

# **TK TOLL ROAD PRIVATE LIMITED**

## **FINANCIAL STATEMENTS**

**For The Year Ended March 31, 2024**

# **MKPS & ASSOCIATES**

## CHARTERED ACCOUNTANTS

### INDEPENDENT AUDITOR'S REPORT

**To the Members of TK Toll Road Private Limited**

#### **Report on the Audit of Financial Statements**

##### **Opinion**

We have audited the accompanying financial statements of **TK Toll Road Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of material accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its losses including Other Comprehensive Income, its Cash Flows and the Statement of Changes in Equity for the year ended on that date.

##### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing ("SA") specified under Section 143(10) of the Act. 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

##### **Emphasis of Matter**

We draw attention to Note No. 36 wherein the management has disclosed the fact that the company has during the year received an amount of Rs. 282.24 Crore against submission of Bank Guarantee in respect of the Arbitration Award received in the earlier year. The said amount has been passed on to the lenders towards repayment of their loan. Some of the lenders have not adjusted the amount against the outstanding loans and have continued to charge interest on the same, which is not as per the understanding with the lenders. The company is in the process of resolving the same with the lenders.

Our opinion is not modified in respect of the aforesaid.

Unit No 122, 1st Floor, Nahar & Seth Industrial Estate, Cardinal Gracious Rd, Chakala, Andheri (E), Mumbai 400099.



+91 22 4608 3939 / 4608 3940



mumbai@mkps.in



www.mkps.in

Also at: New Delhi, Bengaluru, Gurugram, Hyderabad, Kolkata, Raipur, Bhubaneswar, Cuttack, Sambalpur, Rourkela

### **Uncertainty Related to Related to Going Concern**

We draw attention to Note No. 36 of the Financial Statements which indicates that the Company has incurred a net loss 336.79 Million during the year ended March 31, 2024 and as of date the current liabilities (excluding current maturities) exceed the current Assets by Rs. 2842.94 Million. This indicate that uncertainty exists that may cast significant doubt on the Company's ability to continue as going concern. However, the Statement of the Company has been prepared on going concern basis for the reasons stated in the said Note.

### **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 comprises the information included in the Board's report and shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information 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 standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we required to report that fact. The other information is likely to be provided to us after the date of our report. We have nothing to report in this regard.

### **Management Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these Financial Statements that give a true and fair view of the Financial Position, Financial Performance including Other Comprehensive Income, Cash Flows and the Statement of Changes in Equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements 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 fair 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, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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 these 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.
- 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in:

- i. planning the scope of our audit work and in evaluating the results of our work; and
- ii. to evaluate the effect of any identified misstatements in the Ind AS Financial Statements.

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.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act;
  - e) The Matter described in Uncertainty related to Going Concern section above, in our opinion, may have an adverse impact on the functioning of the company;
  - f) On the basis of written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of section 164(2) of the Act;
  - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that no remuneration has been paid by the company to its directors during the year. Hence the requirement of the company for compliance under this section is not applicable.
  - i) With respect to the other matters to be included in the Auditor's Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and as represented by the management:
    - i. The Company has disclosed the impact of pending litigation as at March 31, 2024 on its financial position in its Financial Statement. - Refer Note No. 31 of the accompanying financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- iv. (a) Management has represented to us that, to the best of its knowledge and belief, as disclosed in Note No. 40 to the financial statement no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) Management has represented to us that, to the best of its knowledge and belief, as disclosed in Note No. 40 to the financial statement no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (c) Based on our audit procedure conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation given by the management under paragraph (2) (i) (iv) (a) & (b) contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year.
- vi. Based on our examination which included test check, the company has used an accounting software for maintaining its books of accounts which has a feature of maintaining audit trail facility, which has been operating thereafter. Further, during the course of our audit, we did not come across any cases where the audit trail maintained has been tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the said Rule on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year 2023-24.

For **MKPS & Associates**  
Chartered Accountants  
Firm Registration no. 302014E

**Narendra Khandal**  
Partner  
Membership No.: 065025  
UDIN : 24065025BKAOFR1964  
Place : Mumbai  
Date : May 10, 2024

**"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF TK TOLL ROAD PRIVATE LIMITED.**

**(Referred to in Paragraph 1 under the heading of "Report on other legal and regulatory requirements" of our report of even date)**

**To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:**

- i) (a) (A) The company does not carry an property, plant and equipment in its financial statements and hence the reporting requirements under this sub-clause is not applicable.  
(B) The company has maintained proper records showing full particulars of its intangible assets.
- (b) In view of there being no property, plant and equipment, the reporting requirements under this sub-clause is not applicable.
- (c) There are no immovable properties disclosed in the accompanying financial statements and hence the reporting requirements under sub-clause (c) of clause (i) of paragraph 3 of the order are not applicable.
- (d) As explained to us, the company has not revalued any of its Intangible assets during the year.
- (e) According to the information and explanations provided to us and on the basis of our examination of the records of the company, we report that no proceedings have been initiated during the year or are pending against the company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii) (a) In our opinion, and according to the information and explanations given to us, the company does not carry any inventories. Hence, the reporting requirements under sub-clause (a) of clause (ii) of paragraph 3 of the order are not applicable.
- (b) The company has not been sanctioned any working capital limits from banks or financial institutions and hence the reporting requirements under sub-clause (b) of clause (ii) of paragraph 3 of the order are not applicable.
- iii) The company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the reporting requirement of clause 3(iii)(a), (b),(c),(d),(e) & (f) of the Order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, the company has not advanced any loans to directors / to a company in which the Director is interested to which the provisions of section 185 of the Act apply. Further, based on the information and explanations given to us, being an infrastructure company, the provisions of section 186 of the Act to the extent of loans, guarantees and securities granted are not applicable to the company. Hence, the reporting requirements under clause (iv) of paragraph 3 of the order are not applicable.

- v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits during the period under audit. Consequently, the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 of the Act and the rules framed thereunder are not applicable.
- vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Act for the company. We have broadly reviewed such records and are of the opinion that prima-facie, the prescribed records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii) (a) In our opinion and according to the information and explanations given to us and based on our examination of the books of the company, the company is generally regular in depositing undisputed applicable statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, and any other material statutory dues to the appropriate authorities.  
There are no undisputed amounts payable in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, and any other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred to in clause (a) above which have not been deposited on account of any dispute except in respect of the following:

Name of the statute	Nature of Dues	Period for which the amount related	Forum where dispute is pending	Amount involved (in Rs.)
Finance Act, 1994	Service Tax	October 2010 to September 2015	Bombay High Court	1,87,42,683

- viii) According to the information and explanations and representation given to us, there are no transactions relating to previously unrecorded income that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix) (a) In our opinion and according to the information and explanations given and books of accounts and records examined by us, the Company has defaulted in repayment of loans or other borrowings and in the payment of interest thereon in respect of which the lender wise and age-wise break up may be referred to at Note no. 9(a)(2a) & (2b) to the accompanying financial statements,
- (b) In our opinion, and according to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority. (refer Note no. 9(a) (1) (ix) to the financial statement)
- (c) In our opinion and according to the information and explanations given to us, no fresh term loans have been taken during the year.
- (d) On an overall examination of the financial statements of the company, in our opinion funds raised on short term basis aggregating to Rs. 2843 Million have been prima-facie being used for long term purposes during the year.
- (e) The company does not have any subsidiary, joint venture or associate and hence the reporting requirements under sub-clause (e) of clause (ix) of paragraph 3 of the order are not applicable.



- (f) The company does not have any subsidiary, joint venture or associate and hence the reporting requirements under sub-clause (f) of clause (ix) of paragraph 3 of the order are not applicable.
- (x) (a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and hence clause (x)(a) of paragraph 3 of the Order is not applicable to the Company.
- (b) During the year, the Company has not made any preferential allotment of shares or fully or partly or optionally convertible debentures and Hence reporting under clause (x)(b) of paragraph 3 of the Order is not applicable to the Company.
- (xi) (a) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section 12 of section 143 of the Companies Act, 2013 has been filed by cost auditor/Secretarial auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) In our opinion, Company is not a nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with section 188 and section 177 of the Act and their details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) (a) In our opinion, and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date, for the period under audit for the purpose of planning our audit procedures.
- (xv) According to the information and explanations provided by the management, the Company has not entered into any non-cash transaction with directors or persons connected with him as referred to in Section 192 of the Act.
- (xvi) (a) To the best of our knowledge and as explained, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- (b) In our opinion, and according to the information and explanations provided to us and on the basis of our audit procedures, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year as per the Reserve bank of India Act 1934.
- (c) In our opinion, and according to the information and explanations provided to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

- (d) As represented by the management, the group does not have more than one core investment company (CIC) as part of the group as per the definition of group contained in Core Investment Companies (Reserved Bank) Directions, 2016.
- (xvii) In our opinion, and according to the information and explanations provided to us, Company has incurred cash losses of Rs. 301 Million and Rs. 70 Million in the current financial year and in the immediately preceding financial year respectively.
- (xviii) There has been no resignation of the statutory auditors during the year. Therefore, provisions of clause (xviii) of Paragraph 3 of the Order are not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting and the various conditions specified under paragraph "Uncertainty related to Going Concern" above, which indicates and causes us to believe that uncertainty exists as on the date of the audit report that the Company is capable of meeting all its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) According to the information and explanations given to us and on the basis of our audit procedures, The Corporate Social Responsibility (CSR) contribution under section 135 of the Act is not applicable to the Company. Therefore, the provisions of clause (xx) (a) & (b) of paragraph 3 of the Order are not applicable to the Company.

For **MKPS & Associates**  
Chartered Accountants  
Firm Registration no. 302014E

**Narendra Khandal**  
Partner  
Membership No.: 065025  
UDIN : 24065025BKAOFR1964

Place : Mumbai  
Date : May 10, 2024

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS  
OF TK TOLL ROAD PRIVATE LIMITED**

**(Referred to in paragraph 2 (g) under 'Report on Other Legal and Regulatory Requirements'  
of our report of even date)**

**Report on the Internal Financial Controls Over Financial Reporting 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 with reference to financial statement of **TK Toll Road Private Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 with reference to these financial statements 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, 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 with reference to these financial statements.

**Meaning of Internal Financial Controls Over Financial Reporting With Reference To These Financial Statements**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference To These Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, 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 with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2024, based on the criteria for internal financial control over financial reporting 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 **MKPS & Associates**  
Chartered Accountants  
Firm Registration no. 302014E

**Narendra Khandal**  
Partner  
Membership No.: 065025  
UDIN : 24065025BKAOFR1964`  
Place : Mumbai  
Date : May 10, 2024

Rs. Millions

Particulars	Note	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Intangible assets - Toll Collection Rights	4	5,555.81	5,801.93
(b) Current Tax Assets (Net)		2.41	2.76
(c) Deferred tax assets (net)	26c	-	0.40
<b>Total Non-Current Assets</b>		<b>5,558.22</b>	<b>5,805.09</b>
<b>Current assets</b>			
<b>(a) Financial Assets</b>			
(i) Cash and cash equivalents	5a	334.34	201.79
(ii) Bank balances other than (i) above	5b	631.67	-
(iii) Other financial asset	5c	11.72	13.00
(b) Other current assets	6	45.21	13.10
<b>Total Current Assets</b>		<b>1,022.94</b>	<b>227.89</b>
<b>Total Assets</b>		<b>6,581.16</b>	<b>6,032.98</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	7	127.56	127.56
(b) Subordinated debt (in nature of Equity)	8a	2,150.40	2,150.40
(c) Other equity	8b	(503.46)	(167.32)
<b>Total Equity</b>		<b>1,774.50</b>	<b>2,110.64</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>(a) Financial Liabilities</b>			
Borrowings	9a	-	-
(b) Provisions	12b	-	0.08
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>0.08</b>
<b>Current liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	9b	940.78	2,844.24
(ii) Trade payables	10	-	-
(A) Total outstanding due of micro enterprises & small enterprises		-	-
(B) Total outstanding dues of creditors other than micro enterprises & small enterprises		223.14	143.39
(iii) Other financial liabilities	11	637.31	543.25
(b) Provisions	12a	178.12	389.48
(c) Other current liabilities	13	2,827.31	1.90
<b>Total Current Liabilities</b>		<b>4,806.66</b>	<b>3,922.26</b>
<b>Total Equity and Liabilities</b>		<b>6,581.16</b>	<b>6,032.98</b>

The accompanying notes are an integral part of the financial statements  
As per our attached report of even date.

**For MKPS & Associates**  
Chartered Accountants  
Firm Registration No. 302014E

**For and on behalf of the Board**

(Narendra Khandal)  
Partner  
Membership Number : 065025

Shailendra H Jain      Prashant Kumar  
Director                      Director  
DIN no : 06393281      DIN no : 10211283

Place: Mumbai  
Date: May 10, 2024

Place: Mumbai  
Date: May 10, 2024

TK Toll Road Private Limited  
CIN: U45203MH2007PTC169208  
Statement of Profit and Loss for the year ended March 31, 2024

Rs. Millions

Particulars	Note	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from Operations	14	586.88	544.37
Other Income	15	0.47	4.86
<b>Total Income</b>		<b>587.35</b>	<b>549.23</b>
<b>Expenses</b>			
Toll Operation and Maintenance expenses	16	215.05	215.96
Employee benefits expense	17	11.76	6.77
Finance costs	18	423.19	360.85
Amortization expense	4	246.12	228.92
Other expenses	19	27.48	30.12
<b>Total expenses</b>		<b>923.60</b>	<b>842.62</b>
<b>Profit / (loss) before tax</b>		<b>(336.25)</b>	<b>(293.39)</b>
<b>Tax expense</b>			
Deferred tax charge/(credit)		0.40	85.49
Income tax for earlier years		0.14	-
<b>Profit/(Loss) for the year</b>		<b>(336.79)</b>	<b>(378.88)</b>
<b>Other Comprehensive Income</b>			
<b>- Items that will not be reclassified to profit/loss</b>			
Remeasurements of net defined benefit plans : Gains / (Loss)		0.65	(0.93)
<b>- Income tax relating to above</b>		<b>-</b>	<b>(0.24)</b>
<b>Other Comprehensive Income/(Loss)</b>		<b>0.65</b>	<b>(0.69)</b>
<b>Total Comprehensive Income /(Loss)</b>		<b>(336.14)</b>	<b>(379.57)</b>
<b>Earnings/(loss) per equity share (Face value of Rs. 10 per share)</b>			
Basic & Diluted	34	(26.40)	(29.70)

The accompanying notes are an integral part of the financial statements

As per our attached report of even date.

**For MKPS & Associates**  
Chartered Accountants  
Firm Registration No. 302014E

**For and on behalf of the Board**

(Narendra Khandal)  
Partner  
Membership Number : 065025  
Place: Mumbai  
Date: May 10, 2024

**Shalendra H Jain**      **Prashant Kumar**  
Director                      Director  
DIN no : 06393281      DIN no : 10211283  
Place: Mumbai  
Date: May 10, 2024

TK Toll Road Private Limited  
CIN: U45203MH2007PTC169208  
Statement of Cash flow for the year ended March 31, 2024

Rs.Millions

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit/(loss) before tax	(336.25)	(293.39)
<i>Adjustments for:</i>		
Amortisation expenses	246.12	228.92
Interest income	(0.13)	(1.54)
Finance Cost	423.19	360.85
Provision of Leave encashment	-	0.14
Excess Provision of Gratuity written back	(0.17)	(0.15)
Provision for resurfacing expenses	(231.11)	(17.65)
	<u>101.65</u>	<u>277.18</u>
<b>Cash Generated from Operations before working capital changes</b>		
<i>Adjustments for:</i>		
(Increase)/decrease in financial assets except for investments	1.28	9.88
(Increase)/decrease in other current assets	(32.11)	1.56
Increase/(decrease) in trade payables	79.75	76.72
Increase/(decrease) in provision	0.73	(1.00)
Increase/(decrease) in other financial liabilities	18.08	15.52
Increase/(decrease) in other current liabilities	2.94	0.91
	<u>70.67</u>	<u>103.59</u>
<b>Cash generated from operations</b>	<u>172.33</u>	<u>380.78</u>
Taxes (paid) net of refunds	0.21	(2.05)
<b>Net cash generated from operating activities - [A]</b>	<u>172.54</u>	<u>378.72</u>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Interest received	0.13	1.54
Fixed Deposits maturity more than 3 months	(631.67)	-
<b>Net cash (used in) / generated from investing activities - [B]</b>	<u>(631.54)</u>	<u>1.54</u>
<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Repayment of long term borrowings	(1,903.46)	-
Interest paid	(327.46)	(280.21)
BG Proceeds	2,822.47	-
<b>Net cash used in financing activities - [C]</b>	<u>591.55</u>	<u>(280.21)</u>
<b>Net increase/(decrease) in cash and cash equivalents - [A+B+C]</b>	<u>132.55</u>	<u>100.05</u>
<b>Add: Cash and cash equivalents at the beginning of the year</b>	<u>201.79</u>	<u>101.74</u>
<b>Cash and cash equivalents at the end of the year</b>	<u>334.34</u>	<u>201.79</u>
<b>Components of Cash and cash equivalents</b>		
Balances with banks - in Current accounts	334.15	201.69
Cash on hand	0.19	0.10
<b>Total Cash and cash equivalents [ Refer Note 5(a)]</b>	<u>334.34</u>	<u>201.79</u>

The balance in current account with banks of Rs. 334.15 million (Rs. 201.69 million) lying in Escrow account with bank held as security against borrowings.

As per our attached report of even date.

For MKPS & Associates  
Chartered Accountants  
Firm Registration No. 302014E

For and on behalf of the Board

(Narendra Khandal)  
Partner  
Membership Number : 065025  
Place: Mumbai  
Date: May 10, 2024

Shri Henderson H Jain  
Director  
DIN no : 06393281  
Place: Mumbai  
Date: May 10, 2024

Prashant Kumar  
Director  
DIN no : 10211283

TK Toll Road Private Limited  
CIN: U45203MH2007PTC169208  
Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

Rs. Millions

Particulars	Note	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
For the year ended 31st March, 2023	7	127.56	-	127.56
For the year ended 31st March, 2024		127.56	-	127.56

B. SUB-ORDINATED DEBT (In nature of equity)

Rs. Millions

	Notes	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
For the year ended 31st March, 2023	8a	2,150.40	-	2,150.40
For the year ended 31st March, 2024		2,150.40	-	2,150.40

C. OTHER EQUITY

Rs. Millions

	8b	Reserves and Surplus		Total
		Securities Premium Reserve	Retained Earnings	
Balance at April 01, 2022		1,337.14	(1,124.89)	212.25
Profit/(Loss) for the year			(378.88)	378.88
Other Comprehensive Income/(Loss) for the year			(0.69)	0.69
Total comprehensive income/(loss) for the year		-	(379.57)	(379.57)
Balance at 31st March, 2023		1,337.14	(1,504.46)	(167.32)
Balance at April 01, 2023		1,337.14	(1,504.46)	(167.32)
Profit/(Loss) for the year			(336.79)	(336.79)
Other Comprehensive Income/(Loss) for the year			0.65	0.65
Total comprehensive income/(loss) for the year		-	(336.14)	(336.14)
For the year ended 31st March, 2024		1,337.14	(1,840.60)	(503.46)

As per our report of even date attached

For MKPS & Associates  
Chartered Accountants  
Firm Registration No. 302014E

For and on behalf of the Board

(Narendra Khandal)  
Partner  
Membership Number : 065025  
Place: Mumbai  
Date: May 10, 2024

Shri Narendra H Jain  
Director  
DIN No : 06393281  
Place: Mumbai  
Date: May 10, 2024

Prashant Kumar  
Director  
DIN no : 10211283



**TK Toll Road Private Limited**  
**Notes to Financial Statements as of and for the year ended March 31, 2024**

**Note 1: Corporate information**

TK Toll Road Private Limited ("the Company") was incorporated on March 26, 2007, has been awarded on Build, Operate and Transfer (BOT) basis, strengthening of the existing carriageway from Km. 138.80 to Km. 218, on the Trichy – Karur section of National Highway No. 67 in the State of Tamil Nadu and widening thereof to 4 lanes and its improvement, operation and maintenance through a concession on Build, Operate and Transfer (BOT) basis under the concession agreement dated July 19, 2007, with National Highways Authority of India. The concession agreement is for a year of 30 years from January 15, 2008, being the appointed date.

The Company is wholly owned subsidiary of Reliance Infrastructure Limited. At the end of the Concession period, the entire facility will be transferred to NHAI.

The financial statements were authorized for issue by the Company's Board of Directors on May 10, 2024 Pursuant to the provisions of section 130 of the Act the Central Government, income tax authorities and other statutory regulatory body and section 131 of the Act the board of directors of the Company have powers to amend / re-open the financial statements approved by the board / adopted by the members of the Company.

The Company is a private limited company incorporated and domiciled in India. The registered office of the Company is located at Reliance Centre, 19, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001.

**Note 2: Basis of preparation**

These Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. These Financial Statements have been prepared in accordance with the requirements of the information and disclosures mandated by Schedule III of the Act, applicable Ind AS, other applicable pronouncements and regulations.

These Financial Statements have been prepared on a historical cost basis, except for certain assets and liabilities which have been measured at fair value.

These Financial Statements are presented in ₹ Millions, except where otherwise indicated.

The financial statements have been prepared in accordance with the requirements of the information and disclosures mandated by Schedule III to the Act, applicable Ind AS, other applicable pronouncements and regulations.

**Note 3: Summary of Material accounting policies**

**3.1 Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

## TK Toll Road Private Limited

### Notes to Financial Statements as of and for the year ended March 31, 2024

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

#### 3.2 Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional statements are presented in Indian Rupees (₹), which the company's functional and presentation currency.

#### 3.3 Fair value measurement

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 economic best 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.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorized 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.

The Company's Management determines the policies and procedures for both recurring and non – recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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 summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

Disclosures for valuation methods, significant estimates and assumptions of Financial instruments (including those carried at amortised cost (note 21) and Quantitative disclosures of fair value measurement

**TK Toll Road Private Limited**  
**Notes to Financial Statements as of and for the year ended March 31, 2024**

hierarchy (note 22).

**3.4 Revenue recognition**

Revenue is recognized up on transfer of control of promised services to customers in an amount that reflects the consideration we expect to receive in exchange for those services.

**Toll revenue**

The income from toll revenue from operations of the facility is accounted on accrual basis. Effective from April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. There was no impact on adoption of Ind AS 115 in the financial statements.

**Others**

Interest income on financial assets measured at amortized cost is recognised using the effective interest rate method.

Dividends are recognised in the Statement of profit and loss only when the right to receive payment is established.

**3.5 Accounting of intangible assets under service concession arrangement**

The Company has Toll Road Concession rights where it Builds, Operates and Transfers (BOT) infrastructure used to provide public service for a specified period of time. These arrangements may include Infrastructure used in a public-to-private service concession arrangement for its entire useful life.

These arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the Company receives a right (a license) to charge users of the public service. The financial asset model is used when the Company has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component. If the Company performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

The intangible assets is measured at the fair value of consideration transferred to acquire asset, which is the fair value of consideration received or receivable for the construction services delivered.

**Amortization of concession intangible assets**

The Intangible asset recognized are amortised over the concession period on the basis of projected toll revenue which reflects the pattern in which the assets economic benefits are consumed. The projected total toll revenue is based on the independent traffic volume projections; Amortization is revised in case of any material change in the expected pattern of economic benefits. Refer note 24 for description and significant terms of the concession agreements.

**Financial assets model**

The financial asset model applies when the operator has an unconditional right to receive cash or another financial asset from the grantor in remuneration for concession services. In the case of concession services, the operator has such an unconditional right if the grantor contractually guarantees the payment of amount specified or determined in the contract or the shortfall, if any, between amounts received from users of public service and amounts specified or determined in the Contract.

Financial Assets resulting from application of Appendix D of Ind AS 115 are recorded in the Balance Sheet under the heading "Other Financial Assets" and recognized at amortised cost.

However in case of certain arrangements, the contract may include a payment commitment on the part of the concession grantor covering only part of investment, with the balance to be recovered from by charging users of service . In such arrangements the investment amount guaranteed by the concession grantor is recognized under the financial asset model and the residual balance is recognized under the intangible asset model.

Any asset carried under concession arrangements is derecognized on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expire.

#### **Maintenance obligations**

Contractual obligations to maintain, replace or restore the infrastructure (principally resurfacing costs and major repairs and unscheduled maintenance which are required to maintain the Infrastructure asset in operational condition except for any enhancement element) are recognized and measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date for which next resurfacing would be required as per the concession arrangement. The provision is discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

### **3.6 Taxes**

#### **Current Tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income. Current income tax relating to items recognized outside the Statement of Profit and Loss is recognized outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Minimum Alternate Tax ('MAT') under the provisions of Income-tax Act, 1961 is recognised as current tax in the statement of profit and loss. MAT paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is a convincing evidence that the Company will pay normal tax. Accordingly, MAT is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company.

Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognised amounts; and
- b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### **Deferred tax**

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities and assets are recognized for all taxable temporary differences

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly

## **TK Toll Road Private Limited**

### **Notes to Financial Statements as of and for the year ended March 31, 2024**

in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### **3.7 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

#### **3.8 Leases**

Operating lease payments are recognized as an operating expense in the income statement on a straight line basis over the lease term.

#### **3.9 Contingent liabilities and contingent Assets**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The contingent liability is not recognised in the books of accounts but its existence is disclosed in the Financial Statements. A Contingent asset is not recognized in financial statements, however, the same are disclosed where an inflow of economic benefit is probable.

#### **3.10 Impairment of non-financial assets**

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

#### **3.11 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 an outflow of resources embodying economic benefits 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 the reimbursement is recognized 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.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

#### **3.12 Employee benefits**

##### **(i) Short term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(ii) Leave obligations**

The Company provides sick leave and privilege leave to its employees.

Privilege and sick leave obligation is provided based on actuarial valuation which takes into account the estimated portion of leave that will be en-cashed, availed and the portion that will lapse. The portion that is expected to be en-cashed is provided for based on the basic salary of the employee and for the portion that is expected to be availed, the valuations are based on the employees' total compensation. The liability for earned leave is also classified as current where it is expected to be availed/ en-cashed during the next 12 months. The remaining portion is classified as non-current. The amounts of current and non-current liability are based on actuarial estimates.

**(iii) Post - employment obligations**

The Company operates various post-employment schemes, including

- (a) defined benefit plans such as gratuity
- (b) defined contribution plans such as provident fund.

**Gratuity Obligations**

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

**Defined Contribution plans**

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

**3.13 Cash and cash equivalents**

Cash and cash equivalents 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 Company's cash management.

**TK Toll Road Private Limited**  
**Notes to Financial Statements as of and for the year ended March 31, 2024**

**3.14 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

**Initial recognition and measurement**

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at fair value through Statement of Profit and Loss, net of directly attributable transaction cost to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

For purposes of subsequent measurement, financial assets are classified in following categories;

- at amortised cost
- at fair value through profit or loss (FVTPL)
- at fair value through other comprehensive income (FVTOCI)

**Financial Assets at amortised cost**

Financial assets are measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. All the Loans and other receivables under financial assets (except Investments) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

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 amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss. This category generally applies to loans and other receivables.

**Financial Assets at Fair Value through Statement of Profit and Loss/Other Comprehensive Income**

All investments in scope of Ind AS 109 are measured at fair value. The Company has investment in mutual funds which are held for trading, are classified as at FVTPL. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income. There is no recycling of the amounts from Other Comprehensive Income (OCI) to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

**De-recognition**

A financial asset (or, where applicable, a part of a financial asset or part of the Company's similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the

**TK Toll Road Private Limited**  
**Notes to Financial Statements as of and for the year ended March 31, 2024**

asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

**Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Company has three types of financial assets subject to Ind AS 109's expected credit loss model:

- Loans receivables measured at amortised cost
- Retentions receivable, grant receivable from NHA
- Loans given to employees

The impairment methodology for each class of financial assets stated above is as follows:

Loans receivables measured at amortised cost: Loans receivables at amortised cost are generally short term in nature considered to be low risk, and thus the impairment provision is determined as 12 months expected credit losses.

Loans given to employees: For loans given to employees outstanding as on the reporting dates, the has determined reliably that assessing the probability of default at the initial recognition of each and every loan or receivable would result in undue cost and effort. As permitted by Ind AS 109, the credit provision will be determined based on whether credit risk is low only at each reporting date, until the loan is derecognized. Using the impairment methodology the Company has assessed that no loan loss allowance needs to be recorded in the books of accounts.

Expected credit loss ('ECL') impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortized cost and other contractual revenue receivables - ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

**Financial Liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through Statement of Profit and Loss, loans and borrowings, trade payables or other payables.

All financial liabilities are recognized initially at fair value.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and other payables.

**Subsequent measurement**

Financial liabilities at amortized cost: After initial measurement, such financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in finance costs in the Statement of Profit and Loss.



**TK Toll Road Private Limited**  
**Notes to Financial Statements as of and for the year ended March 31, 2024**

**Loans and borrowings**

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. However, the Company has borrowings at floating rates. The impact of restatement of effective interest rate, year on year due to reset of interest rate, is not material. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the transaction cost amortization process.

**Trade Payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

**Retention money payable**

This is the category most relevant to the Company. Retention moneys are measured at Fair value initially. Subsequently, they are measured at amortised cost using the EIR (Effective interest rate) method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process.

**De-recognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**3.15 Segment information**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). Chief operating decision maker's function is to allocate the resources of the entity and access the performance of the operating segment of the entity.

The Board assesses the financial performance and position of the Company and makes strategic decisions. It is identified as being the chief operating decision maker for the company.

**3.16 Critical accounting estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are disclosed below.

**(i) Applicability of service concession arrangement accounting to toll roads concessionaire arrangements**

The Company has determined that Appendix D of Ind AS 115 'Service concession arrangements' is applicable to the Company which provides on accounting by the operators for public-to-private service

**TK Toll Road Private Limited**  
**Notes to Financial Statements as of and for the year ended March 31, 2024**

concession arrangements. The Company has entered into concession arrangement with NHAI as per which the Company would participate in the Design, Build, Finance, Operate and Transfer (DBFOT) basis the toll roads infrastructure. After the end of the concession arrangement, the Company has to transfer the infrastructure i.e. toll roads constructed to National Highway Authorities of India (NHA).

Accordingly the Company has recognized the intangible assets recognized as per the accounting policy mentioned in Note no 3.5 'Accounting of intangible assets under service concessionaire arrangement'.

**(ii) Income taxes**

The Company has recognized deferred tax assets relating to carried forward tax losses to the extent there are sufficient taxable temporary differences relating to the same taxation authority against which the unused tax losses can be utilized. However, the utilization of tax losses also depends on the ability of the Company to satisfy certain tests at the time the losses are recouped. Management has forecasted future taxable profits and has therefore recognized deferred tax assets in relation to tax losses.

**(iii) Amortization of concession intangible assets**

The Intangible asset recognized are amortised over the concession period on the basis of projected toll revenue which reflects the pattern in which the assets economic benefits are consumed. The projected total toll revenue is based on the independent traffic volume projections; Amortization is revised in case of any material change in the expected pattern of economic benefits.

**(iv) Provision for resurfacing obligation (major maintenance expenditure)**

The Company records the resurfacing obligation for its present obligation as per the concession arrangement to maintain the toll roads at every five years during the concession period. The provision is included in the Financial Statements at the present value of the expected future payments. The calculations to discount these amounts to their present value are based on the estimated timing of expenditure occurring on the roads.

The discount rate used to value the resurfacing provision at its present value is determined through reference to the nature of provision and risk associated with the expenditure.

**3.17 Recent accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

TK Toll Road Private Limited  
Notes to Financial Statements as of and for the year ended March 31, 2024

Note 4 - Concession Intangible assets

Rs.Millions

Particulars	Toll Collection rights
<b>Year ended March 2023</b>	
Opening gross carrying amount	6,971.00
Additions	-
Adjustments/Disposals	-
<b>Closing gross carrying amount</b>	<b>6,971.00</b>
<b>Accumulated amortisation and impairment</b>	
Opening accumulated amortisation and impairment	940.15
amortisation charge for the period	228.92
Disposals	-
<b>Closing accumulated amortisation and impairment</b>	<b>1,169.07</b>
<b>Net carrying amount</b>	<b>5,801.93</b>
<b>Year ended March 2024</b>	
Opening gross carrying amount	6,971.00
Additions	-
Adjustments/Disposals	-
<b>Closing gross carrying amount</b>	<b>6,971.00</b>
<b>Accumulated amortisation and impairment</b>	
Opening accumulated amortisation and impairment	1,169.07
amortisation charge for the period	246.12
Disposals	-
<b>Closing accumulated amortisation and impairment</b>	<b>1,415.19</b>
<b>Net carrying amount</b>	<b>5,555.81</b>

Note :

- The above Intangible Asset are pledged as security with Lenders.
- No proceedings has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988. Therefore the disclosure of details of Benami Property held is not applicable.

## TK Toll Road Private Limited

## Notes to Financial Statements as of and for the year ended March 31, 2024

Rs.Millions

Particulars	As at March 31, 2024	As at March 31, 2022
<b>Note 5 - Financial Assets - Current</b>		
<b>Note 5 (a) - Cash and Cash equivalents</b>		
Balances with banks		
- in current accounts	334.15	201.69
Cash on hand	0.19	0.10
	334.34	201.79
<b>Note 5 (b) - Other bank balances</b>		
Deposits with maturity of more than three months but less than twelve months. ( Refer Note No. 36)	631.67	-
	631.67	-
	<b>As at</b>	<b>As at</b>
	<b>March 31, 2024</b>	<b>March 31, 2020</b>
<b>Note 5 (c) - Other financial assets - current</b>		
Security Deposit	0.02	-
Retention money receivable from NHAI	1.65	1.65
Other Receivables	1.67	3.48
Claims receivable from NHAI	8.38	7.87
	11.72	13.00
<b>Note 6 - Other Current assets</b>		
Advance to vendors	0.58	0.45
Advance to employees	0.25	0.27
Prepaid Expenses	33.60	2.73
Duties and taxes receivable	6.72	6.32
Gratuity Advance	4.06	3.33
	45.21	13.10

TK Toll Road Private Limited  
Notes to Financial Statements as of and for the year ended March 31, 2024

Note 7 - Share Capital

Rs. Millions

Particulars	Shares	As at March 31, 2024	As at March 31, 2023
<b>Note 7a - Authorised Equity Share Capital</b>			
At the beginning of the year	1,60,00,000	160.00	160.00
Add : Increase during the year	of Rs 10 each	-	-
At the end of the year		<u>160.00</u>	<u>160.00</u>
<b>Note 7b - Issued, subscribed and paid-up equity share capital</b>			
At the beginning of the year	1,27,55,650	127.56	127.56
Add : Increase during the year	of Rs 10 each	-	-
At the end of the year		<u>127.56</u>	<u>127.56</u>

**Note 7c - Terms and rights attached to equity shares**

The Company has only one class of shares referred to as Equity Shares having a Par Value of Rs.10/-. 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.

**Note 7d - Reconciliation of nos of Shares**

Nos of Shares at the beginning of the year	1,27,55,650	1,27,55,650
Add : Nos of Shares issued during the year	-	-
Nos of Shares at the end of the year	<u>1,27,55,650</u>	<u>1,27,55,650</u>

**Note 7e - Shares held by the holding Company or their subsidiaries/associates**

Reliance Infrastructure Limited (Holding Company) & its nominees	1,27,55,650	1,27,55,650
--	-------------	-------------

**Note 7f - Details of Shareholders holding more than 5% shares in the Company**

<b>Reliance Infrastructure Limited</b>		
Nos of Shares	1,27,55,650	1,27,55,650
% of holding	100%	100%

**Note 7g - Details of Shares held by promoters**

Promoter's Name	No. of shares	% of total shares	% change during the
Reliance Infrastructure Limited	1,27,55,650	100%	0%

**Note 7h - Number of Shares Pledged, Safekeep and Unpledged by the Promoters :-**

Particulars	As at 31st March 2024	As at 31st March 2023
Pledged	38,26,695	38,26,695
Safekeep	24,23,574	24,23,574
Unpledged	65,05,381	65,05,381
<b>Total</b>	<b>1,27,55,650</b>	<b>1,27,55,650</b>

TK Toll Road Private Limited  
Notes to Financial Statements as of and for the year ended March 31, 2024

Rs.Millions

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Note 8a - Sub-ordinated debt (in nature of equity)</b>		
<b>Equity</b>		
At the beginning of the year	2,150.40	2,150.40
Increase / (decrease) during the year	-	-
At the end of the year	2,150.40	2,150.40

**Note 8a (i) - Sub-ordinate Debts infused by the holding Company or their subsidiaries/associates**

Reliance Infrastructure Limited (Holding Company)	2,150.40	2,150.40
---	----------	----------

**Terms and rights attached to Sub-ordinated debts infused by holding company**

- i) Subordinated debt is the part of holding companys Equity from the promoters of the company for the project, which is unsecured and interest free as per Common Loan Agreement with the lenders;
- ii) No repayment/redemption/interest servicing allowed during the moratorium year of the long term project loan.

**Note 8b- Other Equity & Reserve**

Retained Earning	(1,840.60)	(1,504.46)
Security Premium Account	1,337.14	1,337.14
	(503.46)	(167.32)

**Note 8c - Retained Earnings**

At the beginning of the year	(1,504.46)	(1,124.89)
Net Profit/(loss) for the year	(336.79)	(378.88)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasuremens of post-employements obligations (net of tax)	0.65	(0.69)
Dividends paid during the period	-	-
At the end of the year	(1,840.60)	(1,504.46)

**Note 8d - Securities Premium Account**

At the beginning of the year	1,337.14	1,337.14
Premium on shares issued during the year	-	-
At the end of the year	1,337.14	1,337.14

**Nature and purpose of securities premium**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the act.

Particulars	As at March 31, 2024	As at March 31, 2023
-------------	-------------------------	-------------------------

**Note 9 (a) - Borrowings - Non current****Secured****Term loans**

\* Long term borrowings shown under current maturities of long term debt due to loan recall by the lenders subsequent to classification of the facilities availed by the company as non performing assets (NPA)

**1) Secured Term Loan from Banks & Financial Institutions of Rs. 1,124.89 million (Principal undiscounted amount) are secured as under :**

The Borrowings are secured by the way of terms stated in Common Loan Agreement entered between company and Consortium of lenders which are as under:-

(i) a first ranking pari passu mortgage/charge over all the Borrower's immovable and movable properties, both present and future, except the Project Assets. ;

(ii) a first ranking on receivables, book debts, cash and cash equivalents including any other bank accounts and other assets, present and future.

(iii) a first ranking on government approvals, insurance policies, uncalled capital, project documents, guarantees, letter of credit, performance warranties, indemnities, and securities given to the Company.

(iv) a first ranking pari passu charge over / assignment of the right, title, interests, benefits, claims and demands of the Borrower in, to and under any letter of credit, guarantees (except the guarantees issued in favour of NHAI) including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents.

(iv) The applicable interest rate for rupee term loan is 10.80% p.a.

(v) Filing of the quarterly returns or statements of current assets is not applicable to the company.

(vi) ) None of the Banks / FI / other lenders has declared the company as wilful defaulter in accordance with guidelines on wilful defaulters issued by RBI. Hence wilful defaulter disclosure is not applicable

(vii) No charges or satisfaction is pending to be registered with ROC beyond the statutory period

(viii) The carrying amounts of assets pledged as security for current and non-current borrowings are considered in note no.28

**2) Maturity Profile of Secured Term Loan (Principal undiscounted) are as under :**

Particulars	Loan from Banks	Loan from Financial Institutions
Principal Due	1,074.47	50.42
<b>Total</b>	<b>1,074.47</b>	<b>50.42</b>

TK Toll Road Private Limited

Notes to Financial Statements as of and for the year ended March 31, 2024

2 a) The company has delayed in the payment dues (Principal ) to the Banks & financial institution as at March 31, 2024. The lender wise details is as below :

Name of Lenders	Principal	As at March 31, 2024 (maximum no of days)
Canara Bank	614.37	2101
PNB (e'OBC Bank)	253.11	2101
<b>Total</b>	<b>867.48</b>	

2 b) The company has delayed in the payment dues (Interest) to the Banks & financial institution as at March 31, 2024. The lender wise details is as below :

Name of Lenders	Interest	As at March 31, 2024 (maximum no of days)
Bank of India	10.87	*
Canara Bank	138.50	*
Corporation Bank/UBI	1.62	*
IIFCL	50.42	*
IOB	21.35	*
OBC Bank/PNB	7.16	*
UCO	27.50	*
<b>Total</b>	<b>257.41</b>	

\* As per the confirmation received from respective lenders, penal interest and additional interest charged by lenders has been accounted for as on 31st March, 2024.

Note 9 (b) - Borrowings - Current

	As at March 31, 2024	As at March 31, 2023
<b>Secured</b>		
Current Maturities of long term debt (Refe note 9(a) for security)	867.48	2,770.94
<b>Refer Note No 36</b>		
<b>Unsecured</b>		
Loan from related parties	73.30	73.30
	<b>940.78</b>	<b>2,844.24</b>

Note 10 - Trade Payables

	As at March 31, 2024	As at March 31, 2023
Total outstanding due of micro enterprises & small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises & small enterprises		
Related	23.48	23.48
Others	199.66	119.91
	<b>223.14</b>	<b>143.39</b>

a) Trade Payables ageing schedule

As at 31st March, 2024

Particulars	Outstanding for below periods from date of transaction				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
1) MSME	-	-	-	-	-
2) Others	164.37	6.33	0.40	39.10	210.20
3) Disputed Dues - MSME	-	-	-	-	-
4) Disputed Dues - Others	-	-	-	-	-
5) Unbilled Dues	-	-	-	-	12.94
<b>Total</b>	<b>164.37</b>	<b>6.33</b>	<b>0.40</b>	<b>39.10</b>	<b>223.14</b>



TK Toll Road Private Limited

Notes to Financial Statements as of and for the year ended March 31, 2024

b) Trade Payables ageing schedule

As at 31st March, 2023

Particulars	Outstanding for below periods from date of transaction				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
1) MSME	-	-	-	-	-
2) Others	88.74	0.43	3.12	35.98	128.27
3) Disputed Dues - MSME	-	-	-	-	-
4) Disputed Dues - Others	-	-	-	-	-
5) Unbilled Dues	-	-	-	-	15.12
<b>Total</b>	<b>88.74</b>	<b>0.43</b>	<b>3.12</b>	<b>35.98</b>	<b>143.39</b>

c) Dues to Micro and Small Enterprises

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the company. There are no overdue principal amounts/interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.

Particulars	As at March 31, 2024	As at March 31, 2023
-------------	-------------------------	-------------------------

Note 11 - Other financial liabilities - current

Interest due but not paid	257.41	181.43
Creditors for Capital expenditure	154.19	154.19
Employee benefits payable	2.07	1.85
Retention money payable (Refer foot note)	223.65	205.79
<b>Total</b>	<b>637.31</b>	<b>543.25</b>

Foot Note

Retention Money Payables ageing schedule

As at 31st March, 2024

Particulars	Outstanding for below periods from date of transaction				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Retention Money Payable	19.76	14.39	1.02	188.48	223.65
<b>Total</b>	<b>19.76</b>	<b>14.39</b>	<b>1.02</b>	<b>188.48</b>	<b>223.65</b>

As at 31st March, 2023

Particulars	Outstanding for below periods from date of transaction				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Retention Money Payable	15.98	1.37	0.68	187.76	205.79
<b>Total</b>	<b>15.98</b>	<b>1.37</b>	<b>0.68</b>	<b>187.76</b>	<b>205.79</b>

**TK Toll Road Private Limited**

**Notes to Financial Statements as of and for the year ended March 31, 2024**

<b>Note 12 (a) - Provisions - Current</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
<b>Current</b>		
Provision for employee benefits		
- Leave encashment	0.00	0.00
Others		
- Resurfacing expenses	178.12	389.48
	<u>178.12</u>	<u>389.48</u>

Movement in provision during the financial year is set out as below:

**Resurfacing provisions**

At the beginning of the year	389.48	395.37
Charged / (credited) to profit or loss		
Additional Provision recognised	132.01	122.49
Unwinding of discount	19.75	11.77
Amount utilised during the year	(363.13)	(140.15)
At the end of the year	<u>178.11</u>	<u>389.48</u>

**Resurfacing provisions - significant estimates**

As per the service concession arrangement with NHAI, the Company Group is obligated to carry out resurfacing of the roads under concession. The Company accrues the provision required towards resurfacing cost in statement of profit & loss in accordance with Ind AS 37 ' Provisions, Contingent Liabilities and Contingent Assets' based on the best estimates of the management, which are periodically reviewed.

**Note 12 (b) - Provisions - Non - Current**

	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Provision for employee benefits		
- Leave encashment	0.00	0.08
	<u>0.00</u>	<u>0.08</u>

**Note 13 - Other current liabilities**

	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Advance towards Arbitration Claim (agst BG) (Refer Note No.36)	2,822.47	-
Duties and taxes payable	4.84	1.90
	<u>2,827.31</u>	<u>1.90</u>

## TK Toll Road Private Limited

Notes to Financial Statements as of and for the year ended March 31, 2024

Rs.Millions

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>Note 14 - Revenue</b>		
Operating income		
- Income from toll collections -(Net of revenue sharing)	586.88	544.37
	586.88	544.37
<b>Note 15 - Other income</b>		
Excess provision for Gratuity and Leave Encashment written back	0.17	0.15
Excess provision for expenses written back	0.17	3.17
Miscellaneous income	0.13	1.54
	0.47	4.86
<b>Note 16 - Toll Operation and Maintenance expenses</b>		
Subcontracting expenses	37.18	35.11
Maintenance of Roads	174.76	176.51
Electricity expenses	3.00	3.95
Site and other direct expenses	0.11	0.39
	215.05	215.96
<b>Note 17 - Employee benefits expenses</b>		
Salaries wages and bonus	11.05	6.37
Contribution to provident funds and other funds	0.46	0.25
Leave encashment	-	0.14
Staff welfare expenses	0.25	0.01
	11.76	6.77
<b>Note 18 - Finance Costs</b>		
Interest on loan ( Refer Note No 36)	393.29	347.90
Unwinding of discount on provisions	19.75	11.76
Other finance charges	10.15	1.19
	423.19	360.85
<b>Note 19 - Other expenses</b>		
Rates & taxes	0.01	10.84
Insurance	9.18	9.42
Legal and Professional Charges	16.69	8.93
Auditors Remuneration		
- Audit Fees	0.30	0.24
Travelling and Conveyance	0.24	0.15
Other miscellaneous expenses	1.06	0.54
	27.48	30.12

TK Toll Road Private Limited  
Notes to Financial Statements as of and for the year ended March 31, 2024

Note 20 - Fair value measurements  
Financial Instruments by category  
Significance of financial instruments

Rs.Millions

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Financial assets</b>		
<b>At amortised Cost</b>		
Security Deposit	0.02	-
Other Receivables	1.67	3.48
Retention Money receivable from NHA/	1.65	1.65
Cash and Cash equivalent	334.34	201.79
Other bank balances	631.67	-
Claims receivable from NHA/	8.38	7.87
<b>Total financial assets</b>	<b>977.74</b>	<b>214.79</b>
<b>Financial liabilities</b>		
<b>At amortised Cost</b>		
Borrowings	940.78	2,844.24
Trade Payables	223.14	143.39
Retention money payable	223.65	205.79
Interest due but not paid	257.41	181.43
Employee Benefits Payable	2.07	1.85
Creditors for capital expenditure	154.19	154.19
<b>Total financial liabilities</b>	<b>1801.24</b>	<b>3530.89</b>

TK Toll Road Private Limited  
Notes to Financial Statements as of and for the year ended March 31, 2024

Note 21 - Fair value Hierarchy

(a) Fair value hierarchy - Recurring fair value measurements

Rs.Millions

Financial liabilities

(a) Fair value hierarchy - Assets and liabilities which are measured at amortised cost for which fair values are disclosed

Level 3

Floating Rate Borrowings

867.48

2770.94

Retention money payable

223.65

205.79

**Total financial liabilities**

**1091.13**

**2976.73**

Recognised fair value measurements

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for borrowings, debentures, Retention money payable and hedging derivative included in level 3

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

(b) Fair Value of Financial assets and liabilities measured at amortised cost

Rs.Millions

Particulars

As at  
March 31, 2024

As at  
March 31, 2023

Financial liabilities

Carrying value of financial liabilities at amortised cost

Floating Rate Borrowings

867.48

2770.94

Retention money payable

223.65

205.79

**1091.13**

**2976.73**

Fair value of financial liabilities Carried at amortised cost

Floating Rate Borrowings

867.48

2770.94

Retention money payable

223.65

205.79

**1091.13**

**2976.73**

The carrying value amounts of fixed deposits, interest accrued on deposits, retention money receivable, insurance claim receivable, cash and cash equivalents, trade payables, interest accrued, employee benefits payable and creditors for capital expenditure approximate their fair value due to their short term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**TK Toll Road Private Limited**  
**Notes to Financial Statements as of and for the year ended March 31, 2024**

**Note 22 – Financial risk management**

The Company activities exposes it to market risk, liquidity risk and credit risk.  
This note explains the source of risk which the entity is exposed to and how the entity is manage the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Aging analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Market risk — interest rate	Long-term borrowings at variable Rates	Sensitivity analysis	Actively Managed
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Company's risk management is carried out by a project finance team and central treasury team under policies approved by board of directors. Company treasury identifies, evaluates and hedges financial risk in close co-operation with the company's operating units. The Management of the Company provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk and credit risk, use of derivative financial instrument and non-derivative financial instrument, and investments of excess liquidity.

**Commodity risk:**

The Company requires for implementation (construction, operation and maintenance) of the projects, such as cement, bitumen, steel and other construction materials. For which, the Company entered into fixed price contract with the EPC contractor and O&M Contractor so as to manage our exposure to price increases in raw materials. Hence, the sensitivity analysis is not required.

**Market risk — interest rate risk**

The Bank loans follows floating rates with resets defined under agreements. While interest rate fluctuations carry a risk on financials, the Company earn toll income which is linked to WPI thus providing a natural hedge to the interest rate risk.

**a) Interest rate risk exposure**

	Rs.Millions	
	As at March 31, 2024	As at March 31, 2023
Variable Rate Borrowings	867.48	2,770.94
Fixed Rate Borrowings	-	-
<b>Total</b>	<b>867.48</b>	<b>2,770.94</b>

**b) Sensitivity analysis**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Impact on profit/loss after tax	As at March 31, 2024	As at March 31, 2023
Interest rates (increase) by 100 basis points	(7.32)	(23.39)
Interest rates decrease by 100 basis points	7.32	23.39

**TK Toll Road Private Limited**

Notes to Financial Statements as of and for the year ended March 31, 2024

**Note 23 - Capital risk management**

The company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

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

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue interest free sub-ordinate debt. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company policy is to keep optimum gearing ratio. The company includes within net debt, interest bearing loans and borrowings, trade payables, less cash and cash equivalents.

In order to achieve this overall objective, the company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. No changes were made in the objectives, policies or processes for managing capital for year ended March 31, 2024 and March 31, 2023.

Consistent with others in the industry, the group monitors capital on the basis of the following gearing ratio:

Net debt including total borrowings (net of cash and cash equivalents)  
divided by  
Total 'equity' (as shown in the balance sheet).

The company's strategy is to maintain a debt to equity . The gearing ratios at March 31, 2024 and March 31, 2023 were as follows:

Particulars	Rs.Millions	
	As at March 31, 2024	As at March 31, 2023
Net debt (a)	606.43	2,642.43
Equity (b)	1,774.51	2,110.64
<b>Net debt to equity ratio (a) / (b)</b>	<b>0.34</b>	<b>1.25</b>

Particulars	Rs.Millions	
	As at March 31, 2024	As at March 31, 2023
Net debt (a)	606.43	2,642.43
Equity (b)	1,774.51	2,110.64
Net debt plus Equity (c = a+b)	2,380.94	4,753.09
<b>Gearing ratio (a) / c</b>	<b>0.26</b>	<b>0.56</b>

TK Toll Road Private Limited  
Notes to Financial Statements as of and for the year ended March 31, 2024

Note 24- Concession arrangements - Main features

Rs. Millions

Name of entity	Description of the arrangement	Significant terms of the arrangement	Intangible Assets		Financial Asset
			Gross book value	Net book value	
TK Toll Road Private Limited	Financing, design, building and operation of 61 kilometre long six lane toll road between Trichi and Karur on National Highway 67	<p>Period of concession: 2008 - 2038</p> <p>Remuneration : Toll</p> <p>Investment grant from concession grantor : Yes</p> <p>Infrastructure return at the end of concession period : Yes</p> <p>Investment and renewal obligations : Nil</p> <p>Re-pricing dates : Yearly</p> <p>Basis upon which re-pricing or re-negotiation is determined : Inflation</p> <p>Premium payable to grantor : Nil</p>	<p>March 31, 2024</p> <p>6,971.00</p>	<p>March 31, 2024</p> <p>5,555.81</p>	<p>March 31, 2024</p> <p>0.02</p>
			<p>March 31, 2023</p> <p>6,971.00</p>	<p>March 31, 2023</p> <p>5,801.93</p>	<p>March 31, 2023</p> <p>-</p>



**TK Toll Road Private Limited**  
**Notes to Financial Statements as of and for the year ended March 31, 2024**

**Note : 25 Related Party Transaction**

As per Ind AS-24 " Related Party Disclosure" the Company's related parties and transactions with them in the ordinary course of business are disclosed below :

**Holding Company**

Reliance Infrastructure Limited

**Key Management Personnel**

Shailendra H Jain - Director

Sandeep Joshi - Director - Resigned w.e.f 23rd June 2023

Prashant Kumar - Director - Appointed w.e.f 23rd June 2023

Yogesh Jain -Chief Financial Officer

Senthil Kumar Rajendra - Manager

Krishna Shah - Company Secretary

<b>Particulars</b>	Rs.Millions	
	<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>Details of transactions and closing balance</b>		
<b>Transactions during the year :-</b>	-	-
<b>Balances at the year end :-</b>		
<b>Inter-corporate deposit</b>		
Reliance Infrastructure Limited	73.30	73.30
<b>Trade payables</b>		
Reliance Infrastructure Limited	23.48	23.48
<b>Sub-debts (in nature of equity)</b>		
Reliance Infrastructure Limited	2,150.40	2,150.40
<b>Equity share capital (excluding premium)</b>		
Reliance Infrastructure Limited	127.56	127.56
<b>Guarantees issued on behalf of the Company and utilised</b>		
Reliance Infrastructure Limited	1,124.89	2,950.00

**(B) Key Management Personnel (KMP) and details of transactions with KMP :**

During the year no payment was made to Key Management Personnel ( KMP).

TK Toll Road Private Limited  
Notes to Financial Statements as of and for the year ended March 31, 2024

Note 26: Income and deferred taxes

26(a) Income tax expense

	Rs. Millions	
	March 31, 2024	March 31, 2023
<b>(a) Income tax expense</b>		
<i>Current tax</i>		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods	0.14	-
<b>Total current tax expense</b>	<b>0.14</b>	<b>-</b>
<i>Deferred tax</i>		
Decrease/(increase) in deferred tax assets	(10.65)	69.80
(Decrease)/increase in deferred tax liabilities	11.05	15.46
<b>Total deferred tax expense/(benefit)</b>	<b>0.40</b>	<b>85.26</b>
<b>Income tax expense</b>	<b>0.54</b>	<b>85.26</b>
<b>Income tax expense is attributable to:</b>		
Profit from continuing operations	0.54	85.26

26(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

	March 31, 2024	March 31, 2023
Profit from operations before income tax expense	(336.25)	(293.39)
<b>Tax at the Indian tax rate of 26.000%</b>	<b>(87.42)</b>	<b>(76.28)</b>
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Reverse/(created) of deferred Tax	0.54	85.26
Expenses disallowed and others	87.42	76.28
<b>Income tax expense charged to statement of Profit and Loss</b>	<b>0.54</b>	<b>85.26</b>

26(c) - Deferred tax (liability) / Asset

The balance comprises temporary differences attributable to :

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Deferred tax liability on account of :</b>		
Intangible assets	406.62	395.58
Impact of effective interest rate on borrowings	-	(0.01)
<b>Total Deferred tax Liabilities</b>	<b>406.62</b>	<b>395.57</b>
<b>Deferred tax asset on account of :</b>		
Unabsorbed losses	360.31	294.71
Provision for resurfacing expenses (MMR)	46.31	101.26
Retirement benefit obligation	-	-
<b>Total Deferred tax Assets</b>	<b>406.62</b>	<b>395.97</b>
<b>Net deferred tax (liability)/asset</b>	<b>-</b>	<b>0.40</b>

TK Toll Road Private Limited  
Notes to Financial Statements as of and for the year ended March 31, 2024

26 (d) -Movement in deferred tax liability / asset

Particulars	Unused Tax Losses	Intangible assets - toll collection Right	Other items	Rs Millions
				Total
As at April 01, 2022	362.97	(380.06)	102.75	85.66
Charged/(credited) during the year to profit or loss	(68.26)	(15.52)	(1.72)	(85.50)
to other comprehensive income	-	-	0.24	0.24
As at March 31, 2023	<u>294.71</u>	<u>(395.58)</u>	<u>101.27</u>	<u>0.40</u>
As at April 01, 2023	294.71	(395.58)	101.27	0.40
Charged/(credited) during the year to profit or loss	65.60	(11.04)	(54.96)	(0.40)
to other comprehensive income	-	-	-	-
As at March 31, 2024	<u>360.31</u>	<u>(406.62)</u>	<u>46.31</u>	<u>(0.00)</u>

Tax loss on which tax credit not recognised in Financial Statement

Particulars	As at March 31, 2024	As at March 31, 2023
Unused tax on business losses for which no deferred tax assets has been recognised	740.08	740.08

TK Toll Road Private Limited  
Notes to Financial Statements as of and for the year ended March 31, 2024

Note 27 : Assets pledged as security

Rs. Millions

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	Note	March 31, 2024	March 31, 2023
<b>Current</b>			
<b>Financial assets</b>			
<i>First charge</i>			
Cash and cash equivalents	5a	334.34	201.79
Other Financial Assets	5b	11.72	13.00
<b>Non-financial assets</b>			
<i>First charge</i>			
Other Current Assets	7	45.21	13.10
<b>Total current assets pledged as security</b>		<b>391.28</b>	<b>227.89</b>
<b>Non-current</b>			
<i>First charge</i>			
Intangible Asset	4	5,555.81	5,801.93
Other non current assets	6	-	-
<b>Total non-current assets pledged as security</b>		<b>5,555.81</b>	<b>5,801.93</b>
<b>Total assets pledged as security</b>		<b>5,947.09</b>	<b>6,029.82</b>

Note 28 : Disclosure pursuant to para 44 A to 44 E of Ind AS 7 -Cash flow Statements

Particulars	Year Ended March 31,2024	Year Ended March 31,2023
<b>Long term Borrowings</b>		
Opening Balance	2,770.75	2,770.63
- Non Current	-	-
Availed during the year	-	-
<b>Changes in Fair Value</b>		
- Impact of Effective Rate of Interest	0.19	0.12
Less : Repayment During the year	1,903.46	
<b>Closing Balance</b>	<b>867.48</b>	<b>2,770.75</b>

<b>Short term Borrowings</b>		
Opening Balance	73.30	73.30
Add : Availed during the year	-	-
Less : Repaid During the year	-	-
<b>Closing Balance</b>	<b>73.30</b>	<b>73.30</b>

<b>Sub-ordinated debt (in nature of equity)</b>		
Opening Balance	2,150.40	2,150.40
Add : Availed during the year	-	-
Less : Repaid During the year	-	-
<b>Closing Balance</b>	<b>2,150.40</b>	<b>2,150.40</b>

<b>Interest Expenses</b>		
Opening Balance	181.43	112.74
Interest Charge as per Statement Profit & Loss	423.19	360.85
Changes in Fair Value		
- Impact of Effective Rate of Interest	(0.19)	(0.18)
- Unwinding of Discount on provisions	(19.75)	(11.76)
- Unwinding of Discount on retention money	-	-
Interest paid to Lenders	(327.46)	(280.21)
<b>Closing Balance</b>	<b>257.22</b>	<b>181.43</b>

## TK Toll Road Private Limited

Notes to Financial Statements as of and for the year ended March 31, 2024

## Note 29 : Liquidity risk - Table

Rs. Millions

The table below analyses the company's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

As at March 31, 2024	Less than 1 year	More than 1 year	Total
<b>Non-derivatives</b>			
Borrowings	867.48	-	867.48
Interest on borrowings	301.18	-	301.18
Trade and other payables	223.14	-	223.14
Other financial liabilities	379.90	-	379.90
<b>Total non-derivatives</b>	<b>1,771.70</b>	-	<b>1,771.70</b>
<b>As at March 31, 2023</b>			
<b>Non-derivatives</b>			
Borrowings	2,770.94	-	2,770.94
Interest on borrowings	225.20	-	225.20
Trade and other payables	143.39	-	143.39
Other financial liabilities	361.83	-	361.83
<b>Total non-derivatives</b>	<b>3,501.36</b>	-	<b>3,501.36</b>

**Note 30 -Gratuity and other post-employment benefit plans**

Rs.Millions

**a) Defined contribution plan**

The following amount recognized as an expense in Statement of profit and loss on account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

Particulars	As at March 31, 2024	As at March 31, 2023
Contribution to provident fund and other funds	0.46	0.25
<b>Total</b>	<b>0.46</b>	<b>0.25</b>

**a) Defined benefit plan**

The company has a defined benefit plan (Gratuity) for its employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service as per the provision of the Payment of Gratuity Act, 1972 with total ceiling on gratuity of Rs.1,000,000/-. The said gratuity plan is funded.

The following tables summaries the The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Present Value of Benefit Obligation at the beginning of the year</b>	<b>1.39</b>	<b>0.78</b>
Interest Cost	0.10	0.04
Current Service Cost	0.16	0.06
Benefit Paid Directly by the Employer		(0.46)
Actuarial (Gains)/Losses arising on account of demographic assumptions	0.01	0.02
Actuarial (Gains)/Losses arising from change in financial assumptions	0.02	(0.05)
Actuarial (Gains)/Losses arising on account of experience	(0.69)	1.00
<b>Present Value of Benefit Obligation at the end of the year</b>	<b>0.99</b>	<b>1.39</b>
<b>Change in the Fair Value of Plan Assets</b>		
<b>Fair Value of Plan Assets at the beginning of the year</b>	<b>4.72</b>	<b>4.44</b>
Interest Cost / (income) on plan asset	0.34	0.25
Return on plan assets, excluding amount included in interest expense/(income)	(0.01)	0.03
<b>Fair Value of Plan Assets at the end of the year</b>	<b>5.05</b>	<b>4.72</b>
<b>Amount Recognised in the Balance Sheet</b>		
Present Value of Benefit Obligation at the end of the year	(0.99)	(1.39)
Fair Value of Plan Assets at the end of the year	5.05	4.72
Funded Status (Surplus/ (Deficit) )	4.06	3.33
<b>Net (Liability)/Asset Recognized in the Balance Sheet</b>	<b>4.06</b>	<b>3.33</b>
<b>Net Assets is bifurcated as follows:</b>		
Current	4.06	3.33
Non Current	-	-
<b>Total</b>	<b>4.06</b>	<b>3.33</b>
<b>Expenses Recognized in the Statement of Profit or Loss for Current Period</b>		
Current Service Cost	0.16	0.06
Net Interest Cost	(0.24)	(0.21)
<b>Expenses Recognized</b>	<b>(0.08)</b>	<b>0.15</b>
<b>Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period</b>		
Actuarial (Gains)/Losses arising on Obligation for the period	(0.66)	0.96
Return on plan assets, excluding amount included in interest expense/(income)	0.01	(0.03)
Change in Asset Ceiling		
<b>Net (Income) /Expense For the Period Recognized in OCI</b>	<b>(0.65)</b>	<b>0.93</b>

TK Toll Road Private Limited  
Notes to Financial Statements as of and for the year ended March 31, 204

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate	7.18%	7.29%
Expected rate of return on plan assets (p.a.)	7.18%	7.29%
Salary escalation rate (p.a.)	8.40%	8.09%
Mortality pre-retirement	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

A quantitative analysis for significant assumption is as shown below:

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Assumptions -Discount rate</b>		
Sensitivity Level	100 bp	100 bp
Impact on defined benefit obligation -in % increase	-3.50%	-2.03%
Impact on defined benefit obligation -in % decrease	3.76%	2.16%
<b>Assumptions -Future salary increases</b>		
Sensitivity Level	100 bp	100 bp
Impact on defined benefit obligation -in % increase	3.68%	2.13%
Impact on defined benefit obligation -in % decrease	-3.49%	-2.04%

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Within the next 12 months (next annual reporting period)</b>	0.12	0.24
Between 2 and 5 years	0.60	1.04
Between 6 and 10 years	0.55	0.25
For and Beyond 11 years	-	0.13
<b>Total expected payments</b>	1.28	1.66
The average duration of the defined benefit plan obligation at the end of the reporting period	5 years	4 years

**Plan Assets Composition**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Non Quoted</b>		
Insurer Managed Funds	5.05	4.72
	5.05	4.72

TK Toll Road Private Limited  
Notes to Financial Statements as of and for the year ended March 31, 2024

Note 31 - Contingent liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
1. Claims against the company not acknowledged as debts and under litigation		
Income Tax Claim		

2. FasTag Penalty : -The company has been collecting penalty from the users for using FasTag lanes without valid FasTAG, the same has been considered as part of income of the company since the company is of the view that the same is not payable to NHAI notwithstanding the demands from NHAI. The aggregate amount of penalty collected and appropriated under Income for March 2024 is Rs.11.31 Million (For March 2023 is Rs.13.53 Million) and till March 2024 is Rs 49.35 Million

3. Independent Engineers/ NHAI have issued various communication to the company purportedly towards default in meeting the maintenance obligation of the company and consequential penalty on account of the same. The company has contested the same and hence no effect of the same is considered necessary in the financial statements.

4. The Company has received communication from NHAI for Cure Period Notice alleging breaches, which, iner alia, include purported non fulfillment of maintenance obligation by the company as per the requirement of Concession of Agreement. The Company has contested the same and hence do not anticipate any such action by NHAI since it is in the process of fulfilling the required obligation(s), wherever required.

5. There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated February 28th, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The Company has evaluating and there is no material impact on its financial statement. The Company, in respect of the above mentioned Contingent Liabilities has assessed that it is only possible but not probable that outflow of economic resources will be required.

6. The indirect tax authorities during an investigation in Financial Year 2016 stated that the Company was not eligible to avail CENVAT credit as there was no output service liable to tax. The department issued an order in April 2016 demanding interest on the CENVAT credit availed for period October 2010 to March 2012 and penalty on account of wilful suppression of facts. The Company has appealed against such order before the Tax Appellate Tribunal. The tribunal has set aside the said adjudication order against which department has now gone in appeal before the Hon'ble High Court of Mumbai.

Note 32 - Arbitration Claims by the company

The Company had invoked arbitration against NHAI on account of claims towards prolongation, damages for delay, etc. The award has been pronounced in October, 2022 and the Company has succeeded in the arbitration. NHAI has been directed to pay the Company a sum of Rs 588.31 Crore (Principal Amount) as on the date of Award plus Pre and post-award interest. The amount recoverable under award including interest stands at Rs 1368.35 crore as on March 31, 2024.

Proceedings have been initiated by NHAI under Section 34 of the Arbitration Act to challenge the Award. The Company has also filed a petition for execution of the Award.

Both the matter is pending before Hon'ble Delhi Court.

On 30.10.2023 NHAI has deposited INR 282.24 cr. with Delhi HC as 25% of Award amount & On 13.11.2023 NHAI deposited BG dated 10.11.2023 for an amount equivalent to 75% of the award amount pursuant to Order of the Apex Court.

Canara Bank issued Bank Guarantee of Rs. 282.24 crore in favour of the Hon'ble High Court of Delhi on behalf of company. Company received amount of Rs. 282.24 crore in escrow account on 1 Jan 2024.

On last hearing dated 15.03.2024, NHAI mentions that they will not file rejoinder. Instead they would file written submission. Court granted 4 weeks time to NHAI to file the same. The Company have been allowed to file response to the affidavit of calculation filed by NHAI in respect of deposited amount. Next date of Hearing on 31st July 2024.

In the mean time, The Company submitted its application under Vivad Se Vishwas-II to NHAI for settlement of dispute. However, application was rejected by NHAI on 02.02.2024. Writ Petition 2152/2024 was preferred by the Company on 09.02.2024 challenging NHAI's rejection of its application under Vivad se Vishwas-II on 02.02.2024. Notice is issued in the Matter on 14.02.2024. Next date of hearing is 22.05.2024.



**TK Toll Road Private Limited**  
**Notes to Financial Statements as of and for the year ended March 31, 2024**

**Note 33 - Segment Reporting :-** The Company is engaged in "Road Infrastructure Projects" which in the context of Ind AS 108 "Operating Segment" is considered as the only segment. The Company's activities are restricted within India and hence, no separate geographical segment disclosure is considered necessary.

**Note 34 - Earning per share:**

Rs.Millions

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Profit / (Loss) attributable to equity shareholders (Rs Millions) (A)	(336.79)	(378.88)
Weighted average number of equity shares for basic and diluted earnings per share (B)	1,27,55,650	1,27,55,650
Earnings / (Loss) per share (Basic and diluted) (Rupees) (A/B)	(26.40)	(29.70)
Nominal value of equity shares (Rupees)	10.00	10.00

**Note 35- Going Concern:-** The current liabilities of the the company have exceeded its current assets. The company is undertaking a number of steps which will result in an improvement in cash flows and enable the company to meet its financial obligations. There has also been improvement in the revenues of the company and such revenues have been sufficient to recover the operating costs and the EBITA (Earnings before Interest, Tax & Amortisation) has been positive since the commencement of the operations. Additionally, it enjoys long concession period extending upto FY 2038. Further the Company has succeeded in arbitration against NHAI leading to a favourable arbitral award of Rs. 588.31 crore (principal amount) and pre-award and post-award interest. The amount recoverable under award including interest stands at Rs 1368.35 crore as on March 31, 2024, which will further improve the financial position.

Proceedings have been initiated by NHAI under Section 34 of the Arbitration Act to challenge the Award. The Company has also filed a petition for execution of the Award. Both the matter is pending before Hon'ble Delhi Court.

On 30.10.2023 NHAI has deposited INR 282.24 cr. with Delhi HC as 25% of Award amount & On 13.11.2023 NHAI deposited BG dated 10.11.2023 for an amount equivalent to 75% of the award amount pursuant to Order of the Apex Court.

Canara Bank issued Bank Guarantee of Rs. 282.24 crore in favour of the Hon'ble High Court of Delhi on behalf of company. Company received amount of Rs. 282.24 crore in escrow account on 1 Jan 2024 and the same has been utilized for repayment entirely.

On last hearing dated 15.03.2024, NHAI mentions that they will not file rejoinder. Instead they would file written submission. Court granted 4 weeks time to NHAI to file the same. The Company have been allowed to file response to the affidavit of calculation filed by NHAI in respect of deposited amount. Next date of Hearing on 31st July 2024.

In the mean time, The Company submitted its application under Vivad Se Vishwas-II to NHAI for settlement of dispute. However, application was rejected by NHAI on 02.02.2024. Writ Petition 2152/2024 was preferred by the Company on 09.02.2024 challenging NHAI's rejection of its application under Vivad se Vishwas-II on 02.02.2024. Notice is issued in the Matter on 14.02.2024. Next date of hearing is 22.05.2024.

Notwithstanding the dependence on above said uncertain events, The company continues to prepare its financial results on a 'Going Concern' basis.

**Note 36 - Receipt against Arbitration Award (agst BG) :-** The Company had received Arbitration award in the earlier year(s) which had been challenged by the Respondent (NHA). However, the company was eligible to withdraw the award amount against submission of Bank Guarantee. During the year, the company had submitted Bank Guarantee and received an amount of Rs. 282.24 Crore against the said Award. Since NHAI had appeal against the award, the receipt has been treated as liabilities. Based on the understanding with the lenders the same had been passed on to the lead lenders for onward distribution in the proportion as agreed in the Meeting of the Lenders. At the said meeting the amount of Contracted Liability as on December 31, 2023 was agreed upon and the lenders were to be paid the amount of Rs. 282.24 against the same. The agreed contracted liability was not in agreement with the books due to non availability of the loan statements for the past period due to which interest (including penal) and charges were either not provided for or short provided. The resultant difference has been charged off in the current year and the borrowing amounts adjusted to that extent.

Further, Canara Bank & PNB had not reduced their corresponding loan balances. Canara Bank had created non-interest bearing term deposits with an understanding that no interest would be payable on such deposits and no interest would be charged in the loan accounts. However, the corresponding interest in the loan accounts continued to be charged which has been taken up with the lenders. Consequently, the excess interest charged is reflected under Contingent Liability.

Similarly, PNB's share of the counter bank guarantee was not issued to the lead lender till 31.03.2024 and hence they had not appropriated the amount to the loan account but the same is parked in the Current / Escrow Account maintained with them. Since, the same is on account of delay at their end no interest is payable as per the understanding and hence the interest charged by them in excess of the outstanding balance is shown under contingent liability.

**Note 37- Foreign Currency Exposure**

The company does not have any exposure in the foreign currency

**Note 38 - Events after reporting period**

There are no subsequent event after the reporting year which required adjustments to the Financial Statements.

## Note 39 - Ratios

Particulars	As at March 31, 2024	As at March 31, 2023	% variance	Reason for variance
<b>1) Current ratio (a/b)</b>	<b>0.26</b>	<b>0.20</b>	<b>31.19</b>	
Current Assets (a)	1,022.94	227.89		Ratio improved mainly due to increase in Cash Balances resulting increase in Current Assets.
Current Liability (b)	3,939.18	1,151.33		
<b>2) Debt Equity ratio (c/d)</b>	<b>0.53</b>	<b>1.35</b>	<b>(60.66)</b>	
Debt (c)	940.78	2,844.24		Ratio improved mainly due to decrease in Debts during the year compare to last year
Equity (d)	1,774.50	2,110.64		
<b>3) Debt Service Coverage ratio ( e/f)</b>	<b>1.02</b>	<b>1.06</b>	<b>(4.15)</b>	
EBITDA (e)	333.06	296.38		Ratio improved mainly due to increase in EBITDA
Interest on Term Loan	327.46	279.28		
Principal Repayment	-	-		
Total Interest & Principal Repayment (f)	327.46	279.28		
<b>4) Return on Equity ratio (g/h)</b>	<b>(0.17)</b>	<b>(0.16)</b>	<b>5.26</b>	
Profit after Tax (g)	(336.79)	(378.88)		
Average Shareholder's Equity (h)	1,942.57	2,300.43		
<b>5) Trade Payable Turnover ratio (i/j)</b>	<b>1.32</b>	<b>2.34</b>	<b>(43.51)</b>	
Net Credit Purchases (i)	242.54	246.08		Increase in turnover mainly due to higher toll revenue in compare to last year and reduction in trade payable, resulting in improvement in ratio.
Average Trade Payable(j)	183.27	105.03		
<b>6) Net Capital Turnover ratio (k/n)</b>	<b>(0.20)</b>	<b>(0.59)</b>	<b>(65.86)</b>	
Net Sales (k)	586.88	544.37		Ratio reduced mainly due to increase in other current liabilities as compare to last year and reduction in cash balance.
Current Assets (l)	1,022.94	227.89		
Current Liabilities (m)	3,939.18	1,151.33		
Working Capital (n) (l-m)	(2,916.24)	(923.43)		
<b>7) Net Profit ratio</b>	<b>(0.57)</b>	<b>(0.70)</b>	<b>(17.55)</b>	
Profit after Tax (m)	(336.79)	(378.88)		Ratio improved mainly due to increase in Toll Revenue as compare to last year resulting in reduction in Profit after Tax.
Net Sales (k)	586.88	544.37		
<b>8) Return on Capital Employed (o/r)</b>	<b>0.03</b>	<b>0.01</b>	<b>135.19</b>	
EBITA (o)	86.94	67.46		Ratio improved due to increase in toll revenue, resulting increase in operation profit during the year as compare to last year.
Net Worth (p)	1,774.50	2,110.64		
Total Debt (q)	940.78	2,844.24		
Total Capital Employed (r) (p+q)	2,715.28	4,954.88		
<b>9) Return on Investment</b>	<b>NA</b>	<b>NA</b>		
<b>10) Inventory Turnover Ratio</b>	<b>NA</b>	<b>NA</b>		
<b>11) Trade Receivable Turnover Ratio</b>	<b>NA</b>	<b>NA</b>		

**TK Toll Road Private Limited**  
**Notes to Financial Statements as of and for the year ended March 31, 2024**

**Note 40**

**Other Statutory Information**

(i) The company has no transactions with struck off companies under section 246 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(ii) The Company do not have any Capital-work-in progress or intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.

(iii) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(iv) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**Note 41 Details of Crypto currency or virtual currency**

Company has not traded or invested in Crypto currency or Virtual Currency during the financial year

**For MKPS & Associates**  
Chartered Accountants  
Firm Registration No. 302014E

**For and on behalf of the Board**

(Narendra Khandal)  
Membership Number : 065025  
Partner  
Place: Mumbai  
Date: May 10, 2024

**Shailendra H Jain**  
Director  
DIN No : 06393281  
Place: Mumbai  
Date: May 10, 2024

**Prashant Kumar**  
Director  
DIN no : 10211283