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MADHUCON

RANCHI EXPRESSWAYS LIMITED

**9TH
ANNUAL REPORT
2019-2020**



MADHUCON

RANCHI EXPRESSWAYS LIMITED

BOARD OF DIRECTORS

Sri. N.Seethaiah	-	Director
Sri. K.Srinivasa Rao	-	Director
Sri. M Madhu	-	Director

AUDITORS:

Ghoshal & Ghoshal
Chartered Accountants
Flat No.204, Anand Plaza,
Opp. R.R District Collectorate
Lakdikapul, Hyderabad-500004

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,
Jubilee Hills, Hyderabad-500 033

BANKERS:

Canara Bank (Lead Bank)
Allahabad Bank
Corporation Bank
Dena Bank
ICICI Bank Limited
IDBI Bank Limited
India Infrastructure Finance Company Limited
The South Indian Bank Limited
Federal Bank
Oriental Bank of Commerce
Punjab & Sind Bank
Vijaya Bank
State Bank of India



RANCHI EXPRESSWAYS LIMITED
NOTICE OF NINTH ANNUAL GENERAL MEETING

To
The Members of
Ranchi Expressways Limited.


NOTICE is hereby given that the **NINTH (9TH)** Annual General Meeting of the Members of **Ranchi Expressways Limited (CIN: U45209TG2011PLC073568)** will be held on **Tuesday, 27th October 2020 at 02.00 P.M** at the Registered office of the Company Situated at **Madhucon House, Plot No.1129/A, Road No.36, Hi-tech 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. Madhu Malampati (DIN:00368625), who retires by rotation and being eligible, offers him for reappointment

Place: Hyderabad
Date: 17.08.2020

By Order of the Board
Ranchi Expressways Limited


Srinivasa Rao Kamma
Director
DIN: 00022855

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)#



RANCHI EXPRESSWAYS LIMITED

CIN: U45209TG2011PLC073568

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]

9TH ANNUAL GENERAL MEETING- Friday, 30th August 2019 at 02.00 P.M
At Registered Office of the Company

Name of the Company	:	RANCHI 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 9TH 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. Madhu Malampati (DIN: 00368625), who retires by rotation and being eligible, offers him for reappointment.		

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

Affix
Revenue
Stamp
here

Signature of Shareholder

Signature of Proxy holder (S)

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



MADHUCON

RANCHI EXPRESSWAYS LIMITED
DIRECTORS' REPORT

To,
The Members of
Ranchi Expressways Limited

Your Directors have pleasure in presenting their Ninth (9TH) Annual Report together with Audited Financial Statement for the financial year ended 31st March, 2020.

Financial highlights

Particulars	<u>2019-2020</u>	<u>2018-19</u>
	Rs.	Rs.
Operating Income	NIL	NIL
Other Income	NIL	3,82,429
Total Income	NIL	3,82,429
Operating Expenses	NIL	NIL
Finance Costs	NIL	NIL
General and Administration Expenses	93,822	17,64,739
Total Expenses	93,822	17,64,739
Profit / (Loss) from Continuing Operations	(93,822)	(13,82,310)
Add: Other Comprehensive income	NIL	NIL
Total Comprehensive Income for the Period	(93,822)	(13,82,310)

Dividend

During the year 2019-2020, Company has not earned any profit and hence not recommended 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

1. A Public Interest Litigation (PIL), WP (PIL) No.3503/14 is pending at the Hon'ble High Court of Jharkhand.
2. NHAI has terminated the Concession Agreement on 30th January, 2019 and further the Performance Bank Guarantee of Rs.73.96 Crs was invoked.
3. The company referred the matter to Conciliation Committee of Independent Experts (CCIE) of NHAI for settlement of dues with NHAI and the proceedings will Commence Soon.

Changes in directors and key managerial personnel

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

Director(s) retirement by rotation

As per the provisions of Companies Act, 2013 and Articles of Association of Company, Sri Madhu Malampati (DIN: 00368625) 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 2019-2020 on May 27, 2019; September 19, 2019; October 25, 2019 and January 16, 2020. The Maximum interval between any two meetings did not exceed 120 days.

First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
Meeting No.	Date	Meeting No.	Date	Meeting No.	Date	Meeting No.	Date
70	27.05.2019	71	19.09.2019	72	25.10.2020	73	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 and resolution passed at the respective AGM, the appointment of Auditors is required to be ratified by Members at every Annual General Meeting. However, with the notification of amended section 139 of 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

Ranchi Expressways Limited was incorporated under the Companies Act, 1956, on 29th Day of March, 2011 as a Special Purpose Vehicle for Design, Build, Finance, Operate and Transfer (DBFOT) of Four Laning of Ranchi-Rargaon-Jamshedpur Section of NH-33 from Km. 114.000 to Km. 277.500 in the state of Jharkhand on DBFOT (Annuity) basis for a concession period of 15 years. This contract was awarded by National Highway Authority of India. The Company shall hand over the Project Highway to NHAI on expiry of the Concession Period.

The company has achieved physical progress of 50.24% and approached NHAI for One Time Fund Infusion (OTFI) for completion of the remaining stretch. NHAI has initially sanctioned an amount of Rs.223 Crs as One Time Fund Infusion and subsequently NHAI has gone back by cancelling the already sanction OTFI amount of Rs.223 Crs. Lenders and the company have preferred One Time Settlement (OTS) with NHAI for the works already completed.

While negotiations are going on for OTS proposal, NHAI has terminated the Concession Agreement on 30/01/2019 without following the termination procedure laid down in the Concession Agreement and called for tenders from public to complete the balance work on EPC basis. Since project got terminated, Lenders are seeking for One time Settlement. Company and Lenders agreed and requested the NHAI to refer the matter to Conciliation

Committee of Independent Engineers. The NHA had given the consent vide its letter dated 18-04-2019. The Company has submitted the claim with NHA. The proceedings will commence soon. In view of the above going concern assumption is not appropriate and therefore Financial Statement have been drawn accordingly.

Secretarial audit report

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

Composition of audit committee

The Audit Committee consisting of Board members as follows:

The Ministry of Corporate Affairs (MCA), Government of India, through a Circular dated July 13, 2017, exempted 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 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 of
Ranchi expressways limited**

Place: Hyderabad
Date: 17.08.2020


Srinivasa Rao Kamma
Director
DIN: 00022855


Madhu Malampati
Director
DIN: 00368625

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

1.	CIN	U45209TG2011PLC073568
2.	Registration Date	29.03.2011
3.	Name of the Company	RANCHI EXPRESSWAYS LIMITED
4.	Category/Sub-category of the Company	Company Limited by Shares
5.	Address of the Registered office & contact details	Madhucon House, 1129/A, Road No.36, Hitech City Road, Jubilee Hills, Hyderabad-500033, Telangana
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	KFintech Pvt Ltd Tower – B, Plot No 31 & 32, Selenuim Building Financial District, Nanakramguda, Gachibowli, Hyderabad, Telangana 500032.

II. Principal business activities of the company

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Development of 4 laning of Ranchi-Rargaon-Jamshedpur Section of NH-33 from Km 114.000 to Km 277.500 in the state of Jharkhand under NHAI Phase-III on Design, Build, Finance, Operate and Transfer (DBFOT) Annuity Basis, on a concession period of 15 years. The construction work is under progress.	421	100%

III. Particulars of holding, subsidiary and associate companies:

S.No	Name of the Company and CIN	Holding/ Associate	Subsidiary/ %	% of shares held
1	Madhucon Projects Limited	Ultimate Holding		0.017
2	Madhucon Infra Limited	Holding company of Holding Company		0.020
3	Madhucon Toll Highways Limited	Holding Company		99.938

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

Category-wise Share Holding

[illegible]

Bodies									
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	80780000	20000	80800000	100	80780000	20000	80800000	100	0

B) Shareholding of promoters-

S N	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Nama Seethaiah	8888	0.025	0	8888	0.025	0	0
2	Nama Krishnaiah	8888			8888			0
3	Kamma Srinivasa Rao	888			888			0
4	Nama Prithvi Teja	888			888			0
5	M. Madhu	448			448			0
6	Madhucon Infra Limited	16000	0.020	93.08%	16000	0.020	93.08%	0
7	Madhucon Toll Highways Limited	80750000	99.938		80750000	99.938		0
8	Madhucon Projects Limited	14000	0.017		14000	0.017		0

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

-----There is no change in Promoters shareholding -----

SN	Particulars	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year 01.04.2019	80800000	100	80800000	100
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
3	At the end of the year 31.03.2020	80800000	100	80800000	100

D) Shareholding Pattern of top ten Shareholders:

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

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

E) Shareholding of directors and key managerial personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	10224	0.013	10224	0.013
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	10224	0.013	10224	0.013

V) Indebtedness –

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

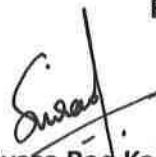
The Details were stated in Notes to the Audited Financial Statements for the year 2019-20.

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 of
Ranchi expressways limited**



Srinivasa Rao Kamma

Director

DIN: 00022855



Madhu Malampati

Director

DIN: 00368625

Place: Hyderabad

Date: 17.08.2020

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

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

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

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

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

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

(a) Name(s) of the related party and nature of relationship	As stated in Notes (Note 36) to Audited Financial Statements.
(b) Nature of Contract(s) or arrangement(s)	
(c) Duration of the Contracts/arrangements/ Transactions	
(d) Salient terms of the Contracts/ arrangements/transactions including the value, if any	
(e) Date(s) of approval by the board	
(f) Amount paid as advances, if any	

For and on behalf of the Board of Directors of
Ranchi expressways limited

Place: Hyderabad

Date: 17.08.2020


Srinivasa Rao Kamma
Director
DIN: 00022855


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,
RANCHI 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. RANCHI EXPRESSWAYS LIMITED, (CIN: U45209TG2011PLC073568)** (herein after called the Company). 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 **RANCHI EXPRESSWAYS LIMITED** for the financial year ended 31st March, 2020 according to the provisions of:-

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

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



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

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

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

I, further report that:

- (a) The Board of Directors of the Company is constituted with only Three Directors, there is no Independent 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 Mallampati, 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	OA No.101/2019, DRT-II Hyderabad South Indian Bank Vs Ranchi Expressways LTD&others	Filed by South Indian Bank against Ranchi Expressways LTD., and others (2. BOD, 3. MPL, 4. MGL, 5. MTHL & 6.MIL) for Recovery of the Debt	Rs.67,61,67,109/-
2	OA No.619/2019, DRT-II Hyderabad State Bank of India Vs REL & Others	Filed by State Bank of India against REL & Others (2.Sri BOD, 3.MPL, 4.MGL, 5.MTHL & 6.MIL) for Recover of the debt	Rs.68,93,80,727.09 /-

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

- Maintenance of various statutory registers and documents and making necessary entries there in;
- Closure of Register of Members;
- Forms, returns, documents and resolutions required to be filed with the Registrar of Companies, Regional Director, Central Government, National Company Law Tribunal (NCLT) or other Authorities;
- Service of documents by the Company on its Members ,Stock Exchanges, Auditors and the Registrar of Companies;
- Notice of Board and various Committee meetings of Directors;
- The meetings of Directors and all the Committees of Directors and passing of circular resolutions;
- The 8th Annual General Meeting of the Company was held on 30th August 2019;
- Minutes of the proceedings of the Board Meetings, Committee



- Meetings and General Meetings;
- i. Approvals of the Board of Directors, Committee of Directors, Members and Government Authorities, where ever required;
 - j. Payment of remuneration to Directors ,Managing Director and Executive Directors;
 - k. Appointment and Remuneration of Statutory Auditors and Cost Auditors;
 - l. Transfer and transmission of the Company's shares, issue and allotment of shares and issue and delivery of certificates of shares;
 - m. Borrowings and registration of charges;
 - n. Report of the Board of Directors;
 - o. Investment of the Company's funds including inter-corporate loans and investments;
 - p. Generally, all other applicable provisions of the Act and the Rules there under.

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

I further report that on examination of the relevant documents and records and based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of compliance reports by respective department heads 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, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the specific industry/sector related laws' as applicable specifically:

- (a) Rule 3(4) A.P. Shops and Establishment Rule,1990.
- (b) Labour Act, 1970 or Labour Act, 2015 and rules made there under applicable
- (c) A.P. Tax on Professional, Trades Calling and Employment, 1987 and the rules made there under as applicable.
- (d) Employees Provident Fund Scheme, 1952 and the rules made there under as applicable.
- (e) Employee Pension Scheme, 1995 and the rules made there under as applicable.
- (f) Employees Deposit Linked Insurance Scheme, 1976 and the rules made there under as applicable.



- (g) The Employees' State Insurance Act, 1948
- (h) The Workmen Compensation Act, 1923
- (i) Industrial Dispute Act, 1947 and the rules made there under as applicable.
- (j) Payment of Gratuity Act, 1972 and the rules made there under as applicable.
- (k) Contract Labour (Regulations and Abolition) Act, 1970 and Rules there under;

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 except A Civil PIL writ Petition number 3503/2014 in the Hon'ble High Court of Jharkhand , Ranchi as briefed below:

Ranchi Expressways Limited (REL), a Public Limited Company, was incorporated under the Companies Act, 1956, on 2nd Day of June, 2010 as a Special Purpose Vehicle for Design, Build, Operate, Finance and Transfer of 4 laning of Ranchi-Rangoan-Jamshedpur section of NH-33 from KM 114.00 to Km 277.500 in the state of Jharkand on annuity basis for a concession period of 15 years. This contract was awarded by NHAI. The company shall hand over the Project Highway to NHAI on expiry of concession period and the company has achieved physical progress of 50.24% and approached NHAI for One Time Fund Infusion (OTFI) for completion of the remaining stretch. NHAI has initially sanctioned an amount of Rs.223 Crs as One Time Fund Infusion and subsequently NHAI has gone back by cancelling the already sanction OTFI amount of Rs.223 Crs. Lenders and the company have preferred One Time Settlement (OTS) with NHAI for the works already completed, While negotiations are going on for OTS proposal, NHAI has terminated the Concession Agreement on 30/01/2020 without following the termination procedure laid down in the Concession Agreement and called for tenders from public to complete the balance work on EPC basis. Since project got terminated, Lenders are seeking for One Time Settlement. Company and Lenders agreed and requested the NHAI to refer the matter to Conciliation Committee of Independent Engineers (CCIE) and the NHAI had given the consent for referring the matter to CCIE vide its letter dated 18-04-2020. The company has submitted the claim with NHAI. The proceedings of CCIE not yet commenced as informed by the management.

CBI has filed FIR against the Company, Promoters and Directors on 12/03/2019. Under Prevention of Corruption Act and Indian Penal Code



I have relied on the information supplied and representation made by the

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

Place: Hyderabad
Date : 17.08.2020



For Venkata Krishna & Associates
Company Secretaries

A handwritten signature in black ink, appearing to read "V Krishna".

Venkata Krishna Reddy Sabbella

Proprietor

(ACS 53083; CP 19542)

UDIN: A053083B000637887



VENKATA KRISHNA & ASSOCIATES
Company Secretaries


To,
The Members of,
RANCHI 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 Ranchi Expressways Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone financial statements of **Ranchi Expressways Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, the statement of Profit and Loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information, (herein after referred to as "standalone Ind AS financial statements")

Management's Responsibility for the Standalone Financial Statements

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

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

Auditor's Responsibility

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

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

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



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

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

Emphasis of Matters

1. Ranchi Expressways Limited (REL), a Public Limited Company, was incorporated under the Companies Act, 1956, on 2nd Day of June, 2010 as a Special Purpose Vehicle for Design, Build, Operate, Finance and Transfer of 4 laning of Ranchi-Rangoan-Jamshedpur section of NH-33 from KM 114.00 to Km 277.500 in the state of Jharkand on annuity basis for a concession period of 15 years. This contract was awarded by NHAI. The company shall hand over the Project Highway to NHAI on expiry of concession period.

The company has achieved physical progress of 50.24% and approached NHAI for One Time Fund Infusion (OTFI) for completion of the remaining stretch. NHAI has initially sanctioned an amount of Rs.223 Crs as One Time Fund Infusion and subsequently NHAI has gone back by cancelling the already sanction OTFI amount of Rs.223 Crs. Lenders and the company have preferred One Time Settlement (OTS) with NHAI for the works already completed.

While negotiations are going on for OTS proposal, NHAI has terminated the Concession Agreement on 30/01/2020 without following the termination procedure laid down in the Concession Agreement and called for tenders from public to complete the balance work on EPC basis. Since project got terminated, Lenders are seeking for One Time Settlement. Company and Lenders agreed and requested the NHAI to refer the matter to Conciliation Committee of Independent Engineers (CCIE).

The NHAI had given the consent for referring the matter to CCIE vide its letter dated 18-04-2019. The company has submitted the claim with NHAI. The proceedings of CCIE were commenced on 25-09-2019 as informed by the management.

CBI has filed FIR against the Company, Promoters and Directors on 12/03/2019. Under Prevention of Corruption Act and Indian Penal Code

Cost incurred on the project up-to 31st March, 2020 Rs. 12,95,88,01,826/- instead of writing-off, has been accounted as Claims receivable under the head "Other Current Assets" which is in contravention of the provisions of Indian accounting standard Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets) claims being contingent asset in nature. This has resulted in over-statement of Current Assets by Rs.12,95,88,01,826/- and understatement of cumulative loss by the same amount.



In view of the above, the termination of the Concession Agreement indicates the existence of a material uncertainty that cast significant doubt about the Company's ability to continue as a going concern.

Our opinion is not modified in respect of these matters.

Opinion

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

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



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

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

- i. The Company does not have any pending litigations other than the claims with NHAI which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For GHOSHAL & GHOSAL

Chartered Accountants

Firm Reg. No. 304013E

(SSR Gupta)

Partner

M. No. 023540

Hyderabad

UDIN NO:- 20023640 AAAADC3497

Date : 17-08-2020



Annexure - A to the Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of **Ranchi Expressways Limited** ("The Company") on the standalone Ind AS financial statements for the year ended 31st 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.
c. The title deeds of the immovable properties are held in the name of the Company.
- 2) The Company is engaged in the business of infrastructure development and maintenance and hence clause 3 (ii) of the Companies (Auditor's Report) Order 2016 relating to inventory is not applicable.
- 3) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') by the respective entities.
- 4) According to the information and explanations given to us, provisions of sec 185 and 186 of the Companies act, 2013 are complied with in the respect of loans, investments, guarantees and securities given by the company, if any.
- 5) The Company has not accepted deposits and the 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 not been prescribed by the Central Government under section 148(1) of the Companies Act, 2013 and accordingly clause vi of paragraph 3 of the Order is not applicable to the Company.
- 7) (a) According to the information and explanations given to us and on the basis of our examination of our books of accounts, the company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales- tax, service tax, and any other statutory dues to the appropriate authorities though there has been delay in few cases.
- 8) The Company has taken term loans from banks and financial institutions. The company has not taken any loans or borrowings from any government and has not issued any debentures during the year.
- 9) According to the information and explanation given to us the money raised by the way of term loans were applied for the purpose for which those are raised. The Company did not raise any



money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.

- 10) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- 11) According to the information and explanations given 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 given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 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 **Ranchi Expressways Limited** ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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



Auditors' Responsibility

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

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

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


Meaning of Internal Financial Controls over Financial Reporting

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of 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 control system over the financial reporting 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.



Ranchi Expressway Limited

Balance Sheet as at 31st March 2020

PARTICULARS	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current Assets			
Property, plant and equipment	3		
Investment Property	4		
Intangible assets			
(i) under SCA			
(ii) others	3		
Intangible assets under development			
Financial assets			
(i) Investments			
(ii) Other financial assets	5		
Tax assets			
(i) Deferred Tax Asset (net)			
Other non-current assets	6		
Total Non-current Assets			
Current Assets			
Financial assets			
(i) Current Investment	7	2,010,000	2,010,000
(ii) Cash and cash equivalents	8	3,906,805	3,830,177
(iii) Other bank balance			
(iv) Other financial assets	9	13,400,734,557	13,392,882,496
(c) Current tax assets (Net)	10	28,252,353	28,225,353
Other current assets	11	448,326,291	451,826,332
Assets classified as held for sale			
Total Current Assets		13,883,230,006	13,878,774,358
Total Assets		13,883,230,006	13,878,774,358
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	808,000,000	808,000,000
Other Equity	13	1,947,646,205	1,947,740,026
Total Equity		2,755,646,205	2,755,740,026
LIABILITIES			
Non-current Liabilities			
Financial Liabilities			
(i) Long-term borrowings	14		
(ii) Trade payables			
(iii) Other financial liabilities	15		
Provisions	16		
Deferred tax liabilities (Net)			
Total Non-current Liabilities			
Current liabilities			
Financial liabilities			
(i) Borrowings	17	10,306,533,553	10,306,533,553
(ii) Trade payables	18	48,149,648	48,149,648
(iii) Other financial liabilities	19	517,544,905	511,804,970
Provisions	20	55,798	55,798
(c) Current tax liabilities (Net)			
Other current liabilities	21	255,299,897	256,490,361
Liabilities directly associated with assets classified as held for sale			
Total Current Liabilities		11,127,583,801	11,123,034,330
Total Liabilities		11,127,583,801	11,123,034,330
Total Equity and Liabilities		13,883,230,006	13,878,774,358

Notes 1 to 48 forms part of the Financial Statements

For Ghoshal & Ghosal

Chartered Accountants

Firm's Registration No. 304013E



Membership No. 023640

For and on behalf of Board
of Ranchi Expressways Limited

K SRINIVASA RAO
Director
Din - 00022855

MADHU MALAMPATTI
Director
Din - 00368625

Place: Hyderabad

Date: 17-08-2020

A. DANUMJAYA
AGM (M&A)

Ranchi Expressway Limited

Statement of profit and loss for the year ended 31st March 2020

PARTICULARS	Notes	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Revenue from operations	22	-	-
Other income	23	-	382,429
Total Income		-	382,429
Expenses			
Construction Cost	24	-	-
Operation & Maintenance Expenses			
Employee benefits expenses			
Finance Costs	25	-	-
Depreciation and Amortisation Expenses	26	-	16,795
Other Expenses	27	93,822	1,747,944
Total expenses		93,822	1,764,739
Profit before exceptional items and tax		(93,822)	(1,382,310)
Add: Exceptional items			
Profit before tax		(93,822)	(1,382,310)
Less: Tax expense			
(1) Current tax			
(2) MAT credit entitlement			
Profit for the period from continuing operations (I)		(93,822)	(1,382,310)
Other Comprehensive Income			
Remeasurements of the defined benefit plans			
Total other comprehensive income			
Total comprehensive income for the period		(93,822)	(1,382,310)
Earnings per share (Face Value ₹ 10/- per share) Not annualised			
(1) Basic (in Rs.)		(0.00)	(0.02)
(2) Diluted (in Rs.)		(0.00)	(0.02)

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

S.S.R. GUPTA
Partner
Membership No. 823640



Place: Hyderabad
Date: 17-08-2020

For and on behalf of Board
of Ranchi Expressways Limited

K SRINIVASA RAO
Director
Din - 00022855

MADHU MALAMPATTI
Director
Din - 00368625

A. DANUMJAYA
AGM (F&A)

Ranchi Expressway Limited
Cash Flow Statement as on 31st March 2020

S. No.	Particulars	2019-20	2018-19
A	Net profit / (loss) before tax and extraordinary items	(93,822)	(1,382,310)
	Adjustment for		
	Depreciation and amortisation expense	-	16,795
	Interest expense	-	-
	Interest income	-	-
	Operating profit before working capital changes	(93,822)	(1,365,515)
	Adjustments for:		
	Increase / (Decrease) in long term provisions	-	(251,271)
	Increase / (Decrease) in current financial liabilities	-	-
	Increase / (Decrease) in trade payable	-	-
	Increase / (Decrease) in other current liabilities	(1,190,465)	(94,979,044)
	Increase / (Decrease) in other current financial liabilities	5,739,935	104,481,681
	Increase / (Decrease) in other non current financial liabilities	-	(532,716,752)
	Increase / (Decrease) in short term provisions	-	(3,720)
	(Increase) / Decrease in other non-current assets	-	1,531,243,673
	(Increase) / Decrease in current tax	(27,000)	-
	(Increase) / Decrease in other non current financial asset	-	12,113,543,330
	(Increase) / Decrease in other financial asset	(7,852,061)	(12,949,111,111)
	(Increase) / Decrease in other current assets	3,500,041	(185,037,634)
	Net cash generated from/(used in) operating activities	76,628	(14,196,363)
	Direct taxes paid (net of refunds)	-	-
	Net Cash(used in)/generated from Operating Activities	76,628	(14,196,363)
B	Cash flow from investing activities		
	Purchase of fixed assets	-	-
	Sale/dispose off of fixed assets	-	-
	Purchase of current investments	-	-
	Interest received	-	-
	Net cash (used in)/generated from investing activities	-	-
C	Cash flow from financing activities		
	Proceeds from issue of capital	-	-
	Proceeds from unsecured loan- deemed equity	-	5,385,000
	Proceeds from long term borrowings-bank	-	8,600,000
	Interest paid	-	-
	Net cash (used in)/generated from financing activities	-	13,985,000
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	76,628	(211,363)
	Cash and cash equivalents as at the beginning of the year	3,830,177	4,041,540
	Cash and cash equivalents as at the end of the year	3,906,805	3,830,177

Notes:

1. Cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7 - Cash Flow statements
2. Cash and cash equivalents represent cash and bank balances and are not available due to freezing by banks on the behalf of NHAI.
3. Previous year's figures have been regrouped/reclassified wherever applicable.

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

S.S.R. GUPTA
Partner
Membership No. 223640



Place: Hyderabad
Date: 17-08-2020

For and on behalf of Board
of Ranchi Expressways Limited

K SRINIVASA RAO
Director
Din - 00022855

MADHU MALAMPATTI
Director
Din - 00368625

A. DANUMJAYA
AOM (F&A)

3 Property, plant and equipment

Particulars	Cost or Deemed cost			Accumulated depreciation and impairment			Carrying Amount	
	As at April 1, 2019	Additions	Disposals	As at March 31, 2020	As at April 1, 2019	Depreciation expense	As at March 31, 2020	As at March 31, 2019
Property plant and equipment								
Office equipment	15,334			15,334	15,334	-	15,334	-
Computer	69,937			69,937	69,937	-	69,937	-
Total	85,271	-	-	85,271	85,271	-	85,271	-
PREVIOUS YEAR								
Particulars	Cost or Deemed cost			Accumulated depreciation and impairment			Carrying Amount	
	As at April 1, 2018	Additions	Disposals	As at March 31, 2019	As at April 1, 2018	Depreciation expense	As at March 31, 2019	As at March 31, 2018
Property plant and equipment								
Office equipment	15,334	-		15,334	13,377	1,957	15,334	1,957
Computer	69,937	-		69,937	55,099	14,838	69,937	14,838
Total	85,271	-	-	85,271	68,476	16,795	85,271	16,795

3 Intangible Assets

Particulars	Cost or Deemed cost			Accumulated depreciation and impairment			Carrying Amount	
	As at April 1, 2019	Additions	Disposals	As at March 31, 2020	As at April 1, 2019	Depreciation expense	As at March 31, 2020	As at March 31, 2019
Computer Software	11,125			11,125	11,125		11,125	-
Total	11,125	-	-	11,125	11,125	-	11,125	-
PREVIOUS YEAR								
Particulars	Cost or Deemed cost			Accumulated depreciation and impairment			Carrying Amount	
	As at April 1, 2018	Additions	Disposals	As at March 31, 2019	As at April 1, 2018	Depreciation expense	As at March 31, 2019	As at March 31, 2018
Computer Software	11,125			11,125	11,125	-	11,125	-
Total	11,125	-	-	11,125	11,125	-	11,125	-



4 Investment Property

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Immovable Property-Land		
Total	-	-

5 Other Non Current Financial Asset

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Recivable From NHAI		
Total	-	-

6 Other Non Current Assets

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Unsecured, considered good		
Capital Advances		
Mobilization and Material Advance-Ultimate holding company		
Security Deposits		
Total	-	-

7 Current Investment

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Immovable Property-Land	2,010,000	2,010,000
Total	2,010,000	2,010,000

8 Cash and Cash Equivalents

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Balances with Banks		
-In Current Accounts	3,906,667	586,547
Cash on hand :-		
Cash on hand	138	138
Mutual Funds		3,243,492
Total	3,906,805	3,830,177

9 Other Financial Asset

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Retention money receivable -NHAI	15,113,464	15,113,464
Receivable from NHAI	426,819,267	426,819,267
Claims Recivable From NHAI	12,958,801,826	12,950,949,765
Total	13,400,734,557	13,392,882,496

10 Current Tax Asset (Net)

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Current tax Asset		
Statutory dues receivables	28,252,353	28,225,353
Current tax liabilities		
Income tax payable		-
Total	28,252,353	28,225,353

11 Other Current Assets

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Advances to Related Parties		
Madhucon Projects Limited- Ultimate Holding company	244,322,624	245,456,010
Madhucon Infra Limited- Holding company of holding company	-	2,361,674
Chhapra Hajipur Expressways Ltd - Fellow subsidiary of holding company	2,000,000	2,000,000
Advances to Others	82,621	87,602
Prepaid expenses		-
Unsecured, considered good		
Capital Advances		
Mobilization and Material Advance-Ultimate holding company	201,919,046	201,919,046
Security Deposits	2,000	2,000
Total	448,326,291	451,826,332



Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Note: 1 SHARE CAPITAL		
AUTHORISED:		
Equity Shares of Rs.10/- each	1,000,000,000	1,000,000,000
	1,000,000,000	1,000,000,000
ISSUED, SUBSCRIBED & PAID UP:		
Equity Shares of Rs.10/- each fully paid up.	808,000,000	808,000,000
Total	808,000,000	808,000,000

Foot Notes:

i. Reconciliation of the number of shares outstanding at the beginning and as on 31st March' 2020

Equity Share

Particulars	As at Mar 31, 2020		As at Mar 31, 2019	
	Number	Amount in Rs.	Number	Amount in Rs.
Number of equity shares at the beginning of the Year	80,800,000	808,000,000	80,800,000	808,000,000
Equity shares issued during the year				-
Less : Shares bought back during the year			-	-
Number of equity shares at the end of the Year	80,800,000	808,000,000	80,800,000	808,000,000

ii Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors are subject to the approval of the shareholders in the ensuing annual general meeting.

During the year ended 31 March 2020, 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 or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate

Name of Shareholder	Relationship	As at Mar 31, 2020	Relationship	As at 31st March 2019
		No. of Shares held		No. of Shares held
Madhucon Projects Limited	Ultimate Holding Company	14,000	Ultimate Holding Company	14,000
Madhucon Infra Limited	Holding Company of holding company	16,000	Holding Company of holding company	16,000
Madhucon Toll Highways Limited	Holding Company	80,750,000	Holding Company	80,750,000

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

Name of the Shareholder	As at Mar 31, 2020		As at 31st March 2019	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Madhucon Toll Highways Limited	80,750,000	99.94	80,750,000	99.94

13 Other Equity

Particulars	As at Mar 31, 2020	As at March 31, 2019
Surplus in profit and loss account	(2,094,612,054)	(2,094,518,232)
Equity Component of Unsecured Loan	4,042,258,261	4,042,258,261
Total	1,947,646,207	1,947,740,029

Movement in other equity:

	Equity Component of Unsecured Loan	Reserves and Surplus	Other items of Other Comprehensive Income (specify)	Total
		Retained Earnings		
Balance at the beginning of the reporting period i.e. 01.04.2019	4,042,258,261	-2,094,518,232		1,947,740,029
Changes in accounting policy or prior period errors		-		-
Restated balance at the beginning of the reporting period	4,042,258,261	-2,094,518,232		1,947,740,029
Total Comprehensive Income for the year		-93,822		-93,822
Transfer to retained earnings				-
Addition/Deletion in Equity Component	-			-
Balance at the end of the reporting period i.e. 31.03.2020	4,042,258,261	-2,094,612,054		1,947,646,207



Previous Year

	Equity Component of Unsecured Loan	Reserves and Surplus	Other items of Other Comprehensive Income (specify nature)	Total
		Retained Earnings		
Balance at the beginning of the reporting period i.e. 01.04.2018	4,042,258,261	-2,093,135,922		1,949,122,339
Changes in accounting policy or prior period errors		-		-
Restated balance at the beginning of the reporting period	4,042,258,261	-2,093,135,922		1,949,122,339
Total Comprehensive Income for the year		-1,382,310		-1,382,310
Transfer to retained earnings				-
Addition/Deletion in Equity Component	-			-
Balance at the end of the reporting period i.e. 31.03.2019	4,042,258,261	-2,094,518,232	-	1,947,740,029

14 Long-term borrowings

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Term Loans		
Secured		
- from Banks	-	-
- from Financial Institution	-	-
Total of Secured Term Loans	-	-
Total of Long term borrowings	-	-

Secured Loans:

Indian Rupees Term Loans consist of Loans borrowed from a consortium of 13 banks and one financial institution with interest rate of 11.15% [Canara Bank (CB) Base rate + 1.50%] as on 31st March, 2018. Rate of interest shall be floating rate equivalent to base rate of CB plus interest spread of 1.5% upto the first Interest Reset date. From the first and subsequent Interest Reset date, rate of interest shall be subject to reset on every Interest Reset Date to Base Rate of CB plus such interest spread as may be determined by the bankers on an Interest reset date and unless the Interest spread is so reset on the interest Reset Date, the interest spread shall be the same as applicable prior to that Interest Reset Date. The Applicable Interest Rate shall be subject to RBI policy with regard to Base Rate, as applicable from time to time. The loan is repayable in 15 semi annual unequal installments along with the interest starting from Dec, 2020 and the last installment payable in Dec 2027. The accounts have become NPA.

Terms of Security

- A first mortgage/charge over the Company's immovable properties (other than Project assets), both present and future.
- A first mortgage/charge over the Company's movable assets including moveable plant & machinery, machinery spares, tools & accessories, furniture, fixtures, vehicles and all other moveable assets (other than Project assets), both present and future.
- A first charge on all intangible assets of the Company, including but not limited to goodwill, undertaking and uncalled capital of the Borrower.
- First charge on all the accounts of the Borrower, including the Escrow Account, MMRA and other reserves without limitation, and each of the other account(s) required to be maintained/created by the Borrower under any Project Document or contract.
- A first charge by way of assignment/security interest on all the rights, titles, benefits, interests, demand and claims under the concession Agreement, Project Documents, Contracts insurance policies obtained/procured by the Company, and/or any of its contractors favouring the Company and all licenses, permits, approvals and consents in respect of the Project, present & future, in respect of the Project.
- Pledge of 51% of shares of the paid up equity capital of the company held by the Promoters. Currently 51% equity shares held by Madhucon Toll Highways Limited are pledged with the lenders.
- The company has not provided Interest on term loan during this F.Y 2019-20.

15 Other Financial Liabilities - Non Current

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Retention money- Madhucon Projects Limited- Ultimate Holding Company		-
Total	-	-

16 Long Term Provisions

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Gratuity		-
Leave Encashment		-
Total	-	-

17 Borrowings

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Term Loans		



Secured		
- from Banks	9,046,073,252	9,046,073,252
- from Financial Institution	1,260,460,301	1,260,460,301
Total of Secured Term Loans	10,306,533,553	10,306,533,553
Total of short term borrowings	10,306,533,553	10,306,533,553

18 Trade Payable

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Due to related parties		
Utility Shifting Payable - Madhucon Projects Limited	48,149,648	48,149,648
Total	48,149,648	48,149,648

19 Other Financial liabilities - Current

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Interest accrued and due on borrowings	357,486,506	357,486,506
Audit Fee payable	67,850	-
Retention money Payable	13,315	13,315
Payables to related party		
<i>Other payable</i>		
Madhucon Infra Limited- Holding company of holding compa	5,532,223	-
Trichy-Thanjavur Expressways Limited- Fellow subsidiary of holding company	2,500,000	2,500,000
Other payables	151,597,435	151,223,935
Salary payable	347,576	581,214
Total	517,544,905	511,804,970

20 Short Term Provisions

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Provision for Gratuity	48,796	48,796
Provision for Leave encashment	7,002	7,002
Total	55,798	55,798

21 Other Current liabilities

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Statutory liabilities	255,299,897	256,490,361
Total	255,299,897	256,490,361



22 Revenue From Operations

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Revenue from Operations		
Construction revenue		
Finance income		-
Total	-	-

* Service tax not applicable on toll Services.

23 Other Income

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Interest Income :-		
Interest on Income Tax Refund		
Expenditure Written Back		40,416
Interest Income On Mutual Fund		342,013
Total		382,429

24 Construction cost

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Construction cost		-
Total	-	-

25 Finance Cost

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
- Interest on term loan from banks		
- Other Borrowing cost		
- Finance income written off		
Total	-	-

26 Depreciation and Amortisation Expenses

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Depreciation	-	16,795
Total		16,795

27 Other Expenses

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Rent		1,153,400
Rates & Taxes	5,972	7,200
Tax Audit Fees	8,850	8,850
Transfer Pricing Audit Fees		17,250
Professional Fees		-
Office Maintenance		8,400
Payments to Auditor		
- As Statutory Auditor (including Service Tax)	59,000	59,000
Miscellaneous expenses	20,000	493,844
Total	93,822	1,747,944



28 Financial Instruments

Disclosure of Financial Instruments by Category

Financial instruments by categories	Note no.	As at March 31, 2020			As at March 31, 2019		
		FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
Financial asset							
Trade receivables							
Cash and cash equivalents	8			3,906,805			3,830,177
Other financial assets	9			13,400,734,557			13,392,882,496
Total Financial Asset				13,404,641,362	-	-	13,396,712,673
Financial liability							
Term Loan from Banks	17			10,306,533,553			10,306,533,553
Other financial Liabilities - Non Current	15			-			-
Trade Payables	18			48,149,648			48,149,648
Other financial Liabilities - Current	19			517,544,905			511,804,970
Total Financial Liabilities				10,872,228,106			10,866,488,171

Default and breaches

The company has not provided Interest on term loan during this F.Y 2019-20.

The company has defaulted in repayment of interest and instalments.

29 Fair value of Financial asset and liabilities at amortized cost

Particular	Note no.	As at March 31, 2020		As at March 31, 2019	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets					
Trade receivables		-	-	-	-
Cash and cash equivalents	8	3,906,805	3,906,805	3,830,177	3,830,177
Other bank balance					
Other financial assets	9	13,400,734,557	13,400,734,557	13,392,882,496	13,392,882,496
Total Financial Assets		13,404,641,362	13,404,641,362	13,396,712,673	13,396,712,673
Financial liability					
Term Loan from Banks	17	10,306,533,553	10,306,533,553	10,306,533,553	10,306,533,553
Other financial Liabilities - Non Current	15	-	-	-	-
Trade Payables	18	48,149,648	48,149,648	48,149,648	48,149,648
Other financial Liabilities	19	517,544,905	517,544,905	511,804,970	511,804,970
Total Financial Liabilities		10,872,228,106	10,872,228,106	10,866,488,171	10,866,488,171

The carrying amount of current financial assets and current trade and other payables measured at amortised cost are considered to be the same as their fair values, due to their short term nature. However the amount of Rs 1295,87,01,826/- receivable from NHAI is not yet settled and is subject to final ascertainment of the claimed amount due.

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



30 Fair Value Measurement

Fair Value Measurement of Financial asset and Financial liabilities
Fair value hierarchy

As at March 31, 2020

Financial Asset & Liabilities Measured at FV - Recurring FVM	Note No.	Level 1	Level 2	Level 3	Total
Financial asset measured at FVTPL					
Investments in Mutual Funds	8	-	-	-	-
Total of Financial Assets		-	-	-	-
Financial Liabilities measured at FVTPL		-	-	-	-
Total of Financial Liabilities		-	-	-	-

As at March 31, 2019

Financial Asset & Liabilities Measured at FV - Recurring FVM	Note No.	Level 1	Level 2	Level 3	Total
Financial asset measured at FVTPL					
Investments in Mutual Funds	8	3,243,492	-	-	3,243,492
Total of Financial Assets		3,243,492	-	-	3,243,492
Financial Liabilities measured at FVTPL		-	-	-	-
Total of Financial Liabilities		-	-	-	-

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

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

31 Fair Value Measurement

Valuation technique and inputs used to determine fair value

Financial assets and liabilities	Valuation method	Inputs
Financial liabilities		
Term Loan from Banks	Income	Effective rate of borrowing
Term Loan from related parties	Income	Effective rate of borrowing
Other Current Financial Liabilities	Income	Effective rate of borrowing

32 Asset pledged as security

Particulars	Note no	31.03.2020	31.03.2019
Non Financial Asset			
Property, Plant & Equipment	3	-	-
Investment Property	7	2,010,000	2,010,000
Financial Asset			
Cash and Cash Equivalents	8	3,906,805	3,830,177
Other Bank Balances		-	-
Other Financial Assets	9	13,400,734,557	13,392,882,496
Other Current Assets	11	448,326,291	451,826,332
TOTAL		13,854,977,653	13,850,549,005



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 or no material payables 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, which is an inherent business risk.

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

Particulars	31.03.2020	31.03.2019
Senior Debt from Banks - Variable rate borrowings	9,046,073,252	9,046,073,252
Senior Debt from Financial Institutions - Variable rate borrowings	1,260,460,301	1,260,460,301
Total	10,306,533,553	10,306,533,553

Sensitivity analysis based on average outstanding Senior Debt

Interest Rate Risk Analysis	Impact on profit/ loss after tax	
	FY 2019-20	FY 2018-19
Increase or decrease in interest rate by 25 basis points	25,766,334	24,076,325

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 is exposed to price risk due to investments in mutual funds and classified as fair value through profit and loss.

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's exposure to price risk due to investments in mutual fund is as follows:			
Particulars	Note No.	31.03.2020	31.03.2019
Mutual fund	8	-	3,243,492
Total		-	3,243,492

Sensitivity Analysis

Particulars	Impact on profit/ loss after tax	
	31.03.2020	31.03.2019
Increase or decrease in NAV by 2%	-	64,869.84

Note - In case of decrease in NAV profit will reduce and vice versa.

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, 2020	Carrying Amount	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
Non Derivative Financial Liability					
Term Loan from Banks	9,046,073,252	9,046,073,252			
Term Loan from Financial Institutions	1,260,460,301	1,260,460,301			
Term Loan from related parties					-

Trade Payables	48,149,648	48,149,648	-	-	-
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					
Term Loan from Banks	9,046,073,252			180,921,465	8,865,151,787
Term Loan from Financial Institutions	1,260,460,301			25,209,206	1,235,251,095
Term Loan from related parties					-
Trade Payables	48,149,648	48,149,648	-	-	-
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 project is in construction phase. Hence, the management believes that the company is not exposed to any credit risk.



34 Disclosures pursuant to Ind AS 1 - "Presentation of Financial Statements"

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

35 The Company does not have any transaction to which the provision of Ind AS-2 relating to Valuation of Inventories applies.

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

Amount of contract revenue recognised in the year : Nil

Method used to recognise the constructions revenue - Work executed during the year and remaining to be executed.

37 Disclosure pursuant to Ind AS 12 - "Income taxes"

The Company does not have taxable income and hence provision for current tax has not been made. The company is eligible for deduction under section 80IA of Income Tax Act and the tax holiday period of the company's project falls within the concession period of the company as defined in Section 80IA. Since tax on Timing difference between Accounting Income and Taxable Income that arise during the year is reversing during such tax holiday period. No deferred tax asset/ liability arises and accordingly no provision is made in the accounts.

38 Disclosure pursuant to Ind AS 19 - Employee Benefits**Employee Benefits**

Defined-Benefits Plans: The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount) and leave encashment. Benefits under the defined benefit plans are typically based on years of service and the employee's compensation (immediately before retirement). The gratuity scheme covers substantially all regular employees. Commitments are actuarially determined at year-end. The actuarial valuation is done based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to Statement of Profit and loss.

Particulars	Gratuity		Leave Encashment	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Expenses to be recognized in Statement of Profit & Loss Account (FY2018-19)				
Current Service Cost		10,063	-	
Interest Cost on benefit obligation		10,329		14,534
Expected return on plan assets				
Net Actuarial (Gain)/ Loss recognized in the year		-100,709		-189,209
past services cost				
Net Benefit expense	-	-80,317	-	-174,675
Actual return on plan assets				
Balance sheet	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Opening defined benefit obligation	129,112	129,112		181,676
Interest cost	-	10,329	-	14,534
Current services cost	-	10,063	-	-
Benefits paid	Nil	Nil	Nil	Nil
Actuarial (gains)/losses on obligation	-	-100,709	-	-189,209
Closing defined benefit obligation	129,112	48,795	-	7,001
Summary of actuarial assumptions				
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Assumptions				
Salary Rise	6	6	6	6
Discount rate	7.65	7.65	7.65	7.65
Attrition Rate	15	15	15	15
Average Balance Service	17.25 Yrs	17.25 Yrs	17.25 Yrs	17.25 Yrs
Date of Valuation	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Retirement age	60 years	60 years	60 years	60 years
Future Salary Rise	6%	6%	6%	6%
Rate of Discounting	7.65%	7.65%	7.65%	7.65%
Attrition Rate	15%	15%	15%	15%
Mortality Table	IALM 2012-14 Ultimate	IALM 2006-08 Ultimate	IALM 2012-14 Ultimate	IALM 2006-08 Ultimate
Short Term Liability		7,099		1,380
Long Term Liability		41,697		5,622
TOTAL LIABILITY	0	48,796	0	7,002

39 Related Party Transactions
A. List of Related Parties



	Company Name	Relation
1	Madhucon projects Limited	Ultimate Holding Company
2	Madhucon Infra Limited	Holding Company of holding company
3	Madhucon Toll Highways Limited	Holding Company

B. Transactions with related parties:

B. Transactions with related parties:

	For the year ended 2019-20		For the year ended 2018-19	
	Transactions during the year	Amount receivable/ (payable)	Transactions during the year	Amount receivable/ (payable)
Madhucon Projects Limited – Ultimate Holding Company				
EPC Cost (Construction contract expenses)	0	224609791	3,619,842	224,609,791
Utility Shifting Expense		-48149648	-	-48,149,648
Mobilization, Material Advance	0	201919046	-1,733,160,719	201,919,046
Unsecured Loan	0	-1085919064	-	-1,085,919,064
Retention money- EPC	0	0	483,636,316	-
Retention money- UT	0	0	49,080,436	-
Share Capital	0	-140000	-	-140,000
Performance bank guarantee given to NHAI on behalf of the company	0	0	-	-
Expenses paid on our behalf	1038500	19,712,833	3,335,050	20,846,219
Expenses paid on their behalf	94886		87,812	
Amount paid				
Madhucon Infra limited – Holding Company of holding company				
Share Capital	0	-160000	-	-160,000
Unsecured Loan		-2666815953	-5,385,000	-2,666,815,953
Expenses paid on our behalf	8053421	-5432223	21,263,305	2,361,674
Advance paid	0		44,581	
Madhucon Toll Highways Limited - Holding Company				
Share Capital	-	807,500,000	-	807,500,000
Unsecured Loan	-	-289523244	-	-289,523,244
Madhucon Toll Highways Limited has pledged 3,61,08,000 number of equity shares held by them in the company to the lenders under common loan agreement.				
Trichy Tanjavur Expressways Ltd. – Fellow subsidiary of holding company				
Other transactions	-	-2,500,000	-	-2,500,000
Chhapra Hajipur Expressways Limited - Fellow subsidiary of holding company				
Expenses paid on their behalf reimbursed	-	2,000,000	-	2,000,000

40 Disclosure pursuant to Ind AS 23 "Borrowing Costs"

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

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

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

Particulars	Unit	AS at March 31, 2020	As at March 31, 2020
Earnings Per Equity Share:			
Net Profit after tax	Rupees	(93,822)	(1,382,310)
Equity Shares outstanding	Numbers	80,800,000	80,800,000
Nominal Value of Equity Share	Rupees	10	10
Basic Earnings per Share	Rupees	(0.00)	(0.02)
Diluted Earnings per Share	Rupees	(0.00)	(0.02)

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

(i) Contingent Liability: EPC Contractor has raised a claim on the company and the same will be settled after receiving claim amount from NHAI.

(ii) Commitments : Capital Commitment (Estimated amounts of contracts remaining to be executed –EPC) : Nil (PY Rs.4,16,33,65,255/-)

43 Payments to Auditor (Including Service Tax)

Particulars	AS at March 31, 2020	AS at March 31, 2019
		Rupees
(a) Statutory Audit Fee	59,000	59,000
(b) Other Services (Opinion / Certification Fees)		0
(c) Tax Audit Fee	8,850	8,850
(d) Income Tax Filings		-
Total	67,850	67,850



- 44 There have been no claimed transactions during the year with Micro, Small and Medium Enterprises covered under the Micro, Small and Medium Enterprises Development (MSMED) Act 2006.
- 45 **Disclosure pursuant to Ind AS 36 "Impairment of Assets"**
Based on review of future discounted cash flows and other factors including termination of contract with NHAI, so claim from NHAI may be subject to impairment, the recoverable amount of the project facility is more than its carrying amount. Accordingly no provision for impairment of assets is provided.
- 46 **Disclosure of segment information pursuant to Ind AS 108 "Operating Segments"**
The Company was engaged in the business of construction, operation and maintenance of Toll road projects on a Build Operate Transfer basis in a single business segment. Hence reporting of operating segments does not arise. The Company does not have operations outside India. Hence, disclosure of geographical segment information does not arise.
- 47 In the opinion of the Board, the current assets, loans & advances, have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.
- 48 There were no litigation pending against the company which could be materially impact its financial position as at the end of the year.
- 49 Previous year figures have been re-grouped, re-worked and re-classified wherever necessary, to make them comparable with current year figures

For Ghoshal & Ghosal

Chartered Accountants

Firm's Registration No. 304013E

S.S.R. GUPTA

Partner

Membership No. 023640



**For and on behalf of Board
of Ranchi Expressways Limited**

K SRINIVASA RAO

Director

Din - 00022855

M. MADHU

Director

Din - 00368625

Place: Hyderabad

Date: 17-08-2020

A. DANUMJAYA
AGM (F&A)

Ranchi Expressway Limited

Statement of Changes In Equity

A. Share Capital:

a. Equity share capital

Movement during the period	For the year ended Mar 31, 2020		For the year ended Mar 31, 2019	
Particulars	Number of shares	Share capital (Amount)	Number of shares	Share capital (Amount)
Shares having face value of Rs 10/-				
Balance at the start of the period	80,800,000	808,000,000	80,800,000	808,000,000
Issued during the period				
Balance at the end of the period	80,800,000	808,000,000	80,800,000	808,000,000

B. Other Equity

	Equity component of compound financial instruments	Reserves and Surplus	Other items of Other Comprehensive Income (specify nature)	Total
		Retained Earnings		
Balance at the beginning of the reporting period i.e. 01.04.2019	4,042,258,261	-2,094,518,232		1,947,740,029
Changes in accounting policy or prior period errors		-		-
Restated balance at the beginning of the reporting period	4,042,258,261	-2,094,518,232		1,947,740,029
Total Comprehensive Income for the year		-93822		-93,822
Transfer to retained earnings				-
Addition/Deletion in Equity Component	-			-
Balance at the end of the reporting period i.e. 31.03.2020	4,042,258,261	-2,094,612,054	-	1,947,646,207

Previous Year

	Equity component of compound financial instruments	Reserves and Surplus	Other items of Other Comprehensive Income (specify nature)	Total
		Retained Earnings		
Balance at the beginning of the reporting period i.e. 01.04.2018	4,042,258,261	-2,093,135,922		1,949,122,339
Changes in accounting policy or prior period errors		-		-
Restated balance at the beginning of the reporting period	4,042,258,261	-2,093,135,922		1,949,122,339
Total Comprehensive Income for the year		-1,382,310		-1,382,310
Transfer to retained earnings				-
Addition/Deletion in Equity Component	-			-
Balance at the end of the reporting period i.e. 31.03.2019	4,042,258,261	-2,094,518,232	-	1,947,740,029



Ranchi Expressway Limited

Notes to financial statements for the Year ended March 2020

1 Corporate Information

Ranchi Expressways Limited was incorporated under the Companies Act, 1956, on 29th Day of March, 2011 as a Special Purpose Vehicle for Design, Build, Finance, Operate and Transfer (DBFOT) of Four Laning of Ranchi-Rargaon-Jamshedpur Section of NH-33 from Km. 114.000 to Km. 277.500 in the state of Jharkhand on DBFOT (Annuity) basis for a concession period of 15 years. This contract was awarded by National Highway Authority of India. The Company shall hand over the Project Highway to NHAI on expiry of the Concession Period.

The company has achieved physical progress of 50.24% and about 10% is in WIP and approached NHAI for One Time Fund Infusion (OTFI) for completion of the remaining stretch. NHAI has initially sanctioned an amount of Rs.223 Crs as One Time Fund Infusion and subsequently NHAI has gone back by cancelling the already sanction OTFI amount of Rs.223 Crs. Lenders and the company have preferred One Time Settlement (OTS) with NHAI for the works already completed.

While negotiations are going on for OTS proposal, NHAI has terminated the Concession Agreement on 30/01/2019 without following the termination procedure laid down in the Concession Agreement and called for tenders from public to complete the balance work on EPC basis. Since projet got terminated, Lenders are seeking for One Time Settlement. Company and Lenders agreed and requested the NHAI to refer the matter to Conciliation Committee of Independent Engineers.

The NHAI had given the consent for referring the matter to CCIE vide its letter dated 18-04-2019. The company has submitted the claim with NHAI. The proceedings of CCIE were commenced on 25-09-2019 as informed by the management.

CBI has filed FIR against the Company, Promoters and Directors on 12/03/2019. CBI is collecting information and preliminary investigation is going on.

In view of the above going concern assumption is not appropriate and therefore financial statements have been drawn accordingly.

2 Significant Accounting Policies

2.01 Basis of preparation

(a) Compliance with IndAS

The Company's financial statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(b) Basis of measurement

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

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/liability	Fair value of plan assets (if any) less present value of defined benefit obligations

(c) Use of estimates and judgements

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

(d) Measurement of fair values

A number of the accounting policies and disclosures require 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 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 two decimal places in line with the requirements of Schedule III.

2.03 Revenue recognition

- a) Revenue is measured at the fair value of the consideration received or receivable. However there was no revenue recognised during the year.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that the future economic benefits would flow to the entity and specific criteria have been met for each of the activities described below. The Company bases its estimates on historical results, taking into consideration the type of customer, type of transaction and specifics of the arrangement.

- b) Revenue from annuity based projects is recognised in the Statement of Profit and Loss over the concession period of the respective projects based on the implicit rate of return embedded in the projected cash flows. Such income is duly adjusted for any variation in the amount and timing of the cash flows in the period in which such variation occurs.

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

- d) Contract revenue for fixed price contracts is recognised only to the extent of cost incurred that it is probable will be recoverable till such time the outcome of the job cannot be ascertained reliably. When the outcome of the contract is ascertained reliably, contract revenue is recognised at cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs.

Percentage of completion is determined based on the proportion of actual cost incurred to the total estimated cost of the project. The percentage of completion method is applied on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs. The effect of a change in the estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and the effect of which are recognised in the Statement of Profit and Loss in the period in which the change is made and in subsequent periods.

For the purposes of recognising revenue, contract revenue comprises the initial amount of revenue agreed in the contract, the variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

For this purpose, actual cost includes cost of land and developmental rights but excludes borrowing cost. Expected loss, if any, on the construction activity is recognised as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense in the Statement of Profit and Loss in the period in which such probability occurs.

- e) Fair value gains on current investments carried at fair value are included in Other income.
f) Dividend income is recognised when the right to receive the same is established by the reporting date.
g) Other items of income are recognised as and when the right to receive arises.

2.04 Cash and bank balances

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term highly liquid investments being not free from more than insignificant risk of change are not included as part of cash and cash equivalents. Bank overdrafts which are part of the cash management process is included as part of cash and cash equivalents.

2.05 Cash flow statement

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

- (a) transactions of a non-cash nature;
(b) any deferrals or accruals of past or future operating cash receipts or payments and,
(c) all other items of income or expense associated with investing or financing cash flows.

The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statement. Those cash and cash equivalents which are not available for general use as on the date of Balance Sheet are also included under this category with a specific disclosure.

2.06 Current & Non Current classification :

↓

Current Asset :

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

- (a) it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) It is expected to be realized within twelve months after the reporting date, or
- (d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets shall be classified as non-current.

Current Liabilities:

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

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within twelve months after the reporting date : or
- (d) the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could at the option of the counterparty, result in its settlement by the issue of equity instruments do not effect its classification. All other liabilities shall be classified as non-current.

2.07 Property, plant and equipment (PPE)

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

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

Depreciation on assets have been provided on straight-line basis based on the life of asset as specified in the Schedule II of the Companies Act, 2013. Depreciation on additions/ deductions is calculated pro-rata from/ to the day of additions/ deductions.

The following asset categories have useful lives different from the life specified in Schedule II of the Companies Act, 2013, based on technical advice.

Office equipments	
-mobile phones	2 years
Intangible Assets	
-Computer Software	5 years

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

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

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

2.08 Rights under Service Concession Arrangements

Annuity Projects (Unconditional right to receive cash from Authority)

Where Company has acquired contractual rights to receive specified determinable amounts, such rights are recognised and classified as "Financial Assets", even though payments are contingent on Company ensuring that the infrastructure meets the specified quality or efficiency requirements. Such financial assets are classified as "Receivables against Service Concession Arrangements".

The cost incurred for work beyond the original scope per Concession agreement (normally referred as "Change of Scope") is recognised and classified as "Financial Assets as and when incurred.

Any Viability Gap Funding (VGF) in the form of equity support in connection with project construction is accounted as a receivable and is adjusted to the extent of actual receipts.

Pre-operative expenses including administrative and other general overhead expenses that are directly attributable to the development or acquisition of right under service Concession Arrangements are allocated and recognised and classified as "Financial Assets".

2.09 Investments

Trade investments comprise investments in entities in which the Group has strategic business interest.

Investments, which are readily realizable and are intended to be held for not more than one year, are classified as current investments. All other investments are classified as long term investments.



Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. How ever current investment in balance sheet is valued at cost only, Cost of investments include acquisition charges such as brokerage, fees and duties. The determination of carrying amount of such investments is done on the basis of weighted average cost of each individual investment.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with the requirements of cost model.

2.10 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.

2.11 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.

2.12 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.

No Deferred tax Provisions are made for the year.

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 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.

2.13 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 on 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 on 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. The claim from NHAI is shown at book value. The company has made a claim with NHAI for the valuation of work done and others. The matter was informed to CCIE for valuation.

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.

