HAZARIBAGH RANCHI EXPRESSWAY LIMITED

ANNUAL REPORT

2020-21

Registrar and Share Transfer Agent (RTA):

Link InTime India Pvt Limited
C-101, 247 Park, LBS Marg, Surya Nagar,
Vikhroli (West), Mumbai – 400 083
Phone: +91 22 4918 6000
Email ID: ganesh.jadhav@linkintime.co.in

Debenture Trustee:

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R Kamani Marg, Ballard Estate,
Mumbai 400 001
Email ID: rmitra@idbitrustee.com

Hazaribagh Ranchi Expressway Limited

Regd. Office : The IL&FS Financial Center, Plot C-22, G Block, Bandra Kurla Complex, Mumbai- 400051
Tel : 022-26533333 **Fax :** 022-26523979
CIN : **U45203MH2009PLC191070**

NOTICE OF THE 12th (TWELFTH) ANNUAL GENERAL MEETING

NOTICE is hereby given that the 12th Annual General Meeting of the Members of Hazaribagh Ranchi Expressway Limited will be held at Wednesday, September 29, 2021 at 03.00 p.m. IST, through Video Conference Mode at the Registered Office of the Company at The IL&FS Financial Centre, Plot C-22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 which shall be deemed to be venue of the meeting to transact the following business:

<u>ORDINARY BUSINESS:</u>

(1) To receive, consider and adopt the Audited Financial Statement containing the Balance Sheet as at March 31, 2021 and the Profit & Loss Account, Cash Flow Statement, notes and schedules forming part of the Financial Statement for the year ended March 31, 2021 together with the Reports of the Board of Directors and the Auditors thereon.

"RESOLVED THAT pursuant to section 134 of the Companies Act, 2013 Financial Statement containing the Balance Sheet as at March 31, 2021 and the Profit & Loss Account, Cash Flow Statement, notes and schedules forming part of the Financial Statement for the period ended 31st March 2021 together with the Director's Report and Auditor's Report thereon be and are hereby received, considered and adopted."

(2) To appoint as director in place of Mr. Vijay Kini (DIN: 06612768), who retires by rotation and being eligible offers himself for re-appointment.

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Vijay Kini (DIN: 06612768), Director, who retire by rotation at this meeting and being eligible has offered himself for re-appointment be and is hereby reappointed as a Director of the Company, liable to retire by rotation"

<u>SPECIAL BUSINESS:</u>

(3) To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications(s) or re-enactment(s) thereof, for time being in force), the remuneration payable to M/s. Chivilkar Solanki & Associates, Cost Accountants, Mumbai (Firm Registration No: 000468) as Cost Auditors to conduct the audit of cost records of the Company for Financial Year 2021-22, as

Regd. Office : The IL&FS Financial Center, Plot C-22, G Block, Bandra Kurla Complex, Mumbai- 400051
Tel : 022-26533333 **Fax :** 022-26523979
CIN : **U45203MH2009PLC191070**

recommended by the Audit committee and approved by the Board of Directors of the Company, amounting to Rs. 85,000/- (Rupees Eighty Five Thousand) plus tax as applicable and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby approved."

For and on behalf of the Board of Directors of
Hazaribagh Ranchi Expressway Limited

Sd/-
Vijay Kini
Director
DIN: 06612768

Date: September 4, 2021
Place: Mumbai

Registered Office:
The IL&FS Financial Centre
Plot No.C-22, G Block, Bandra-Kurla Complex
Bandra (East), Mumbai 400 051

NOTES:

(1) In view of the continuing COVID-19 pandemic and considering social distancing norms to be followed, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act") and MCA Circulars, the Annual General Meeting of the Company is being held through VC / OAVM.

(2) In view of the aforementioned, the 12th AGM of the Members is being held through VC/OAVM. Members are requested to join and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the meeting through VC/OAVM is mentioned in Note No. 8

(3) Since, the AGM is being conducted through VC/OAVM, there is no provision for appointment of proxies. Accordingly, the facility for appointment of proxies by the members will not be available.

(4) Corporate Members intending to authorize their representative to attend and vote at the meeting are requested to ensure that the certified true copy of the Board resolution, power of attorney or such other valid authorizations under Section 113 of the Companies Act, 2013, authorizing them to attend and vote at the meeting is provided by email at itnl.secretarial@ilfsindia.com prior to the commencement of the Meeting. In terms of the provisions of the Companies Act, 2013, the representatives of Corporate Members without proper authorization, such as Board resolution or power of attorney or such other valid authorization, may not be able to attend the meeting.

(5) An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting is annexed hereto

(6) All the documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the Members and will be made available via electronic mode prior to the date of the AGM. Members may send their request for inspection by sending an email at itnl.secretaral@ilfsindia.com for providing the

documents.

(7) The relevant details as required under Secretarial Standard 2 (SS-2) for person seeking re-appointment as Director is also annexed.

(8) The details of the process and manner for participating in Annual General Meeting through Video conferencing are explained herein below:

a) This Annual General Meeting shall be called through Video Conferencing mode. Members are requested to participate in the meeting as follows:

(i) Please connect to the site by clicking on the following link:

https://zoom.us/j/99575237540?pwd=ODlIYVM4d3VDejBZa051NnRKcWlCdz09

(ii) Join the Meeting by inserting the details as follows:

(i) Meeting ID: 995 7523 7540
(ii) Password: 931548

b) Members can participate in AGM through smart phone/laptop, however, for better experience and smooth participation it is advisable to join the Meeting through Laptops connected through broadband.

c) Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

d) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

Hazaribagh Ranchi Expressway Limited

Regd. Office : The IL&FS Financial Center, Plot C-22, G Block, Bandra Kurla Complex, Mumbai- 400051
Tel : 022-26533333 **Fax** : 022-26523979
CIN : **U45203MH2009PLC191070**

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013

Item No. 2

The details as prescribed under Secretarial Standard - 2 (SS-2) issued by the Institute of Company Secretaries of India are tabled below:-

Sr. No.	Particulars
Name	Mr. Vijay Kini
Age/DOB	31/07/1967
Qualification	AICWAI, M.Com
Experience	
Terms and Conditions of Appointment or Re-Appointment	-
Date of First appointment on the Board	21/01/2015
Shareholding in the Company	10 Equity Shares jointly with IL&FS Transportation Networks Limited
Relationship with other Directors, Manager and KMP	None
No. of Board meetings attended during the year	4
Other Directorships	1. Jharkhand Road Projects Implementation Company Limited 2. Jorabat Shillong Expressway Limited 3. Jharkhand Infrastructure Implementation Co Limited 4. M P Toll Roads Limited (Under Liquidation) 5. GRICL Rail Bridge Development Company Limited 6. Ranchi Muri Road Development Limited 7. East Hyderabad Expressway Limited 8. Pario Developers Private Limited 9. Thiruvananthpuram Road Development Company Limited 10. Hazaribagh Ranchi Expressway Limited 11. Futureage Infrastructure India Limited
Membership/Chairmanship of the Committees of Board held in other	1. Hazaribagh Ranchi Expressway Limited (i) Audit Committee - Member

company	(ii) Nomination & Remuneration Committee - Member 2. East Hyderabad Expressway Limited (i) Audit Committee - Member (ii) Nomination & Remuneration Committee – Member 3. Thiruvananthapuram Road Development Company Limited (i) Audit Committee - Member (ii) Nomination & Remuneration Committee – Member 4. Jharkhand Road Projects Implementation Company Limited (i) Audit Committee - Member (ii) Nomination & Remuneration Committee – Member 5. Jharkhand Infrastructure Implementation Co Limited (i) Audit Committee - Member

Item No. 3

The Board of Directors on the recommendation of the Audit Committee, had approved the appointment of M/s. Chivilkar Solanki & Associates, Cost Accountants, to conduct the audit of the cost records of the Company for Financial Year (FY) 2021-22.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditor for FY 2021-22 is required to be approved by the Members of the Company. Accordingly, the members are requested to approve the remuneration payable to the Cost Auditor for the financial year ending March 31, 2022, as set out at Item No. 3 of the Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in the said Resolution. The Board of Directors recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the Members.

For and on behalf of the Board of Directors of
Hazaribagh Ranchi Expressway Limited

Sd/-
Vijay Kini
Director
DIN: 06612768

Date: September 4, 2021
Place: Mumbai

Registered Office:
The IL&FS Financial Centre
Plot No.C-22, G Block, Bandra-Kurla Complex
Bandra (East), Mumbai 400 051

BOARD'S REPORT

To,
The Shareholders,
Hazaribagh Ranchi Expressway Limited

Your Directors have pleasure in presenting the Twelfth Annual Report along with the Audited Statements of Accounts for the year ended March 31, 2021.

FINANCIAL HIGHLIGHTS:

The financial highlights of the Company are as under:

(Rs. Million)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Total Income	1,027.17	998.49
Less: Total Expenditure	605.12	234.37
Profit before finance charges, Tax, Depreciation/Amortization (PBITDA)	422.05	764.12
Less : Finance Charges	0.24	0.24
Profit before Depreciation/Amortization (PBTDA)	421.81	763.88
Less : Depreciation	-	-
Less : Modification Loss	87.22	25.42
Net Profit before Taxation (PBT)	334.59	738.46
Provision for taxation	-	-
Profit/(Loss) after Taxation (PAT)	334.59	738.46
Provision for proposed dividend	-	-
Dividend tax	-	-

DIVIDEND:

Considering the business exigencies and to plough back the cash for operations, your Directors have not recommended any dividend for the year ended March 31, 2021.

RESERVES:

The Company has not transferred any amount to the Reserves for the financial year ended March 31, 2021.

STATE OF COMPANY'S AFFAIRS:

There were no significant changes in the state of affairs of the Company during the financial year under review that are not otherwise disclosed in this report.

OPERATIONS OF THE COMPANY:

During the year under the review, your Company continued to maintain and operate the Hazaribagh Ranchi Road project to the performance standards in accordance with the contractual requirements. During the year FY 2020-21, the Company received annuity payment of Rs 102.88 Cr from National Highways Authority of India against of Rs. 128.16 Cr, deduction of Rs. 0.89 Cr on account of damages recovered by Authority towards delay/non fulfilment of certain O&M obligations and recovery towards negative change of scope (pending from construction time) amounting to Rs 24.15 Cr and recovery towards maintenance cost of Rs 0.22 Cr for negative COS Scope. Company entered settlement agreement with NHAI on 17th June 2021 for settling the outstanding COS issue.

The Concession Agreement (CA) was signed on October 08, 2009 and Appointed Date for the project was August 1, 2010. The Concession Period is for 18 years from the appointed date. The Commercial Operation Date as September 15, 2012. Next annuity due in the month of September 2021.

The Company has undertaken Major Maintenance (MM) works for the entire stretch of the project comprising of Microsurfacing, Milling and BC overlay works. The estimated budget for this work is approx. Rs. 53.36 Crores and is expected completion by December 2021.

UPDATE ON PROPOSED TRANSFER OF THE PROJECT TO INVIT

1. As you are aware, the Company is part of the Infrastructure Leasing and Financial Services Limited ("IL&FS") group. The Board of Directors of IL&FS and IL&FS Transportation Networks Limited, the Parent Company were reconstituted pursuant to the orders passed by the National Company Law Tribunal, Mumbai Bench ("NCLT") in Company Petition No. 3638 of 2018 filed by the Union of India, acting through the Ministry of Corporate Affairs under Sections 242(1) and 242(2) of the Companies Act, 2013, as amended ("Companies Act") on the grounds of mismanagement of public funds by the erstwhile Board of IL&FS and the affairs of IL&FS being conducted in a manner prejudicial to the public interest.

2. Pursuant to the Report on Progress and Way Forward dated October 30, 2018, the Second Report on Progress and Way Forward dated December 03, 2018, the Third Report on Progress

and Way Forward dated December 17, 2018 and the addendum thereto dated January 15, 2019 and December 05, 2019, the Fourth Report on Progress and Way Forward dated January 15, 2019, and the Fifth Report on Progress and Way Forward dated August 09, 2019 (collectively "Reports") submitted by IL&FS to the Ministry of Corporate Affairs, Government of India, which in turn filed the Reports with the National Company Law Tribunal, Mumbai Bench, IL&FS published advertisements in The Economic Times dated December 18, 2018 and The Maharashtra Times dated December 18, 2018, inviting expressions of interests from interested parties for participation in a public bid process ("Bid Process") being conducted.

3. In the report of the previous year, you were informed that as part of the ongoing resolution plan, IL&FS Group proposes to set-up an Infrastructure Investment Trust (InvIT) under the SEBI (Infrastructure Investments Trusts) Regulations 2014 (InvIT Regulations) for resolution of debt of IL&FS Transportation Networks Limited and other IL&FS group entities. Your company is a part of the proposed InviT to be set up by the IL&FS group.

   Pursuant to the aforementioned, the following steps have been taken in this regard by the IL&FS Group:

   (i) Roadstar Infra Private Limited ("**Roadstar**" or "**Sponsor**") has been incorporated by ITNL as its subsidiary to act as sponsor for the InvIT under the SEBI InvIT Regulations and adequately capitalised to meet the net worth criteria as per the SEBI InvIT Regulations

   (ii) The investment trust under the name of Roadstar Infra Investment Trust (hereinafter also referred as the "**InvIT**") has been settled by the Sponsor and a Trust Deed was executed on October 6, 2020 with Axis Trustee Services Limited (the Trustee") appointed as Trustee to the InvIT.

   (iii) The Trustees have thereafter appointed Roadstar Investment Managers Limited **(RIML)** (formerly known as North Karnataka Expressway Limited ("**NKEL**")) as the Investment Manager and Elsamex Maintenance Service Ltd ("**EMSL**") as the Project Manager under the SEBI InvIT Regulations for the companies proposed to be transferred to the InvIT. RIML is having the requisite experience in the development and maintenance of road infrastructure and meets all required criteria, under the SEBI InvIT Regulations, to act as the Investment Manager to the Trust.

   (iv) Subsequent thereto, the Sponsor had filed an application with SEBI for seeking approval for registration of the Roadstar Infra Investment Trust under the SEBI InvIT Regulations. SEBI has granted its approval on December 22, 2020.

   (v) Pursuant to the above developments, the Company is proposed for transfer to Roadstar Infra Investment Trust ("the InvIT") subject to obtaining all the requisite approvals. The Members are requested to note that the Committee of Creditors ("CoC") of ITNL has with the requisite majority, in accordance with the Resolution Framework, approved setting up of InvIT and transfer of certain road SPVs including the Company to InvIT on January 2021. This will include transfer of entire shareholding held by ITNL in the Company and the assignment of receivables owed by various IL&FS Group entities. The transfer has also been approved by Hon'ble Justice D.K Jain (Retd) appointed by the National Company Law Appellate Tribunal for clearance of all proposals under the Resolution Framework of the IL&FS Group on March 4, 2021.

EXTRACT OF THE ANNUAL RETURN:

The extract of annual return for the financial year ended March 31, 2021 is enclosed as Annexure A of this Report.

CORPORATE GOVERNANCE:

(i) Board of Directors and Meetings held:

As on date, the Board of Directors comprise of the following:

1. Mr. Parag Phanse
2. Mr. Vijay Kini
3. Mr. Mohit Bhasin

During the year under review, Mr. Sachin Joshi, Director resigned effective July 07, 2020.

In the matter of Infrastructure Leasing and Financial Services Limited (IL&FS) MA 1054/2019 in the Company Petition No. 3638/2018, the Hon'ble National Company Law Tribunal, Mumbai Bench vide its order dated April 26, 2019 has granted dispensation regarding the appointment of Independent and Women Directors pursuant to Section 149 of the Companies Act, 2013. In view thereof, the Company has not appointed Independent and Women Directors.

During the year under review, the Board of Directors met 7 times, viz on April 21, 2020, June 29, 2020, twice on October 27, 2020, November 13, 2020, March 12, 2021 and March 30, 2021. The details of meetings and attendance of the Directors are provided below:

Sr. No	Name of Directors	No. of Board Meetings held during tenure	Meetings attended
1.	Mr. Parag Phanse	7	6
2.	Mr. Vijay Kini	7	7

Sr. No	Name of Directors	No. of Board Meetings held during tenure	Meetings attended
3.	Mr. Sachin Joshi	2	2
4.	Mr. Mohit Bhasin	5	4

(ii) Directors liable to retire by rotation

Mr. Vijay Kini (DIN: 06612768) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Your Directors recommend his re-appointment.

(iii) Audit Committee

As on date, the Audit Committee is comprised of the following:

1. Mr. Vijay Kini
2. Mr. Parag Phanse
3. Mr. Mohit Bhasin

Consequent to the resignation of Mr. Sachin Joshi, Audit Committee was re-constituted by the Board of Directors in terms of Section 177 of the Companies Act, 2013.

The Committee met 5 times on April 21, 2020, June 29, 2020, October 27, 2020, November 13, 2020 and March 30, 2021 during the year under review. The details of the Meetings and attendance of Committee Members are provided below:

Sr. No.	Name of Directors	No. of Meetings held during tenure	Meetings attended
1	Mr. Vijay Kini	5	5
2	Mr. Parag Phanse	5	4
3	Mr. Sachin Joshi	2	2
4	Mr. Mohit Bhasin	3	2

The recommendations if any, made by the Audit Committee were accepted by the Board of Directors.

(iv) Nomination & Remuneration Committee

As on date, the Nomination & Remuneration Committee is comprised of the following:

1. Mr. Vijay Kini
2. Mr. Parag Phanse
3. Mr. Mohit Bhasin

Consequent to the resignation of Mr. Sachin Joshi, the Nomination & Remuneration Committee was re-constituted by the Board of Directors in terms of Section 178 of the Companies Act, 2013. During the year under review, the Committee met on October 27, 2020. The details of the Meetings and attendance of Committee Members are provided below:

Sr. No.	Name of Directors	No. of Meetings held during tenure	Meetings attended
1	Mr. Vijay Kini	1	1
2	Mr. Parag Phanse	1	1
4	Mr. Mohit Bhasin	1	1

(v) Corporate Social Responsibility Committee

Your Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within the purview of the provisions of Section 135 of the Companies Act, 2013.

(vi) Key Managerial Personnel

During the year under review, Mr. Vicky Masani was appointed as Chief Financial Officer effective March 30, 2021. Mr. Kiran Pal Adwal continued as Manager and Key Managerial Personnel (KMP) of the Company for a period of 5 years with effect from October 22, 2019.

DIRECTOR’S RESPONSIBILITY STATEMENT:

As stipulated under clause (c) of sub-section (3) of Section 134 read with sub-section (5) of Section 134 of the Companies Act, 2013, your Directors confirm that:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) they have selected such 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 of the company for that period;

(c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) they have prepared the annual accounts on a going concern basis;

(e) they have laid down internal financial control to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

DECLARATION BY INDEPENDENT DIRECTOR(S):

As the Company has been dispensed with the appointment of Independent Directors, the same is not applicable and hence not provided.

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION:

The Board has adopted a Policy on appointment and remuneration of Directors which includes the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under Sub-section (3) of Section 178 of the Companies Act, 2013. There has been no change carried out in the Policy adopted by the Board. None of the Directors have been paid any remuneration.

STATUTORY AUDITORS:

M/s K S Aiyar & Co., Chartered Accountants, Statutory Auditors were appointed as the Auditors of the Company for a period of five years to hold office from the conclusion of the Annual General Meeting (AGM) held for the FY 2018-19 till the conclusion of the 15th AGM of the Company to be held for FY 2023-24.

Further, there have been no instances of fraud reported by the Statutory Auditors under Section 143(12) of the Act and Rules framed thereunder either to the Company or to the Central Government.

The Statutory Auditor's Report on financial accounts for the FY 2020-21 is self-explanatory and clarifications wherever necessary, have been included in the Notes to Financial Statements of the Annual Report.

COST AUDITOR & COST AUDIT REPORT:

Pursuant to Section 148 of the Companies Act 2013 and the Companies (Cost Records and Audit) Rules 2014 framed thereunder, the Board of Directors at their meeting held on October 27, 2020 had on the recommendation of the Audit Committee appointed M/s Chivilkar Solanki & Associates, Cost Accountant as the Cost Auditor of the Company for the FY 2021-22. Mr. Vijay Kumar Solanki of M/s Chivilkar Solanki & Associates, Cost Accountant has confirmed his eligibility for appointment for the FY 2021-22 and that he is free from any disqualification for being appointed as Cost Auditors under the provisions of the Companies Act, 2013.

The Board of Directors has recommended to the Members remuneration payable to M/s Chivilkar Solanki & Associates, Cost Accountants for the FY 2021-22 to be approved at the ensuing AGM.

SECRETARIAL AUDIT & SECRETARIAL AUDIT REPORT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s KDT & Associates, Company Secretaries, Mumbai, in whole-time practice to carry out the Secretarial Audit of the for the Financial Year 2020-21.

The report of the Secretarial Auditor is enclosed as Annexure B. The report contains following observation in their report:

Sr. No	**Qualifications**	**Responses to Audit Qualifications / observations**
1.	The Company has not filled up the Casual Vacancy caused by resignation of Key Managerial Personnel i.e. Chief Financial Officer and Company Secretary within 6 (Six) months from the date of such vacancy pursuant to the provisions of Section 203 of the Act. However, Company	Due to the unforeseen situation within the IL&FS Group pursuant to the fall out of the management takeover and appointment of New Board of Directors by the Union of India and uncertainty arising there

	have appointed Mr. Vicky Masani as Chief Financial Officer of the Company w.e.f 30th March, 2021	from, there was a huge attrition and resignations by the employees including KMPs. This has also resulted in difficulties in recruitment of KMPs namely CFO and CS by the Company. However, the Company was able to appoint Mr. Vicky Masani as Chief Financial Officer of the Company w.e.f. 30th March, 2021.
2.	The Financial Statements for the Financial Year ended 31st March, 2020 is not signed as per the provisions of Section 134 of the Companies Act, 2013.	Due to the unforeseen situation within the IL&FS Group pursuant to the fall out of the management takeover and appointment of New Board of Directors by the Union of India and uncertainty arising there from, there was a huge attrition and resignations by the employees including KMPs. This has also resulted in difficulties in recruitment of certain KMPs namely CFO and CS by the Company. Consequent thereto the same the financial statements could not be signed by the CFO and CS.
3.	The Disclosures intimating the concern or interest of a Director in any company or companies or bodies corporate, firms, or other association of individuals at the first meeting of the Board in the financial year under review as required under provisions of Section 184 of the Act and rules made thereunder, was received and taken on record in the subsequent meeting's.	In view of the Covid-19 pandemic and lockdown situation, it was unable to receive the duly signed annual disclosures from the Directors. However, this was discussed and taken note by the Board at the meeting. It was apprehended that this situation will normalise soon and the same will be made available within the next meeting which unfortunately did not happen and the same continued for a prolonged period. However, the same were placed at subsequent meetings and noted.

4.	The status of the Company is "Active Non-compliant Company" on MCA portal as the Company have not filed Form INC-22A i.e. e-Form ACTIVE (Active Company Tagging Identities and Verification) as required under Rule 25A of the Companies (Incorporation) Rules, 2014 and hence is unable to file e-form DIR-12 with RoC with respect to appointment and resignation of Directors and E-form MGT-7 for the financial year 2018-2019 and 2019-2020.	Due to the unforeseen situation within the IL&FS Group pursuant to the fall out of the management takeover and appointment of New Board of Directors by the Union of India and uncertainty arising there from, there was a huge attrition and resignations by the employees including KMPs. This has also resulted in difficulties in recruitment of KMPs to replace them and hence the Company was not in a position to file the Form INC-22A and other forms with MCA.
5.	The Company has not file E-form MGT-14 for convening Annual General Meeting through electronic mode i.e. video conferencing or any other audio video means held for financial year 2018-2019 and 2019-2020 as per Circulars issued by Ministry of Corporate Affairs	The Company is in process of filing the pending forms.
6.	The Company has not complied with the following regulations as specified under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: Regulations 54: Asset Coverage Ratio: The Company has not maintained the asset coverage ratio, as required under the regulations i.e hundred per cent asset cover sufficient to discharge the principal amount at all times.	The asset coverage ratio has been computed based on the numbers as arrived based on IND-AS principle of accounting, where receipt of annuity gets reduced from the fair value of financial asset. This impacts the value of asset and ultimately the Asset Coverage Ratio.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

The details of loans given, investments made, guarantees given and securities provided under Section 186 of the Companies Act, 2013 have been provided in the notes to the financial statements.

RELATED PARTY TRANSACTIONS:

The Audit Committee at the beginning of the Financial Year 2020-21 had accorded its approval for all the Related Party Transactions that the Company contemplates to enter into during the year in accordance with the Related Party Transactions Policy.

All related party transactions during the year have been entered into in ordinary course of business and on arm's length basis and are in compliance with the applicable provisions of the Companies Act, 2013. There are no materially significant transactions made with any of the related parties of the Company

Accordingly, there are no contracts or arrangements with related parties to be disclosed in Form 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.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

Except as disclosed elsewhere in this report, no material changes and commitments have occurred between the end of the financial year of the Company and date of this report which can affect the financial position of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Since, the Company does not have any manufacturing facility, the particulars required to be provided in terms of the disclosures required under Section 134 (3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are not applicable to the Company. There was no earning or outgo of foreign exchange during the year under review.

RISK MANAGEMENT:

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. There are no risks which in the opinion of the Board affect the Company operations on going concern basis.

CORPORATE SOCIAL RESPONSIBILITY POLICY:

During the period under review, your Company is not coming under the purview of eligibility criteria under Section 135 of the Companies Act, 2013 and hence the requirements under CSR provisions are not applicable to the Company.

PERFORMANCE EVALUATION:

Due to the unforeseen situation within the IL&FS Group, the Hon'ble National Company Law Tribunal, Mumbai Bench vide its order dated April 26, 2019 has granted dispensation with the requirement of appointment of Independent and Women Directors pursuant to Section 149 of the Companies Act, 2013. In view thereof, the Company has not appointed Independent and Women Directors. Consequently, the Infrastructure Leasing & Financial Services Limited, the ultimate holding Company in its Board Meeting held on October 01, 2020 has deliberated on the applicability and relevance of Board Evaluation and had decided to file an application with NCLT seeking an exemption/clarification for formal annual evaluation by the Board of its own performance and that of its committees and individual directors by explaining the rationale for non-applicability of Board Evaluation to IL&FS group companies, after taking the same through Ministry of Corporate Affairs, Government of India. In view of the aforesaid, the performance evaluation process is not proposed for the period under review.

OTHER DISCLOSURES/ MATTERS REQUIRED UNDER COMPANIES ACT, 2013

SHARE CAPITAL:

During the year under review, your Company has not issued and allotted any equity shares, at equal or differential voting rights nor has granted any stock option or sweat equity. As on March 31, 2021, none of the directors held instruments that are convertible into Equity Shares of the Company.

REDEMPTION OF NON-CONVERTIBLE DEBENTURES:

During the year under review the Company has neither issued nor redeemed the existing debentures issued by the Company

Pursuant to the order passed by the National Company Law Appellate Tribunal ("NCLAT") on October 15, 2018 ("Moratorium Order") which inter alia prohibits payment of principal and interest during the moratorium and restricts the actions or proceedings by creditors against IL&FS and its group companies including the Company. Further, NCLAT has passed another order on February 11, 2019 which specifies that the Company has been marked as a 'red entity' for which the Moratorium has neither been lifted nor modified in any manner.

The Company had issued 71,500 Secured, Listed, Redeemable, Non-Convertible Debentures of Face Value of ₹ 1,00,000/- each (the "Debentures"), aggregating upto Rs. 715 Crore on a Private Placement basis. For the aforementioned Debentures, the total amount outstanding to be redeemed as on 31st March, 2021 is Rs. 601 Crore.

INTERNAL CONTROL SYSTEM:

The Company has an Internal Control Framework (ICF) in place which comprises of the Standard Operating Procedures for each function and a Risk Control Matrix which identifies the key risks and the Controls implemented to mitigate such risks. The maker checker controls as per the Framework facilitates audit at both the Corporate & Project Levels.

The internal audit is carried out by a firm of Chartered Accountants who report directly to the Audit Committee / Board. The Corporate Audit function plays a key role in providing both the operating management and the Board with an objective view and reassurance of the overall control systems.

The Internal Auditors perform a quarterly/ annual review in line with the Audit Committee / Board approved Internal Audit Plan which is modified from time to time to meet requirements arising from changes in law as well as out of the improved controls resulting from the implementation of the ICF. The Internal Auditors accordingly in their IA report certify that the internal controls including the Internal Financial Controls are adequate and commensurate with the size and nature of operations, systems and processes laid down by the management are generally adequate and operating effectively and the procedures for reporting significant / material breaches of control to the Management are in place

CHANGE IN THE NATURE OF BUSINESS:

There was no change in the nature of business during the year under review as per Sub Rule 5(ii) of Rule 8 of Companies (Accounts) Rules, 2014.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

During the year under review, the Company has not incorporated/formed any Subsidiary, Joint Venture, Associate Company or LLPs.

VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES:

In accordance with Section 177(9) of the Companies Act, 2013 the Company has established a vigil mechanism by adopting a Whistle Blower Policy for the directors and employees to report genuine concerns or grievances.

The administration of the vigil mechanism is being done through Audit Committee.

During the financial year 2020-21, no employee of the Company was denied access to the Audit Committee.

DEPOSITS:

During the financial year under consideration, your Company has not accepted any public deposits within the meaning of Section 73 of the Companies Act, 2013 and the rules made there under.

POLICY FOR PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

The Company has provided a safe and dignified work environment for its employees which is free of discrimination, intimidation and abuse. The Company has adopted a Policy for Prevention of Sexual Harassment of Women at Workplace pursuant to Section 22 read with Rule 14 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The objective of this policy is to provide protection against sexual harassment of women at workplace and for redressal of complaints of any such harassment. The Internal Complaints Committee to redress the complaints received under the Act is in place.

No complaints has been received during the year under review.

PARTICULARS OF EMPLOYEES:

During the year under review, there were no such employees of the Company in respect of whom the information is required to be disclosed pursuant to Section 197 of the Companies Act 2013 read with Rule 5(2)&(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

There brief details of significant material orders passed by the Regulators/Courts otherwise stated are mentioned below:

Sr. No.	Parties / Case No.	Adjudicating Authority	Date of Order	Particulars
1	Union of India vs IL&FS and Ors. Company Appeal (AT) No. 346 and 347 of 2018)	National Company Law Appellate Tribunal, New Delhi	March 12, 2020	After considering (a) the proposal of the MCA (as set out in the various affidavits filed with the Hon'ble NCLAT, including those relating to the Resolution Framework); and (b) the objections of the creditors passed an order inter alia: (a) approving the procedures proposed by MCA for resolution of the IL&FS Group; (b) accepting October 15, 2018 as the Cut-Off Date for crystallization of claims/liabilities of creditors; (c) directing that the resolution of all entities in the IL&FS Group be concluded preferably within 90 days; and (d) holding that the order dated October 15, 2018 passed by the Hon'ble NCLAT requires no modification/recall and continuing the order dated October 15, 2018. This order dated March 12, 2020 was modified by an order dated March 30, 2020 by the Hon'ble NCLAT in light of the COVID-19 outbreak holding that the period of lockdown will be excluded from the 90 day time period granted by the Hon'ble NCLAT for the resolution of IL&FS.
2	Union of India, Ministry of Corporate Affairs vs Infrastructure Leasing & Financial Services Limited ('IL&FS') and 10 Ors. (C.A. 1029 of 2020 in C.P. 3638/2018)	National Company Law Tribunal, Mumbai Bench	December 1, 2020	The Hon'ble NCLT allowed ITNL's application challenging GT's rejection of its claim in respect of Hazaribagh Ranchi Expressway Limited. It set aside the rejection, and directed GT to reinstate ITNL's claim.

SECRETARIAL STANDARDS:

The Secretarial Standards as applicable to the Company were complied to the extent possible, as the Company has been facing various challenges and constraints during the period under review.

ACKNOWLEDGEMENTS

The Directors place on record their appreciation for the support and co-operation received from various Government Authorities and other Regulatory Authorities, Banks, Financial Institutions and Shareholders of the Company.

For and on behalf of the Board
Hazaribagh Ranchi Expressway Limited

	Sd/-	Sd/-
	Vijay Kini	**Parag Phanse**
	DIN: 06612768	**DIN: 08388809**
September 4, 2021	**Director**	**Director**
Mumbai		

ANNEXURE A

EXTRACT OF ANNUAL RETURN
As on Financial Year ended on 31.03.2021

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	U45203MH2009PLC191070
2.	Registration Date	19/03/2009
3.	Name of the Company	Hazaribagh Ranchi Expressway Limited
4.	Category/Sub-category of the Company	Company Limited by Shares
5.	Address of the Registered office & contact details	The IL&FS Financial Centre, Plot C 22, G Block, Bandra Kurla Complex, Mumbai-400051, Contact No. 022-26533333, Email ID: itnl.secretarial@ilfsindia.com,
6.	Whether listed company	The Company is having its Non-Convertible Debentures listed on the National Stock Exchange
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link InTime India Pvt Limited, Address: C-101, 247 Park, LBS Marg, Surya Nagar, Vikhroli (West), Mumbai – 400 083 Phone: +91 22 4918 6000

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

Sr. No.	Name and Description of main products / services	NIC Code of the	% to total turnover of the company
1	Construction and maintenance of Motorways, roads, other vehicular and pedestrian ways, highways, bridges, tunnels and subways	42101	100 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of The company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	IL&FS Transportation Networks Limited ("ITNL) Address: The IL&FS Financial Centre, Plot C 22, G Block, Bandra Kurla Complex, Mumbai-400051	L45203MH2000PLC129790	Holding	99.99%	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-

d) Bodies Corp.	13,09,86,840	60	13,09,86,900	99.99 %	13,09,86,840	60	13,09,86,900	99.99 %	No
e) Banks / FI		-	-	-	-	-	-	-	-
f) Any other		-	-	-	-	-	-	-	-
Sub-total (A) (1):-	**13,09,86,840**	**60**	**13,09,86,900**	**99.99 %**	**13,09,86,840**	**60**	**13,09,86,900**	**99.99 %**	**No**
(2) Foreign		-	-	-	-	-	-	-	-
a) NRIs-Individual		-	-	-	-	-	-	-	-
b) Other – Individuals		-	-	-	-	-	-	-	-
c) Bodies Corporate		-	-	-	-	-	-	-	-
d) Banks/FI		-	-	-	-	-	-	-	-
e) Any Other…		-	-	-	-	-	-	-	-
Sub-total (A) (2):-		-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**13,09,86,840**	**60**	**13,09,86,900**	**99.99 %**	**13,09,86,840**	**60**	**13,09,86,900**	**99.99 %**	**No**
B. Public Shareholding									
1. Institutions		-	-	-	-	-	-	-	-
a) Mutual Funds		-	-	-	-	-	-	-	-
b) Banks / FI		-	-	-	-	-	-	-	-

c) Central Govt		-	-	-	-	-	-	-	-
d) State Govt(s)		-	-	-	-	-	-	-	-
e) Venture Capital Funds		-	-	-	-	-	-	-	-
f) Insurance Companies		-	-	-	-	-	-	-	-
g) FIIs		-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds		-	-	-	-	-	-	-	-
i) Others (specify)		-	-	-	-	-	-	-	-
Sub-total (B)(1):-		-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.		-	-	-	-	-	-	-	-
i) Indian		13,100	13,100	0.01%	-	13,100	13,100	0.01%	-
ii) Overseas		-	-	-	-	-	-	-	-
b) Individuals		-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh		-	-	-	-	-	-	-	-

ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh		-	-	-	-	-	-	-	-
c) Others (specify)		-	-	-	-	-	-	-	-
Sub-total (B)(2):-		**13,100**	**13,100**	**0.01%**	**-**	**13,100**	**13,100**	**0.01%**	
Total Public Shareholding (B)=(B)(1)+ (B)(2)		**13,100**	**13,100**	**0.01%**	**-**	**13,100**	**13,100**	**0.01%**	**-**
C. Shares held by Custodian for GDRs & ADRs		-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**13,09,86,840**	**13,160**	**13,10,00,000**	**100%**	**13,09,86,840**	**13,160**	**13,10,00,000**	**100%**	**Nil**

ii) Shareholding of Promoter-

Sr. No.	**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	IL&FS Transportation Networks Limited	13,09,86,900	99.99%	-	13,09,86,900	99.99%	-	Nil

	Total	**13,09,86,900**	**99.99%**	**-**	**13,09,86,900**	**99.99%**	**-**	**Nil**

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

Sr. No.	**Particulars**	**Shareholding at the beginning of the year**		**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	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	-	-

iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs): All the shares are held by the Promoters

Sr. No.	**For Each of the Top 10 Shareholders**	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Punj Lloyd Limited				
	At the beginning of the year	13,100	0.01%	13,100	0.01%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for	-	-	-	-

	increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year(or on the date of separation, if separated during the year)	13,100	0.01%	13,100	0.01%

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Director/KMP	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
1.	**Mr. Vijay Kini Director (joint holding with IL&FS Transportation Networks Limited)**	At the beginning of the year	10	-	10	-
		Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
		At the end of the year	10	-	10	-

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

(Rs. Million)

	Secured Loans excluding deposits	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtedness at the beginning of the financial year				
i) Principal Amount	6,045.87	1,921.07		7,966.94
ii) Interest due but not paid	-	267.64		267.64
iii) Interest accrued but not due				
iv) Indas Adjustment - Loan				
v) Indas Adjustment - Interest				
Total (i+ii+iii+iv+v)	**6,045.87**	**2,188.71**	**-**	**8,234.58**
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	-	-	-	-
* Addition -Interest accrued but not due				
* Reduction -Interest accrued but not due				
* Indas Adjustment - Loan				
* Indas Adjustment - Interest				
Net Change	**-**	**-**	**-**	**-**
Indebtedness at the end of the financial year				
i) Principal Amount	6,045.87	1,921.07	-	7,966.94
ii) Interest due but not paid	-	267.64	-	267.64
iii) Interest accrued but not due				
iv) Indas Adjustment - Loan				
v) Indas Adjustment - Interest				
Total (i+ii+iii+iv+v)	**6,045.87**	**2,188.71**	**-**	**8,234.58**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. Million)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
-	Gross salary	-	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify…	-	-	-	-	-
5	Others, please specify					
	Total (A)	-	-	-	-	-
	Ceiling as per the Act	being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013				

B. Remuneration to other directors

(Rs. Million)

Sr. No	Particulars of Remuneration	Name of Directors						Total
1	**Independent Directors**							
	Fee for attending board	-	-	-				

	committee meetings							
	Commission	-	-	-				
	Others, please specify	-	-	-				
	Total (1)	-	-	-				
2	**Other Non-Executive Directors**	**Mr. Vijay Kini**	**Mr. Parag Phanse**	**Mr. Mohit Bhasin**				
	Fee for attending board committee meetings	-	-	-				
	Commission	-	-	-				
	Others, please specify	-	-	-				
	Total (2)	-	-	-				
	Total (B)=(1+2)	-	-	-				
	Total Managerial Remuneration							
	Overall Ceiling as per the Act	being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013						

* *The Board of Directors in the meeting held on August 17, 2018 has passed a resolution for the waiver of Sitting Fees paid to the Non-Executive Directors.*

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sr. No.	**Particulars of Remuneration**	**Key Managerial Personnel**			
		CEO	CS	CFO	Total
1	Gross salary	Nil	Nil	Nil	Nil
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil	Nil
	others, specify…	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total	Nil	Nil	Nil	Nil

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	**Section of the Companies Act**	**Brief Description**	**Details of Penalty / Punishment/ Compounding fees imposed**	**Authority [RD / NCLT/ COURT]**	**Appeal made, if any (give Details)**
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil

Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board
Hazaribagh Ranchi Expressway Limited

Sd/-	Sd/-
Vijay Kini	**Parag Phanse**
DIN: 06612768	**DIN: 08388809**
Director	**Director**

Date: September 4, 2021
Mumbai

Phone : 2648 7278

KDT & ASSOCIATES
COMPANY SECRETARIES

308, Balaji Darshan, Tilak Road, Santacruz (W), Mumbai - 400 054. ★ Email : team@cskda.com

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021
[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
HAZARIBAGH RANCHI EXPRESSWAY LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HAZARIBAGH RANCHI EXPRESSWAY LIMITED** (hereinafter called "the Company"), incorporated on **19th March, 2009** having **CIN:** U45203MH2009PLC191070 and Registered office at **The IL&FS Financial Centre, Plot No. C-22, G Block Bandra Kurla Complex, Bandra (East), Mumbai Mumbai City MH 400051.** Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the 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 authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on **31st March, 2021** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company and have relied on the records, documents and information shared electronically to us by the Company due to extra-ordinary circumstance of COVID-19, for the Financial Year ended on **31st March, 2021** as made available to us, according to the following provisions of (including any statutory modifications, amendments or re-enactment thereof for the time being in force):

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder-**;**

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings- ***Not Applicable during the period under review;***

(v) **The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):**

- The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014- ***Not Applicable during the period under review***;

- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- ***Not Applicable during the period under review***;

- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;-

- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- ***Not Applicable during the period under review***;

- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - ***Not Applicable during the period under review;***

- The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- ***Not Applicable during the period under review;***

- Other laws applicable to the Company (List of other laws enclosed and marked as **Annexure –I**)

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India;

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

To the best of our knowledge and belief, during the year under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above subject to the following observations:

- *The Company has not filled up the Casual Vacancy caused by resignation of Key Managerial Personnel i.e. Chief Financial Officer and Company Secretary within 6 (Six) months from the date of such vacancy pursuant to the provisions of Section 203 of the Act. However, Company have appointed Mr. Vicky Masani as Chief Financial Officer of the Company w.e.f 30th March, 2021*

- *The Financial Statements for the Financial Year ended 31st March, 2020 is not signed as per the provisions of Section 134 of the Companies Act, 2013.*

- *The Disclosures intimating the concern or interest of a Director in any company or companies or bodies corporate, firms, or other association of individuals at the first meeting of the Board in the financial year under review as required under provisions of Section 184 of the Act and rules made thereunder, was received and taken on record in the subsequent meeting's.*

- *The status of the Company is "Active Non-compliant Company" on MCA portal as the Company have not filed Form INC-22A i.e. e-Form ACTIVE (Active Company Tagging Identities and Verification) as required under Rule 25A of the Companies (Incorporation) Rules, 2014 and hence is unable to file e-form DIR-12 with RoC with respect to appointment and resignation of Directors and E-form MGT-7 for the financial year 2018-2019 and 2019-2020.*

- *The Company has not file E-form MGT-14 for convening Annual General Meeting through electronic mode i.e. video conferencing or any other audio video means held for financial year 2018- 2019 and 2019-2020 as per Circulars issued by Ministry of Corporate Affairs*

- *The Company has not complied with the following regulations as specified under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015*:

  Regulations 54: Asset Coverage Ratio: The Company has not maintained the asset coverage ratio, as required under the regulations i.e hundred per cent asset cover sufficient to discharge the principal amount at all times.

We further report that-

The Board of Directors of the Company is constituted with Non-Executive Directors only. Also the changes in composition of Board of Directors and Key Managerial Personnel that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 (Seven) days in advance (except for the Board meetings called at shorter notice), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors of the Company were carried out unanimously. There were no dissenting views by any member of the Board of Directors during the year under review.

We further report during the audit period the Company has following specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

a. The Ministry of Corporate Affairs (MCA), Government of India, has initiated investigation by Serious Fraud Investigation Office (SFIO) against Infrastructure Leasing & Financial Services Limited (IL&FS), the Ultimate Holding Company including IL&FS Transportation Networks Ltd (ITNL), the Holding Company under Section 212(1) of the Companies Act, 2013. As a part of its investigation, SFIO has been seeking information. The investigation is in progress.

b. In the matter of Infrastructure Leasing and Financial Services Limited (IL&FS) MA 1054/2019 in the Company Petition No. 3638/2018, the Hon'ble National Company Law Tribunal, Mumbai Bench vide its order dated 26.04.2019 has granted the dispensation regarding the appointment of Independent Directors and Women Directors pursuant to Section 149 of the Companies Act, 2013. In view thereof, the Company has not appointed Women Director and Independent Directors.

c. The Company has held the Annual General Meeting for the financial year 2018-2019 on Tuesday, 30th June, 2020 which was not within the limits as prescribed under provisions of Section 96 of the Companies Act, 2013 and the rules made thereunder.

For KDT & Associates
Company Secretaries

Nikunj Makwana
Partner
Membership No.: ACS 62943
CoP No.: 23501
UDIN: A062943C000899515

Date: 04th September, 2021
Place: Mumbai

Annexure I

Sr. No.	*Particulars*
1	Concession Agreement with National Highway Authority of India (NHAI)
2	Building And Other Construction Workers (Regulation Of Employment And Conditions Of Service) Act, 1996
3	Environment (Protection) Act, 1986
4	Air (Prevention And Control Of Pollution) Act, 1981
5	Water (Prevention And Control Of Pollution) Act, 1974
6	Forest Conservation Act, 1980
7	Hazardous Wastes (Management And Handling) Rules, 1989
8	Labour Laws, to the extent applicable.

For KDT & Associates
Company Secretaries

Nikunj Makwana
Partner
Membership No.: ACS 62943
CoP No.: 23501
UDIN: A062943C000899515

Date: 04th September, 2021
Place: Mumbai

To,
The Members,
HAZARIBAGH RANCHI EXPRESSWAY LIMITED

Our report of event date is to read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We 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. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.

4. Where ever required, we 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, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.

6. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For KDT & Associates
Company Secretaries

Nikunj Makwana
Partner
Membership No.: ACS 62943
CoP No.: 23501
UDIN: A062943C000899515

Date: 04th September, 2021
Place: Mumbai

K. S. AIYAR & CO
CHARTERED ACCOUNTANTS

Ground Floor Plot No: 44
Union Bank of India Colony,
Road No:3, Banjara Hills,
(Behind TV9 office),
Hyderabad - 500 034.
Tel: +91 40 2355 5799
www.KSAiyar.com
hyderabad@ksaiyar.com

UDIN: 21206784AAAADX1554

INDEPENDENT AUDITOR'S REPORT

To the Members of
Hazaribagh Ranchi Expressway Limited

Report on the audit of the Financial Statements for the year ended on 31st March, 2021

Opinion

We have audited the accompanying financial statements of Hazaribagh Ranchi Expressway Limited ("the Company"), for the year ended on 31st March, 2021, which comprise the balance sheet as at 31st March, 2021, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, and its Profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter:

i) We draw your attention to note no 27 of the financial statements regarding no interest, additional interest, default interest, penal charges or other similar charges to accrue after the Cut -Off date of 15th Oct 2018 vide NCLAT Order dated 12th March 2020 as set out in Initial Resolution Framework. Pursuant to the Order of NCLAT, the

K. S. Aiyar & Co. Hyderabad-34

Company has not recognised any interest (amounting to Rs.1466.82 Mn) (Previous Year Rs 754.45 Mn) default interest, penal interest and any other charges after the cut-off date of October 15,2018 till 31st March 2021.

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

ii) We refer to Note No. 28 to the financial statements. National Company Law Appellate Tribunal (NCLAT) Vide its order date February 11, 2019 classified the company under "Amber" category, based on a 12 month cash flow, which means company is able to meet only financial obligations towards senior lenders and operational creditors. We are informed that the Board of ultimate parent company (IL&FS) has given its in-principle approval to establish an Infrastructure Investment Trust ("InvIT") under the SEBI InvIT regulations and proposes to transfer stake held by the parent company (ITNL) along with loans and receivables from the company to the said InvIT as mentioned in Note 28 of the financial statements. All these indicate and cast a doubt about the Company's ability to continue as a 'Going Concern'. However, management has continued to prepare financial statements on a 'Going Concern' basis for the reasons detailed in note no. 28.

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

iii) We draw your attention to Note no. 33 of the financial statements wherein it is mentioned that the reopening and recasting of financial statements under the provisions of Section 130 of the Companies Act, 2013 for the financial years from 2012-13 to 2017-18 is applicable to IL&FS and its subsidiaries namely IFIN and ITNL only and management is of the view that it is not applicable to the Company. Adjustments, if any, arising out of the said reopening/recasting of financial statement of the Holding Company (ITNL) having any impact on financial statements of the Company would be made in the financial statements of the Company for the future period

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

iv) We draw your attention to Note no. 34 of the financial statements wherein it is mentioned that The Ministry of Corporate Affairs (MCA), Government of India, has vide its letter dated October 1, 2018 initiated investigation by Serious Fraud Investigation Office (SFIO) against IL&FS (ultimate holding company) and its group companies under Section 212 (1) of the Companies Act, 2013. As a part of investigation of affairs of ITNL (the Holding Company), SFIO has also been seeking from ITNL various information including relating to project undertaken by the Company (for which ITNL acted as Development Contractor and promoter). The investigation is in progress, and it is understood that the relevant information is being provided by ITNL to the agency. At this stage, no material impact/ implications had arisen from the aforesaid developments. However, an uncertainty relating to the future outcome of the regulatory actions is not determinable at this stage.

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

K. S. Aiyar & Co. Hyderabad-34 Chartered Accountants

v) We draw your attention to Note no. 35 of the financial statements wherein it is mentioned that forensic examination initiated by the Board of Directors of IL&FS is on-going on certain IL&FS Group companies. We are informed that there is no specific forensic examination or forensic audit initiated in respect of the Company (i.e., HREL). Observations made by the independent third party relating to the project undertaken by the Company, have been presented to the Company's Board. After review of the observations, the Board is of the view that no adjustments will be required in these financial statements for any consequential effects / matters that may arise from the said report. The independent third party is conducting further audit procedures and an additional report may be issued in due course.

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

vi) There are certain non-compliance of applicable laws and regulations pertaining to appointment of Directors, filings with Regulators, appointment of key management personnel and such other regulations. These do not have an impact on financial reporting and/or compliance with accounting standards as referred to in Note No. 37 of the financial statements.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. Except for the matters detailed in Basis for qualified opinion para and Emphasis of matter para we have determined that there no (other) key audit matters to communicate in our report.

"Information Other than the Financial Statements and Auditor's Report Thereon"

The Company's Board of Directors is responsible for the other information. The other information for the Company comprises the information included in the Directors' Report and Annexures thereto but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information referred to above and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We are informed that the Directors' Report and related annexures will get finalized and adopted in the subsequent Board meeting and therefore the same could not be commented upon by us as on today.

K. S. Aiyar & Co. ★ Hyderabad-84 ★ Chartered Accountants

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of the Financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows 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 companies (Indian Accounting Standard) Rules, 2015 as amended. 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.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

K. S. Aiyar & Co. Hyderabad-34 Chartered Accountants

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern. (Refer Note no.28 on going concern status of the company)
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 terms of Section 143(11) of the Act, we give in "**Annexure-A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. Further we report that:

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

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

c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with applicable rules.

K. S. Aiyar & Co. Hyderabad-34 Chartered Accountants

e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure-B**".

g) As there is no managerial remuneration paid or payable, the requirements of section 197(16) of the Act, as amended is not applicable to the Company.

h) 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 litigation 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 K.S.Aiyar & Co
Chartered Accountants
Firm's Registration No.100186W
UDIN: 21206784AAAADX1554

G.C. Nageswara Rao

K.S. Aiyar & Co. Hyderabad-34 Chartered Accountants

G C Nageswara Rao
Partner
M.No. 206784
Place: Hyderabad
Date: 29.06.2021

ANNEXURE-A

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date on the financial statements for the year ended on 31stMarch, 2021 of **Hazaribagh Ranchi Expressway Limited).**

(i)

a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b) A substantial portion of the fixed assets have been physically verified by the management during the year. In our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

c) The Company does not have any immovable properties.

(ii) Considering the nature of business of the Company, clause 3 (ii) of the Order regarding inventory is not applicable to the company.

(iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, sub-clause (a), (b) and (c) of clause (iii) are not applicable.

(iv) The Company has not advanced any loans or made any investments or guarantees, hence the provisions of Section 185 and 186 of the Companies Act 2013 are not applicable.

(v) The Company has not accepted any deposits from the public to which the provisions of section 73 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules 2014 apply.

(vi) According to information & explanations given to us, the Central Government has prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, and the Company has made and maintained the same.

(vii)

a) The directions relating to Provident Fund and Employee's State Insurance are not applicable to the Company. Further, based on our examination of the records maintained during the year, the statutory dues including income tax, service tax, customs duty, excise duty, value added tax and Goods and Services Tax (GST), have generally been regularly deposited by the company with appropriate authorities. As explained to us there are no undisputed amounts payable thereof which are outstanding, as at March 31, 2021 for a period of more than six months from the date they became payable.

b) According to the records of the Company, there are no dues of Income tax, Goods and Service tax (GST), duty of customs, duty of excise and which have not been deposited on account of any dispute.

K. S. Aiyar & Co. Hyderabad-34 Chartered Accountants

(viii) In our opinion and according to the information and explanations given to us, the Company has defaulted in the repayment of dues to Non-Convertible Debenture (NCD) holders. The company has not taken loans from Banks and Financial Institutions and there are no borrowings from the government.

The details of defaults in repayment of Principal and Interest thereon to Non-Convertible Debenture holders are as under;

Details of Non-Convertible Debentures (NCD) series	Principal Amount (Rs. in million)	Interest Amount (Rs. in Mn)	Due Date	Date of Payment
NCD - SERIES A 538	200.00	194.12	14.04.2019	Not Paid
NCD – SERIES B 177	70.00	62.39	14.04.2019	Not Paid
NCD - SERIES A 538	200.00	188.70	14.10.2019	Not Paid
NCD – SERIES B 177	80.00	60.32	14.10.2019	Not Paid
NCD – SERIES A 538	200.00	178.14	14.04.2020	Not Paid
NCD – SERIES B 177	90.00	56.15	14.04.2020	Not Paid
NCD – SERIES A 538	250.00	169.61	14.10.2020	Not Paid
NCD – SERIES B 177	55.00	52.21	14.10.2020	Not Paid

We have been informed that the company has defaulted in repayment of dues to Non-Convertible Debenture holders in certain instances on account of non-payment of dues as required under the moratorium order of NCLAT.

(viii) The Company did not raise money by way of initial public offer or further public offer (including debt instruments). The monies raised by way of term loans were applied for the purpose for which they were raised.

(ix) According to the information and explanations furnished by the management, which have been relied upon by us, there were no frauds on or by the Company noticed or reported during the course of our audit.

(x) The Company does not pay any managerial remuneration

(xi) The Company is not a Nidhi Company.

(xii) All transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc.as required by the applicable accounting standards.

(xiii) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

K.S. Aiyar & Co. Hyderabad-34

(xiv) The Company has not entered into any non-cash transactions with directors or persons connected with him.

(xv) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For K. S. Aiyar & Co
Chartered Accountants
Firm's Registration No.100186W
UDIN: 21206784AAAADX1554

K. S. Aiyar & Co.
Hyderabad-34
Chartered Accountants

G C Nageswara Rao
Partner
M.No.206784
Place: Hyderabad
Date: 29.06.2021

ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF HAZARIBAGH RANCHI EXPRESSWAY LIMITED

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 **HAZARIBAGH RANCHI EXPRESSWAY LIMITED** ("the Company") as of 31st March,2021 in conjunction with our audit of financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

K. S. Aiyar & Co. Hyderabad-34 Chartered Accountants

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls were operating effectively as at 31stMarch, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K. S. Aiyar & Co
Chartered Accountants
Firm's Registration No.100186W
UDIN: 21206784AAAADX1554

G. C. Nageswara Rao

K. S. Aiyar & Co Hyderabad-34 Chartered Accountants

G C Nageswara Rao
Partner
M.No.206784
Place: Hyderabad
Date: 29.06.2021

HAZARIBAGH RANCHI EXPRESSWAY LIMITED
BALANCE SHEET AS AT MARCH 31, 2021
CIN: U45203MH2009PLC191070

₹ in Mn

Particulars	Notes	As at March 31, 2021		As at March 31, 2020	
ASSETS					
Non-current Assets					
(a) Property, plant and equipment	4		-		-
(b) Intangible assets					
(i) Others	5	-	-	-	-
(c) Financial assets					
(i) Other financial assets	6		4,802.33		5,348.29
Total Non-current Assets			**4,802.33**		**5,348.29**
Current Assets					
(a) Financial assets					
(i) Investments	7A	1,528.25		1,476.75	
(ii) Cash and cash equivalents	7	60.42		644.57	
(iii) Bank balances other than (ii) above	7	817.93		402.56	
(iv) Other financial assets	6	1,468.11	3,874.71	345.65	2,869.53
(b) Current tax assets (Net)	15		30.60		80.12
(c) Other current assets	8		20.01		18.78
Total Current Assets			**3,925.32**		**2,968.43**
Total Assets			**8,727.65**		**8,316.72**
EQUITY AND LIABILITIES					
Equity					
(a) Equity share capital	9	1,310.00		1,310.00	
(b) Other Equity	10	(1,199.91)		(1,534.49)	
Equity attributable to owners of the Company			**110.09**		**(224.49)**
Total Equity			**110.09**		**(224.49)**
LIABILITIES					
Non-current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	11		4,882.60		5,522.60
Total Non-current Liabilities			**4,882.60**		**5,522.60**
Current liabilities					
(a) Financial liabilities					
(i) Borrowings	11	1,299.34		1,299.34	
(ii) Trade payables					
a) Total Outstanding dues of Micro enterprises and Small Enterprises	14	-		-	
b) Total Outstanding dues of creditors other than micro enterprises and small Enterprises	14	381.80		305.62	
(iii) Other financial liabilities	12	2,052.64	3,733.78	1,412.64	3,017.60
(b) Other current liabilities	13		1.17		1.03
Total Current Liabilities			**3,734.96**		**3,018.63**
Total Liabilities			**8,617.56**		**8,541.23**
Total Equity and Liabilities			**8,727.65**		**8,316.72**

Note 1 to 35 forms part of the financial statements.

In terms of our report attached.
For K S Aiyar & Co
Chartered Accountants
Firm's Registration No.100186W

K.S. Aiyar & Co. Hyderabad-34 Chartered Accountants

G C Nageswara Rao
Partner
M.No.206784

Place: Mumbai
Date : 29.06.2021
UDIN: 21206784AAAADX1554

For and on behalf of the Board

Vijay Kini
Director
Din:06612768

Parag Phanse
Director
Din: 08388809

Vicky Masani
Chief Financial Officer

Place: Mumbai
Date :June 29, 2021

HAZARIBAGH RANCHI EXPRESSWAY LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31. 2021
CIN: U45203MH2009PLC191070

₹ in Mn

	Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020
I.	Revenue from Operations	16	941.35	923.06
II.	Other income	17	85.82	75.43
III.	**Total Income (I+II)**		1,027.17	998.49
IV.	**Expenses**			
	Operating expenses	18	87.10	101.28
	Periodic Maintenance expenses	18.1	208.09	116.59
	Employee benefit expenses	18.2	2.90	2.51
	Finance costs (net)	19	0.24	0.24
	Modification Loss on financial assets (Refer Note No. 29)		87.22	25.42
	Depreciation and amortisation expense	20	-	-
	Other expenses	21	307.02	13.99
	Impairment loss on financial Assets (Refer Note No. 34)		-	-
	Total expenses (IV)		**692.57**	**260.03**
V	**Profit/(loss) before tax (III-IV)**		**334.59**	**738.46**
VI	Less: Tax expense			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
	Total Tax expenses		-	-
VII	**Profit/(loss) after tax (V-VI)**		**334.59**	**738.46**
VIII	**Profit for the year (VII+VIII)**		**334.59**	**738.46**
IX	**Other Comprehensive Income**		-	-
	Total other comprehensive (loss) / income (A (i-ii)+B(i-ii))		-	-
X	**Total comprehensive (loss) / income for the year (X+XI)**		**334.59**	**738.46**
	Profit for the year attributable to:			
	- Owners of the Company		334.59	738.46
	- Non-controlling interests			
			334.59	738.46
	Other comprehensive income for the year attributable to:			
	- Owners of the Company		-	-
	- Non-controlling interests			
			-	-
	Total comprehensive income for the year attributable to:			
	- Owners of the Company		334.59	738.46
	- Non-controlling interests			
			334.59	738.46
VIII	Earnings per equity share (face value 10 per share):	22		
	(1) Basic (in Rs.)		2.55	5.64
	(2) Diluted (in Rs.)		2.55	5.64

Note 1 to 35 forms part of the financial statements.

In terms of our report attached.
For K S Aiyar & Co
Chartered Accountants
Firm's Registration No.100186W

G C Nageswara Rao
Partner
M.No.206784

Place: Mumbai
Date : 29.06.2021
UDIN: 21206784AAAADX1554

For and on behalf of the Board

Vijay Kini
Director
Din:06612768

Parag Phanse
Director
Din: 08388809

Vicky Masani
Chief Financial Officer

Place: Mumbai
Date :June 29, 2021

HAZARIBAGH RANCHI EXPRESSWAY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021
CIN: U45203MH2009PLC191070

₹ in Mn

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash flows from operating activities		
Profit/(Loss) for the year	334.59	738.46
Adjustments for:		
Finance costs recognised in profit or loss	0.24	0.24
Interest income recognised in profit or loss	(29.85)	(2.85)
Net gain/(loss) arising on financial assets designated as at FVTPL	(51.51)	(68.64)
Profit on sale of Mutual Fund	-	(3.67)
Modification Loss on IRR	87.22	25.42
Operation and maintenance income	(82.92)	(82.80)
Finance income	(612.79)	(682.76)
Overlay Income	(229.88)	(128.80)
Expenses towards damage & negative cahnge of scope	288.78	-
Depreciation and amortisation expenses	-	-
Impairment Loss	-	-
	(296.13)	**(205.39)**
Movements in working capital:		
(Increase)/decrease in other financial assets & other assets (current and non current)	(37.73)	(8.31)
Increase/ (Decrease) in financial liabilities & other liabilities (current and non current)	76.34	37.87
	38.60	29.56
Cash generated from operations	**(257.52)**	**(175.82)**
Income taxes paid (net of refunds)	49.52	(37.46)
Net cash generated by operating activities (A)	**(208.00)**	**(213.28)**
Cash flows from investing activities		
(Increase(/ decrease in receivable under service concession arrangements (net)	9.61	1,820.84
Interest received	29.85	2.85
Investment in Mutual Fund (At Cost)	-	(740.00)
Redemption of Mutual Fund (At Cost)	-	150.00
Increase in other bank balances	(415.37)	(402.56)
Net cash used in investing activities (B)	**(375.91)**	**831.13**
Cash flows from financing activities		
Proceeds from borrowings	-	-
Repayment of borrowings	-	-
Movement in Short Term Borrowing	(0.00)	(0.00)
Finance costs paid	(0.24)	(0.24)
Net cash generated in financing activities (C)	**(0.24)**	**(0.24)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**(584.15)**	**617.61**
Cash and cash equivalents at the beginning of the year	644.57	26.97
Cash and cash equivalents at the end of the year	**60.42**	**644.57**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Components of Cash and Cash Equivalents		
Cash on hand	-	-
Balances with Banks in current accounts	60.42	644.57
Balances with Banks in deposit accounts	-	-
Cash and Cash Equivalents	**60.42**	**644.57**
Cash and cash equivalents for statement of cash flows	**60.42**	**644.57**

Disclosing change in financial liabilities

Particular	March 31, 2020	Cash flow	Non Cash changes	March 31, 2021
Long Term - Secured Loan - NCD	5,835.83	-	-	5,835.83
Long Term - Secured Loan - Related	210.04	-	0.00	210.04
Unsecured Loan	1,921.07	-	(0.00)	1,921.07
Total	**7,966.94**	**-**	**(0.00)**	**7,966.94**

Note 1 to 35 forms part of the financial statements.

In terms of our report attached.
For K S Aiyar & Co
Chartered Accountants
Firm's Registration No.100186W

K. S. Aiyar & Co. Hyderabad-34 Chartered Accountants

G C Nageswara Rao
Partner
M.No.206784

Place: Mumbai
Date : 29.06.2021
UDIN : 21206784AAAADX1554

For and on behalf of the Board

Vijay Kini
Director
Din:06612768

Parag Phanse
Director
Din: 08388809

Vicky Masani
Chief Financial Officer

Place: Mumbai
Date: June 29, 2021

HAZARIBAGH RANCHI EXPRESSWAY LIMITED

Statement of changes in equity

₹ in Mn

a. Equity share capital	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Balance as at the beginning of the year	1,310.00	1,310.00
Changes in equity share capital during the year	-	-
Balance as at end of the year	**1,310.00**	**1,310.00**

Statement of changes in equity for the year ended March 31, 2021

b. Other equity	Reserves and surplus			
	Deemed Equity	Retained earnings	Debenture Redemption Reserve	Total
Balance as at April 1, 2020	1,285.40	(3,420.89)	601.00	(1,534.49)
Profit / (Loss) for the year	-	334.59	-	334.59
Other comprehensive income for the year, net of income tax	-			-
Transfer to Debenture Redemption Reserve		-		-
Debenture Redemption Reserve			-	-
Total comprehensive income for the year	**1,285.40**	**(3,086.30)**	**601.00**	**(1,199.90)**
Balance As at March 31, 2021	**1,285.40**	**(3,086.30)**	**601.00**	**(1,199.90)**

Statement of changes in equity for the year ended March 31, 2020

b. Other equity	Reserves and surplus			
	Deemed Equity	Retained earnings	Debenture Redemption Reserve	Total
Balance as at April 1, 2019	1,285.40	(3,558.35)	-	(2,272.95)
Profit / (Loss) for the year	-	738.46	-	738.46
Other comprehensive income for the year, net of income tax	-	-	-	-
Transfer to Debenture Redemption Reserve	-	(601.00)	-	(601.00)
Debenture Redemption Reserve	-		601.00	601.00
Total comprehensive income for the year	**1,285.40**	**(3,420.89)**	**601.00**	**(1,534.49)**
Balance As at March 31, 2020	**1,285.40**	**(3,420.89)**	**601.00**	**(1,534.49)**

Note 1 to 35 forms part of the financial statements.

In terms of our report attached.
For K S Aiyar & Co
Chartered Accountants
Firm's Registration No.100186W

K. S. Aiyar & Co
Hyderabad-34
Chartered Accountants

G C Nageswara Rao
Partner
M.No.206784

Place: Mumbai
Date : 29.06.2021
UDIN : 21206784AAAADX1554

For and on behalf of the Board

Vijay Kini
Director
Din:06612768

Parag Phanse
Director
Din: 08388809

Vicky Masani
Chief Financial Officer

Place: Mumbai
Date :June 29, 2021

General Information & Significant Accounting Policies

Note No-1. General information

The Company was incorporated under the Companies Act 1956 on March 19, 2009. The Company was originally formed as "ITNL Highways Development Company Ltd" and its name was changed to 'Hazaribagh Ranchi Expressway Limited' with effect from May 11, 2009.
The Company is a special purpose vehicle (SPV) promoted by IL&FS Transportation Networks Limited (ITNL). The Company has entered into a Concession Agreement with National Highways Authority of India (NHAI) on October 08, 2009 to Design, Engineer, Finance, Procure, Construct, Operate and Maintain 4 laning Hazaribagh-Ranchi section of NH-33 from km 40.500 to km 114.000 in the State of Jharkhand on Build, Operate and Transfer (Annuity) basis. The Concession Agreement envisages concession for a period of 18 years commencing from the appointed date including construction period of 910 days required for 4 laning of the Project.
The address of its registered office and principal place of business is The IL&FS Financial Centre, Plot C-22.'G' Block. Bandra Kurla Complex, Bandra (East), Mumbai-400051.

Note No-2. Significant accounting policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015_(as amended from time to time) and other relevant provisions of the Companies Act, 2013("the Act").

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division II of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

2.2 Basis of preparation and presentation

The Financial Statements are presented in INR, which is also the Company's functional currency and all values are rounded to the nearest millions (INR 000,000), except earnings per share and except otherwise indicated.

The financial statements have been prepared on a historical cost basis, except for the following asset and liabilities which have been measured at fair value:

- Derivative financial instruments

K. S. Aiyar & Co. Hyderabad-34 Chartered Accountants

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on this basis.

2.3 Use of estimates

The preparation of financial statements in conformity with IND AS requires the Management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statements. The recognition, measurement, classification or disclosures of an item or information in the financial statements have been made relying on management estimates to a greater extent.

2.4 Fair value measurement

The Company measures financial instruments, at fair value at each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

K. S. Aiyar & Co. Hyderabad-34 Chartered Accountants

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. External valuers are involved for valuation of significant assets, such as properties and significant liabilities, such as contingent consideration.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.
This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

2.5 Accounting for rights under service concession arrangements and revenue recognition

i. Recognition and measurement

The Company builds, operates and maintains infrastructure assets under public-to-private Service Concession Arrangements (SCAs), which is an arrangement between the "grantor" (a public sector entity/authority) and the "operator" (a private sector entity) to provide services that give the public access to major economic and social facilities utilizing private-sector funds and expertise. The infrastructures accounted for by the Company as concessions are mainly related to the activities concerning roads.

Concession contracts are public-private agreements for periods specified in the SCAs

K. S. Aiyar & Co. Hyderabad-34 Chartered Accountants

including the construction, upgradation, restoration of infrastructure and future services associated with the operation and maintenance of assets in the concession period. Revenue recognition, as well as, the main characteristics of these contracts are detailed in Note 2.5.iii.

With respect to service concession arrangements, revenue and costs are allocated between those relating to construction services and those relating to operation & maintenance services, and are accounted for separately. Consideration received or receivable is allocated by reference to the relative fair value of services delivered when the amounts are separately identifiable. The infrastructure used in a concession are classified as an intangible asset or a financial asset, depending on the nature of the payment entitlements established in the concession agreement.

When the amount of the arrangement consideration for the provision of public services is substantially fixed by a contract, the Company recognizes revenues from construction services for public facilities (infrastructures) by the percentage-of-completion method, and recognizes the consideration as a financial asset and the same is classified as "Receivables against Service Concession Arrangements". The Company accounts for such financial assets at amortized cost, calculates interest income based on the effective interest method and recognizes it in revenue as Finance Income.

ii. Contractual obligation to restore the infrastructure to a specified level of serviceability

The Company has contractual obligations to maintain the infrastructure to a specified level of serviceability or restore the infrastructure to a specified condition during the concession period and/or at the time of hand over to the grantor of the SCA. Such obligations are measured at the best estimate of the expenditure that would be required to settle the obligation at the balance sheet date. In case of concession arrangements under financial asset model, such cost are recognized in the period in which such cost are actually incurred.

iii. Revenue recognition

Once the infrastructure is in operation, the treatment of income is as follows:

Finance income for concession arrangements under financial asset model is recognized using the effective interest method. Revenues from operations and maintenance services and overlay services are recognized in each period as and when services are rendered in accordance with Ind AS 115 Revenue from Contracts with Customers.

Interest Income is recognized on an accrual basis.

K. S. Aiyar & Co. Hyderabad-34 Chartered Accountants

iv. Revenue from construction contracts

The Company recognizes and measures revenue, costs and margin for providing construction services during the period of construction of the infrastructure in accordance with Ind AS 115 'Construction Contracts'.
When the outcome of a construction contract can be estimated reliably and it is probable that it will be profitable, contract revenue and contract costs associated with the construction contract are recognized as revenue and expenses respectively by reference to the percentage of completion of the contract activity at the reporting date. The percentage of completion of a contract is determined considering the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs.

For the purposes of recognizing 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.

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 recognized in the Statement of Profit and Loss in the period in which the change is made and in subsequent periods.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognized only to the extent of contract costs incurred of which recovery is probable and the related contract costs are recognized as an expense in the period in which they are incurred.

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

v. Borrowing cost related to SCAs

In case of concession arrangement under financial asset model, borrowing costs attributable to construction of the infrastructure are charged to Statement of Profit and Loss in the period in which such costs are incurred.

In case of concession arrangement under intangible asset model, borrowing costs attributable to the construction of infrastructure assets are capitalised up to the date of the final completion certificate of the asset / facility received from the authority for its intended use specified in the Concession Agreement. All borrowing costs subsequent to the

K. S. Aiyar & Co. Hyderabad-34 Chartered Accountants

capitalization of the intangible assets are charged to the Statement of Profit and Loss in the period in which such costs are incurred.

vi. **Claims**

Claims raised with the concession granting authority towards reimbursement for costs incurred due to delay in handing over of unencumbered land to the Company for construction or other delays attributable solely to the concession granting authority are recognized when there is a reasonable certainty that there will be inflow of economic benefits to the company. The claims when recognised as such are reduced from the carrying amount of the intangible asset / financial asset under the service concession arrangement, as the case may be, to the extent the claims relate to costs earlier included as a part of the carrying amount of these assets. Further, these claims and interest there on are credited to profit or loss to the extent it is probable to have economic benefits to the company.

2.6 Borrowing costs

Borrowing costs are recognised in the period to which they relate, regardless of how the funds have been utilised, except where it relates to the financing of construction of development of assets requiring a substantial period of time to prepare for their intended future use. Interest is capitalised up to the date when the asset is ready for its intended use. The amount of interest capitalised (gross of tax) for the period is determined by applying the interest rate applicable to appropriate borrowings outstanding during the period to the average amount of accumulated expenditure for the assets during the period. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.7 Taxation

2.7.1 Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The

K. S. Aiyar & Co. Hyderabad-34 Chartered Accountants

Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax return with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2.7.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases values used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets (including unused tax credits such as MAT credit and unused tax losses such as carried forward business loss and unabsorbed depreciation) are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.8 Property, plant and equipment

Property, plant and equipment acquired by the Company are reported at acquisition cost,

K. S. Aiyar & Co. Hyderabad-34 Chartered Accountants

with deductions for accumulated depreciation and impairment losses, if any.

The acquisition cost includes the purchase price (excluding refundable taxes) and expenses, such as delivery and handling costs, installation, legal services and consultancy services, directly attributable to bringing the asset to the site and in working condition for its intended use.

Where the construction or development of any asset requiring a substantial period of time to set up for its intended use is funded by borrowings, the corresponding borrowing costs are capitalised up to the date when the asset is ready for its intended use.

All assets are depreciated on a Straight Line Method (SLM) of Depreciation, over the useful life of assets as prescribed under Schedule II of the Companies Act, 2013.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying of the asset and is recognised in profit or loss.

2.9 Impairment of tangible assets/intangible asset

At the end of each reporting period, the Company reviews the carrying amounts of its tangible /intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

In assessing value in use, the estimated future cash flows are discounted to their present value using appropriate discount rate.

Recoverable amount is the higher of fair value less costs of disposal and value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not

K. S. Aiyar & Co. Hyderabad-34 Chartered Accountants

exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

2.10 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

The amount recognized 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).

2.11 Financial instruments

Financial assets and financial liabilities are recognized when a 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 ("FVTPL) are recognised immediately in the statement of profit and loss.

2.12 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

K. S. Aiyar & Co. Hyderabad-34 Chartered Accountants

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.

2.12.1 Classification of financial assets – debt instruments

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The

EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

2.12.2 Amortised cost and Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

2.12.3 Financial assets at FVTPL

Debt instruments that do not meet the amortized cost or FVOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortized cost or FVOCI criteria but are designated as at FVTPL are measured at FVTPL.

A debt instrument that meets the amortized cost or FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities

K. S. Aiyar & Co. Hyderabad-34 Chartered Accountants

or recognizing the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss is included in in the "Other income" line item.

2.12.4 Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18 (referred to as 'contractual revenue receivables' in these illustrative financial statements)

c) Loan commitments which are not measured as at FVTPL

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. However, for trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses. In cases where the amounts are expected to be realized upto one year from the due date, loss for the time value of money is not recognized, since the same is not considered to be material.

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 the change in the amount of expected credit losses. To make that assessment, 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 the financial instrument as at the date of 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.

2.13 Reclassification of financial assets

K. S. Aiyar & Co. Hyderabad-34 Chartered Accountants

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

2.13.1 Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g., when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

K. S. Aiyar & Co. Hyderabad-34 Chartered Accountants

2.14 Modification of Cash Flows of financial assets and revision in estimates of Cash flows

The rate considered for recognizing Finance Income (EIR) and fair valuation of the Receivable under SCA will be finalised on achievement of PCOD / COD for the Project. Thereafter this rate will remain constant during the balance concession period.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and

the renegotiation or modification does not result in the derecognition of that financial asset in accordance with Ind AS 109, the Company recalculates the gross carrying amount of the financial asset and recognises a modification gain or loss in profit or loss. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate. Any costs or fees incurred are adjusted to the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

If the Company revises its estimates of payments or receipts (excluding modifications and changes in estimates of expected credit losses), it adjusts the gross carrying amount of the financial asset or amortised cost of a financial liability to reflect actual and revised estimated contractual cash flows. The Company recalculates the gross carrying amount of the financial asset or amortised cost of the financial liability as the present value of the estimated future contractual cash flows that are discounted at the financial instrument's original effective interest rate. The adjustment is recognised in profit or loss as income or expense.

2.15 Financial liabilities and equity instruments-

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
The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

2.15.1 Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

K. S. Aiyar & Co. Hyderabad-34 Chartered Accountants

2.15.2 Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method

2.15.3 Financial liabilities subsequently measured at amortised cost

Financial liabilities are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.15.4 Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

2.16 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the entity's cash management.

2.17 Cash Flow Statement:

K. S. Aiyar & Co. Hyderabad-34 Chartered Accountants

The statement of cash flows shows the changes in cash and cash equivalents arising during the year from operating activities, investing activities and financing activities

The cash flows from operating activities are determined by using the indirect method. Net income is therefore adjusted by non-cash items, such as measurement gains or losses, changes in provisions, impairment of property, plant and equipment and intangible assets, as well as changes from receivables and liabilities. In addition, all income and expenses from cash transactions that are attributable to investing and financing activities are eliminated.

The cash flows from investing and financing activities are determined by using the direct method.

2.18 Earnings Per Equity Share :

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

2.19 Critical accounting judgments:

The preparation of Financial Statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities at the date of the Financial Statements and the reported amounts of income and expenses for the periods presented.

Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. In case the actual results are different those from estimates, the effect thereof is given in the financial statements of the period in which the events materialize. Any change in such estimates is accounted

K. S. Aiyar & Co. Hyderabad-34 Chartered Accountants

prospectively.

The matters to be disclosed will be dictated by the circumstances of the individual entity, and by the significance of judgements and estimates made to the performance and financial position of the entity. Instead of disclosing this information in a separate note, it may be more appropriate to include such disclosures in the relevant asset

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

3.1 Key estimates in relation to Fair Value measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer Note 34 for further disclosures.

3.2 Standard Issued but not yet effective

a) **Ind AS 116 Leases:**

The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

b) **Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:**

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have

K. S. Aiyar & Co. Hyderabad-34 Chartered Accountants

used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

c) Amendment to Ind AS 12 – Income taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes (DDT). The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

d) Amendment to Ind AS 19 – plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

K. S. Aiyar & Co. Hyderabad-34 Chartered Accountants

HAZARIBAGH RANCHI EXPRESSWAY LIMITED
Notes forming part of Financial Statements for the year ended March 31, 2021

4. Property Plant & Equipment

₹ in Mn

Particulars	Deemed cost			Accumulated Depreciation				Carrying Amount	
	Balance as at April 1, 2020	Deductions	Balance at March 31, 2021	Balance as at April 1, 2020	Deductions	Depreciation expense	Balance at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Data processing equipments	0.01	-	0.01	0.01	-	-	0.01	-	-
Office equipments	0.05	(0.03)	0.03	0.05	(0.03)	-	0.03	-	-
Subtotal	**0.06**	**(0.03)**	**0.03**	**0.06**	**(0.03)**	**-**	**0.03**	**-**	**-**
Total	**0.06**	**(0.03)**	**0.03**	**0.06**	**(0.03)**	**-**	**0.03**	**-**	**-**

₹ in Mn

Particulars	Deemed cost			Accumulated Depreciation				Carrying Amount	
	Balance as at April 1, 2019	Deductions	Balance at March 31, 2020	Balance as at April 1, 2019	Deductions	Depreciation expense	Balance at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Data processing equipments	0.01	-	0.01	0.01	-	-	0.01	-	-
Office equipments	0.05	-	0.05	0.05	-		0.05	-	-
Subtotal	**0.06**	**-**	**0.06**	**0.06**	**-**	**-**	**0.06**	**-**	**-**
Total	**0.06**	**-**	**0.06**	**0.06**	**-**	**-**	**0.06**	**-**	**-**

K. S. Aiyar & Co. Chartered Accountants Hyderabad 34

HAZARIBAGH RANCHI EXPRESSWAY LIMITED
Notes forming part of Financial Statements for the year ended March 31, 2021

5. Intangible assets

₹ in Mn

Particulars	Cost or deemed cost				Accumulated Amortisation			Carrying Amount	
	Balance as at April 1, 2020	Additions	Deductions	Balance at March 31, 2021	Balance as at April 1, 2020	Amortisation expense	Balance at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Software / Licences acquired	0.06			0.06	0.06		0.06	-	-
Total	0.06	-	-	0.06	0.06	-	0.06	-	-

₹ in Mn

Particulars	Cost or deemed cost				Accumulated Amortisation			Carrying Amount	
	Balance as at April 1, 2019	Additions	Deductions	Balance at March 31, 2020	Balance as at April 1, 2019	Amortisation expense	Balance at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Software / Licences acquired	0.06			0.06	0.06		0.06	-	-
Commercial rights acquired	-			-	-		-	-	-
Trademarks and licences	-			-	-		-	-	-
Others	-			-	-		-	-	-
Subtotal (a)	0.06	-	-	0.06	0.06	-	0.06	-	-
Total	0.06	-	-	0.06	0.06	-	0.06	-	-

K. S. Aiyar & Co. Chartered Accountants Hyderabad-34

6. Other financial assets (Unsecured, considered good unless otherwise mentioned)

₹ in Mn

Particulars	As at March 31, 2021		As at March 31, 2020	
	Non Current	Current	Non Current	Current
Receivable under service concession arrangements	4,801.48	1,430.84	5,347.48	344.85
Less : Provision of Impairment on Assets	-	-	-	-
Total	4,801.48	1,430.84	5,347.48	344.85
Claim & others receivable from authority	-	0.80	-	0.80
Security Deposits - Others	0.85	-	0.81	-
Receivable from Related parties		36.47	-	-
Total	**4,802.33**	**1,468.11**	**5,348.29**	**345.65**

7. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

₹ in Mn

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Banks		
In current accounts	60.42	644.57
Cash in hand	-	-
Cash and cash equivalents	**60.42**	**644.57**
In term deposits with maturity more than 3 months but less than 12 months.	815.40	400.00
Interest Accrued on Fixed Deposit	2.53	2.56
Balances held as margin money or as security against borrowings	-	-
Other bank balances	**817.93**	**402.56**

K. S. Aiyar & Co. Hyderabad-34 Chartered Accountants

HAZARIBAGH RANCHI EXPRESSWAY LIMITED
Notes forming part of Financial Statements for the year ended March 31, 2021

7A. Current Investments

₹ in Mn

particulars	As at March 31, 2021		As at March 31, 2020	
	Qty	Amount	Qty	Amount
Unquoted Investments (all fully paid)				
(a) Investments in BOI AXA Liquid Fund - Regular Plan - Growth (LFRGG) (note i)	2,81,779.49	661.89	2,81,779.49	639.29
(b) Investments in HDFC Liquid Fund - Growth	2,15,638.25	866.36	2,15,638.25	837.46
TOTAL INVESTMENTS (A)	**4,97,417.74**	**1,528.25**	**4,97,417.74**	**1,476.75**
Less : Aggregate amount of impairment in value of investments (B)				
TOTAL INVESTMENTS CARRYING VALUE (A) - (B)	**4,97,417.74**	**1,528.25**	**4,97,417.74**	**1,476.75**

Note (i): Lien marked on BOI AXA Mutual Fund with IDBI Trustee

8. Other Current assets (Unsecured, considered good unless otherwise mentioned)

₹ in Mn

Particulars	As at March 31, 2021		As at March 31, 2020	
	Non Current	Current	Non Current	Current
Other advances - Trade Receivables	-	5.34	-	7.97
Indirect tax balances / Receivable credit	-	9.64	-	9.41
Less : Provision for Doubtful Debt-Indirect Tax Receivable	-	(0.69)	-	-
Prepaid expenses	-	3.56	-	0.18
GST TDS Receivable	-	0.83	-	0.54
IGST Receivable	-	1.32	-	0.69
Total	-	**20.01**	-	**18.78**

K. S. Aiyar & Co. Hyderabad-34 Chartered Accountants

9. Equity Share Capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	₹ in Mn	Number of shares	₹ in Mn
Authorised				
Equity Shares of ₹ 10/- each fully paid	13,20,00,000	1,320.00	13,20,00,000	1,320.00
Issued, Subscribed and Paid up Equity Shares of ₹ 10/- each fully paid	13,10,00,000	1,310.00	13,10,00,000	1,310.00
Total	**13,10,00,000**	**1,310.00**	**13,10,00,000**	**1,310.00**

9.1 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year :

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	₹ in Mn	Number of shares	₹ in Mn
Shares outstanding at the beginning of the year	13,10,00,000	1,310.00	13,10,00,000	1,310.00
Shares issued during the year				
Shares outstanding at the end of the year	**13,10,00,000**	**1,310.00**	**13,10,00,000**	**1,310.00**

9.2 Details of shares held by the holding company, the ultimate controlling party, their subsidiaries and associates

Particulars	As at March 31, 2021	As at March 31, 2020
IL&FS Transportation Networks Limited, the holding company	13,09,86,900	13,09,86,900

9.3 Details of shares held by each shareholder holding more than 5% shares

Equity Shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares
IL&FS Transportation Networks Limited, the holding Company	13,09,86,900	99.99%	13,09,86,900	99.99%
Total	**13,09,86,900**	**99.99%**	**13,09,86,900**	**99.99%**

9.4 The Company has one class of equity shares with face value of ₹ 10 each fully paid-up. Each shareholder has a voting right in proportion to his holding in the paid-up equity share capital of the Company.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Where final dividend is proposed by the Board of Directors, it is subject to the approval of the shareholders in the Annual General Meeting.

10. Other Equity

₹ in Mn

Particulars	As at March 31, 2021	As at March 31, 2020
Debenture redemption reserve		
Balance at beginning of the year	601.00	-
Transfer from Retained Earnings	-	601.00
Balance at end of the year	**601.00**	**601.00**
Deemed Equity		
Balance at beginning of the year	1,285.40	1,285.40
Addition during the year	-	-
Balance at end of the year	**1,285.40**	**1,285.40**
Retained earnings		
Loss at beginning of year	(3,420.90)	(3,558.35)
Profit (Loss) for the year	334.59	738.46
Transfer to Debenture Redemption Reserve	-	(601.00)
Balance at end of the year	**(3,086.31)**	**(3,420.89)**
Sub-Total	**(1,199.91)**	**(1,534.49)**
Total	**(1,199.91)**	**(1,534.49)**

Note - Since the company had issued non convertible debentures in the year ended March 31, 2017, in terms of Section 71 of the Companies Act, 2013 read with the Rule 7 (B) of The Companies (Share Capital and Debentures) Rules, 2014 is required to create Debenture Redemption Reserve to the extent of 10% of the value of outstanding privately placed Debentures until such debentures are redeemed, to which adequate amounts shall be credited from out of its profits every year. Accordingly, for the year ended March 31, 2020, 10% of the value of debenture outstanding has transferred to Debenture Redemption Reserve. Company has investment of Rs 661.88 mn (Previous year : Rs. 639.29 Mn) (FVTPL) in BOI AXA Liquid Fund - Regular Plan - Growth (LFRGG) and HDFC Liquid Fund - Growth, towards Debt Service Reserve Account.

K. S. Aiyar & Co. Hyderabad-34 Chartered Accountants

11.Borrowings

₹ in Mn

Particulars	As at March 31, 2021			As at March 31, 2020		
	Long-term	Current portion	Short-term	Long-term	Current portion	Short-term
Secured – at amortised cost						
(i) Bonds / debentures (refer Footnote 3)						
- from other parties						
a) 8.50% Redeemable NCD - Series A	3,327.99	1,360.00	-	3,837.99	850.00	-
b) 8.75% Redeemable NCD - Series B	722.84	425.00	-	852.84	295.00	-
(ii)Term loans						
- from related parties	210.04	-	-	210.04	-	-
Unsecured – at amortised cost						
(i)Term loans	-	-	-	-	-	-
- from related parties	621.73	-	1,299.34	621.73	-	1,299.34
Total	4,882.60	1,785.00	1,299.34	5,522.60	1,145.00	1,299.34
Less: Current maturities of long term debt clubbed under "other current liabilities"	-	1,785.00	-	-	1,145.00	-
Total	4,882.60	-	1,299.34	5,522.60	-	1,299.34

11.1 Summary of borrowing arrangements
Footnotes :

1. Security details	As at March 31, 2021		As at March 31, 2020	
Secured against:	Long-term	Short-term	Long-term	Short-term
	Non-current	Current	Non-current	Current
Non Convertible Debentures (Refer Foot Note: i)	4,050.83	1,785.00	4,690.83	1,145.00
Term Loan (Refer Foot Note: ii)		-		
Loans from related parties	210.04	-	210.04	-
Total	4,260.87	1,785.00	4,900.87	1,145.00

Foot Note: i
The Company has issued and allotted 8.50% redeemable, listed, rated, secured non-convertible debentures of a nominal value of INR 1,00,000 each on a private placement basis, aggregating to INR 538.00 crores in accordance with the Terms and Conditions ("Senior Financing") and 8.75% redeemable, listed, rated, secured non-convertible debentures of a nominal value of INR 1,00,000 each on a private placement basis, aggregating to INR 177.00 crores in accordance with the Terms and Conditions ("Junior Financing"). The Debentures have the benefit of Security over the Secured Assets. The Debentures comprising the Senior Debentures are issued as Series A Debentures, comprising 10 sub-series of Debentures numbered Series A1 – Series A10. The Debentures comprising the Junior Financing are issued as Series B Debentures, comprising 10 sub-series of Debentures numbered Series B1 – Series B10.
(i) a first ranking pari passu charge over all the Company's tangible moveable properties and assets, both present and future, except the Project Assets;
(ii) a first ranking pari passu charge over all bank accounts of the Issuer including without limitation, the Escrow Account (or any account in substitution thereof) and the Debt Service Reserve Account except the Distribution Account, in all funds from time to time deposited therein and in all Permitted Investments or other securities representing all amounts credited to the Escrow Account and the Debt Service Reserve Account and any other bank accounts of the Company established pursuant to the Transaction Documents, including all revenues and receivables (including Fee) of the Issuer from the Project or otherwise, provided that:
(a) the same shall be applied in accordance with the waterfall of priority of payment as specified in Clause 31 of the Concession Agreement and Clause 4 of the Escrow Agreement, and shall, in no case, exceed beyond the limits set out therein;
(b) the charge over the receivables shall be enforceable by the Debenture Holders or on their behalf, only for the purpose of ensuring that the receivables are credited to the Escrow Account that shall be applied in accordance with the waterfall of priority of payment specified in Clause 31 of the Concession Agreement and Clause 4 of the Escrow Agreement;
(iii) a first ranking pari passu charge/ assignment on all the intangible assets of the Issuer including but not limited to goodwill, rights, undertakings and uncalled capital both present and future, except the Project Assets (as such term is defined in the Concession Agreement), provided that the charge on uncalled capital shall be subject to Clause 5.3, Clause 7.1(k) and Clause 31 of Concession Agreement;
(iv) assignment by way of Security in:
(a) all the right, title, interest, benefits, claims and demands whatsoever of the Issuer in the Project Agreements;
(b) the right, title and interest of the Issuer in, to and under all the Authorisations;
(c) all the right, title, interest, benefits, claims and demands whatsoever of the Issuer in any guarantees, letters of credit, including but not limited to contractor guarantees, liquidated damages and performance bonds that may be provided by any party to the Project Agreements in favour of the Issuer; and
(d) all the right, title, interest, benefits, claims and demands whatsoever of the Issuer under all Insurance Contracts and Insurance Proceeds;

Foot Note: ii
Term loan from holding company is secured by second pari passu charge over all assets other than the project assets

2. The details of Unsecured Redeemable Non-Convertible Debentures [NCDs] :

Series of NCDs	Face value per NCD (₹)	Rate of interest % p.a.	Terms of repayment	Date of redemption	No. of NCDs issued	No. of NCDs outstanding	No. of NCDs outstanding
						As at March 31, 2021	As at March 31, 2020
Series AIV	1,00,000	8.50	Bullet Repayment	April 14, 2019	2,000.00	2,000.00	2,000.00
Series BIV	1,00,000	8.75	Bullet Repayment	April 14, 2019	700.00	700.00	700.00
Series AV	1,00,000	8.50	Bullet Repayment	October 14, 2019	2,000.00	2,000.00	2,000.00
Series BV	1,00,000	8.75	Bullet Repayment	October 14, 2019	800.00	800.00	800.00
Series AVI	1,00,000	8.50	Bullet Repayment	April 14, 2020	2,000.00	2,000.00	2,000.00
Series BVI	1,00,000	8.75	Bullet Repayment	April 14, 2020	900.00	900.00	900.00
Series AVII	1,00,000	8.50	Bullet Repayment	October 14, 2020	2,500.00	2,500.00	2,500.00
Series BVII	1,00,000	8.75	Bullet Repayment	October 14, 2020	550.00	550.00	550.00
Series BVIII	1,00,000	8.75	Bullet Repayment	April 14, 2021	550.00	550.00	550.00
Series AVIII	1,00,000	8.50	Bullet Repayment	April 14, 2021	2,600.00	2,600.00	2,600.00
Series BXI	1,00,000	8.75	Bullet Repayment	October 14, 2021	750.00	750.00	750.00
Series AIX	1,00,000	8.50	Bullet Repayment	October 14, 2021	2,500.00	2,500.00	2,500.00
Series AX	1,00,000	8.50	Bullet Repayment	April 14, 2022	2,400.00	2,400.00	2,400.00
Series BX	1,00,000	8.75	Bullet Repayment	April 14, 2022	950.00	950.00	950.00
Series AXI	1,00,000	8.50	Bullet Repayment	October 14, 2022	2,500.00	2,500.00	2,500.00
Series BXI	1,00,000	8.75	Bullet Repayment	October 14, 2022	1,000.00	1,000.00	1,000.00
Series AXII	1,00,000	8.50	Bullet Repayment	April 14, 2023	2,500.00	2,500.00	2,500.00
Series BXII	1,00,000	8.75	Bullet Repayment	April 14, 2023	1,100.00	1,100.00	1,100.00
Series BXIII	1,00,000	8.75	Bullet Repayment	October 13, 2023	800.00	800.00	800.00
Series AXIII	1,00,000	8.50	Bullet Repayment	October 13, 2023	2,900.00	2,900.00	2,900.00
Series AXIV	1,00,000	8.50	Bullet Repayment	April 12, 2024	2,600.00	2,600.00	2,600.00
Series BXIV	1,00,000	8.75	Bullet Repayment	April 12, 2024	1,000.00	1,000.00	1,000.00
Series BXV	1,00,000	8.75	Bullet Repayment	October 14, 2024	700.00	700.00	700.00
Series AXV	1,00,000	8.50	Bullet Repayment	October 14, 2024	3,000.00	3,000.00	3,000.00
Series AXVI	1,00,000	8.50	Bullet Repayment	April 14, 2025	3,000.00	3,000.00	3,000.00
Series BXVI	1,00,000	8.75	Bullet Repayment	April 14, 2025	850.00	850.00	850.00
Series AXVII	1,00,000	8.50	Bullet Repayment	October 14, 2025	3,000.00	3,000.00	3,000.00
Series BXVII	1,00,000	8.75	Bullet Repayment	October 14, 2025	1,000.00	1,000.00	1,000.00
Series BXVIII	1,00,000	8.75	Bullet Repayment	April 14, 2026	1,050.00	1,050.00	1,050.00
Series AXVIII	1,00,000	8.50	Bullet Repayment	April 14, 2026	3,100.00	3,100.00	3,100.00
Series BXIX	1,00,000	8.75	Bullet Repayment	October 14, 2026	850.00	850.00	850.00
Series AXIX	1,00,000	8.50	Bullet Repayment	October 14, 2026	3,500.00	3,500.00	3,500.00
Series AXX	1,00,000	8.50	Bullet Repayment	April 14, 2027	3,700.00	3,700.00	3,700.00
Series BXX	1,00,000	8.75	Bullet Repayment	April 14, 2027	750.00	750.00	750.00
Total					2,41,500	60,100	60,100

K.S. Aiyar & Co.
Hyderabad-34
Chartered Accountants

3. Age-wise analysis and Repayment terms of the Company's Long term Borrowings are as below:

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	₹ in Mn	₹ in Mn	Frequency of Repayment*	Frequency of Repayment*
Less than 1 year	1,785.00	1,145.00	SA	SA
1-3 Years	1,415.00	1,325.00	SA	SA
3 to 5 years	1,515.00	1,460.00	SA	SA
5+ years	1,295.00	2,080.00	SA	SA
Total	6,010.00	6,010.00		

QT = Quarterly, Y = Yearly, SA = Semi Annually and B = Bullet repayment

Note: Pursuant to the Amendment Agreement dated October 13, 2016 entered between the Promoter IL&FS Transportation Networks Limited ("ITNL") and the Company, the subordinate debt Rs. 500 million given by ITNL to the Company and Short Term Loans to the extent of Rs.1,480 million will not carry interest with effect from October 1, 2016 and provide the right to ITNL to convert the outstanding debt into equity.

a) Unsecured Loan from Promotors & Group companies.

Name of the lenders	Loan amount	Tenor	Interest rate	Repayment Date
IL&FS Transportation Networks Limited	1,299.34	12 months	12.70% - 13.25%	Different Date based on disbursement
IL&FS Transportation Networks Limited	500.00	15 years	0.0%	30th June 2028
IL&FS Transportation Networks Limited	1,480.00	14 years	0.0%	30th June 2028
Total	3,279.34			

b) In view of imposition of moratorium by NCLAT vide its order dated 15th Oct 2018, the company has not not serviced the debt. The period and amount of overdues as on Balance Sheet date in repayment of principal as per debt agreement is as under:

Particulars	Nature of due (Principal)	Amount in Mn	Dues since
NCD DEBENTURES - SERIES A - 538	Principal	200.00	12-Apr-19
NCD DEBENTURES - SERIES B - 177	Principal	70.00	12-Apr-19
NCD DEBENTURES - SERIES A - 538	Interest	194.12	12-Apr-19
NCD DEBENTURES - SERIES B - 177	Interest	62.39	12-Apr-19
NCD DEBENTURES - SERIES A - 538	Principal	200.00	14-Oct-19
NCD DEBENTURES - SERIES B - 177	Principal	80.00	14-Oct-19
NCD DEBENTURES - SERIES A - 538	Interest	188.70	14-Oct-19
NCD DEBENTURES - SERIES B - 177	Interest	60.32	14-Oct-19
NCD DEBENTURES - SERIES A - 538	Principal	200.00	14-Apr-20
NCD DEBENTURES - SERIES B - 177	Principal	90.00	14-Apr-20
NCD DEBENTURES - SERIES A - 538	Interest	178.14	14-Apr-20
NCD DEBENTURES - SERIES B - 177	Interest	56.15	14-Apr-20
NCD DEBENTURES - SERIES A - 538	Principal	250.00	14-Oct-20
NCD DEBENTURES - SERIES B - 177	Principal	55.00	14-Oct-20
NCD DEBENTURES - SERIES A - 538	Interest	169.61	14-Oct-20
NCD DEBENTURES - SERIES B - 177	Interest	52.21	14-Oct-20

K. S. Aiyar & Co. Hyderabad-34 Chartered Accountants

HAZARIBAGH RANCHI EXPRESSWAY LIMITED

Notes forming part of Financial Statements for the year ended March 31, 2021

12. Other financial liabilities

₹ in Mn

Particulars	As at March 31, 2021		As at March 31, 2020	
	Non Current	Current	Non Current	Current
Current maturities of long-term debt		1,785.00		1,145.00
Interest accrued & Due				
i) Related Parties		267.64		267.64
Total	-	**2,052.64**	-	**1,412.64**

13. Other Current liabilities

₹ in Mn

Particulars	As at March 31, 2021		As at March 31, 2020	
	Non Current	Current	Non Current	Current
(a) Other Advance received		-		-
(b) Others				
Statutory dues		1.17		1.03
Total	-	**1.17**	-	**1.03**

14. Trade payables

₹ in Mn

Particulars	As at March 31, 2021		As at March 31, 2020	
	Non Current	Current	Non Current	Current
a) Total Outstanding dues of Micro enterprises and Small Enterprises	-	-	-	-
b) Total Outstanding dues of creditors other than micro enterprises and small Enterprises				
Related Parties	-	366.78	-	288.00
Other	-	15.02	-	17.62
Total	-	**381.80**	-	**305.62**

15. Current tax assets and liabilities

₹ in Mn

Particulars	As at March 31, 2021		As at March 31, 2020	
	Non Current	Current	Non Current	Current
Current tax assets				
Advance payment of taxes		30.60		80.12
Total	-	**30.60**	-	**80.12**
Income Taxes				
Provision for tax	-	-	-	-
Deferred Tax balances	-	-	-	-
Total	-	-	-	-

Foot Note :-

i) In view of change in Income Tax Act, for then existing clause (iih) of Explanation 1 to sub-section (2) of section 115JB by the Finance (No. 2) Act, 2019, w.e.f. 1-4-2020, Company does not have any MAT Tax liability for the current year

ii) The Deferred Tax Assets/Liability has not been recognised as the same if provided would be reversed in the tax holiday period

K. S. Aiyar & Co. Hyderabad-34 Chartered Accountants

16. Revenue from operations

₹ in Mn

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a) Operation and maintenance income	82.92	82.80
(b) Finance income	612.79	682.76
(c)Overlay Income	229.88	128.80
(d) Construction Income - Change of Scope	15.75	28.71
Total	941.35	923.06

17. Other Income

₹ in Mn

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Sales of Scrap	0.01	-
Interest on short term deposit	29.85	2.85
Profit on sale of Mutual Fund	-	3.67
Gain on disposal of property, plant and equipment	-	-
Interest on Income Tax Refund	4.45	0.27
Net gain/(loss) arising on financial assets designated as at FVTPL	51.51	68.64
Total	85.82	75.43

18. Operating Expenses

₹ in Mn

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Operation and maintenance expenses	72.02	74.95
Construction cost - Change of Scope	15.08	26.33
Total	87.10	101.28

18.1 Periodic maintenance expenses

₹ in Mn

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Periodic maintenance expenses	208.09	116.59
Total	208.09	116.59

18.2 Employee benefit expense

₹ in Mn

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salary & Wages	-	-
Deputation Cost	2.90	2.51
Total	2.90	2.51

Note :- As the company does not have any employee on its payroll , Costs are recognised based on the amounts charged to the company by the employers of the respective employees based on the period for which the said resources have provided services to the company. Disclosures required to be made in accordance with Indian Accounting Standards (Ind AS 19) on "Employee Benefits" have not been made as such costs are determined by respective employers and separate figures in respect of such resources on the deputation are not available.

19. Finance costs

₹ in Mn

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a) Interest costs		
Interest on Related Party	-	-
Interest on debentures	-	-
(b) Other borrowing costs		
Finance charges	0.24	0.24
Total	0.24	0.24

Foot note : NCLAT wide its order dated March 12, 2020, had upheld its interim order of October 15, 2018.The said order specifies October 15, 2018 as the date of initiation of the Resolution Process of the Company. Accordingly the Company has not accrued any interest , default interest, penal interest and any other similar charges after the said cut off date of October 15,2018 to March 31st 2021. The same is as under.

Particulars	01-04-2020 to 31-03-21	01-04-2019 to 31-03-20	Total
Interest due to			
Debentures	456.11	505.52	961.63
IL & FS Transportation Networks Ltd (Short Term Loan)	168.14	168.14	336.28
IL & FS Transportation Networks Ltd (Long Term)	88.12	80.79	168.91
	712.37	754.45	1,466.82

20. Depreciation and amortisation expense

₹ in Mn

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of property, plant and equipment	-	-
Total depreciation and amortisation	-	-

K. S. Aiyar & Co.
Hyderabad-34
Chartered Accountants

21. Other expenses

₹ in Mn

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Legal and consultation fees	15.52	12.84
Rates and taxes	0.74	0.11
Bank commission	0.36	0.19
Communication expenses	0.02	0.00
Payment to auditors (Refer Note 21.1)	0.84	0.85
Miscellaneous expenses	0.07	0.00
Provision for doubtful debts and receivables	0.69	-
Expenses towards damage & negative cahnge of scope	288.78	-
Total	307.02	13.99

21.1 Payments to auditors

₹ in Mn

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a) For audit	0.69	0.63
b) For tax audit	0.15	0.13
c) For reimbursement of expenses	-	-
d) For other services	-	0.10
Total	0.84	0.85

K. S. Aiyar & Co. ★ Hyderabad-34 ★ Chartered Accountants

22. Earnings per share

Particulars	Unit	Year ended March 31, 2021	Year ended March 31, 2020
Profit for the year attributable to owners of the Company	₹ in Mn	334.59	738.46
Weighted average number of equity shares	Number	13,10,00,000	13,10,00,000
Nominal value per equity share	₹	10.00	10.00
Basic / Diluted earnings per share	₹	**2.55**	**5.64**

K. S. Aiyar & Co.
Hyderabad-34
Chartered Accountants

23. Disclosure in respect of Construction Contracts

₹ in Mn

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Contract revenue recognised as revenue during the year	-	-

₹ in Mn

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cumulative revenue recognised	11,105.98	11,105.98

24. Commitments for expenditure

₹ in Mn

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a)Estimated amount of contracts remaining to be executed on Operation and Maintenance and not provided for	589.65	658.03
(b)Estimated amount of contracts remaining to be executed on Overlay expenses and not provided for	970.89	1,225.17
Total	**1,560.55**	**1,883.20**

25. Contingent liabilities and Letter of awareness and letter of financial support

25.1 Contingent liabilities

₹ in Mn

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a) Claims against the Company not acknowledged as debt		
-Demand for Assessment Year 2011-12 for which the Company's appeal is pending with the appellate authority	-	-
-Demand for Assessment Year 2012-13 for which the Company's appeal is pending with the appellate authority	-	-
(b) Claims filed by operational creditors (Refer note Contingent Liability)	-	0.02
(c) Demand by NHAI for Negative COS (Independent Engineer (IE) has recommended amount of Rs. 465.50 million with respect to negative change of scope. Company has contested the amount as recommended by IE)	-	465.50

K. S. Aiyar & Co. Hyderabad-34 Chartered Accountants

26. Related Party Disclosures

(a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity	Abbreviation used	March 2021	March 2020
Ultimate Holding Company	Insfrasture Leasing & Financial Services	ILFS	√	√
Holding Company	IL&FS Transportation Networks Limited	ITNL	√	√
Fellow Subsidiaries (Only with whom there have been transaction during the period/ there was balance outstanding at the year end)	IL&FS Financial Services Limited	IFIN		
	Elsamex Maintenance Services Limited	EMSL	√	√
Key Management Personnel ("KMP")	Mohit Bhasin	Nominee Director	√	X
	Vijay Kini	Nominee Director	√	√
	Sachin Joshi	Nominee Director	X	√
	Mallikarjun Baswanappa Bajulge (ii)	Nominee Director	X	√
	Parag Phanse	Nominee Director	√	√

Note:

i) Mr Dilip Darji resigned as a company secretary w.e.f April 22, 2019

ii) Mr. Mallikarjun Baswanappa Bajulge appointed as a Nominee Director on 19th March 2019 and resigned w.e.f 6th April 2019

K. S. Aiyar & Co. Hyderabad-34 Chartered Accountants

HAZARIBAGH RANCHI EXPRESSWAY LIMITED

Notes forming part of Financial Statements for the year ended March 31, 2021

Related Party Disclosures (contd.)

Year ended March 31, 2021

(b) transactions/ balances with above mentioned related parties (mentioned in note 26 above)

₹ in Mn

Particulars	ITNL	ILFS	IFIN	KMP	EMSL	Total
Balance						
Equity share Capital	1,310.00	-	-	-	-	1,310.00
Unsecured Loan - Long Term	1,980.00	-	-	-	-	1,980.00
Unsecured Loan - Short Term	1,299.34	-	-	-	-	1,299.34
Interest Accrued and not due ST	267.64	-	-	-	-	267.64
Prepaid Expenses (Finance Cost)	-	-	-	-	-	-
Trade Payables	266.57	7.79	10.10	-	31.36	315.82
Retention Payable	-	-	-	-	14.49	14.49
Transactions						-
						-
Operating Expenses (Other than Construction Cost)	59.91	-	-	-	-	59.91
Finance Cost (transfer from prepaid)	-	-	-	-	-	-
Deputation Cost	2.90	-	-	-	-	2.90
Insurance Claim	-	-	-	-	-	-
OPE	-	-	0.02	-	-	0.02
Periodic Maintenance Cost (Overlay Exp)	-	-	-	-	208.09	208.09

Footnote :-

Balance confirmation in respect of IL&FS and IFIN are reconciled and are in accordance with claims admitted by CMA.

Year ended March 31, 2020

(b) transactions/ balances with above mentioned related parties (mentioned in note 26 above)

₹ in Mn

Particulars	ITNL	ILFS	IFIN	KMP	EMSL	Total
Balance						
Equity share Capital	1,310.00	-	-	-	-	1,310.00
Unsecured Loan - Long Term	1,980.00	-	-	-	-	1,980.00
Unsecured Loan - Short Term	1,299.34	-	-	-	-	1,299.34
Interest Accrued and not due ST	267.64	-	-	-	-	267.64
Prepaid Expenses (Finance Cost)	-	-	-	-	-	-
Trade Payables	258.68	7.79	10.08	-	6.25	282.80
Retention Payable	-	-	-	-	5.20	5.20
						-
Transactions						-
						-
Interest On Short Term Loan	-	-	-	-	-	-
Construction cost - Change of Scope	3.53	-	-	-	-	3.53
Operating Expenses (Other than Construction Cost)	57.98	-	-	-	-	57.98
Finance Cost (transfer from prepaid)	-	-	-	-	-	-
Deputation Cost	2.51	-	-	-	-	2.51
Insurance Claim	0.20	-	-	-	-	0.20
Rates & Taxes	0.03	-	-	-	-	0.03
Periodic Maintenance Cost (Overlay Exp)	-	-	-	-	116.59	116.59
						-
						-

K. S. Aiyar & Co. Hyderabad-34 Chartered Accountants

27 Debt Servicing and Interest Accrual :

In line with the affidavit filed by Ministry of Corporate Affairs (MCA) to the Hon'ble NCLAT on May 21, 2019, the cut-off date of October 15, 2018 ("Cut-Off Date") was proposed, on account of inter alia the fact that the Hon'ble NCLAT had passed wide its order dated March 12, 2020, had upheld its interim order of October 15, 2018, which inter alia granted certain reliefs to the IL&FS Group and also restricted certain coercive actions by the creditors of the IL&FS Group.
In terms of the Resolution Framework Reports, the proposal made is that all liabilities relating to the relevant IL&FS Group Entity, whether financial (including interest, default interest, indemnity claims and additional charges), operational debt (including interest, indemnity or other claims) as well as statutory claims (including tax, employment and labour related claims), whether existing at or relating to a period prior to the Cut-Off Date should not continue accruing further interest.
Accordingly the Company has not accrued any interest amounting to INR 1466.82 Mn (Upto previous year : INR 754.45 Million) , default interest, penal interest and any other similar charges after the said cut off date of October 15,2018.

28 Going Concern

Union of India has superseded the earlier board of Holding/Ultimate Holding Company and appointed new Board from October 01, 2018. Entire Group is going through severe financial stress. National Company Law Appellate Tribunal ("NCLAT") had passed an order on October 15, 2018 ("Interim Order") in Company Appeal (AT) 346 of 2018, imposing moratorium on the creditors of IL&FS and its 348 group companies, which includes the Company. Further, NCLAT vide its order dated February 11, 2019 has also classified the Company under the "Amber Category" based on a 12 month cash flow solvency test, which means that the Company is able to meet only financial obligation towards Senior Lenders and operational creditors. In view of this classification and the moratorium order, the Company has stopped servicing financial obligations towards all its financial creditors.
In August 2019, IL&FS Ltd received a bid from a third party which was accepted by the Board of ITNL & IL&FS (the ultimate Holding Company). This accepted bid was not renewed by the third party beyond the bid validity date.

The New Board after careful evaluation of alternate resolution options, has given its in-principle approval to establish an infrastructure investment trust ("InvIT") under the SEBI InvIT regulations and proposes to transfer the stake held by ITNL along with loans and receivables from the Company to the said InvIT.
In furtherance of the same, ITNL has incorporated a wholly owned subsidiary to act as the Sponsor to the proposed InvIT

Pursuant to the aforesaid, management believes that use of the going concern assumption for preparation of these financial results is appropriate as the business operations of the Company will continue in foreseeable future.

29. Modification Loss

Based on the current assessment of the project, estimates of periodic maintenance cost has been changed. This along with other factors (such as increase on O&M Cost due to GST impact, delay in receipt of annuities, deferement of major maintenence cost etc) has resulted into modification loss of Rs 87.22 million in accordance with the principle of IND-AS 109

K. S. Aiyar & Co. Hyderabad-34 Chartered Accountants

Note - 29.1

Significant terms of Service Concession Arrangements.

Particulars	Project 1
Brief description of Concession	The Company has entered into a Concession Agreement with National Highways Authority of India (NHAI) on October 08, 2009 to Design, Engineer, Finance, Procure, Construct, Operate and Maintain 4 laning Hazaribagh-Ranchi section of NH-33 from km 40.500 to km 114.000 in the State of Jharkhand on Build, Operate and Transfer (Annuity) basis. The Concession Agreement envisages concession for a period of 18 years commencing from the Appointed date August 01, 2010 including construction period of 910 days required for 4 laning of the Project. The Company is entitled to receive half yearly Annuity of Rs.64.08Cr
Nature of Assets	Financial Asset
Year when SCA granted	2010
Period	18 years
Stage	Under Operation and Maintenance
Premature Termination	Force Majeure or on event of default by either party
Overlay	Has to be incurred as and when the riding quality falls below the standards specified in the Concession Agreement

30. Segment Reporting

The company operates in a single business segment viz. Surface Transportation Business. Also it operates in a single geographic segment. In the absence of separate reportable business or geographic segments the disclosures required under the Indian Accounting Standard (INDAS) 108 on 'Operating Segments' are not applicable.

31. Previous year

Figures for the previous year have been regrouped, reclassified where necessary, to conform to the classification of the current year.

K. S. Aiyar & Co. ★ Hyderabad-34 ★ Chartered Accountants

HAZARIBAGH RANCHI EXPRESSWAY LIMITED
Notes forming part of Financial Statements for the year ended March 31, 2021

32. Financial instruments

32.1 Capital management

The company manages its capital to ensure that it will be able to continue as going concern while maximising the return to shareholders and also complying with the ratios stipulated in the loan agreements through the optimisation of debt and equity balance .

The capital structure of the company consists of debt (borrowings as detailed in notes) and equity of the Company (comprising issued capital, reserves and subordinated debt from the immediate Parent Company).

32.1.1 Capital Gearing Ratio

The Debt Service Coverage Ratio at end of the reporting period was as follows.

Rs. In Million

Particulars	As at March 31, 2021	As at March 31, 2020
Debt	8,234.58	8,234.58
Cash and Bank Balances	878.36	1,047.13
Net Debt (A)	**7,356.23**	**7,187.45**
Equity (B)	**110.09**	**(224.49)**
Net Debt to Equity Ratio in times (A/B)	**66.82**	**(32.02)**

(i) Debt is defined as long-term, current maturity of long term, short term borrowings and interest accrued thereon as detailed in Note 11 & Note 12.

(ii) Total equity is defined as equity share capital and reserves and surplus

32.2 Categories of financial instruments

Rs. In Million

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets		
Financial Assets measured at amortised cost		
Cash and bank balances	878.36	1,047.13
Receivables under service concession arrangements	6,232.32	5,692.33
Others	1,566.37	1,478.36
Financial liabilities		
Financial Liabilities measured at amortised cost		
Borrowings (including Interest Accrued)	8,234.58	8,234.58
Trade Payables	381.80	305.62

32.3 Financial risk management objectives

The company's financial risks mainly include market risk (interest rate risk), credit risk and liquidity risk.

32.4 Market risk

The company's activities expose it primarily to the financial risks of changes in interest rates.
There has been no significant change to the company's exposure to market risks or the manner in which these risks are managed and measured.

32.4 Interest rate risk management

Company is paying interest at fixed rate. Hence, does not exposed to interest risk management.
The company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

32.4.1 Interest rate sensitivity analysis
Company is paying at fixed interest rate, the interest rate sensitivity is not applicable.

32.5 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties. The Management believes that the credit risk is negligible since its main receivable is from the grantors of the concession which is a government authority.

K. S. Aiyar & Co.
Hyderabad 34
Chartered Accountants

32.6 Liquidity risk management

32.6.1 Liquidity and interest risk tables

The following tables detail the company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate prevailing at the end of the reporting period. The contractual maturity is based on the earliest date on which the company may be required to pay.

Rs. In Million

Particulars	As at March 31, 2021			As at March 31, 2020		
	Non-interest bearing	Variable interest rate instruments	Fixed interest rate instruments	Non-interest bearing	Variable interest rate instruments	Fixed interest rate instruments
Less than 1 year	381.80	-	-	305.62	-	-
1-3 Years	-	-	4,904.32	-	-	5,274.17
3 to 5 years	-	-	1,902.49	-	-	2,446.50
5+ years	831.77	-	1,406.86	831.77	-	1,879.55
Total	**1,213.57**	-	**8,213.67**	**1,137.39**	-	**9,600.22**
Carrying Value	1,213.57	-	7,402.81	1,137.39	-	7,402.81
Weighted Average Interest Rate	0.00%	0%	10.06%	0.00%	0.00%	10.06%

The following table details the company's expected maturity for its financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on financial assets is necessary in order to understand the company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Rs. In Million

Particulars	As at March 31, 2021			As at March 31, 2020		
	Non-interest bearing	Variable interest rate instruments	Fixed interest rate instruments	Non-interest bearing	Variable interest rate instruments	Fixed interest rate instruments
Less than 1 year	61.22	-	1,430.84	645.37	-	954.76
1-3 Years			2,398.19			2,405.20
3 to 5 years			834.39			2,260.42
5+ years	0.85		1,568.91	0.81		2,721.63
Total	**62.06**	-	**6,232.32**	**646.17**	-	**8,342.01**
Carrying Value	62.06	-	6,232	646.17	-	5,692

The amounts included above for variable interest rate instruments for financial liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

33.6.2 Financing facilities

As at the reporting date there are no unused bank overdraft facilities and bank loan facilities which may be extended by mutual agreement.

32.7 Fair value measurements

32.7.1 Fair value measurements

This note provides information about how the company determines fair values of various financial assets and financial liabilities.

32.7.2 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

Rs. In Million

	As at March 31, 2021		As at March 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets at amortised cost:	**6,232.32**	**6,232.32**	**5,692.33**	**5,692.33**
Receivables under service concession arrangements	6,232.32	6,232.32	5,692.33	5,692.33
Financial liabilities				
Financial liabilities held at amortised cost:	**8,234.58**	**8,234.58**	**8,234.58**	**8,234.58**
Borrowings (including Interest Accrued)	8,234.58	8,234.58	8,234.58	8,234.58

K. S. Aiyar & Co.
Hyderabad-34
Chartered Accountants

33. Order of NCLT for re-opening and re-casting of financial statements :

The National Company Law Tribunal ("NCLT"), vide order dated January 1, 2019, had allowed a petition filed by the Union of India, for re-opening of the books of accounts and re-casting the financial statements under the provisions of Section 130 of the Companies Act, 2013 for the financial years from 2012-13 to 2017-18, of Infrastructure Leasing & Financial Services Limited ("IL&FS"), and its subsidiaries namely IL&FS Financial Services Limited ("IFIN") and IL&FS Transportation Network Limited ("ITNL"), the holding Company. The Company's financial statement are not subject to any reopening/recasting and it is expected that impact, if any, arising out of the said reopening / recasting would be limited to above mentioned three entities only. Adjustments, if any, arising out of the said reopening/recasting of financial statement of the Holding Company (ITNL) having any impact on financial statements of the Company would be made in the financial statements of the Company for the future period.

34. Investigations by Serious Fraud Investigation Office ("SFIO") and other regulatory agencies :

The Ministry of Corporate Affairs (MCA), Government of India, has vide its letter dated October 1, 2018 initiated investigation by Serious Fraud Investigation Office (SFIO) against IL&FS (ultimate holding company) and its group companies under Section 212 (1) of the Companies Act, 2013. As a part of investigation of affairs of ITNL (the Holding Company), SFIO has also been seeking from ITNL various information including relating to project undertaken by the Company (for which ITNL acted as Development Contractor and promoter). The investigation is in progress and it is understood that the relevant information is being provided by ITNL to the agency.

At this stage, no material impact/ implications had arisen from the aforesaid developments. However, an uncertainty relating to the future outcome of the regulatory actions is not determinable at this stage

35. Forensic Examination :

The New Board of IL & FS (ultimate holding Company) in January 2019 initiated a forensic examination for the period from April 2013 to September 2018 in relation to the certain Companies of the Group and has appointed an independent third party for performing the forensic audit and to report the findings to the Board of Directors of IL&FS. The Company is not in the list of Companies identified by the New Board for forensic audit and hence no such specific audit of the affairs of the Company has been conducted. The independent third party has submitted their interim report in relation to the audit of ITNL (the Holding company) and its project related activities and the observations contained therein related primarily to the operations of ITNL. The said report has been discussed by the Board of ITNL in its meeting held on November 28, 2019 and is being dealt with in manner deemed fit by the Board of the Holding company

Observations if any made by the independent third party relating to the project undertaken by the Company, have been presented to the Company's Board. After review of the observations, the Board is of the view that no adjustments will be required in these financial statements for any consequential effects / matters that may arise from the said report. . The independent third party is conducting further audit procedures and an additional report may be issued in due course

K. S. Aiyar & Co.
Hyderabad-34
Chartered Accountants