of fair values hierarchy levels as at the end of the reporting period.

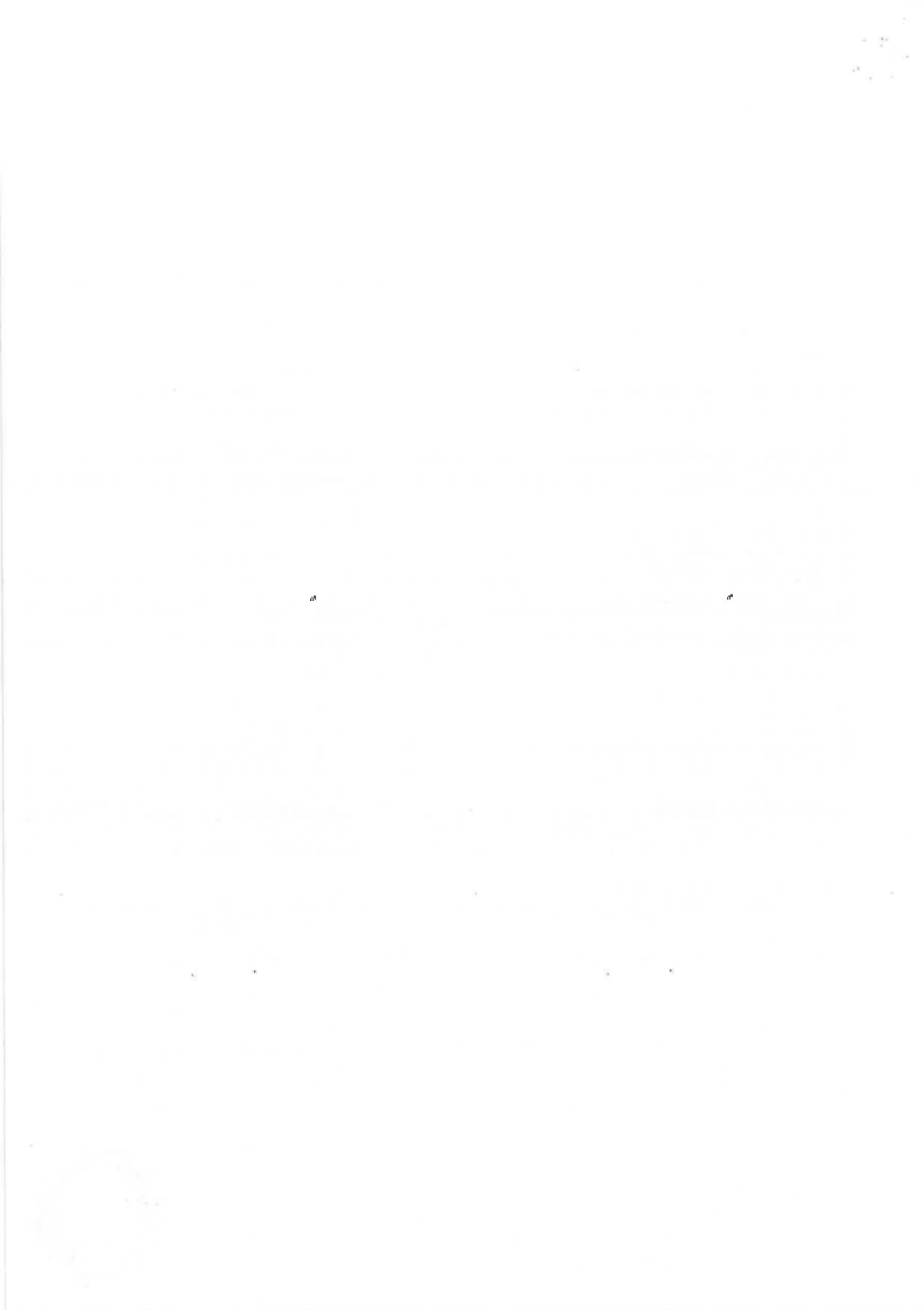
35.2 Valuation technique and inputs used to determine fair value

| Financial assets and liabilities | Valuation | Inputs |
|---|-----------|-------------------|
| Financial assets | | |
| Security deposit & other loans and advances | Income | Cash flow |
| Financial liabilities | | |
| Term Loan from Banks | Income | Effective rate of |
| Other financial liabilities | Income | Cash flow |

35.3 Asset pledged as security

| Particulars | Note no | As at March 31, 2020 | As at March 31, 2019 |
|-----------------------------|---------|-----------------------|-----------------------|
| | | Amount (₹) | Amount (₹) |
| Non Financial Asset | | | |
| Property, Plant & Equipment | 1 | 17,98,626 | 18,01,866 |
| Intangible asset | 2 | 0 | 0 |
| Lease Receivable | 3 | 7,69,28,93,372 | 8,88,91,217 |
| Other Financial Asset | 4 | 1,70,445 | 1,70,445 |
| Financial Asset | | | |
| Cash and Cash Equivalents | 6 | 20,02,15,981 | 1,22,25,850 |
| TOTAL | | 7,89,50,78,425 | 8,60,36,23,838 |





36 Significant Accounting Policies

36.1 Statement of compliance

The Company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs in respect of sections 133 read with section 469 of the Companies Act, 2013 (18 of 2013) and sub-section (1) of Section 210A of the Companies Act, 1956 (1 of 1956). Upto the year ended 31 March 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's Ind AS complied financial Statements. The date of transition to Ind AS is 01 April 2015.

36.2 Basis of accounting

The Company maintains its accounts on accrual basis following the historical cost convention. Further, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered, wherever applicable except to the extent where compliance with other statutory pronulgations override the same requiring a different treatment.

Fair value measurements are catagorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that entity can access at measurement date
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability

36.3 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialize. Estimates include the useful lives of property plant and equipment and intangible fixed assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, provisions for resurfacing obligations, fair value measurement etc.

The financial statements of the Company have been prepared in accordance with the significant accounting policies duly considering Management's assessment of various matters relating to arbitration/termination proceedings, future projections etc, which are significant to the Company and the final outcome of these matters, including legal/contractual interpretations, where applicable, could have a significant impact on the financial statements and the Management's evaluation of the same is very critical and fundamental to the preparation of these financial statements.

36.4 Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in Schedule III to the Companies Act, 2013 ("the Act"). The Cash Flow Statement has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards.

Amounts in the financial statements are presented in Indian Rupees in line with the requirements of Schedule III. Per share data are presented in Indian Rupees to two decimal places.



36.5 Cash and bank balances

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation.

36.6 Cash flow statement

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit/(loss) is adjusted for the effects of:

- i. changes during the period in inventories and operating receivables and payables and transactions of a non-cash nature;
- ii. non-cash items such as depreciation, provisions, unrealised foreign currency gains and losses, and undistributed profits of associates; and
- iii. all other items for which the cash effects are investing or financing cash flows.

The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statement.

36.7 Property, Plant and Equipment (PPE)

Property, Plant and Equipment is recognised 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. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation. For qualifying assets, borrowing costs capitalised in accordance with the IND AS 23.

For transition to Ind AS, the carrying value of PPE under previous GAAP as on 01 April 2015 is regarded as its cost. The carrying value was original cost less accumulated depreciation.

Administrative and other general overhead expenses that are specifically attributable to construction or acquisition of PPE or bringing the PPE to working condition are allocated and capitalised as a part of the cost of the PPE.

Property, Plant and Equipment not ready for the intended use on the date of the Balance Sheet are disclosed as "Capital work-in-progress".

Depreciation on assets have been provided on straight-line basis as per useful lives specified in the Schedule II of the Companies Act, 2013. Depreciation on additions / deductions is calculated pro-rata from / to the month of additions / deductions.

Assets individually costing less than Rs.5,000 are fully depreciated in the year of purchase.

36.8 Revenue recognition

- a) Revenue is recognised based on nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery. Revenue is measured at the fair value of the consideration received or receivable and is reduced for customer returns, rebates and other similar allowances.
- b) Interest Income is recognized on time proportion basis taking into account the amount outstanding and applicable interest rate.
- c) Revenue from annuity based projects is recognised in the Statement of Profit and Loss over the concession period of the respective projects based on the implicit rate of return embedded in the projected cash flows. Such income is duly adjusted for any variation in the amount and timing of the cash flows in the period in which such variation occurs.
- d) Dividend Income is recognized when the right to receive is established.
- e) Profit/loss on sale of investments is recognised at the time of actual sale/redemption.
- f) Other items of income are accounted as and when the right to receive arises.



36.9 Intangible assets

(i) Annuity Projects (Unconditional right to receive cash from Authority)

Unconditional right to receive cash obtained in consideration for rendering construction services, represent the right to receive specified annuity amounts from the National Highways Authority of India ("NHAI") during the concession period in respect of Build-Operate-Transfer ("BOT") projects undertaken by the Group. Such unconditional right to receive cash is capitalised as financial assets upon initial recognition at the cumulative construction costs plus obligation towards negative grants and additional concession fee payable to National Highways Authority of India ("NHAI")/State authorities, if any. Till the completion of the project, the same is recognised under intangible assets under development. The revenue from toll collection/other income during the construction period is reduced from the carrying amount of intangible assets under development.

The cost incurred for work beyond the original scope per Concession agreement (normally referred as "Change of Scope") is capitalized as intangible asset under development as and when incurred. Reimbursement in respect of such amounts from NHAI/State authorities are reduced from the intangible assets to the extent of actual receipts.

b) Other intangible assets

Specialized software is amortized over a period of three years on straight line basis from the month in which the addition is made.

Pre-operative expenses including administrative and other general overhead expenses that are directly attributable to the development or acquisition of intangible assets are allocated and capitalized as part of cost of the intangible assets.

Intangible assets that are not ready for the intended use "on the date of the Balance Sheet are disclosed as "Intangible assets under development".

Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the assets' revised carrying amount over its remaining useful life.

36.10 Government grants

Government grants are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. Government grants in the nature of promoters' contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve.

36.11 Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

(i) Short term employee benefits



All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences etc. and the expected cost of bonus, ex-gratia are recognised in the period in which the employee renders the related service.

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

(ii) Post employment benefits

(a) Defined contribution plans:

Defined Contribution Plans: The Company's obligation to employee's provident fund is a defined contribution plan. The contribution paid/payable is recognized in the period in which the employee renders the related service.

(b) Defined benefit plans:

The Company's obligation towards gratuity is a defined benefit plan.

The present value of the obligation under such Defined Benefit Plans is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognized in the Other Comprehensive Income.

Remeasurement, comprising actuarial gains and losses, the return on plan assets (excluding net interest) and any change in the effect of asset ceiling (if applicable) are recognised in other comprehensive income and is reflected immediately in retained earnings and is not reclassified to profit & loss.

The interest element in the actuarial valuation of defined benefit plans, which comprises the implicit interest cost and the impact of changes in discount rate, is classified under finance cost. The balance charge is recognised as employee benefit expenses in the Statement of Profit and Loss.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Company recognises related restructuring costs or termination benefits.

(iii) Other long term employee benefits:

The obligation for long term employee benefits such as long term compensated absences is recognized in the same manner as in the case of defined benefit plans as mentioned in (ii) (b) above.

(iv) Termination Benefits



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Termination benefits such as compensation under Voluntary Retirement cum Pension Scheme are recognised as expense and a liability is recognised at the earlier of when the Company can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

36.12 Borrowing costs

Borrowing costs include interest calculated using the effective interest method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilized for acquisition, construction or production of qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalization of such asset are added to the cost of the assets. Capitalization of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.



36.13 Leases

Operating:

Assets acquired on leases where a significant portion of risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to Statement of Profit and Loss on accrual basis.

Assets leased out under operating leases are capitalised. Rental income is recognized over the lease term.

Finance:

Assets acquired under leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount.

36.14 Earnings per share

The basic and diluted earnings per share are computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which would have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. The diluted potential equity shares have been adjusted for the proceeds receivable had the shares been actually issued at the average market value of the outstanding shares. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increase loss per share included.

36.15 Taxes on income

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income-tax Act, 1961 and based on the expected outcome of assessments/appeals.

Deferred tax is recognized on timing differences between the accounting income accounted in financial statements and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax asset relating to unabsorbed depreciation/business losses and losses under the head "capital gains" are recognised and carried forward to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

Other deferred tax asset are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

36.16 Provisions, contingent liabilities and contingent assets

A provision is recognised when the company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in notes in case of a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation or a present obligation arising from past events, when no reliable estimate is possible the Notes. Contingent Assets are neither recognized, nor disclosed.

36.17 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.



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36.18 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

36.19 Claims

Claims against the Company not acknowledged as debts are disclosed under contingent liabilities. Claims made by the company are recognised as and when the same is approved by the respective authorities with whom the claim is lodged.

36.20 Commitments

Commitments are future liabilities for contractual expenditure. Commitments are classified and disclosed as follows:

- (i) Estimated amount of contracts remaining to be executed on capital account and not provided for
- (ii) Uncalled liability on shares and other investments partly paid
- (iii) Funding related commitment to subsidiary, associate and joint venture companies and
- (iv) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

As per our report attached

Ghoshal & Ghosal

Chartered Accountants

Firm's Registration No.: 304013E



Place: Hyderabad

Date: 17-08-2020

As per our report attached

of CHHAPRA- HAJIPUR EXPRESSWAYS LIMITED

RAVI KAMMA

Director

Din - 02985836

A. DANUMJAYA
ACM (F&A)

V. KRISHNARAJUN RAO

Director

Din - 07388694

