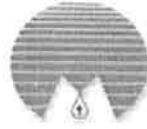


O/C.



MADHUCON

TN (DK) EXPRESSWAYS LIMITED

**14TH
ANNUAL REPORT
2019-2020**



MADHUCON

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, 4th Floor, Eureka Court, Behind Image Hospitals,
Ameerpet, Hyderabad-500073

REGISTERED OFFICE:

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

CONSORTIUM BANKERS:

State Bank of India
Bank of Maharashtra
Vijaya Bank
Andhra Bank



TN (DK) EXPRESSWAYS LIMITED
NOTICE OF 14TH ANNUAL GENERAL MEETING

To
The Members of
TN (DK) Expressways Limited

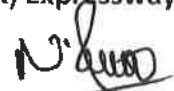
NOTICE is hereby given that the 14th Annual General Meeting of the Members of **TN (DK) Expressways Limited (CIN: U45200TG2006PLC048941)** will be held on **Tuesday, 27th October 2020** at Registered office of the Company Situated at Madhucon House, Plot No.1129/A, Road No. 36, Hitech City Road, Jubilee 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, 2020, together with the reports of the Board of Directors and the Auditors thereon.
2. To appoint Director in place of Sri. Srinivasa Rao Kamma (**DIN: 00022855**), who retires by rotation and being eligible, offers himself for reappointment.

Place: Hyderabad
Date: 17.08.2020

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

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

FORM NO. MGT-11

PROXY FORM

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

14TH ANNUAL GENERAL MEETING- At Tuesday, 27th October 2020

At Registered Office of the Company

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

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

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 14th Annual general meeting of the Company, to be held on ----- 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, 2020, together with the reports of the Board of Directors and the Auditors thereon.		
2	To appoint Director in place of Sri. Srinivasa Rao Kamma (DIN: 00022855), who retires by rotation and being eligible, offers himself for reappointment		

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

Signature of Shareholder

TN (DK) EXPRESSWAYS LIMITED
DIRECTORS' REPORT

To
The Members of
TN (DK) Expressways Limited

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

Financial highlights

Particulars	2019-20	2018-19
	Rs.	Rs.
Operating Income	49,80,16,986	49,08,57,338
Other Income	13,74,66,749	4,67,22,455
Total Income	63,54,83,735	53,75,79,793
Operating Expenses	33,65,85,860	26,93,78,959
Employee benefit Expenses	2,98,65,682	1,56,69,835
Finance Costs	9,72,45,088	13,81,55,564
Depreciation and Amortisation Expenses	24,06,54,130	15,11,72,531
General and Administration Expenses	1,12,68,513	1,83,93,007
Total Expenses	71,56,19,273	59,27,69,896
Profit / (Loss) from Continuing Operations	(8,01,35,538)	(5,51,90,103)
Add: Other Comprehensive income	Nil	Nil
Total Comprehensive Income for the Period	(8,01,35,538)	(5,51,90,103)

Dividend

During the year 2019-20, Company has not recommended dividend any dividend.

Transfer to reserves

Due to losses in fiscal 2020, 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. Srinivasa Rao Kamma (DIN: 00022855), who retires by rotation and being eligible, offers himself for reappointment.

Directors' responsibility statement

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

- a. That in the preparation of annual accounts for the financial year ended 31st March, 2020; the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- b. That the Directors have selected Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company, at the end of the financial year and of the profit or loss of the Company for that period.
- c. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- d. That the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively.

- e. That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Formal annual evaluation of directors

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

Evaluation Criteria:

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

Compliance with secretarial standards on board meetings and general meetings:

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

Board meetings

The Board met 4 (Four) times during the financial year 2019-20 on May 27, 2019; September 19, 2019; October 25 and January 16, 2020. The Maximum interval between any two meetings did not exceed 120 days.

First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
Meeting No.	Date	Meeting No.	Date	Meeting No.	Date	Meeting No.	Date
107	27.05.2019	108	19.09.2019	109	25.10.2019	110	16.01.2020

Statutory auditors

M/s. Ghoshal & Ghoshal, Chartered Accountants, Hyderabad (Firm Regn. No. 304013E), were appointed as statutory Auditors of your Company at the Annual General Meeting of the Company held on 22nd September, 2017 for a term of 5 (Five) consecutive years. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by Members at every Annual General Meeting. In accordance with the Companies Amendment Act, 2017, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

State of company's affairs and board's response to observations in audit report

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.

Secretarial audit report

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

Composition of audit committee:

The 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 2019-20 were in the ordinary course of business at arms-length price and the Particulars of contracts or arrangements with related parties in form No. AOC-2 as required pursuant to provisions of Section 134(3)(h) and Rule 8 of Companies (Accounts) Rules, 2014 are as per Annexure - II and forms part of this report.

Particulars of loans, investments, guarantees and securities

Loans, Guarantees and Investments of the Company were in 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 2019-2020. The Company is continuously monitoring and identified the gaps if any, and implements improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

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

Vigil mechanism

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

Risk management policy

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

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

Your Company has always believed in providing a safe and harassment free workplace for every individual working in company's premises through various interventions and practices. The

Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

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

Acknowledgements

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

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



**Nama Rama Rao
Director
DIN: 02984867**



**Madhu Malampati
Director
DIN: 00368625**

Place: Hyderabad
Date: 17.08.2020

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	Madhucon House, Plot No.1129/A, 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, Selenium Building Financial District, Nanakramguda, Gachibowli, Hyderabad, Telangana 500032

II. Principal business activities of the company:

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

S. No.	Name and Description of main products / services	NIC/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]

i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.	0	0	0	0	0	0	0	0	0
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Non Resident Indians	0	0	0	0	0	0	0	0	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	74632000	28000	74660000	100	74632000	28000	74660000	100	0

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 shareh olding during the year
		No. of Shares	% of total Share s of the comp any	%of Shares Pledged / encumber ed to total shares	No. of Shares	% of total Shares of the compa ny	%of Shares Pledged /encumbe red to total shares	
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 2019-20

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 01.04.2019	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 31.03.2020	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 2019-20.

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 2019-20. On these grounds, this heading is not applicable.

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

Place: Hyderabad
Date: 17.08.2020


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	

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

Place: Hyderabad
Date: 17.08.2020


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, 2020

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, 2020 Not complied with the some of the statutory provisions listed here under and also that the company has no Proper Composition of the Board and compliance mechanism in place to the extent, in the manner and subject to the reporting made here in after:

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

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

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



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 Company has not complied the provision of Section 203 of the Companies Act, 2013 regarding KMP appointment as there is no CFO and Company Secretary and not appointed the managing Director or Whole time Directors or CEO to Manage the day to day affairs of the Company.
- ii) 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 The Hon'ble High Court,Telangana suspended the above Orders.
- iii) 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.
- iv) The Company has yet to be filed e-Form DPT-3 Required under the provisions of Rule 16A(3) of the Companies(Acceptance of deposits Rules)2014 of the Companies Act,2013.
- v) The Company is having Three Directors in the Board, and there is no Independent Directors in the Board of the Company and so the Company is not in a position to form Audit Committee and Nomination and Remuneration Committee in the absence of Definition of the word wholly owned subsidiary, company is defending himself by MCA Circular No.09/2017 dated 05.09.2017 as wholly owned subsidiary and take exemption to mandatory appointment of independent directors required under Rule 4 of Chapter XI The Companies (Appointment and Qualifications of Directors) whereas as of my opinion it is mandatory to comply with the act and to form the Audit Committee and Nomination and Remuneration Committee.
- vi) 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	WP No.1387/2020, Hon'ble High Court of Telangana, Hyderabad	TNDK filed Writ Petition against SBI to strictly abide waterfall mechanism	Not Applicable
2.	The Company has pending litigation at the Madurai Bench of The Honorable High Court of Madras, Bench made by Bus Owner's Association against Madurai plaza to direct the concessionaire to collect 50% of toll fee. However the Honorable High Court ordered to collect 70% of toll fee from 21.12.2018 onwards till the relevant section of NH-45 B toll highway has been fully repaid as per the specifications in the Concession Agreement.		

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

- a. Maintenance of various statutory registers and documents and making necessary entries therein;
- b. Closure of Register of Members;
- c. Forms, returns, documents and resolutions required to be filed with the Registrar of Companies, Regional Director, Central Government, National Company Law Tribunal (NCLT) or other Authorities;
- d. Service of documents by the Company on its Members, Stock Exchanges, Auditors and the Registrar of Companies;
- e. Notice of Board and various Committee meetings of Directors;
- f. The meetings of Directors and all the Committees of Directors and passing of circular resolutions;
- g. notice and convening of Annual General Meeting held on 30th August 2019
- h. Minutes of the proceedings of the Board Meetings, Committee Meetings and General Meetings;
- i. Approvals of the Board of Directors, Committee of Directors, Members and Government Authorities, where ever required;
- j. Payment of remuneration to Directors, Managing Director and Executive Directors;
- k. Appointment and Remuneration of Statutory Auditors and



Cost Auditors;

- l. Transfer and transmission of the Company's shares, issue and allotment of shares and issue and delivery of certificates of shares;
- m. Borrowings and registration of charges;
- n. Report of the Board of Directors;
- o. Investment of the Company's funds including inter-corporate loans and investments;
- p. Generally, all other applicable provisions of the Act and the Rules there under.

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

I further report that the Company has defaulted in repayment of dues to banks for the year ended 31st March, 2020. All the 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: 17.08.2020


S V Krishna Reddy
Proprietor

(ACS 53083; CP 19542)
UDIN: A053083B000638901



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




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

Place: Hyderabad
Date: 17.08.2020



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 31st March, 2020, the statement of Profit and Loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information, (herein after referred to as "standalone Ind AS financial statements")

Management's Responsibility for the Standalone Financial Statements

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

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those

HYDERABAD : Flat No 204, Anand Plaza, Opp. R.R. District Collectorate, Lakdikapul, Hyderabad - 500 004. Tel : +91 40-23240128, Mob : +91 94418 29833

VIJAYAWADA : 27-23-32, Usha Estates, Gopalareddy Road, Governor pet, Vijayawada - 520 002. Tel : +91-866-2577886, Mob : +91 94401 75836

E-mail : ssrgupta@rediffmail.com

HEAD OFFICE : KOLKATA - BRANCHES : BANGALORE, DHANBAD, RANCHI, COCHIN, BEHAR

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

The company has taken loans from different financial institutions. Now those loans became NPAs. Interest on these loans have not been provided for.

Provision for Maintenance and related unwinding have not been made as per IND AS provisions. The provisions should have been made at Rs.1972.99 lacs in stead of Rs.3795.75 lacs.

This has resulted in the loss being declared at Rs.801.35 lacs in stead of profit at Rs.1021.40 lacs

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

Basis for qualification

As mentioned in the emphasis of matters, accordingly, the equity has been understated by Rs.1822.76 lacs and the profit has been understated by Rs.1822.76 lacs.

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 Ind AS:

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

Basis for qualification

This Report is qualified due to the short provision of MMR in respect of maintenance and unwinding of interest. Consequently, the loss is under stated and equity is under stated by Rs.18,22,76,076/-

Report on Other Legal and Regulatory Requirements

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



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

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

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

(c) The Balance Sheet, the Statement of Profit and Loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

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

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

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

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

- i. *The Company has pending litigation at the Madurai Bench of The Honorable High Court of Madras, Bench made by Bus Owner's Association against Madurai plaza to direct the concessionaire to collect 50% of toll fee. However the Honorable High Court ordered to collect 70% of toll fee from 21.12.2018 onwards till the relevant section of NH-45 B toll highway has been fully relaid as per the specifications in the Concession Agreement.*
- 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.

FOR GHOSHAL & GHOSAL

Chartered Accountants



SSR Gupta
(Partner)

M. No. 023640

Hyderabad.

UDIN NO:- 20023640AAADG3779

Date : 17-08-2020

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 2020, 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.
- 2) The Company does not carry any 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. Hence, reporting under clause (a) to (c) of Para 3(iii) are not applicable.
- 4) The Company has not entered into any transaction in respect of loans, investments, guarantee and securities, which attracts compliance to the provisions of the sections 185 and 186 of the Companies Act, 2013. Hence reporting under clause (a) to (c) of Para 3(iii) are not applicable.
- 5) The Company has not accepted deposits and the derivatives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable to the Company.
- 6) Maintenance of cost records has been prescribed by the Central Government under section 148(1) of the Companies Act, 2013 and the records are maintained.
- 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, Excise duty, Customs duty, VAT etc. and any other statutory dues to the appropriate authorities **though there has been a delay in few cases.**
- 8) The Company has taken term loans from banks and financial institutions.
- 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 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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



TN(DK) EXPRESSWAYS LIMITED

BALANCE SHEET AS AT 31 March 2020

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current Assets			
Property, plant and equipment	3	5,538,388	97 15 688
Capital work-in-progress	5	76 58 500	76 58 500
Investment Property			
Intangible assets	4	237 58 71 964	251 19 27 546
(i) under SCA			
(ii) others			
Intangible assets under development			
Financial assets			
(i) Investments			
(ii) Loans	6	4 35 325	4 59 690
(iii) Other financial assets			
Tax assets			
(i) Deferred Tax Asset (net)			
Other non-current assets	7	17 54 084	86 85 308
Total Non-current Assets		239 12 58 261	253 84 46 732
Current Assets			
Financial assets			
(i) Current Investment			
(ii) Trade receivables	8	6 55 592	1 20 984
(iii) Cash and cash equivalents	9	29 49 36 776	9 41 88 700
(iv) Other bank balance			
(v) Other financial assets	10	30 80 104	99 95 563
(c) Current tax assets (Net)	11	38 07 738	43 96 459
Other current assets	12	17 92 404	51 53 667
Assets classified as held for sale			
Total Current Assets		30 42 72 614	11 38 55 373
Total Assets		269 55 30 875	275 23 02 105
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	74 66 00 000	74 66 00 000
Other Equity	14	-56 59 95 894	-36 22 15 688
Equity attributable to owners of the Company			
Non-controlling Interests			
Total Equity		18 06 04 106	38 43 84 312
LIABILITIES			
Non-current Liabilities			
Financial Liabilities			
(i) Long-term borrowings	15	48 78 22 748	82 16 31 836
(ii) Trade payables			
(iii) Other financial liabilities	16	3 00 000	4 84 800
Provisions	17	85 57 98 386	83 36 13 577
Deferred tax liabilities (Net)			
Other non-current liabilities			
Total Non-current Liabilities		134 39 21 134	165 57 30 213
Current Liabilities			
Financial liabilities			
(i) Borrowings			
(i) Trade payables	18	22 35 410	16 66 737
(ii) Other financial liabilities	19	92 04 90 933	66 53 42 373
Provisions	20	11 60 07 988	23 50 325
(c) Current tax liabilities (Net)			
Other current liabilities	21	13 22 71 304	4 28 28 144
Total Current Liabilities		117 10 05 635	71 21 87 579
Total Liabilities		251 49 26 769	236 79 17 792
Total Equity and Liabilities		269 55 30 875	275 23 02 105

 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.: 3040136

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

Place : Hyderabad

Date : 17-08-2020

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

 M. Madhu
 Director
 DIN - 00368625

 A. Ramujaya
 SGM(F&A)

 NAMA RAMA RAO
 Director
 DIN - 02984867

TN(DK) EXPRESSWAYS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from operations	22	49 80 16 985	49 08 57 338
Other income	23	13 74 66 749	4 67 22 455
Total Income		63 54 83 735	53 75 79 793
Expenses			
Operating expenses	24	33 65 85 860	26 93 78 959
Employee benefits expenses	25	2 98 65 682	1 56 69 835
Finance costs	26	9 72 45 088	13 81 55 564
Depreciation and amortisation expenses	27	24 06 54 130	15 11 72 531
Other expenses	28	1 12 68 513	1 83 93 007
Total expenses		71 56 19 273	59 27 69 896
Add: Share of profit/(loss) of associates			
Add: Share of profit/(loss) of joint ventures			
Profit before exceptional items and tax		-8 01 35 538	-5 51 90 103
Add: Exceptional items			
Profit before tax		-8 01 35 538	-5 51 90 103
Remeasurements of the defined benefit plans			
Less: Tax expense			
(1) Current tax			
(2) MAT credit entitlement			
(2) Deferred tax			
Profit for the period from continuing operations (I)		-8 01 35 538	-5 51 90 103
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
(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			
B (i) Items that may be reclassified to profit or loss			
(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			
Total other comprehensive income			
Total comprehensive income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)		-8 01 35 538	-5 51 90 103

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. F 223640
Place : Hyderabad

Date : 17-08-2020

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

M. Madhu
Director
DIN - 00368625

NAMA RAMA RAO
Director
DIN - 02984867

A. Panwar
A.C.M. (F&A)

TN(DK) EXPRESSWAYS LIMITED
Statement of Cash flows for the period ending 31st March 2020

S. No.	Particulars	2019-20	2018-19
A	Net profit / (loss) before tax and extraordinary items	-8 01 35 538	-5 51 90 103
	Adjustment for		
	Depreciation and amortisation expense	24 06 54 130	15 11 72 531
	Interest expense	9 72 45 088	13 81 55 564
	Interest income	- 26 46 333	- 30 53 287
	Capital grant deferment	-12 36 44 668	-3 70 84 290
	Provision for major maintenance	28 24 51 881	18 95 25 594
	Operating profit before working capital changes	41 39 24 560	38 35 26 009
	Adjustments for:		
	Increase / (Decrease) in long term provisions	-26 02 67 072	-6 09 01 080
	Increase / (Decrease) in trade payable	5 68 673	- 19 62 005
	Increase / (Decrease) in other current liabilities	8 94 43 160	4 03 49 871
	Increase / (Decrease) in other current financial liabilities	25 51 48 560	18 63 04 426
	Increase / (Decrease) in other Non-current financial liabilities	- 1 84 800	- 1 200
	Increase / (Decrease) in short term provisions	11 36 57 663	-1 93 24 268
	(Increase) / Decrease in other non-current assets	69 31 224	- 33 25 754
	(Increase) / Decrease in Trade Receivables	- 5 34 608	8 645
	(Increase) / Decrease in loans and advances	24 364	1 27 086
	(Increase) / Decrease in other financial asset	69 15 459	- 13 71 160
	(Increase) / Decrease in other current assets	33 61 263	- 38 88 146
	Net cash generated from/(used in) operating activities	62 89 88 446	51 95 42 424
	Direct taxes paid (net of refunds)	5 88 721	- 37 69 578
	Net Cash(used in)/generated from Operating Activities	62 95 77 167	51 57 72 846
B	Cash flow from investing activities		
	Construction Work-in-Progress		- 63 00 200
	Purchase of fixed assets	- 4 21 248	- 19 85 202
	Interest received	26 46 333	30 53 287
	Net cash (used in)/generated from investing activities	22 25 085	- 52 32 115
C	Cash flow from financing activities		
	Proceeds from issue of capital		
	Proceeds from long term borrowings		
	Repayment of long term borrowings	-33 38 09 088	-33 71 69 115
	Proceeds/repayment from/of Letter of Credit		
	Deferred payment liability		
	Interest paid	-9 72 45 088	-13 81 55 564
	Net cash (used in)/generated from financing activities	-43 10 54 176	-47 53 24 679
	Net Increase / (decrease) in cash and cash equivalents (A+B+C)	20 07 48 075	3 52 16 052
	Cash and cash equivalents as at the beginning of the year	9 41 88 700	5 89 72 648
	Cash and cash equivalents as at the end of the year	29 49 36 775	9 41 88 700
		29 49 36 776	9 41 88 700

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 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 : 17-08-2020

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

M.Madhu
Director
DIN - 00368625

NAMA RAMA RAO
Director
DIN - 0298486

A. Ganumjaya
AGI(F&A)

Corporate Information

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 has levied penalty of Rs.77.56 Crs for delay in undertaking of Periodic maintenance works. The company has neither paid nor made any provision for the same. The company has commenced Periodic Maintenance works.

2.01 Basis of preparation

The Company's financial statements for the period ending 31st December, 2018 comply in all material respects

(b) Basis of measurement

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

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.

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) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable rate.

c) Fair value gains on current investments carried at fair value are included in other income.

d) Other items of income are recognised as and when the right to receive arises. The proportionate part of capital

e) Cash and bank balances

Cash and bank balances with the bank.

2.04 Cash flow statement

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities.

2.05 Current & Non Current classification :

Current Asset :

2.06 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.

2.07 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

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

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.

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.

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.



TRIDEX EXPRESSWAYS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDING 31ST MARCH 2020
3. Property Plant and Equipment

Particulars	Cost or Deemed Cost				Accumulated Depreciation and Impairment				Carrying Amount
	Balance as at 1st April 2019		Additions		Originate		Balance as at 31st March 2020		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Property Plant and Equipment									
Land	17,20,000				17,20,000				17,20,000
Plant and Machinery	3,19,47,036	5,67,499			3,25,14,535				3,25,14,535
Office equipment	8,13,276	63,500			8,80,776				8,80,776
Computers	6,18,666				6,18,666				6,18,666
Furniture & Fixture	2,90,619	30,220			3,20,839				3,20,839
Motor Car	17,00,914				17,00,914				17,00,914
TOTAL	3,83,00,505	4,31,219			3,87,31,724				3,87,31,724

PREVIOUS YEAR 2018-19

Particulars	Cost or Deemed Cost				Accumulated Depreciation and Impairment				Carrying Amount
	Balance as at 1st April 2018		Additions		Disposals		Balance as at 31st March 2019		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Property Plant and Equipment									
Land	17,20,000				17,20,000				17,20,000
Plant and Machinery	3,17,56,346	1,90,686			3,19,47,036				3,19,47,036
Office equipment	8,13,276				8,13,276				8,13,276
Computers	4,95,146				4,95,146				4,95,146
Furniture & Shure	2,49,913				2,49,913				2,49,913
Motor Car	17,00,914				17,00,914				17,00,914
TOTAL	3,49,34,029	1,90,686			3,68,65,715				3,68,65,715

4. Intangible Assets

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		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Copyright - Toll Collection Rights	3,07,75,453		3,07,75,453		58,56,357	23,63,876		63,76,653	237,58,852
Computer Software	3,00,301		3,00,301		2,90,267	1,000		2,90,729	6,820
TOTAL	3,10,75,754		3,10,75,754		59,50,224	24,63,876		66,67,382	244,41,372

4. Intangible Assets-2018-19

Particulars	Cost or Deemed Cost				Accumulated Depreciation and Impairment				Carrying Amount
	Balance as at 1st April 2018		Additions		Balance as at 31st March 2019		Disposals		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Copyright - Toll Collection Rights	3,07,75,453		3,07,75,453		14,61,68,815			50,50,92,226	2,53,19,525
Computer Software	3,00,301		3,00,301		64,716			2,81,415	6,744
TOTAL	3,10,75,754		3,10,75,754		14,62,33,531			50,59,73,726	2,59,92,269

5. Capital Work-in-Progress

S. CHAITANYA WORKING PAPER	Particulars	Cost or Deemed Cost				Accumulated depreciation and impairment				Carrying Amount
		Balance as at 1st April 2019		Additions		Disposals		Balance as at 31st March 2020		
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
	Plant & Machinery	79,59,500		79,59,500			79,59,500			79,59,500
	ETC Equipment									
	TOTAL	79,59,500		79,59,500			79,59,500			79,59,500

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

Particulars	As at 31st March 2020 Rs.	As at 31st March 2019 Rs.
Investment in Equity Instruments	-	-
Investments in debentures or bonds	-	-
Total	-	-

6. TERM LOANS AND ADVANCES

Particulars	As at 31st March 2020 Rs.	As at 31st March 2019 Rs.
Unsecured, considered good		
Loans to related parties		
Capital Advances for Capital Works		
Security Deposits	4 35 325	4 59 680
Total	4 35 325	4 59 680

7. OTHER NON-CURRENT ASSETS

Particulars	As at 31st March 2020 Rs.	As at 31st March 2019 Rs.
Non-Current Advances to Suppliers	22 358	28 27 670
Retention Money	1 06 154	3 37 565
Deposits & Refunds	16 25 532	55 20 073
Total	17 54 044	86 85 308

8. TRADE RECEIVABLES

Particulars	As at 31st March 2020 Rs.	As at 31st March 2019 Rs.
Unsecured, considered good		
Receivables outstanding for period exceeding six months		
Other Receivables	6 55 562	1 20 984
Total	6 55 562	1 20 984

9. CASH AND CASH EQUIVALENTS

Particulars	As at 31st March 2020 Rs.	As at 31st March 2019 Rs.
Cash and cash equivalents		
Balance with banks		
- on current account	24 54 07 258	4 72 51 386
- In Deposit Accounts	5 05 05 358	4 48 56 833
Cash on hand	10 24 162	20 80 501
	29 49 36 776	9 41 88 700
Other Bank balances		
Total	29 49 36 776	9 41 88 700

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

10. OTHER FINANCIAL ASSETS

Particulars	As at 31st March 2020 Rs.	As at 31st March 2019 Rs.
RECEIVABLE FROM NHAI		
-Towards Grant	7 34 189	7 34 189
-Towards Retention Money		
-Towards Utilities		
-Towards Force Majeure		74 71 104
-Towards Uniforms		
-Towards WIM'S	3 41 999	17 90 270
-NHAI Receivables ETC	20 03 976	
Total	30 80 104	98 95 563

11. Current Tax Asset (Net)

Particulars	As at 31st March 2020 Rs.	As at 31st March 2019 Rs.
TDS Recoverable - FDR		36 27 866
TDS Recoverable - Others	36 07 738	7 69 099
	36 07 738	43 96 459
Current tax liabilities		
Income tax payable		
Income tax payable		
MAT Credit Entitlement		
Total	36 07 738	43 96 459

12. Other Current Assets

Particulars	As at 31st March 2020 Rs.	As at 31st March 2019 Rs.
Prepaid Expenses	65 734	39 570
Staff advance	1 95 573	40 412
Rent receivable	7 32 943	3 67 770
Prepaid Insurance	5 82 636	1 37 909
Prepaid Internet & Surveillance		38 232
Others	16 002	41 13 245
Statutory Dues	1 97 816	4 17 135
GST Input	71 211	71 211
Warehouse receivable	1 26 305	3 45 924
Total	17 92 404	51 53 667



13 Equity Share Capital

(Amount in Rs.)

Particulars	As at March 31, 2020	As at March 31, 2019
Note: 1 SHARE CAPITAL		
AUTHORISED:		
Equity Shares of Rs.10/- each	7 50 00 000	7 50 00 000
	7 50 00 000	7 50 00 000
ISSUED, SUBSCRIBED & PAID UP:		
Equity Shares of Rs.10/- each fully paid up.	7 46 60 000	7 46 60 000
Total	7 46 60 000	7 46 60 000

Foot Notes:

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

Particulars	As at March 31, 2020	
	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		
Number of equity shares at the end of the Year	7 46 60 000	74 66 00 000

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, 2020	
	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%
TOTAL	7 46 47 000	99.85%

iv. Details of shareholders holding more than 5% shares in the company

Name of the Shareholder	As at March 31, 2020	
	No. of shares held	% of Holding
Equity shares of 10/- each fully paid		
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%
TOTAL	7 45 32 000	99.85%

14 Other Equity

Particulars	As at March 31, 2020	As at March 31, 2019
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 35 44 668)	
Equity Component of Unsecured Loan	19 05 00 000	19 05 00 000
Profit & Loss	(113 82 40 364)	(105 81 04 826)
Total	(56 59 95 894)	(36 22 15 688)



Movement in Other Equity

Particulars	As at March 31, 2020	As at March 31, 2019
Statement of Profit and Loss		
Balance at beginning of the period	(86 76 04 826)	(81 24 14 723)
Net profit for the period / year	(8 01 35 538)	(5 51 90 103)
Other Comprehensive Income / (Expense)		
Capital Grant deferment till 2016-17		
Transfer from / (to) Debenture Redemption Reserves		
Transfer to Capital Redemption Reserves		
Balance at end of the period	(94 77 40 364)	(86 76 04 826)

15 Long-term borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
Secured Loans		
From Banks	48 78 22 748	82 16 31 836
from financial institution		
Less: Current Maturities of Term Loan		
Total(A)	48 78 22 748	82 16 31 836
Funded Interest Term Loan		
From Banks,		
from financial institution,		
Less: Current Maturities of Term Loan		
Total(B)		
Unsecured Loans		
from related Parties		
from other parties		
Total(C)		
Total(A+B+C)	48 78 22 748	82 16 31 836

Terms of Repayment of Secured Loans:

Indian Rupees Term Loans consists of Loans borrowed from a consortium of / bankers. During the Financial Year 2012-2013 the company went for Restructuring of Term Loans for Rs.180.45 Cr by extending door to door tenor of loan from the existing remaining 6.25 years to 10 years by changing the repayment structure, with cutoff date as 31.12.2012. During the year Rs.26,90,49,784 of current year repayment of the loan amount was repaid. During the year banks has charged 13% interest on loan.

Terms of Security:

- First mortgage and charge over all the Borrower's properties and assets, both present and future, excluding the project assets (as defined in the Concession Agreement).
- First charge on all intangible assets of the borrower including but not limited to the goodwill, rights, undertaking and uncalled capital of the borrower.
- First charge or assignment of all the receivables / revenues of the borrower from the project.

- Pledge of shares aggregating 51% of the paid up equity capital of the borrower, until the currency of the loan.
- First charge on borrowers all bank accounts including, without limitation, the escrow account and Debt Service Reserve Account to be established by the borrower and each of the other accounts required to be created by the Borrower under any project document or contract.
- Assignment in favour of Lenders of all insurance policies.
- Assignment of contract or guarantee, liquidated damages, letter of credit, guarantee or performance bond that may be provided by any counter party under any project agreement or contract in favour of the borrower.
- Apart from the above, the following personal and company guarantees have been stipulated in view of the proposed restructuring package:

- Personal guarantee of Mr. Nama Seethaiah, Mr. M Madhu and Mr. K Srinivasa Rao.
- Corporate Guarantee of Madhucon Infra Ltd and Madhucon Toll Highways Limited to cover the entire debt outstanding.

Terms of Repayment of Unsecured Loans:

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

16 Other Financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
A. Non-Current		
Deposits	300,000	484,800

17 Long Term Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits:		
Provision for Gratuity	2,370,532	1,096,357
Provision for Leave Encashment	398,513	217,350
Provision for MMR	853,029,341	832,299,870
Total	855,798,386	833,613,577



18 Trade payables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade payables	2,235,410	1,666,737
Total	2,235,410	1,666,737

19 Other Financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
B. Current		
Current maturity of long term debt	745,603,982	465,984,895
Retention Money to related parties	13,618,766	13,618,766
Retention money for other works	9,840,729	4,765,630
Others payables to Related Parties	140,245,433	169,669,291
Other with holding amount	11,182,023	11,303,791
Total	920,490,933	665,342,373

20 Short Term Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits:		
Provision for gratuity (current)	389,263	188,395
Provision for leave encashment (current)	142,883	79,950
Provision for Expenses	115,126,031	1,113,320
Other Provisions	349,811	968,660
Total	116,007,988	2,350,325

21 Other Current liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory Dues		
Tax deducted at source	1,170,805	552,506
Professional Tax Payable	210,673	151,556
ESI Payable	13,470	
GST Payable	3,088,399	144,180
Employee providend fund	568,687	263,441
Salary payable	3,328,771	1,661,914
Expenses for Creditors Payables	123,801,999	39,966,047
Add Fee payable	88,500	88,500
Total	132,271,304	42,828,144



Revenue from operations

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Operating revenue:		
Toll Collections	49 66 15 836	49 00 60 388

Other operating revenue:

Rental Income - Toll Plaza	14 01 150	7 96 950
Total	49 80 16 986	49 08 57 338

Other income

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest income from:		
Bank deposits	26 46 333	30 53 287
Inter-corporate deposits		
Others	26 46 333	30 53 287
Profit on sale of current investments		
Profit/(loss) on disposal of fixed assets		
Laibility Written Back		14 331
Utility Shifting		
Capital reserve deferment	12 36 44 668	3 70 84 290
INCOME FROM TOILET BLOCK CONSTRCTION		46 28 226
INCOME FROM AMC-WIM's		17 17 845
Other income	1 11 75 748	2 24 476
Total	13 74 66 749	4 67 22 455

Operating expenses

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Security Services	82 29 569	92 65 574
Toll Monitoring expenses	2 38 424	2 62 539
Toll Plaza Maintenance	2 42 84 405	44 47 289
Annual Maintenance Charges - Toll Plaza	14 16 176	16 24 103
Loss on Assets Discarded		
Electricity Charges	38 39 148	40 50 944
Repairs & Maintenance - Others		
Repairs - Maintenance		2 55 753
Repairs - Maintenance - Site	8 23 828	6 78 416
Repairs - Maintenance - Computer		
D G Running & Maintenance - Site	20 91 021	9 00 755
Civil Works Wims and toilet block expns		50 87 862
Independent Consultant charges	44 76 139	39 60 227
Highway Maintenance -Routine	78 26 711	4 69 27 070
Hire Charges	9 08 558	23 92 833
Highway Maintenance-Periodic	28 24 51 881	18 95 25 594
	33 65 85 860	26 93 78 959
Less: Income during Demonetisation		
Total	33 65 85 860	26 93 78 959



Employee benefit expenses

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Salaries, wages and bonus	2 73 72 128	1 29 21 045
Contributions to and provisions for:		
Provident fund	10 68 408	6 06 484
ESI	48 030	
Gratuity		9 64 309
Compensated absences		
Retention pay		
Others		
Staff welfare expenses	13 77 116	11 77 997
Total	2 98 65 682	1 56 69 835

Finance costs

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest on borrowings		12 83 45 548
Interest on Service Tax and GST Penalties	36 700	4 01 778
Interest on TDS/Income Tax	85 093	1 09 506
Other Borrowing Cost		
Penal Interest		3 04 006
Unwinding Interest Cost (MMR)	9 71 23 295	84 04 438
Unwinding Interest Cost (Upfront Fee)		5 90 288
Total	9 72 45 088	13 81 55 564

Interest has not been provided

DEPRECIATION AND AMORTISATION EXPENSES

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Depreciation	46 00 654	19 41 501
Amortisation	23 60 53 476	14 92 31 030
Total	24 06 54 130	15 11 72 531

Administration and other expenses

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Rent	14 63 026	11 00 400
Rates and taxes	74 577	1 06 360
Insurance	22 49 429	17 88 580
Conveyance	3 57 896	1 51 921
Travelling Expenses	5 59 343	8 65 853
Communication	2 24 708	2 61 936
Maintenance Expenses		
Office	3 46 175	3 74 213
Computer		
Legal & Professional Fee	50 61 917	1 21 98 651
Electricity Charges		
Security Services		
Tax Audit Fees		2 89 100
Payments to Auditors:		
Audit Fees	2 82 900	5 13 300
Certification Charges		
Audit expenses	82 367	9 833
Bank Charges	1 00 875	1 11 795
Books and Periodicals		
Printing and Stationery	3 46 086	3 87 489
Subscriptions		
Concession Fee		
Miscellaneous expenses	72 069	2 10 896
Advertisement	47 145	22 680
Total	1 12 68 513	1 83 93 007



Disclosure of Financial Instruments by Category

Financial Instruments by categories	Note No.	31.03.2020			31.03.2019			31.03.2018		
		FVTPL	FVTOCI	Carrying value	FVTPL	FVTOCI	Carrying value	FVTPL	FVTOCI	Carrying value
Financial asset										
Loans and advances	6			4 35 325			4 59 690			5 86 777
Trade receivable	8			6 55 592			1 20 984			1 29 629
Cash and cash equivalents	9			29 49 36 776			9 41 88 700			5 89 72 648
NHAI-Grant receivables	10			7 34 189			7 34 189			7 34 189
NHAI-Receivables-Utilities	10									
NHAI-Retention money	10									
NHAI - RECEIVABLE - FORCE MAJEURE COST	10						74 71 104			74 71 104
NHAI - RECEIVABLE - UNIFORM CLAIMS	10									4 19 110
NHAI - RECEIVABLE - WIM'S	10			3 41 939			17 90 270			
-NHAI Receivables ETC	10			20 08 976						
Total Financial Asset				29 81 07 797			10 47 64 937			6 83 13 457

Financial liability

Term Loan from Banks and Financial Institution	15			48 78 22 748			82 16 31 836			115 88 00 951
Loans from other party										
Other Non-Current Financial Liabilities	16			3 00 000			4 84 800			4 86 000
Trade Payables	18			22 35 410			16 66 737			36 28 742
Other Current Financial Liabilities	19			92 04 90 933			66 53 42 373			19 19 38 208
Total Financial Liabilities				141 08 49 091			148 91 25 746			135 48 53 901

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.	31.03.2020		31.03.2019		31.03.2018
		Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount
Financial Assets						
Loans and advances	6	4 35 325	4 35 325	4 59 690	4 59 690	5 86 777
Trade receivable	8	6 55 592	6 55 592	1 20 984	1 20 984	1 29 629
Cash and cash equivalents	9	29 49 36 776	29 49 36 776	9 41 88 700	9 41 88 700	5 89 72 648
NHAI-Grant receivables	10	7 34 189	7 34 189	7 34 189	7 34 189	7 34 189
NHAI-Receivables-Utilities	10					
NHAI-Retention money	10					
NHAI - RECEIVABLE - FORCE MAJEURE COST	10			74 71 104	74 71 104	74 71 104
NHAI - RECEIVABLE - UNIFORM CLAIMS	10					4 19 110
NHAI - RECEIVABLE - WIM'S		3 41 939	3 41 939	17 90 270	17 90 270	
-NHAI Receivables ETC		20 08 976	20 08 976			
Total Financial Assets		29 91 07 797	29 91 07 797	10 47 64 937	10 47 64 937	6 83 13 457
Financial liability						
Term Loan from Banks and Financial Institution	15	48 78 22 748	48 78 22 748	82 16 31 836	82 16 31 836	115 88 00 951
Loans from other party						
Other Non-Current Financial Liabilities	16	3 00 000	3 00 000	4 84 800	4 84 800	4 86 000
Trade Payables	18	22 35 410	22 35 410	16 66 737	16 66 737	36 28 742
Other Current Financial Liabilities	19	92 04 90 933	92 04 90 933	66 53 42 373	66 53 42 373	19 19 38 208
Total Financial Liabilities		141 08 49 091	141 08 49 091	148 91 25 746	148 91 25 746	135 48 53 901

The carrying amount of current financial assets and current trade and other payables measured at amortized cost are considered to be the same as their fair values, due to their short term nature.
The carrying amount of 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 (₹)	
		2019-20	2018-19	2018-19	2017-18
Financial Assets					
Loans & advances	6	4 35 325	4 59 690	4 59 690	5 86 777
Trade receivable	8	6 55 592	1 20 984	1 20 984	1 29 629
Cash and cash equivalents	9	29 49 36 776	9 41 88 700	9 41 88 700	5 89 72 648
NHAI-Grant receivables	10	7 34 189	7 34 189	7 34 189	7 34 189
NHAI - RECEIVABLE - FORCE MAJEURE COST	10		74 71 104	74 71 104	74 71 104
NHAI - RECEIVABLE - UNIFORM CLAIMS	10				4 19 110
NHAI - RECEIVABLE - WIM'S	10	3 41 939	17 90 270	17 90 270	
NHAI - RECEIVABLE - ETC	10	20 03 976			
Total of Financial Assets		29 91 07 797	10 47 64 937	10 47 64 937	6 83 13 457
Financial Liabilities					
Term Loan from Banks	15		127 11 98 682	127 11 98 682	142 83 39 901
Loans from other party			19 05 00 000	19 05 00 000	19 05 00 000
Other Non Current Financial Liabilities	16				4 76 400
Trade Payables	18				1 66 67 887
Other Current Financial Liabilities	19				19 14 76 986
Total of Financial Liabilities			146 16 98 682	146 16 98 682	182 74 61 174

Valuation technique and Inputs used to determine fair value

Financial assets and liabilities	Valuation method	Inputs
Financial assets		
Trade receivable	Historical cost	Cash flow
Cash and cash equivalents	Historical cost	Cash flow
Financial liabilities		
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	31.03.2020	31.03.2019	31.03.2018
Non Financial Asset				
Property, Plant & Equipment	3	5538987.734	9,715,688	9,682,487
Intangible asset	4	2975871964	2,611,927,546	2,761,738,364
Capital Work In Progress	5	0	7,658,500	1,358,300
Other Financial Asset	6	435325	459,690	586,777
Financial Asset				
Trade receivable	8	655592	120,984	129,629
Cash and Cash Equivalents	9	294936776	94,188,700	58,972,646
TOTAL		2,677,438,045	2,724,071,108	2,832,468,205



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

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The company is not exposed to foreign currency risk as it has no borrowing in foreign currency.

ii Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest risk arises to the company mainly from Long term borrowings with variable rates. The company measures risk through sensitivity analysis. Currently, Lending by Commercial Banks is at variable rate only, which is the inherent business risk. The company's exposure to interest rate risk due to variable interest rate borrowings is as follows:

Particulars	31.03.2019	31.03.2018	31.03.2017
Senior Debt from Banks - Variable rate borrowings	89 15 59 046	115 88 00 951	142 83 39 901

Sensitivity analysis based on average outstanding Senior Debt

Interest Rate Risk Analysis	Impact on profit/ loss after tax		
	FY 2018-19	FY 2017-18	FY 2016-17
Increase or decrease in interest rate by 25 basis point	11 14 449	25 62 950	32 33 926

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

iii Price risk

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

The company measures risk through sensitivity analysis.

The company's risk management policy is to mitigate the risk by investments in diversified mutual funds.

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 31,2019	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
As at March 31, 2019	Carrying Amount	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
Non Derivative Financial Liability					
Senior Debt from Banks	128 76 16 731	46 59 84 895	27 97 00 000	86 00 40 000	20 46 91 125
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

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

The company generally does not have trade receivables as collection of toll income coincide as and when the traffic passes through toll - plazas. 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 a single busin.

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

a) List of related parties

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

b) Disclosure of related party transactions:

Particulars	2019-20	2018-19
	Amount(₹)	Amount(₹)
Reimbursement of expenses charged from (on their behalf)		
(i) Ultimate Holding Company		
Madhucon Projects Limited	20 14 299	
Holding company		
Madhucon Infra Limited	76 10 507	6 93 722
Fellow subsidiaries		
Madurai Tuticorin Expressways Limited	76 000	
Trichy Tanjavur Expressways Limited	42 478	26 18 250
(iii) Reimbursement of expenses charged to (on our behalf)		
Ultimate Holding company		
Madhucon Projects Limited	25 62 617	3 38 145
Holding company		
Madhucon Infra Limited	23 95 020	3 44 538
Fellow subsidiaries		
Madurai Tuticorin Expressways Limited	1 62 807	
Trichy Tanjavur Expressways Limited	33 059	
(iv) O&M Maintenance Charges		
Holding company		
Madhucon Infra Limited	4 69 27 070	4 98 45 833
	6 18 23 859	5 38 40 488

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

Particulars	(Amount In Rs.)	
	Amounts due (to)/from	
	As on 31st March 2020	As on 31st March 2019
(I) Current Account Balances		
Holding Company		
Madhucon Infra Limited	(11 05 194)	1 53 03 096
Fellow Subsidiaries		
Madurai Tuticorin Expressways Limited	27 245	1 14 044
Trichy Tanjavur Expressways Limited	24 80 572	24 71 147
(II) Share Capital		
Ultimate Holding Company		
Madhucon Projects Limited	(11 50 000)	(11 50 000)
Holding Company		
Madhucon Infra Limited	(38 05 50 000)	(38 05 50 000)
Madhucon Toll Highways Limited	(36 47 70 000)	(36 47 70 000)
(iii) Unsecured Loan		
Holding Company		
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 2016, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2016: 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.

f) 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.



Disclosures pursuant to Ind AS 33 "Earnings per share"

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

Particulars	2019-20		2018-19	
	(₹)	(₹)	(₹)	(₹)
Basic and Diluted				
Profit after tax as per accounts (₹)	A	80335538		55180162.75
Weighted average number of shares outstanding	B	74660000		74660000
Basic and Diluted EPS (₹)	A/B	1.07		0.52
Face value per equity share (₹)		10		10

Disclosures 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:

- i. The provision for impairment loss, if any required; or
 ii. 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:

- ii. In the case of an individual asset, at the higher of the net selling price and the value in use;
 iv. In the case of a cash generating unit (a group of assets that generates identifiable, 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).

As per discounted cash flows of the project facility, the recoverable amount is higher than the carrying amount and hence no provision for impairment is required 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 maintenance is required to be performed. Normally periodic maintenance includes resurfacing of pavements, repairs of structure 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 accurately.

b) Movement in provisions:

Particulars	Major maintenance provision	
	Amount (₹)	
Balance as at 01.04.2018		705,036,778
Add: Additional provision		188,524,568
Used		(87,282,504)
Unused amounts reversed		-
Unwinding of discount and changes in discount rate		
Total		812,998,703

c) Contingent Liabilities:

Claims against the Company not acknowledged as debt:

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.

Disclosures 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 maximize the shareholder value.

[Ind AS 1 requires the company to make quantitative and qualitative disclosures regarding objective policies and processes for managing capital. Also, if comparative amounts are restated, nature amount and reason to be disclosed and not just the fact of restatement.]

Disclosures 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
Carriageway	17.5	Straight Line/ Remaining useful life	Constructed

First time adoption of Ind AS

These financial statements, for the year ended 31 March 2019, 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:

Particulars	Gratuity plan		Compensated absences	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
A) Present value of defined benefit obligation				
- Wholly funded	3 20 443	1 74 667	3 72 351	35 118
- Wholly unfunded	3 20 443	1 74 667	3 72 351	35 118
Less : Fair value of plan assets				
Amount to be recognised as liability or (asset)	3 20 443	1 74 667	3 72 351	35 118
B) Amounts reflected in the Balance Sheet				
Liabilities	3 20 443	1 74 667	3 72 351	35 118
Assets				
Net Liability / (asset)	3 20 443	1 74 667	3 72 351	35 118

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

Particulars	Gratuity plan		Compensated absences	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
	Amount(₹)	Amount(₹)	Amount(₹)	Amount(₹)
1 Current service cost		27 760		2 658
2 Interest on Defined benefit obligation		15 142		2 096
3 Expected return on plan assets				
4 Actuarial losses/(gains)		(57 513)		4 165
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)		(14 611)		8 919
I Amount included in "employee benefit expenses"		(14 611)		8 919
II Amount included as part of "finance costs"				
Total (I + II)		(14 611)		8 919

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, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Opening balance of the present value of defined benefit obligation		1 89 278		26 199
Add: Current service cost		27 760		2 658
Add: Interest cost		15 142		2 096
Add: Contribution by plan participants				
i) Employer				
ii) Employee				
Add/(less): Actuarial losses/(gains)		(57 513)		4 165
Less: Benefits paid				
Add: Past service cost				
Closing balance of the present value of defined benefit obligation		1 74 667		35 118

f) Principal actuarial assumptions at the Balance Sheet date:

Particulars				As at March 31, 2019	As at March 31, 2018
1)	Discount rate			8.00%	8.00%
2)	Salary growth rate			6.00%	6.00%
3)	Mortality			IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
3)	Attrition rate			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 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
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	2018-19	2017-18
	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
Total	3 77 600	38 268



47 Components of Other Comprehensive Income

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

Particulars	2018-19 0	2017-18 0
Remeasurement gains/(losses) on defined benefit plans		14 611
Reclassified to Statement of profit and loss		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



Place : Hyderabad
Date : 17-08-2020

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


NAMA RAM RAO

Director
DIN - 02984867

Place : Hyderabad
Date : 17-08-2020


M. Madhu
Director
DIN - 00368625

AGM  (Finance & Accounts)