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**TN (DK) EXPRESSWAYS LIMITED**

**15TH  
ANNUAL REPORT  
2020-21**

## **TN (DK) EXPRESSWAYS LIMITED**

### **BOARD OF DIRECTORS**

- |                        |            |
|------------------------|------------|
| 1. Srinivasa Rao Kamma | - Director |
| 2. Madhu Malampati     | - Director |
| 3. Nama Rama Rao       | - Director |

### **AUDITORS:**

Ghoshal & Ghoshal  
Chartered Accountants  
Flat No.204, Anand Plaza,  
Opp. R.R District Collectorate  
Lakdikapul, Hyderabad-500 004

### **SECRETARIAL AUDITOR(S)**

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

### **REGISTERED OFFICE:**

Plot No.1129/A, 3<sup>rd</sup> Floor, Road No.36,  
Hitech City Road, Jubilee Hills,  
Hyderabad-500033

### **CONSORTIUM BANKERS:**

State Bank of India  
Bank of Maharastra  
Vijaya Bank Now (Bank of Baroda)  
Andhra Bank Now (Union Bank of India)

**TN (DK) EXPRESSWAYS LIMITED**  
**NOTICE OF 15TH ANNUAL GENERAL MEETING**

To  
The Members of  
**TN (DK) Expressways Limited**

**NOTICE** is hereby given that the 15Th Annual General Meeting of the Members of **TN (DK) Expressways Limited (CIN: U45200TG2006PLC048941)** will be held on **Friday, 24<sup>th</sup> Day of September 2021 at 2.30PM** at Registered office of the Company Situated at Plot No.1129/A, 3<sup>rd</sup> Floor, Road No. 36, Hitech City Road, 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, 2021, together with the reports of the Board of Directors and the Auditors thereon.
2. To appoint Director in place of Sri. Madhu Malampati (**DIN: 00368625**), who retires by rotation and being eligible, offers himself for reappointment.

Place: Hyderabad  
Date: 01.09.2021

By Order of the Board  
TN (DK) Expressways Limited

  
**Nama Rama Rao**  
Director  
DIN: 02984867



## **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)#**

**TN (DK) EXPRESSWAYS LIMITED**

CIN: U45200TG2006PLC048941

Reg off: Plot No.1129/A, Road No.36, 3rd Floor, Hitech City Road, Jubilee Hills Hyderabad-500033,  
Telangana, India

Tel 040-235569001: Fax: 040-23556005: website: [www.madhucon.com](http://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]

**15<sup>th</sup> ANNUAL GENERAL MEETING- Friday, 24<sup>th</sup> September 2021 at 02.30 PM**

**At Registered Office of the Company**

Name of the Company	: <b>TN (DK) EXPRESSWAYS LIMITED</b>
Registered office	: Plot No.1129/A, 3 <sup>rd</sup> Floor, 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

1. 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 15TH Annual general meeting of the Company, to be held on 2.30pm at Registered Office and at any adjourned thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Vote**	
		For	Against
Ordinary Business			
1	To receive, consider and adopt the Audited Financial Statements for the year ended 31st March, 2021, together with the reports of the Board of Directors and the Auditors thereon.		
2	To appoint Director in place of Sri. Madhu Malampati (DIN: 00368625), who retires by rotation and being eligible, offers himself for reappointment		

Signed on this ----- day of ----, 2020.

Affix  
Revenue  
Stamp  
here

Signature of Shareholder

**TN (DK) EXPRESSWAYS LIMITED**  
**DIRECTORS' REPORT**

To  
The Members of  
**TN (DK) Expressways Limited**

Your Directors have pleasure in presenting their Fifteenth Annual Report together with Audited Financial Statements for the financial year ended 31st March, 2021.

**Financial highlights**

<b>Particulars</b>	<b>2020-21</b>	<b>2019-20</b>
	Rs.	Rs.
Operating Income	42,71,83,497	49,80,16,986
Other Income	24,71,69,921	13,74,66,749
<b>Total Income</b>	<b>67,43,53,418</b>	<b>63,54,83,735</b>
Operating Expenses	64,57,27,920	33,65,85,860
Employee benefit Expenses	3,10,64,501	2,98,65,682
Finance Costs	1,79,67,830	9,72,45,088
Depreciation and Amortisation Expenses	25,58,52,825	24,06,54,130
General and Administration Expenses	73,93,552	1,12,68,513
<b>Total Expenses</b>	<b>95,80,06,628</b>	<b>71,56,19,273</b>
Profit / (Loss) from Continuing Operations	<b>(28,36,53,210)</b>	<b>(8,01,35,538)</b>
Add: Other Comprehensive income	Nil	Nil
<b>Total Comprehensive Income for the Period</b>	<b>(28,36,53,210)</b>	<b>(8,01,35,538)</b>

**Dividend**

During the year 2020-21, Company has not recommended dividend any dividend.

**Transfer to reserves**

Due to losses in fiscal 2021, resulting in debit balance in retained earnings, no amount has been transferred to reserves.

**Deposits**

During the year under review, your Company has not 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. Madhu Malampati (**DIN: 00368625**), 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, 2021; 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**

The Board met 5 (Five) times during the financial year 2020-21 on May 21, 2020; July 10, 2020; August 17, 2020; November 09, 2020 and February 08, 2021.

First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
Meeting No.	Date	Meeting No.	Date	Meeting No.	Date	Meeting No.	Date
111	21.05.2020	112	10.07.2020	114	09.11.2020	115	08.02.2021
		113	17.08.2020				

**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 22<sup>nd</sup> 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**

TN (DK) Expressways Limited was incorporated as a Special Purpose Vehicle for design, construction, development, finance, operation and maintenance of KM 305.600 (End of Karur Bye Pass) to KM 373.725 (Dindigul) and Improvement, operation and maintenance of KM 292.600 (Start of Karur Bypass) to KM 305.600 (End of Karur Bypass) on NH -7 in the state of Tamilnadu with Concession Period of 20 years awarded by NHAI.

The Company has made an application to SAROD committee against NHAI for the defaults of NHAI and arbitration proceedings were completed and award was ordered in favour of the company. The company has approached the Hon'ble High Court for execution of arbitration award.

EPC Contractor has made claims on the company towards delay in handling over of land, idling of men and machinery, variations, escalation price etc, On receipt of award amount from NHAI the Company will negotiate with the EPC Contractor to settle the claim.

NHAI has levied penalty 77.56 Crs for delay in undertaking of Periodic Maintenance work. The company has commenced Periodic Maintenance works and only miscellaneous works are 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 2020-21. 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 Ministry of Corporate Affairs (MCA), Government of India, through a Circular dated July 13, 2017, exempted the 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 2020-21 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 compliances 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 2020-21. 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 Holding 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**  
**TN (DK) Expressways Limited**

Place: Hyderabad  
Date: 01.09.2021

  
**Nama Rama Rao**  
**Director**  
**DIN: 02984867**

  
**Madhu Malampati**  
**Director**  
**DIN: 00368625**



**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	U45200TG2006PLC048941
2.	Registration Date	31.01.2006
3.	Name of the Company	TN (DK) Expressways Limited
4.	Category/Sub-category of the Company	Company Limited by Shares
5.	Address of the Registered office & contact details	Plot No.1129/A, 3 <sup>rd</sup> Floor, Road No.36, Hitech City Road, Jubilee Hills, Hyderabad-500 033
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, Selenuim 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/NPCS Code of the Product/Service	% to total turnover of the company
1	Design, construction, development, finance, operation and maintenance of Km. 305.600 (End of Karur Bypass) to Km. 373.725 (Dindigul); and for improvement, operation and maintenance of Km. 292.600 (Start of Karur Bypass) to Km. 305.600 (End of Karur Bypass) on NH-7 in the State of Tamil Nadu under North-South corridor (NHDP Phase II) on Build, Operate and Transfer (BOT) basis on the terms.	995-421	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	Ultimate Holding Company	0.13
2.	Madhucon Toll Highways Limited	Subsidiary of Holding Company	48.86
3.	Madhucon Infra Limited	Holding Company	50.97

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

### Category-wise Share Holding

[illegible]



<b>Sub-total (B)(1):-</b>	0	0	0	0	0	0	0	0	0
<b>2. Non-Institutions</b>									
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
<b>Sub-total (B)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0	0	0	0	0	0
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>74632000</b>	<b>28000</b>	<b>74660000</b>	<b>100</b>	<b>74632000</b>	<b>28000</b>	<b>74660000</b>	<b>100</b>	<b>0</b>

### B) Shareholding of promoters-

SN O.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during
		No. of Shares	% of total Share	%of Shares Pledged /	No. of Shares	% of total Shares	%of Shares Pledged	

			s of the comp any	encumber ed to total shares		of the compa ny	/encumbe red to total shares	the year
1	Nama Nageswar Rao	8888	0.02	0	8888	0.02	0	0
2	Nama Seethaiah	2888		0	2888		0	0
3	Nama Krishnaiah	2888		0	2888		0	0
4	Nama Rama Rao	188		0	188		0	0
5	M. Madhu	88		0	88		0	0
6	Kamma Srinivasa Rao	60		0	60		0	0
7	Madhucon Infra Limited	38055000	50.97	50.97	38055000	50.97	50.97	0
8	Madhucon Toll Highways Ltd.	36477000	48.86	30.03	36477000	48.86	30.03	0
9	Madhucon Projects Ltd.	100000	0.13	0	100000	0.13	0	0
10	SREI Infrastructure Finance Limited	13,000	0.02	0	13,000	0.02	0	0

**C) Change in Promoters' Shareholding (please specify, if there is no change)**

There is no change in Promoters shareholding during the year 2020-21

**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 Directors and each Key Managerial Personnel	Shareholding		Cumulative Shareholding during the year	
		No of Shares	%	No of Shares	%
1	At the beginning of the year 01.04.2020	336	0.0005	336	0.0005
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.):	Nil	Nil	Nil	Nil
3	At the end of the year 31.03.2021	336	0.0005	336	0.0005

## V) Indebtedness

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

The Details were stated in Notes to the Audited Financial Statements for the year 2020-21.

### VI. Remuneration of directors and key managerial personnel: 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 2020-21. On these grounds, this heading is not applicable.

For and on behalf of the Board of Directors  
TN (DK) Expressways Limited

Place: Hyderabad  
Date: 01.09.2021-

  
Nama Rama Rao  
Director  
DIN: 02984867

  
Madhu Malampati  
Director  
DIN: 00368625





**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 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	

Place: Hyderabad  
Date: 01.09.2021

**For and on behalf of the Board of Directors**

**TN (DK) Expressways Limited**

  
Nama Rama Rao  
Director  
DIN: 02984867

  
Madhu Malampati  
Director  
DIN: 00368625





**FORM NO MR-3**  
**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, 2021**

To,  
The Members of,  
**TN (DK) 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. TN (DK) EXPRESSWAYS LIMITED, (CIN: U45200TG2006PLC048941)**(herein after called the Company)subsidiary of M/s. Madhucon Infra Limited (U45200TG2006PLC049235). 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,2021 Not complied with the some of the statutory provisions listed here under, 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 **TN (DK) EXPRESSWAYS LIMITED** for the financial year ended 31stMarch,2021 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 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 Board of Directors not appointed neither the Managing Director not Whole time Directors or CEO to manage the day to day affairs of the Company.
- ii) The Company has not complied with the provision of Section 203 of the Companies Act, 2013 regarding KMP appointment as there is no CFO and Company Secretary.
- iii) Mr.Madhu Malampati, Director (Din-00368625) filed a petition for compounding on the violation of section 165 of the Companies Act,2013 as number of Directorship holding at that time(in December,2015)was more than 10 in public Companies and Subsequently resigned in some companies to comply within the limit. Subsequently the matter was referred by the Registrar of Companies, Hyderabad to the Court of Special Judge for Economic offences-Cum VIII AMSJ, Nampally, Hyderabad,The Court imposed Fine as applicable for the period of default of 275 days at the rate of Rs.5000/- per days. At Present an Appeal is Pending Before The Hon'ble High Court, Telangana.
- iv) 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.
- v) The Company has not complied with Rule 4 of Chapter XI The Companies (Appointment and Qualifications of Directors) Rules, 2014 regarding mandatory Appointment of independent Directors.
- vi) The Company has not complied with the Provisions of Section 177 and 178, the Company has yet to be constituted of the Audit Committee, Nomination and Remuneration Committee.



- vii) In our Opinion and to the best of our information and Explanations given to me the Company has the Following Pending litigations/Cases During the Reporting Period:

Sr.No	CASE TITLE AND COURT NUMBER	DETAILS	AMOUNT OF CLAIM (RS.)
1	OA 354/2020, DRT-I, Hyderabad	O.A filed by State Bank OF India against TN(DK) and others for recovery of the debt.	Rs. 1,19,36,57,628

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:

- Maintenance of various statutory registers and documents and making necessary entries therein;
- Closure of Register of Members;
- 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;
- Service of documents by the Company on its Members, Stock Exchanges, Auditors and the Registrar of Companies;
- Notice of Board and various Committee meetings of Directors;
- The meetings of Directors and all the Committees of Directors and passing of circular resolutions;
- notice and convening of Annual General Meeting held on 27<sup>th</sup> October,2020.
- Minutes of the proceedings of the Board Meetings, Committee Meetings and General Meetings;
- Approvals of the Board of Directors, Committee of Directors, Members and Government Authorities, where ever required;
- Payment of remuneration to Directors, Managing Director and Executive Directors;
- Appointment and Remuneration of Statutory Auditors and Cost Auditors;
- Transfer and transmission of the Company's shares, issue and allotment of shares and issue and delivery of certificates of shares;
- Borrowings and registration of charges;
- 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** the Company has defaulted in repayment of dues to banks and All these loans outstanding were classified as NPA'S By the Banks.

**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.

**For Venkata Krishna & Associates  
Company Secretaries**



**Place: Hyderabad  
Date : 23.07.2021**

*S V Krishna Reddy*

**S V Krishna Reddy  
Proprietor  
(ACS 53083; CP 19542)  
UDIN: A053083C000678059**



**VENKATA KRISHNA & ASSOCIATES**  
Company Secretaries

To,

The Members of,  
**TN (DK) 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



**Place: Hyderabad**  
**Date : 23.07.2021**



**S V Krishna Reddy**  
Proprietor

(ACS 53083; CP 19542)

**UDIN: A053083C000678059**

TN(DK) EXPRESSWAYS LIMITED  
BALANCE SHEET AS AT 31 MARCH 2021

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	3	2 24 23 278	55 38 388
Capital work-in-progress	5		76 58 500
Investment Property			
Intangible assets	4	212 34 80 482	237 58 71 964
(i) under SCA			
(ii) others			
Intangible assets under development			
Financial assets			
(i) Investments			
(ii) Loans	6	4 35 325	4 35 325
(iii) Other financial assets			
Tax assets			
(i) Deferred Tax Asset (net)			
Other non-current assets	7	56 51 533	17 54 084
<b>Total Non-current Assets</b>		<b>215 19 90 618</b>	<b>239 12 58 261</b>
<b>Current Assets</b>			
Financial assets			
(i) Current Investment			
(i) Trade receivables	8	3 88 034	6 55 592
(ii) Cash and cash equivalents	9	7 66 75 292	29 49 36 776
(iii) Other bank balance			
(iv) Other financial assets	10	12 91 93 687	30 80 104
(c) Current tax assets (Net)	11	2 19 49 239	38 07 738
Other current assets	12	47 43 266	17 92 404
Assets classified as held for sale			
<b>Total Current Assets</b>		<b>23 29 49 518</b>	<b>30 42 72 614</b>
<b>Total Assets</b>		<b>238 49 40 136</b>	<b>269 55 30 875</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	74 66 00 000	74 66 00 000
Other Equity	14	-116 19 26 217	-75 64 95 894
Equity attributable to owners of the Company			
Non-controlling Interests			
<b>Total Equity</b>		<b>-41 53 26 217</b>	<b>-98 95 894</b>
<b>LIABILITIES</b>			
<b>Non-current Liabilities</b>			
Financial Liabilities			
(i) Long-term borrowings	15	34 45 13 660	67 83 22 748
(ii) Trade payables			
(iii) Other financial liabilities	16	3 00 000	3 00 000
Provisions	17	104 27 68 029	85 57 98 386
Deferred tax liabilities (Net)			
Other non-current liabilities			
<b>Total Non-current Liabilities</b>		<b>138 75 81 689</b>	<b>153 44 21 134</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings			
(i) Trade payables (a) + (b)	18		
a). Total Outstanding dues of Micro Enterprises and Small Enterprises	18		
b) Total Out standing dues of Creditors other than Micro and Small Enterprises	18	45 82 046	22 35 410
(ii) Other financial liabilities	19	124 50 53 978	92 04 90 933
Provisions	20	6 46 46 372	11 60 07 988
(c) Current tax liabilities (Net)			
Other current liabilities	21	9 84 02 267	13 22 71 304
<b>Total Current Liabilities</b>		<b>141 26 84 663</b>	<b>117 10 05 635</b>
<b>Total Liabilities</b>		<b>280 02 66 352</b>	<b>270 54 26 769</b>
<b>Total Equity and Liabilities</b>		<b>238 49 40 135</b>	<b>269 55 30 875</b>

Significant Accounting Policies & Notes to Financial Statements 1 & 2  
As per our report of even date

For GHOSHAL & GHOSAL  
Chartered Accountants  
Firm's Registration No.: 304013E

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

Place : Hyderabad

Date :

For and on behalf of the Board of  
TN(DK) EXPRESSWAYS LIMITED

M. Madhu  
Director  
DIN - 00368625

NAMA NAMA RAO  
Director  
DIN - 02984867

A. Bonumjaya  
AGM(F&A)



**TN(DK) EXPRESSWAYS LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2021**

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations	22	42 71 83 497	49 80 16 986
Other income	23	24 71 69 921	13 74 66 749
<b>Total Income</b>		<b>67 43 53 418</b>	<b>63 54 83 735</b>
<b>Expenses</b>			
Operating expenses	24	64 57 27 920	33 65 85 860
Employee benefits expenses	25	3 10 64 501	2 98 65 682
Finance costs	26	1 79 67 830	9 72 45 088
Depreciation and amortisation expenses	27	25 58 52 825	24 06 54 130
Other expenses	28	73 93 552	1 12 68 513
<b>Total expenses</b>		<b>95 80 06 628</b>	<b>71 56 19 273</b>
<b>Add: Share of profit/(loss) of associates</b>			
<b>Add: Share of profit/(loss) of joint ventures</b>			
Profit before exceptional items and tax		-28 36 53 210	-8 01 35 538
Add: Exceptional items			
Profit before tax		-28 36 53 210	-8 01 35 538
Remeasurements of the defined benefit plans			
Less: Tax expense			
(1) Current tax			
(2) MAT credit entitlement			
(2) Deferred tax			
<b>Profit for the period from continuing operations (I)</b>		<b>-28 36 53 210</b>	<b>-8 01 35 538</b>
<b>Other Comprehensive Income</b>			
<u>A (I) Items that will not be reclassified to profit or loss</u>			
(a) Changes in revaluation surplus			
Remeasurements of the defined benefit plans			
(c) Equity instruments through other comprehensive income			
(d) Others (specify nature)			
(e) Share of other comprehensive income in associates and joint ventures, to the extent not to be reclassified to profit or loss			
A (ii) Income tax relating to items that will not be reclassified to profit or loss			
<u>B (I) Items that may be reclassified to profit or loss</u>			
(a) Exchange differences in translating the financial statements of foreign operations including the gain / loss on related hedging instrument			
(b) Debt instruments through other comprehensive income			
(c) Effective portion of gains and losses on designated portion of hedging instruments in a cash flow hedge			
(d) Others (specify nature)			
(e) Share of other comprehensive income in associates and joint ventures, to the extent that may be reclassified to profit or loss			
B (ii) Income tax relating to items that may be reclassified to profit or loss			
<b>Total other comprehensive income</b>			
<b>Total comprehensive income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>-28 36 53 210</b>	<b>-8 01 35 538</b>

Significant Accounting Policies & Notes to Financial Statements 1 & 2  
As per our report of even date

For GHOSHAL & GHOSHAL  
Chartered Accountants  
Firm's Registration No.: 304013E

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

Date :

For and on behalf of the Board of  
TN(DK) EXPRESSWAYS LIMITED

M. Madhu  
Director  
DIN - 00368625

A. Dakshinamurthy  
AGM(F&A)

NAMA RAMA RAO  
Director  
DIN - 02984867

TN(DK) EXPRESSWAYS LTD.  
Hyd.

**TN(DK) EXPRESSWAYS LIMITED**  
Statement of Cash flows for the period ending 31st March 2021

S. No.	Particulars	2020-21	2019-20
<b>A</b>	<b>Net profit / (loss) before tax and extraordinary items</b>	-28 36 53 210	-8 01 35 538
	<b>Adjustment for</b>		
	Depreciation and amortisation expense	25 58 52 825	24 06 54 130
	Interest expense	1 79 67 830	9 72 45 088
	Interest income	- 27 04 192	- 26 46 333
	Capital grant deferment	-12 33 06 842	-12 36 44 668
	Provision for major maintenance	45 67 76 851	28 24 51 881
	<b>Operating profit before working capital changes</b>	<b>32 09 33 262</b>	<b>41 39 24 560</b>
	<b>Adjustments for:</b>		
	Increase / (Decrease) in long term provisions	-26 98 07 208	-26 02 67 072
	Increase / (Decrease) in trade payable	23 46 636	5 68 673
	Increase / (Decrease) in other current liabilities	-3 38 69 037	8 94 43 160
	Increase / (Decrease) in other current financial liabilities	32 45 63 045	25 51 48 560
	Increase / (Decrease) in other Non-current financial liabilities		- 1 84 800
	Increase / (Decrease) in short term provisions	-5 13 61 616	11 36 57 663
	(Increase) / Decrease in other non-current assets	- 38 97 449	69 31 224
	(Increase) / Decrease in Trade Receivables	2 67 558	- 5 34 608
	(Increase) / Decrease in loans and advances		24 364
	(Increase) / Decrease in other financial asset	-12 61 13 583	69 15 459
	(Increase) / Decrease in other current assets	- 29 50 862	33 61 263
	<b>Net cash generated from/(used in) operating activities</b>	<b>16 01 10 746</b>	<b>62 89 88 446</b>
	Direct taxes paid (net of refunds)	-1 81 41 501	5 88 721
	<b>Net Cash(used in)/generated from Operating Activities</b>	<b>14 19 69 245</b>	<b>62 95 77 167</b>
<b>B</b>	<b>Cash flow from investing activities</b>		
	Construction Work-in-Progress		
	Purchase of fixed assets	-1 11 58 004	- 4 21 248
	Interest received	27 04 192	26 46 333
	<b>Net cash (used in)/generated from investing activities</b>	<b>- 84 53 812</b>	<b>22 25 085</b>
<b>C</b>	<b>Cash flow from financing activities</b>		
	Proceeds from issue of capital		
	Proceeds from long term borrowings		
	Repayment of long term borrowings	-33 38 09 087	-33 38 09 087
	Proceeds/repayment Unsecured Loan		
	Proceeds/repayment from/of Letter of Credit		
	Deferred payment liability		
	Interest paid	-1 79 67 830	-9 72 45 088
	<b>Net cash (used in)/generated from financing activities</b>	<b>-35 17 76 917</b>	<b>-43 10 54 175</b>
	<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>-21 82 61 484</b>	<b>20 07 48 076</b>
	<b>Cash and cash equivalents as at the beginning of the year</b>	<b>29 49 36 776</b>	<b>9 41 88 700</b>
	<b>Cash and cash equivalents as at the end of the year</b>	<b>7 66 75 292</b>	<b>29 49 36 776</b>
		7 66 75 292	29 49 36 776

Notes:

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

Significant Accounting Policies & Notes to Financial Statements 1 & 2  
As per our report As per our report of even date

For **GHOSHAL & GHOSAL**  
Chartered Accountants

Firm's Registration No.: 304013E

S.S.R.Gupta  
Partner  
Membership No.: 023640  
Place : Hyderabad  
Date :



For and on behalf of the Board of  
TN(DK) EXPRESSWAYS LIMITED

M. Madhu  
Director  
DIN - 00368625

NAMA RAMA RAO  
Director  
DIN - 0298486

A. Dapumjaya  
AGM (P&A)

## 1 Corporate Information

TN(DK) Expressways Limited (TNDK), a Public Limited Company, was incorporated under the Companies Act, 1956, on 31st Day of January, 2006 as a Special Purpose Vehicle for Design, Construction, Development, Finance, Operation and Maintenance of KM 305.600 (End of Karpur Bypass)-KM 373.275(Start of Proposed Flyover at Dindigul Bypass) covering 68.125 Kms, and Improvement, Operation and Maintenance of KM 292.600 (Start of Karur Bypass)-KM 305.600 (End of Karur Bypass) covering 9.600 Kms on NH-7 in state of Tamilnadu on Build, Operate and Transfer (BOT) basis. This contract was awarded by NHAI. The concession period comprises of 20 years which includes construction period of 30 months. At the end of concession period, the entire facility will be transferred to NHAI. However the concession period is ultimately stood at 15 years.

The company has made an application to SAROD committee against NHAI for the defaults of NHAI and arbitration proceedings were completed and award was ordered in favour of the company. The company has approached the Hon'ble High Court for execution of arbitration award. NHAI contested the award and filed a petition with the honourable High Court of Delhi.

EPC Contractor has made claims on the company towards delay in handing over of land, idling of men and machinery, variations, escalation price etc.

NHAI has levied penalty of Rs.77.56 Crs for delay in undertaking of Periodic maintenance works. The company has commenced Periodic Maintenance works.

## 2 Significant Accounting Policies

### 2.01 Basis of preparation

#### (a) Compliance with IndAS

The Company's financial statements for the period ending 31st December, 2018 comply in all material respects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. Except as otherwise stated.

The financial statements upto to the year ended 31 March 2016 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standard) Rules, 2006 as amended and other relevant provisions of the Act.

#### (b) Basis of measurement

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

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/liability	As per actuarial valuation
Assets held for sale	No asset held for sale

#### (c) Use of estimates and judgements

The preparation of these financial statements in conformity with IndAS requires the management to make estimates and assumptions considered in the reported amounts of assets, liabilities (including contingent liabilities), income and expenses. 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.

#### (d) Measurement of fair values

A number of accounting policies and disclosures requires the measurement of fair values for both financial and non-financial assets and liabilities. Fair value measurements are categorized 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 is 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 other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## 2.02 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 rounded off to nearest one Rupee in line with the requirements of Schedule III.

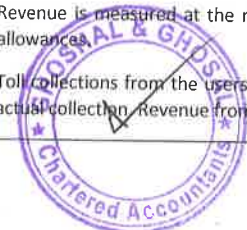
### 2.03 Revenue recognition

Revenue is measured at the realisable value. Amounts disclosed as revenue are inclusive of duties and taxes and net of discounts, rebates and other similar allowances.

a)

Toll collections from the users of the infrastructure facility constructed by the Company under the Service Concession Arrangement is accounted for, based on actual collection. Revenue from sale of smart cards is accounted on cash basis.

b)





- c) Interest income is recognised on a time proportion basis taking into account the account outstanding and the applicable rate.
- d) Other items of income are recognised as and when the right to receive arises. The proportionate part of capital grant has been taken as other income.
- 2.04 **Cash and bank balances**  
Cash and bank balances with the bank.
- 2.05 **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:

- (a) transactions of a non-cash nature;
- (b) any deferrals or accruals of past or future operating cash receipts or payments and,
- (c) all other items of income or expense associated with 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. Those cash and cash equivalents which are not available for general use as on the date of Balance Sheet are also included under this category with a specific disclosure.

2.06 **Current & Non Current classification :**

**Current Asset :**

2.07 **Property, plant and equipment (PPE)**

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. Cost includes expenditure that is directly attributable and for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Depreciation on assets has been provided on Straight line basis at the 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.

An item of property, plant and equipment is derecognised upon disposal. Any gain or loss arising on the disposal of an item of property plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

For transition to IndAS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as of April 01, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost on the transition date.

Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

2.08 **Intangible Assets**

a) **Rights under Service Concession Arrangements**

Intangible assets are recognised when it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment.

b) **Toll Projects (Right to charge users)**

Toll collection rights obtained in consideration for rendering construction services, represent the right to collect toll revenue from the users of the public service (road) during the concession period in respect of Build-Operate-Transfer ("BOT") project undertaken by the Company. Toll collection rights are capitalized as intangible assets upon completion of the project at the cumulative construction costs plus the present value of 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 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 carrying amount intangible assets to the extent of actual receipts.

Extension of concession period by the authority in compensation of claims made are capitalised as part of Toll Collection Rights at the time of admission of the claim or when there is a contractual right to extension at the estimated amount of claims admitted or computed based on average collections whichever is more evident.

**Amortisation of intangible assets**

Toll collection rights in respect of road projects are amortized over the period of concession using the revenue based amortisation method prescribed under Schedule II to the Companies Act, 2013. Under the revenue based method, amortisation is provided based on proportion of actual revenue earned till the end of the year to the total projected revenue from the intangible asset expected to be earned over the concession period. Total projected revenue is reviewed at the end of each financial year and is adjusted to reflect the changes in earlier estimate vis-a-vis the actual revenue earned till the end of the year so that the whole of the cost of the intangible asset is amortised over the concession period.



## 2.09 Borrowing costs

The company has not provided interest on term loans borrowed from banks as per common loan agreement from the date of account became Non performing Asset.

## 2.1 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

## 2.11 Income taxes

The income tax expense or credit for the year is the tax payable on current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the entity will pay normal income tax. Accordingly, MAT is recognised as an asset when it is highly probable that future economic benefit associated with it will flow to the entity.

Deferred income tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However deferred income tax is not accounted if it arises from the initial recognition of an asset or liability that at the time of the transaction affects neither the accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset/liability is realised or settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and deferred tax liabilities are offset, when the entity has a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances are related to the same authority.

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

## 2.12 Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortized over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the higher of the fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset for which the estimated future cash flows have not been adjusted.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

## 2.13 Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation (legal or constructive) 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.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).



When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that the reimbursement will be received and the amount of the receivable can be measured reliably.

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. Contingent assets are disclosed in the financial statements where an inflow of economic benefits are probable.

An estimate of provision for major maintenance and repairs has been made for the period April, 2017 to March, 2021 individually for various years comprised in the said period. The said provision has been discounted at discount rate of 6% and made provision accordingly. The company adopts policy of debiting actual expenditure incurred on the said maintenance and repairs to this provision.

Due to insufficient Revenues Rs. 45.67 Crores is Considered in the books and the balance shall be booked over a period of 5 Years.

## 2.14 Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### a) Financial Assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Investments in debt instruments that meet the following conditions are subsequently measured at amortised cost (unless the same are designated as fair value through profit or loss (FVTPL)):

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of instrument give rise to specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (unless the same are designated as fair value through profit or loss)

- The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- The contractual terms of instrument give rise to specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments at FVTPL is a residual category for debt instruments and all changes are recognised in profit or loss.

Investments in equity instruments are classified as FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in OCI for equity instruments which are not held for trading.

Interest income, dividend income and exchange difference (on debt instrument) on FVTOCI debt instruments is recognised in profit or loss and other changes in fair value are recognised in OCI and accumulated in other equity. On disposal of debt instruments FVTOCI the cumulative gain or loss previously accumulated in other equity is reclassified to profit & loss. However in case of equity instruments at FVTOCI cumulative gain or loss is not reclassified to profit & loss on disposal of investments.

### b) Financial Liabilities

Financial liabilities are classified at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Loans and borrowings are subsequently measured at amortised costs using Effective Interest Rate method.

Financial liabilities at fair value through profit or loss (FVTPL) are subsequently measured at fair value.

Financial guarantee contracts are subsequently measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

### c) Impairment of financial assets (Expected Credit Loss Model)

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset and financial guarantees not designated at FVTPL

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract/agreement and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument, through the expected life of the financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the life-time expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk has not increased significantly, the Company measures the loss allowance at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the life-time cash shortfalls that will result if the default occurs within 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.



When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of a change in the amount of the expected credit loss. To achieve that, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

#### 2.15 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.

#### 2.16 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.

#### 2.17 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.

#### 2.18 Employee Benefit

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 Benefit

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:

The Company's superannuation scheme and State governed provident fund linked with employee pension scheme are defined contribution plans. The contribution paid/ payable under the scheme is recognised during the period in which the employee renders the related service.

###### (b) Defined benefit plans:

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 rate used for determining the present value of the obligation under defined benefit plans, is based on the market yield on government securities.

###### (c) Other long term Employee Benefit

The obligation for other long term employee benefits such as long term compensated absences, liability on account of Retention Pay Scheme are recognised in the same manner as in the case of defined benefit plans as mentioned in (ii)(b) above.



TN(DK) EXPRESSWAYS LIMITED  
NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDING 31ST MARCH 2021  
3. Property Plant Equipment

Particulars	Cost or Deemed Cost				Accumulated depreciation and impairment				Carrying Amount
	Balance as at 1st April 2020	Additions	Disposals	Balance as on 31st March 2021	Balance as at 1st April 2020	Depreciation Expenses	Disposals	Balance as on 31st March 2021	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Property Plant and Equipment</b>									
Land	17 20 600			17 20 600					17 20 600
Plant and Machinery	3 99 12 735	98 18 784		4 97 31 519	3 05 23 445	28 23 687	-	3 33 47 131	1 63 84 388
Office equipment	8 97 076	87 261		9 84 337	5 56 018	1 89 916	-	7 45 934	2 38 403
Computers	5 18 586	44 500		5 63 086	2 72 202	1 06 940	-	3 79 143	1 83 943
Furniture & fixture	2 90 869			2 90 869	1 52 153	58 171	-	2 10 324	80 545
Motor Car	17 08 914	27 37 188		44 46 102	3 48 074	2 82 629	-	6 30 703	38 15 399
<b>TOTAL</b>	<b>4 50 48 780</b>	<b>1 26 87 733</b>		<b>5 77 36 513</b>	<b>3 18 51 892</b>	<b>34 61 343</b>		<b>3 53 13 235</b>	<b>2 24 23 278</b>

PREVIOUS YEAR 2019-20

Particulars	Cost or Deemed Cost				Accumulated depreciation and impairment				Carrying Amount
	Balance as at 1st April 2019	Additions	Disposals	Balance as on 31st March 2020	Balance as at 1st April 2019	Depreciation Expenses	Disposals	Balance as on 31st March 2020	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Property Plant and Equipment</b>									
Land	17 20 600			17 20 600					17 20 600
Plant and Machinery	3 19 47 036	3 07 199		3 22 54 235	2 64 54 896	40 68 549	-	3 05 23 445	17 30 790
Office equipment	8 13 276	83 800		8 97 076	3 83 538	1 72 480	-	5 56 018	3 41 058
Computers	5 18 586			5 18 586	1 68 395	1 03 807	-	2 72 202	2 46 384
Furniture & fixture	2 60 619	30 250		2 90 869	95 231	56 922	-	1 52 153	1 38 716
Motor Car	17 08 914			17 08 914	1 51 284	1 96 790	-	3 48 074	13 60 840
<b>TOTAL</b>	<b>3 69 69 031</b>	<b>4 21 249</b>		<b>3 73 90 280</b>	<b>2 72 53 343</b>	<b>45 98 549</b>		<b>3 18 51 892</b>	<b>55 38 388</b>

4. Intangible Assets

Particulars	Cost or Deemed Cost				Accumulated depreciation and impairment				Carrying Amount
	Balance as at 1st April 2020	Additions	Disposals	Balance as on 31st March 2021	Balance as at 1st April 2020	Depreciation Expenses	Disposals	Balance as on 31st March 2021	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Intangible Assets</b>									
Carriageway Toll Collection Rights	320 75 49 389			320 75 49 389	83 16 84 063	25 23 89 382	-	108 40 73 445	212 34 75 944
Computer Software	3 00 361			3 00 361	2 93 723	2 100	-	2 95 823	4 538
<b>TOTAL</b>	<b>320 78 49 749</b>			<b>320 78 49 749</b>	<b>83 19 77 785</b>	<b>25 23 91 482</b>		<b>108 43 69 267</b>	<b>212 34 80 482</b>





## 4. Intangible Assets-2019-20

Particulars	Cost or Deemed Cost				Accumulated depreciation and impairment				Carrying Amount
	Balance as at 1st April 2019	Additions	Disposals	Balance as on 31st March 2020	Balance as at 1st April 2019	Depreciation Expenses	Disposals	Balance as on 31st March 2020	As at 31st March 2020
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Carriageway Toll Collection Rights	320 75 49 389			320 75 49 389	59 56 30 587	23 60 53 476	-	83 16 84 063	237 58 65 326
Computer Software	3 00 361			3 00 361	2 91 617	2 106	-	2 93 723	6 638
TOTAL	320 78 49 749			320 78 49 749	59 59 22 204	23 60 55 582		83 19 77 785	237 58 71 964

## 5. Capital Work-in-Progress

Particulars	Cost or Deemed Cost			Accumulated depreciation and Impairment				Carrying Amount	
	Balance as at 1st April 2019	Additions	Disposals	Balance as on 31st March 2020	Balance as at 1st April 2019	Depreciation Expenses	Disposals	Balance as on 31st March 2020	As at 31st March 2020
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Plant & Machinery	76 58 500		76 58 500	76 58 500					76 58 500
ETC Equipment									
TOTAL	76 58 500		76 58 500						76 58 500

Capital work in progress is continued to be shown as capital work in progress

## Notes:

For Depreciation and amortisation policy, refer Significant Accounting Policies.

The Company has charged depreciation based on the remaining useful life of the assets as per the requirements of Schedule II of Companies Act, 2013 effective from 1st April 2014.

For Information on Charge created on Assets refer note 33 of financial statements



## 6 INVESTMENTS

Particulars	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
Investment in Equity instruments		-
Investments in debentures or bonds		-
<b>Total</b>	<b>-</b>	<b>-</b>

## 6. TERM LOANS AND ADVANCES

Particulars	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
Unsecured, considered good		
Loans to related parties		
Capital Advances for Capital Works		
Security Deposits	4 35 325	4 35 325
<b>Total</b>	<b>4 35 325</b>	<b>4 35 325</b>

## 7. OTHER NON-CURRENT ASSETS

Particulars	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
Non-Current Advances to Suppliers	21 547	22 398
Retention Money	40 04 454	1 06 154
Deposits & Refunds	16 25 532	16 25 532
<b>Total</b>	<b>56 51 533</b>	<b>17 54 084</b>

## 8 TRADE RECEIVABLES

Particulars	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
a) Secured Considered Good		
b) Unsecured, considered good		
c) Which have significant increase in Credit Risk		
d) Trade receivable Credit Impaired		
Other Receivables (a) + (b) + (c) + (d)	3 88 034	6 55 592
<b>Total</b>	<b>3 88 034</b>	<b>6 55 592</b>

## 9 CASH AND CASH EQUIVALENTS

Particulars	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
<b>Cash and cash equivalents</b>		
Balance with banks		
- on current account	2 06 73 189	24 34 07 256
- In Deposit Accounts	5 32 09 550	5 05 05 358
Cash on hand	27 92 553	10 24 162
	<b>7 66 75 292</b>	<b>29 49 36 776</b>
<b>Other Bank balances</b>		
<b>Total</b>	<b>7 66 75 292</b>	<b>29 49 36 776</b>

For information on Charge created on Assets refer note 33 of financial statements



## 10 OTHER FINANCIAL ASSETS

Particulars	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
<b>RECEIVABLE FROM NHAI</b>		
-Towards Grant	7 34 189	7 34 189
-Towards Retention Money		
-Towards Utilities		
-Towards Force Majeure		
-Towards Uniforms		
-Towards Vup	12 61 13 583	
-Towards WIM'S	3 41 939	3 41 939
-NHAI Receivables ETC	20 03 976	20 03 976
<b>Total</b>	<b>12 91 93 687</b>	<b>30 80 104</b>

## 11 . Current Tax Asset (Net)

Particulars	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
TDS Recoverable - FDR	5 110	
TDS Recoverable - Others	2 19 44 129	38 07 738
	<b>2 19 49 239</b>	<b>38 07 738</b>
<b>Current tax liabilities</b>		
Income tax payable		
Income tax payable		
MAT Credit Entitlement		
<b>Total</b>	<b>2 19 49 239</b>	<b>38 07 738</b>

## 12. Other Current Assets

Particulars	As at 31st March 2021	As at 31st March 2020
Prepaid Expenses	85 734	65 734
Staff advance	65 991	1 95 573
Rent receivable	6 86 737	7 32 943
Prepaid Insurance	5 75 299	5 82 636
Prepaid Internet & Surveillance	21 600	
Others	2234063	18002
<b>Statutory Dues</b>	<b>10 73 842</b>	<b>1 97 516</b>
GST-INPUT	71 211	71 211
Wellfare cess receivable	10 02 631	1 26 305
<b>Total</b>	<b>47 43 266</b>	<b>17 92 404</b>



## 13 Equity Share Capital

Particulars	(Amount in Rs.)	
	As at March 31, 2021	As at March 31, 2020
<b>Note: 1 SHARE CAPITAL</b>		
<b>AUTHORISED:</b>		
Equity Shares of Rs.10/- each	7 50 00 000	7 50 00 000
	<b>7 50 00 000</b>	<b>7 50 00 000</b>
<b>ISSUED, SUBSCRIBED &amp; PAID UP:</b>		
Equity Shares of Rs.10/- each fully paid up.	7 46 60 000	7 46 60 000
<b>Total</b>	<b>7 46 60 000</b>	<b>7 46 60 000</b>

**Foot Notes:**

i. Reconciliation of the number of shares outstanding at the beginning and as on 31st December' 2018

Particulars	As at March 31, 2021	
	Number	Amount in Rs.
Number of equity shares at the beginning of the Year	7 46 60 000	74 66 00 000
Equity shares issued during the year		
Less : Shares bought back during the year		
<b>Number of equity shares at the end of the Year</b>	<b>7 46 60 000</b>	<b>74 66 00 000</b>

The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting. During the period ended on 31.03.2018, no dividend is declared by Board of Directors. (Previous year - Nil) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the Shareholders

Shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company in aggregate;

Particulars	As at March 31, 2021	
	No. of shares held	% of Holding
Madhucon Infra Limited ( Holding Company)	3 80 55 000	50.98%
Madhucon Toll Highways Limited (Subsidiary of Holding company)	3 64 77 000	48.87%
Others	1 15 000	0.15%
<b>TOTAL</b>	<b>7 46 47 000</b>	<b>99.85%</b>
<b>iv. Details of shareholders holding more than 5% shares in the company</b>		
Name of the Shareholder	As at March 31, 2021	
	No. of shares held	% of Holding
<b>Equity shares of 10/- each fully paid</b>		
Madhucon Infra Limited ( Holding Company)	3 80 55 000	50.98%
Madhucon Toll Highways Limited (Subsidiary of Holding company)	3 64 77 000	48.87%
<b>TOTAL</b>	<b>7 45 32 000</b>	<b>99.85%</b>

## 14 Other Equity

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Grant	74 66 00 000	74 66 00 000
Less : Grant deferment till 2016-17	(16 70 42 282)	(16 70 42 282)
Less : Grant deferment for 2017-18	(3 70 84 290)	(3 70 84 290)
Less : Grant deferment for 2018-19	(3 70 84 290)	(3 70 84 290)
Less : Grant deferment for 2019-20	(12 36 44 668)	(12 36 44 668)
Less : Grant deferment for 2020-21	(12 33 06 842)	
Profit & Loss	(142 03 63 845)	(113 82 40 364)
<b>Total</b>	<b>(116 19 26 217)</b>	<b>(75 64 95 894)</b>

As on 31.02.2021, an amount of Rs. 19.05 Crores has been reclassified as long term borrowings which is hitherto classified as other equity.

**Movement in Other Equity**

Particulars	As at March 31, 2021	As at March 31, 2020
Statement of Profit and Loss		
Balance at beginning of the period	(94 77 40 364)	(86 76 04 826)
Net profit for the period / year	(28 36 53 210)	(8 01 35 538)
Other Comprehensive Income / (Expense)		
Capital Grant deferment till 2016-17		
Transfer from / (to) Debenture Redemption Reserves		
Transfer to Capital Redemption Reserves		
Excess depreciation charges to p&l in f.y - 19-20 , now rectified	15 29 729	
<b>Balance at end of the period</b>	<b>(122 98 63 845)</b>	<b>(94 77 40 364)</b>

**15 Long-term borrowings**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Secured Loans</b>		
From Banks	15 40 13 660	48 78 22 748
from financial institution		
<b>Less: Current Maturities of Term Loan</b>		
<b>Total(A)</b>	<b>15 40 13 660</b>	<b>48 78 22 748</b>
<b>Funded Interest Term Loan</b>		
From Banks,		
from financial institution,		
<b>Less: Current Maturities of Term Loan</b>		
<b>Total(B)</b>		
<b>Unsecured Loans</b>		
from related Parties	19 05 00 000	19 05 00 000
from other parties		
<b>Total(C)</b>	<b>19 05 00 000</b>	<b>19 05 00 000</b>
<b>Total(A+B+C)</b>	<b>34 45 13 660</b>	<b>67 83 22 748</b>

As on 31.02.2021, an amount of Rs. 19.05 Crores has been reclassified as long term borrowings which is hitherto classified as other equity.

**Terms of Repayment of Secured Loan:**

Indian Rupees Term Loans consists of Loans borrowed from a consortium of 4 banks as per common loan agreement dated 11.10.2006. The entire outstanding debt as per common loan agreement was re-structured and the loan amount was payable as per master restructure agreement dated 30.03.2013. During the company has not provided interest.

**Terms of Security:**

The company has executed loan documents and created security as per common loan agreement dated 11.10.2006 and master restructure agreement dated 30.03.2013.

**Terms of Repayment of Unsecured Loans:**

The unsecured loans are provided by the promoters of the company as per common loan agreement with senior lenders by way of subordinate loan. Such sub-ordinate loans interest and principal repayment shall be made after final settlement date. The date on which all the secured obligations have been discharged in full to the satisfaction of the lenders.

**16 Other Financial liabilities**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>A. Non-Current</b>		
Deposits	3 00 000	3 00 000





**17 Long Term Provisions**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Provision for Employee Benefits:</b>		
Provision for Gratuity	31 39 249	23 70 532
Provision for Leave Encashment	4 27 711	3 98 513
Provision for MMR	103 92 01 069	85 30 29 341
<b>Total</b>	<b>104 27 68 029</b>	<b>85 57 98 386</b>

**18 Trade payables**

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payables	45 82 046	22 35 410
a). Total Outstanding dues of Micro Enterprises and Small Enterprises		
b) Total Out standing dues of Creditors other than Micro and Small Enterprises		
<b>Total</b>	<b>45 82 046</b>	<b>22 35 410</b>

**19 Other Financial liabilities**

	As at March 31, 2021	As at March 31, 2020
<b>B. Current</b>		
Current maturity of long term debt	104 24 19 624	74 56 03 982
Retention Money to related parties		1 36 18 766
Retention money for other works	1 36 72 188	98 40 729
Others payables to Related Parties	15 52 96 630	14 02 45 433
Other with holding amount	3 36 65 536	1 11 82 023
<b>Total</b>	<b>124 50 53 978</b>	<b>92 04 90 933</b>

**20 Short Term Provisions**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Provision for Employee Benefits:</b>		
Provision for gratuity (current)	6 04 578	3 89 263
Provision for leave encashment (current)	1 53 904	1 42 883
Provision for Expenses	6 38 87 890	11 51 26 031
Other Provisions		3 49 811
<b>Total</b>	<b>6 46 46 372</b>	<b>11 60 07 988</b>

**21 Other Current liabilities**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Statutory Dues</b>		
Tax deducted at source	19 27 546	11 70 805
Professional Tax Payable	4 27 760	2 10 673
ESI Payable	- 581	13 470
GST Payable	1 66 41 955	30 88 399
Employee providend fund	7 55 287	5 68 687
Salary payable	36 07 326	33 28 771
Expenses for Creditors Payables	7 50 42 974	12 38 01 999
Audit Fee payable		88 500
<b>Total</b>	<b>9 84 02 267</b>	<b>13 22 71 304</b>



**TN(DK) EXPRESSWAYS LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021**

**22. Revenue from operations**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>Operating revenue:</b>		
Toll Collections	42 62 31 297	49 66 15 836
<b>Other operating revenue:</b>		
Rental Income - Toll Plaza	9 52 200	14 01 150
<b>Total</b>	<b>42 71 83 497</b>	<b>49 80 16 986</b>

**23. Other income**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Interest income from:		
Bank deposits	27 04 192	26 46 333
Inter-corporate deposits		
Others	27 04 192	26 46 333
Profit on sale of current investments		
Profit/(loss) on disposal of fixed assets		
Laibility Written Back		
Utility Shifting		
Capital reserve deferment	12 33 06 842	12 36 44 668
INCOME FROM TOILET BLOCK CONSTRUCTION		
INCOME FROM VUP	11 99 59 293	
INCOME FROM OTHERS	11 99 594	
INCOME FROM AMC-WIM's		
Other income		1 11 75 748
<b>Total</b>	<b>24 71 69 921</b>	<b>13 74 66 749</b>

**24 . Operating expenses**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Security Services	31 08 563	82 29 569
Toll Monitoring expenses	1 30 472	2 38 424
Toll Plaza Maintenance	4 67 45 700	2 42 84 405
Annual Maintenance Charges - Toll Plaza	12 82 500	14 16 176
Loss on Assets Discarded		
Electricity Charges	37 25 195	38 39 148
Repairs & Maintenance - Others		
Repairs - Maintenance		
Repairs - Maintenance - Site	12 26 964	8 23 828
Repairs - Maintenance - Computer	9 800	
D G Running & Maintenance - Site	25 94 319	20 91 021
Civil Works Wims and toilet block expns		
Independent Consultant charges	31 88 674	44 76 139
Highway Maintenance -Routine	1 14 82 585	78 26 711
Hire Charges	41 34 073	9 08 558
Highway Maintenance-Periodic	45 67 76 851	28 24 51 881
Vup work Expenses	11 13 22 224	
	<b>64 57 27 920</b>	<b>33 65 85 860</b>
Less: Income during Demonetisation		
<b>Total</b>	<b>64 57 27 920</b>	<b>33 65 85 860</b>



**25. Employee benefit expenses**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Salaries, wages and bonus	2 79 33 706	2 73 72 128
Contributions to and provisions for:		
Provident fund	11 30 957	10 68 408
ESI		48 030
Gratuity		
Compensated absences		
Retention pay		
Others		
Staff welfare expenses	19 99 838	13 77 116
<b>Total</b>	<b>3 10 64 501</b>	<b>2 98 65 682</b>

**26. Finance costs**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Interest on borrowings		
Interest on Service Tax and GST Penalties	42 324	36 700
Interest on TDS/Income Tax	4 00 770	85 093
Other Borrowing Cost		
Penal Interest		
Unwinding Interest Cost (MMR)	1 75 24 736	9 71 23 295
<b>Total</b>	<b>1 79 67 830</b>	<b>9 72 45 088</b>

Interest has not been provided since the date of loans become NPA

**27. DEPRECIATION AND AMORTISATION EXPENSES**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Depreciation	34 61 343	46 00 654
Amortisation	25 23 91 482	23 60 53 476
<b>Total</b>	<b>25 58 52 825</b>	<b>24 06 54 130</b>

**28. Other expenses**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Particulars		
Rent	13 82 124	14 63 026
Rates and taxes	57 372	74 577
Insurance	25 07 148	22 49 429
Conveyance	2 08 342	3 57 896
Travelling Expenses	3 29 494	5 59 343
Communication	1 44 860	2 24 708
<b>Maintenance Expenses</b>		
Office	2 85 719	3 46 175
Computer		
Legal & Professional Fee	14 90 125	50 61 917
Electricity Charges		
Security Services		
Tax Audit Fees		
<b>Payments to Auditors:</b>		
Audit Fees	7 47 996	2 82 900
Certification Charges		
Audit expenses	1 500	82 367
Bank Charges	61 404	1 00 875
Books and Periodicals		
Printing and Stationery	1 72 680	3 46 086
Subscriptions		
Concession Fee		
Miscellaneous expenses		72 069
Advertisement	4 788	47 145
<b>Total</b>	<b>73 93 552</b>	<b>1 12 68 513</b>





Disclosure of Financial Instruments by Category

Financial instruments by categories	Note No.	31.03.2021			31.03.2020		
		FVTPL	FVTOCI	Carrying value	FVTPL	FVTOCI	Carrying value
<b>Financial asset</b>							
Loans and advances	6			4 35 325			4 35 325
Trade receivable	8			3 88 034			6 55 592
Cash and cash equivalents	9			7 66 75 292			29 49 36 776
NHAI-Grant receivables	10			7 34 189			7 34 189
NHAI-Grant receivables-Utilities	10						
NHAI-Retention money	10						
NHAI - RECEIVABLE - FORCE MAJEURE COST	10			12 61 13 583			
NHAI - RECEIVABLE - UNIFORM CLAIMS	10			3 41 939			
NHAI - RECEIVABLE - VUP	10			20 03 976			
NHAI - RECEIVABLE - WIM'S	10						
-NHAI Receivables ETC	10						
<b>Total Financial Asset</b>				<b>20 66 92 338</b>			<b>29 71 03 821</b>

Financial liability

Term Loan from Banks and Financial Institution	15			34 45 13 660			67 83 22 748
Loans from other party							
Other Non-Current Financial Liabilities	16			3 00 000			3 00 000
Trade Payables	18			45 82 046			22 35 410
Other Current Financial Liabilities	19			124 50 53 978			92 04 90 933
<b>Total Financial Liabilities</b>				<b>159 44 49 684</b>			<b>160 13 49 091</b>

Default and breaches

There are no defaults with respect to payment of principal interest, sinking fund or redemption terms and no breaches of the terms and conditions of the loan., except delay in few cases  
There are no breaches during the year which permitted lender to demand accelerated payment.

30 Fair value of Financial asset and liabilities at amortized cost

Particular	Note no.	31.03.2021		31.03.2020	
		Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Assets</b>					
Loans and advances	6				
Trade receivable	8	4 35 325	4 35 325	4 35 325	4 35 325
Cash and cash equivalents	9	3 88 034	3 88 034	6 55 592	6 55 592
NHAI-Grant receivables	10	7 66 75 292	7 66 75 292	29 49 36 776	29 49 36 776
NHAI-Grant receivables-Utilities	10	7 34 189	7 34 189	7 34 189	7 34 189
NHAI-Retention money	10				
NHAI - RECEIVABLE - FORCE MAJEURE COST	10				
NHAI - RECEIVABLE - UNIFORM CLAIMS	10	12 61 13 583			
NHAI - RECEIVABLE - VUP	10	3 41 939	3 41 939	3 41 939	3 41 939
NHAI - RECEIVABLE - WIM'S	10	20 03 976			
-NHAI Receivables ETC					
<b>Total Financial Assets</b>		<b>20 66 92 338</b>	<b>8 05 78 755</b>	<b>29 71 03 821</b>	<b>29 71 03 821</b>
<b>Financial liability</b>					
Term Loan from Banks and Financial Institution	15	34 45 13 660	34 45 13 660	67 83 22 748	67 83 22 748
Loans from other party					
Other Non-Current Financial Liabilities	16	3 00 000	3 00 000	3 00 000	3 00 000
Trade Payables	18	45 82 046	45 82 046	22 35 410	22 35 410
Other Current Financial Liabilities	19	124 50 53 978	124 50 53 978	92 04 90 933	92 04 90 933
<b>Total Financial Liabilities</b>		<b>159 44 49 684</b>	<b>159 44 49 684</b>	<b>160 13 49 091</b>	<b>160 13 49 091</b>

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 value of Rupee Term Loan and Loan from Related Party approximate fair value as the instruments are at prevailing market rate.



31 Fair Value Measurement

Fair Value Measurement of Financial asset and Financial liabilities

Financial Asset & Liabilities Measured at Amortized cost for which fair values are to be disclosed	Note No.	Level 1 (₹)		Level 2 (₹)		Level 3 (₹)		Total (₹)
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	
<b>Financial Assets</b>								
Loans & advances	6			4 35 325	4 35 325			
Trade receivable	8			3 88 034	6 55 592			
Cash and cash equivalents	9			7 66 75 292	29 49 36 776			
NHAI-Grant receivables	10			7 34 189	7 34 189			
NHAI - RECEIVABLE - FORCE MAJEURE COST	10							
NHAI - RECEIVABLE - UNIFORM CLAIMS	10			3 41 939	3 41 939			
NHAI - RECEIVABLE - WIM'S	10			20 03 976	20 03 976			
NHAI - RECEIVABLE - ETC	10			7 85 74 779	29 71 03 821			
<b>Total of Financial Assets</b>								
<b>Financial Liabilities</b>								
Term Loan from Banks	15			15 40 13 660	48 78 22 748			
Loans from other party	16			19 05 00 000	19 05 00 000			
Other Non Current Financial Liabilities	18			3 00 000	3 00 000			
Trade Payables	18			45 82 046	22 35 410			
Other Current Financial Liabilities	19			124 50 53 978	92 04 90 933			
<b>Total of Financial Liabilities</b>				159 44 49 684	160 13 49 091			

Valuation technique and inputs used to determine fair value

Financial assets and liabilities	Valuation method	Inputs
<b>Financial assets</b>		
Trade receivable	Historical cost	Cash flow
Cash and cash equivalents	Historical cost	Cash flow
<b>Financial liabilities</b>		
Term Loan from Banks	Historical cost	Current Bank Rate
Loans from Related parties	Historical cost	Current Bank Rate

32 Asset pledged as security

Particulars	Note no	31.03.2021	31.03.2020
<b>Non Financial Asset</b>			
Property, Plant & Equipment	3	22423277.88	55,38,388
Intangible asset	4	2123480482	2,37,58,71,964
Capital Work in Progress	5	0	76,58,500
Other Financial Asset	6	435325	4,35,325
<b>Financial Asset</b>			
Trade receivable	8	388034	6,55,592
Cash and Cash Equivalents	9	76675292	29,49,36,776
<b>TOTAL</b>		<b>2,22,34,02,411</b>	<b>2,68,50,96,545</b>



**33 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 analyze 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.

**A) 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.

**i Foreign Currency Risk**

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

**ii Interest rate risk**

The Company has not Provided interest from the date of Term Loan Account became NPA

**iii Price risk**

The company is not exposed to price risk as it has no investment.

**B) 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 31,2021	Carrying Amount	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
Non Derivative Financial Liability					
Senior Debt from Banks	119 64 33 284	5 66 93 284	27 97 00 000	86 00 40 000	
Trade Payables	45 82 046	45 82 046			
Other Financial Liabilities	20 26 34 354	20 26 34 354			
Derivative Financial Liability	NIL	NIL	NIL	NIL	NIL



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	128 76 16 731	46 59 84 895	27 97 00 000	86 00 40 000	(31 81 08 164)
Trade Payables	16 66 737	16 66 737			
Other Financial Liabilities	19 93 57 478	19 93 57 478			
Derivative Financial Liability	NIL	NIL	NIL	NIL	NIL

### C) Credit risk

The company generally does not have trade receivables as collection of toll income coincide as and when the traffic passes through toll - plazas. . Hence, the management believes that the company is not exposed to any credit risk.



## 34 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

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

## a) List of related parties

<b>Ultimate Holding Company :</b>	Madhucon Projects Limited
<b>Holding Company :</b>	Madhucon Infra Limited
<b>Fellow Subsidiaries :</b>	Maducon Toll Highways Limited Trichy Tanjavur Expressways Limited
<b>Fellow Subsidiary of Holding Company :</b>	Madurai-Tuticorin Expressways Limited
<b>Key Managerial Personnel:</b>	K. Srinivas Rao ( Director w.e.f. 31-01-2006) M.Madhu ( Director w.e.f. 16-12-2009) Nama Rama Rao ( Director w.e.f. 14-02-2015)

## b) Disclosure of related party transactions:

Particulars	2020-21	2019-20
	Amount( ₹ )	Amount( ₹ )
<b>Reimbursement of expenses charged from (on their behalf)</b>		
<b>(i) Ultimate Holding Company</b>		
Madhucon Projects Limited		20 14 299
<b>ii Holding company</b>		
Madhucon Infra Limited	2 20 66 030	76 10 507
<b>Fellow subsidiaries</b>		
Madurai Tuticorin Expressways Limited	1 23 930	76 008
Trichy Tanjavur Expressways Limited	10 10 155	42 478
<b>(iii) Reimbursement of expenses charged to (on our behalf)</b>		
<b>Ultimate Holding company</b>		
Madhucon Projects Limited	78 000	25 62 617
<b>Holding company</b>		
Madhucon Infra Limited	2 34 47 536	23 95 020
<b>Fellow subsidiaries</b>		
Madurai Tuticorin Expressways Limited	82 515	1 62 807
Trichy Tanjavur Expressways Limited	10 24 495	33 053
<b>(iv) O&amp;M Maintenance Charges</b>		
<b>Holding company</b>		
Madhucon Infra Limited		4 69 27 070
	4 78 32 661	6 18 23 859





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

( Amount in Rs. )

Particulars	Amounts due (to)/from	
	As on 31st March 2021	As on 31st March 2020
<b>(i) Current Account Balances</b>		
<b>Holding Company</b>		
Madhucon Infra Limited	(5 27 04 752)	( 11 05 194)
<b>Fellow Subsidiaries</b>		
Madurai Tuticorin Expressways Limited	2 53 023	27 245
Trichy Tanjavur Expressways Limited	79 85 543	24 80 572
<b>(ii) Share Capital</b>		
<b>Ultimate Holding Company</b>		
Madhucon Projects Limited	(11 08 30 174)	( 11 50 000)
<b>Holding Company</b>		
Madhucon Infra Limited	(38 05 50 000)	(38 05 50 000)
Madhucon Toll Highways Limited	(36 47 70 000)	(36 47 70 000)
<b>(iii) Unsecured Loan</b>		
<b>Holding Company</b>		
Madhucon Infra Limited	(19 05 00 000)	(19 05 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 Current Account Balances and settlement does not occurs by cash.

There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2016: INR Nil, 1 April 2015: Nil). This assessment is undertaken each financial year through 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.

36 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.



**37 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	2020-21		2019-20	
		(₹)		(₹)
Basic and Diluted Profit after tax as per accounts (')	A	-283653210		-80135538
Weighted average number of shares outstanding	B	74660000		74660000
Basic and Diluted EPS (')	A / B	-3.8		0.52
Face value per equity share (')		10		10

**38 Disclosure pursuant to Ind AS 36 "Impairment of Assets"**

As at each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine:

- The provision for impairment loss, if any required; or
- The reversal, if any, required of impairment loss recognized in previous period.

Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In the case of an individual assets, at the higher of the net selling price and the value in use;
- In the cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's net selling price and the value in use;

(Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life).

ture discounted cash flows of the project facility, the recoverable amount is higher than the carrying amount and hence no provision for impa

**39 Disclosures as per Ind AS 37 - "Provisions, Contingent Liabilities and Contingent assets "****a) Nature of provisions:**

The company is required to operate and maintain the project highway during the entire concession period and hand over the project back to the Authority (NHAI) as per the maintenance standards prescribed in Concession agreement.

For this purpose, a regular maintenance along with periodic maintenances is required to be performed. Normally periodic maintenance includes resurface of pavements, repairs of structures and other equipments and maintenance of service roads.

As per industry practice, the periodic maintenance is expected to occur after 5 years. The maintenance cost / bituminous overlay may vary based on the actual usage during maintenance period. Accordingly on the grounds of matching cost concept and based on technical estimates, a provision for major maintenance expenses is reviewed and is provided for in the accounts annually.

**b) Movement in provisions:**

Particulars	Major maintenance provision	
	Amount( ₹ )	
Balance as at 01.04.2020		96,80,20,864
Additional provision		45,67,76,851
Utilised		(40,31,21,382)
Unused amounts reversed		-
Unwinding of discount and changes in discount rate		1,75,24,736
Total		1,03,92,01,069

**c) Contingent Liabilities :**

Claims against the Company not acknowledged as debt:

NHAI has levied penalty of Rs.77.56 Crs for delay in undertaking of Periodic maintenance works. The company has commenced Periodic Maintenance works.

The EPC Contractor for the project of the company has raised a claim on the company on account of Change/Variation in Scope of Work, Cost Escalation and additional works. The Company has also raised similar claim with NHAI.

**40 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.)

#### 41 Disclosure pursuant to Ind AS 38 - "Intangible Assets"

Intangible asset	Useful Life (in years)	Amortisation method used	Internally generated or Acquired
Software	5	Remaining useful life	Acquired
Carralgeeway	17.5	Straight Line/ Remaining useful life	Constructed

#### 42 First time adoption of Ind AS

These financial statements, for the year ended 31 March 2021, Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.



#### 43 Corporate Information

TN (DK) Expressways Limited was incorporated under the Companies Act, 1956, on 31st Day of January 2006 as a Special Purpose Vehicle for Design, Construction, Development, Finance, Operation and Maintenance of KM 305.600 (End of Karur Bypass) – KM 373.275 (Start of Proposed Flyover at Dindigul Bypass) Covering 68.125 Kms, and Improvement, Operation and Maintenance of KM 292.600 (Start of Karur Bypass) – KM 305.600 (End of Karur Bypass) covering 9.600 Kilometers on NH-7 in the State of Tamilnadu on Build, Operate and Transfer (BOT) basis. This contract was awarded by National Highway Authority of India. The Concession period comprises of 20 years which includes construction period of 30 months. At the end of the concession period, the entire facility will be transferred to NHAI.

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

45 Disclosure pursuant to Ind AS 19 "Employee benefits":

##### (i) Defined contribution plan:

An amount of `4,65,782/- (previous year : `6,02,840 ) being contribution made to recognised provident fund is recognised as expense and included under Empl

##### (ii) Defined benefit plans:

a) Characteristics of its defined benefit plans and risks associated with them

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

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

Particulars	Gratuity plan		Compensated absences	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	Amount( ₹ )	Amount( ₹ )	Amount( ₹ )	Amount( ₹ )
1 Current service cost	5 00 498	4 71 507		1 91 915
2 Interest on Defined benefit obligation	1 87 666	97 641	36 815	22 601
3 Expected return on plan assets				
4 Actuarial losses/(gains)	2 95 867	9 05 895	3 404	29 580
From changes in demographic assumptions				
From changes in financial assumptions				
5 Past service cost				
6 Actuarial gain/(loss) not recognised in books				
7 Adjustment for earlier years				
Total (1 to 7)	9 84 031	14 75 043	40 219	2 44 096
I Amount included in "employee benefit expenses"	9 84 031	14 75 043	40 219	2 44 096
II Amount included as part of "finance costs"				
Total (I + II)	9 84 031	14 75 043	40 219	2 44 096

Actual return on plan assets

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, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Opening balance of the present value of defined benefit obligation	27 59 795	12 84 752	5 41 395	2 97 299
Add: Current service cost	6 88 164	5 69 148	36 815	2 14 516
Add: Total Remeasurements included in ocl	2 95 867	9 05 895	3 404	29 580
Add: Interest cost				
Add: Contribution by plan participants				
i) Employer				
ii) Employee				
Add/(less): Actuarial losses/(gains)				
Less: Benefits paid				
Add: Past service cost				
Closing balance of the present value of defined benefit obligation	37 43 826	27 59 795	5 81 614	5 41 395

f) Principal actuarial assumptions at the Balance Sheet date:



Particulars				As at March 31, 2021	As at March 31, 2020
1)	Discount rate			8.00%	8.00%
2)	Salary growth rate			6.00%	6.00%
3)	Mortality			IALM 2006-08	IALM 2006-08
3)	Attrition rate			Ultimate	Ultimate
				15.00%	15.00%

g) A quantitative sensitivity analysis for significant assumption as at 31 March 2017

Particulars		Impact on defined benefit obligation					
		Change in assumptions		Increase in assumptions		Decrease in assumptions	
		31 March 2021	31-Mar-20	31 March 2021	31-Mar-20	31 March 2021	31-Mar-20
1)	Discount rate	1.00%	0.00%	7.26%	0.00%	-8.51%	0.00%
2)	Salary growth rate	1.00%	0.00%	-17.85%	0.00%	15.80%	0.00%
3)	Attrition rate	1.00%	0.00%	7.26%	0.00%	-8.51%	0.00%

46 Auditors Remuneration (Including Taxes) as follows:

Particulars	2020-21	2019-20
	0	0
a) As auditor	88 500	25 878
b) For taxation matters	2 89 100	-
c) For company law matters		-
d) For other services		12 390
<b>Total</b>	<b>3 77 600</b>	<b>38 268</b>

47 Components of Other Comprehensive Income

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

Particulars	2020-21	2019-20
	0	0
Remeasurement gains/(losses) on defined benefit plans	( 10 24 250)	14 611
Reclassified to Statement of profit and loss	( 10 24 250)	14 611

48 Disclosure pursuant to Ind AS 23 "Borrowing Costs"

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

Significant Accounting Policies & Notes to Financial Statements 1 & 2  
As per our report of even date

For GHOSHAL & GHOSAL

Chartered Accountants

Firm's Registration No.: 304013E

S.S.R.Gupta

Partner

Membership No.: 023640

Place : Hyderabad

Date :

For and on behalf of the Board of

TN(DK) EXPRESSWAYS LIMITED

NAMA RAMA RAO

Director

DIN - 02984867

Place : Hyderabad

Date :

A. Dananjaya  
AGM (F&A)





**INDEPENDENT AUDITOR'S REPORT**

To,  
**The Members of TN (DK) Expressways Limited**

**Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone financial statements of **TN (DK) Expressways Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2021, 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 Matter**

**TN (DK) Expressways Limited (TNDK) has taken loans from different financial institutions. Now those loans became NPAs.**

**Interest on such loans has been provided for till the day of becoming NPAs and to the extent interest has been paid afterwards. Hence, interest has not been recognized for part of the year on both long term and short term portions of loans.**

**An amount of Rs.19.05 Crores hitherto shown as part of other equity from group companies has been now reclassified as Long term borrowings and the same have been reclassified and regrouped in previous years for comparison purpose resulting in the overstatement of long term borrowings and corresponding understatement of Equity.**

**The provision for MMR has not been provided in accordance with the future requirements as estimated**

### **Other Matters**

*Further to the continuous spreading of COVID-19 across India, there was a virtual & non movement of people various state governments announced a strict lockdown in the month of May, 2021 and further extended to control the spread of virus. This has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the standards on auditing prescribed by the Institute of Chartered Accountants of India (ICAI).*

*As a result of the above, the entire of audit was carried out based on remote access of the data as provided by the management. This has been carried out based on the advisory on "Specific considerations while conducting distance audit / remote audit / online audit under COVID-19 situation" We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the company without any further manual modifications.*



*We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.*

*Our audit opinion is not modified in respect of the above.*

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, **subject to our comments above under the emphasis of matters**, 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 IndAS:

- a) In the case of the Balance Sheet of the statement of affairs of the company as at March 31, 2021.
- b) In the case of Profit and Loss Account, of the profit/loss for the year ended as on March 31, 2021.
- c) In the case of the Cash Flow Statement, of the cash flows year ended as on March 31, 2021.

## **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 Ind 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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of on 164 (2) of the Act;
- (f) According to the information and explanation given to us, the company is in the process of establishing its internal financial control over financial reporting on criteria based on or considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting issued.



(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 other than the claims with NHAI which would impact its financial position.
- 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.
- iv. No deferred tax provisions have been made in view of the estimation of inadequate revenue in future to adjust the same.

**FOR GHOSHAL & GHOSAL**

**Chartered Accountants**

**Firm Reg. No. 304013E**



**(SSR Gupta)**

**Partner**

**M. No. 023640**

**Hyderabad**

**Date: 25.06.2021**



## Annexure - A to the Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of **TN (DK) Expressways Limited** ("The Company") on the standalone Ind AS financial statements for the year ended 31 March 2021, we report that:

- 1) 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.
- 2) 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.
- 3) 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.
- 4) 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.
- 5) The Company has not accepted deposits and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable to the Company.
- 6) Maintenance of cost records has been prescribed by the Central Government under section 148(1) of the Companies Act, 2013 and the Company has maintained records.
- 7) (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.**
- (b) According to the information and explanations given to us, there are no dues which have not been deposited on account of any dispute of income tax or sales or service tax or duty of customs or duty of excise or value added tax.
- 8) The Company has taken term loans from various banks and financial institutions. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year.
- 9) 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) and term loans during the year.





- 10) 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.
- 11) 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.
- 12) 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.
- 13) 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.
- 14) According to the information and explanations give 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.
- 15) 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.
- 16) 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 **TN (DK) Expressways Limited** ("the Company") as of 31 March 2021 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 2021, 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.

