GMR AMBALA-CHANDIGARH EXPRESSWAYS PRIVATE LIMITED

CIN : U45203KA2005PTC036773

Financials Statements

For the Financial year ended 31st March 2018

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Independent Auditor's Report
To the members of GMR Ambala Chandigarh Expressways Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of GMR Ambala Chandigarh Expressways Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

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

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

Auditor's Responsibility

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

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

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

Luthra & Luthra * New Delhi * Chartered Accountants

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the IND AS, of the state of affairs of the Company as at 31st March, 2018, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of matter

Without qualifying our opinion, we draw attention to

1) Note no 31 to the financial statement regarding suit filed by the Company (duly substantiated by the legal opinion obtained by the Company), for compensation from NHAI/State Governments of Haryana and Punjab for loss of revenue arising as a result of diversion of partial traffic on competing roads developed subsequent to bidding of the project. Considering the expected compensation inflows, recoverable value of intangible assets i.e. "carriageways" is more than its book value and impairment loss does not arise on intangible assets.

2) Note 32 in the financial statements which indicates that the Company's total liabilities exceeded its total assets by Rs. 8733.16 lacs. However, based on the management's business plans and financial support from promoters, in the opinion of the management, no adjustment is required in the carrying value of the assets and liabilities of the Company as at Balance Sheet date and accordingly these financial statements have been prepared on a going concern basis.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

Luthra & Luthra
New Delhi
Chartered

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

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

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

c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of accounts

d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act

e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

i. The Company has disclosed the impact of pending litigation on its financial position in its Ind AS financial statement- Refer note 35 to 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.

For Luthra & Luthra
Chartered Accountants
Reg. No. 002081N

Naresh Agrawal
Partner
M.No: 504922

Place: New Delhi
Date: April 24, 2018

Luthra & Luthra
New Delhi
Chartered Accountants

Annexure - A to the Independent Auditors' Report
The Annexure referred to in Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended March 31, 2018

1. a. The Company is generally maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

   b. Fixed assets have not been physically verified by the management during the year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.

   c. According to the information and explanations given to us, the Company does not own any freehold immovable properties and lease/sub-lease deeds of leasehold land are registered with Appropriate Authorities

2. As per the information and explanations given to us, inventories have been physically verified at reasonable interval during the year by the Management. The discrepancies noticed on verification between the physical stock and book records are not material and have been properly dealt with in the books of accounts.

3. In our opinion and according to the information and explanation given to us, the Company has not granted any loan, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act 2013.

4. In our opinion and according to the information and explanations given to us, the Company has not given/make any loan, investment, guarantee and security and accordingly provisions of section 185 and 186 of the Act are not applicable.

5. According to the information and explanations given to us the company has not accepted deposits.

6. We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

7. a. According to the information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it with the appropriate authorities during the year.

   There were no undisputed amounts payable on account of the above dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

Luthra & L
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b. According to the information and explanation given to us, there is no due on account of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax which have not been deposited on account of dispute other than as given below:

8. As per the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowing to banks and financial institutions during the year.

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

10. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable Indian accounting standards.

14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

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

For Luthra & Luthra
Chartered Accountants
Reg. No. 002081N

Naresh Agrawal
Partner
M.No: 504922

Place: New Delhi
Date: April 24, 2018

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of GMR Ambala Chandigarh Expressways Private Limited ("the Company") as of 31st March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

Luthra & Luthra
New Delhi
Chartered Accountants

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Luthra & Luthra
Chartered Accountants
Reg. No. 002081N

Luthra & Luthra
New Delhi
Chartered Accountants

Naresh Agrawal
Partner
M.No: 504922

Place: New Delhi
Date: April 24, 2018

GMR Ambala Chandigarh Expressways Private Limited

CIN : U45203KA2005PTC036773

₹ in Lakhs

Statement of Audited Results for Quarter and Year ended March 31, 2018

	Particulars	Quarter ended			Year ended	
		31-Mar-18	31-Dec-17	31-Mar-17	31-Mar-18	31-Mar-17
	(Refer Notes Below)	Ref Note 1	Unaudited	Ref Note 1	Audited	Audited
1	Income					
	Income from operations - Toll Income	1,340.24	1,356.33	1,125.47	5,091.81	4,154.51
	Other income	12.92	13.43	15.40	54.09	64.76
	Total income	1,353.16	1,369.76	1,140.86	5,145.90	4,219.27
2	Expenses					
	(a) Sub-contracting expesnes	237.65	294.88	188.37	996.72	905.90
	(b) Employee benefits expense	25.03	57.20	37.24	154.97	125.30
	(c) Finance costs	1,236.03	1,208.60	1,165.92	4,829.61	4,427.37
	(d) Depreciation and amortisation expenses	1,396.78	804.65	664.62	3,622.58	2,626.14
	(e) Other expenses	111.92	268.31	190.63	622.55	412.85
	Total expenses	3,007.41	2,633.64	2,246.77	10,226.43	8,497.56
3	Profit/(loss) before tax expense (1-2)	(1,654.25)	(1,263.88)	(1,105.91)	(5,080.53)	(4,278.29)
4	Tax expenses	0.00	0.00	0.00	0.00	0.00
5	Profit/(loss) after tax (3 ± 4)	(1,654.25)	(1,263.88)	(1,105.91)	(5,080.53)	(4,278.29)
6	Other Comprehensive Income	(2.36)	1.97	3.27	(1.55)	1.38
7	Total comprehensive income for the respective periods (5 ± 6)	(1,656.61)	(1,261.91)	(1,102.64)	(5,082.08)	(4,276.91)
8	Earnings per equity share					
	i) Basic	(1.69)	(1.28)	(1.12)	(5.17)	(4.35)
	ii) Diluted	(1.69)	(1.28)	(1.12)	(5.17)	(4.35)

Note no 1 to 6 forming part of financial results

In terms of our report of even date

For **Luthra & Luthra**
Chartered Accountants
Reg. No. 002081N

Naresh Agarwal
Partner
(M.No.504922)

Luthra & Luthra New Delhi Chartered Accountants

For and on behalf of
GMR Ambala Chandigarh Expressways Private Limited

O Bangaru Raju
Director
DIN:00082228

Bajrang Lal Gupta
Director
DIN.07175777

Mudit Saxena
Chief Financial Officer

Kanika Arora
Company Secretary

Place: New Delhi
Date: April 24, 2018

GMR Ambala - Chandigarh Expressways Private Limited

in Lakhs

GMR Ambala Chandigarh Expressways Private Limited
CIN : U45203KA2005PTC036773
Statement of standalone assets and liabilities

₹ in Lakhs

Particulars	As at March 31, 2018 (Audited)	As at March 31, 2017 (Audited)
1 ASSETS		
a) Non-current assets		
Property, plant and equipment	54.87	27.01
Other intangible assets	43,985.67	47,600.47
Financial assets		
Investments	23.27	23.04
Other non-current assets	5.83	5.68
	44,069.63	47,656.20
b) Current assets		
Inventories	16.75	7.31
Financial assets		
Investments	-	66.02
Loans and advances	-	0.07
Cash and cash equivalents	169.24	129.94
Other bank balances	626.27	626.19
Other financial assets	27.72	230.77
Current tax assets (net)	15.03	13.06
Other current assets	48.31	49.40
	903.32	1,122.76
TOTAL ASSETS (a+b)	44,972.95	48,778.96
2 EQUITY AND LIABILITIES		
a) Equity		
Equity share capital	9,823.80	9,823.80
Other equity	(18,556.96)	(13,474.88)
Total equity	(8,733.16)	(3,651.08)
b) Non-current liabilities		
Financial liabilities		
Borrowings	37,761.78	37,133.95
Provisions	386.68	915.99
	38,148.46	38,049.95
c) Current liabilities		
Financial liabilities		
Borrowings	5,762.00	5,762.00
Trade payables	248.79	152.29
Other financial liabilities	8,956.97	8,240.55
Other current liabilities	116.15	154.60
Provisions	473.75	70.64
	15,557.65	14,380.10
TOTAL EQUITY AND LIABILITIES (a+b+c)	44,972.95	48,778.96

Note no 1 to 6 forming part of financial results

In terms of our report of even date

For **Luthra & Luthra**
Chartered Accountants
Reg. No. 002081N

Luthra & Luthra New Delhi Chartered Accountants

Naresh Agarwal
Partner
(M.No.504922)

For and on behalf of
GMR Ambala Chandigarh Expressways Private Limited

O Bangaru Raju
Director
DIN:00082228

Bajrang Lal Gupta
Director
DIN.07175777

Mudit Saxena
Chief Financial Officer

Kanika Arora
Company Secretary

Place: New Delhi
Date: April 24, 2018

GMR AMBALA - CHANDIGARH EXPRESSWAYS PRIVATE LIMITED

GMR Ambala Chandigarh Expressways Private Limited
CIN : U45203KA2005PTC036773

Notes to the Audited financial information for the year ended March 31, 2018

1. The figures of the last quarter of current and previous years are the balancing figures between the audited figures in respect of the full financials year and the published unaudited year to date figures for nine months ended for the respective years.
2. The Financial results for the year ended March 31, 2018 has been reviewed and approved by the Audit Committee and approved by the Board of Directors at their meeting conducted on April 24, 2018.
3. Due to continued losses suffered by the Company on account of diversion of traffic on to parallel roads developed by State of Haryana (SoH) and State of Punjab (SoPb), Company has invoked arbitration proceedings against NHAI, SOH & SoPb as per the terms of the Concession Agreement. Company's contention is that NHAI, SoH & SoPb has breached the provisions of Concession Agreement dated November 16, 2005, State Support Agreement dated February 21, 2006 & March 8, 2006. The arbitration is carried out as per the Arbitration and Conciliation Act, 1996. Arbitral Tribunal has been constituted and all the issues has been framed. The matter is in the process of being finally adjudicated by the Arbitral Tribunal. The Company has filed a claim of Rs. 63,178 Lakhs, including interest, calculated up-to March 31, 2017 before the Tribunal, which will be updated based on the directions of the Tribunal. Further, Tribunal has stayed the payment of negative grant amount payable by Company to NHAI under the provisions of the Concession Agreement. In the event of unfavourable decision on the matter, Intangible asset will be impaired substantially.
4. The Contingent Liabilities as on 31st March 2018 is Rs 2219 Lakhs (31 March 2017: Rs. 2075 Lakhs) on account of following issues:
a) Penalty levied by NHAI for delay in periodic major maintenance Rs.843 Lakhs (31 March 2017 - Rs. 843 Lakhs) and damages for not maintaining Railway over bridge at Derabassi of Rs. 171 Lakhs (31 March 2017 - Rs. 171 Lakhs). The penalty and damages levied by NHAI has not been agreed by the Company and Company has referred the issue for mediation with Independent Engineer as per the provisions of the Concession Agreement and same is yet to be concluded.
b)In view of the concessional interest rate granted by the lenders of term loan, the company has agreed to pay an additional interest of 0.60% pa on the outstanding term loan from August 2010 onwards i.e. Rs. 1205 Lakhs (31 March 2017 - Rs. 1061 Lakhs) if the claim submitted by the company is awarded in its favour during the arbitration proceedings.
5. The total liabilities of the company exceed its total assets by Rs 8733.16 Lakhs as on 31st March 2018 (March 2017 - Rs 3651.08 Lakhs). The promoters of the Company has assured to provide necessary financial and other assistance to help running its operation smoothly in the ensuing years. Thereafter the account of the company has been prepared under going concern assumption.
6. Figures pertaining to previous quarter / year have been regrouped, reclassified and rearranged, wherever necessary, to conform to the classification adopted in the current quarter/period.

For **Luthra & Luthra**
Chartered Accountants
Reg. No. 002081N

Naresh Agarwal
Partner
(M.No.504922)

Luthra & Luthra New Delhi Chartered Accountants

For and on behalf of
GMR Ambala Chandigarh Expressways Private Limited

O Bangaru Raju
Director
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Chief Financial Officer

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Company Secretary

GMR AMBALA - CHANDIGARH EXPRESSWAYS PRIVATE LIMITED

Place: New Delhi
Date: April 24, 2018

GMR Ambala Chandigarh Expressways Private Limited

CIN : U45203KA2005PTC036773

Balance Sheet as at March 31, 2018 ₹ in Lakhs

	Note	As At March 31, 2018	As At March 31, 2017
ASSETS			
Non Current Assets			
(a) Property, plant and equipment	3	54.87	27.01
(b) Other Intangible assets	4	43,985.67	47,600.47
(c) Financial Assets			
(i) Other Financial Assets	8 (i)	23.27	23.04
(d) Other Non Current Assets	9 (i)	5.83	5.68
Total Non-Current Assets		**44,069.63**	**47,656.20**
Current Assets			
(a) Inventories	10	16.75	7.31
(b) Financial Assets			
(i) Investments	5	-	66.02
(ii) Cash & Cash Equivalents	7	169.24	129.94
(iii) Other Bank Balance	7	626.27	626.19
(iv) Loans	6	-	0.07
(v) Other Financial Assets	8 (ii)	27.72	230.77
(c) Current Tax assets	11	15.03	13.06
(d) Other Current Assets	9 (ii)	48.31	49.40
Total Current Assets		**903.32**	**1,122.76**
TOTAL ASSETS		**44,972.95**	**48,778.96**
EQUITY AND LIABILITIES			
Equity			
(a) Share Capital	12	9,823.80	9,823.80
(b) Other Equity	13	(18,556.96)	(13,474.88)
Total Equity		**(8,733.16)**	**(3,651.08)**
Liabilities			
Non-Current Liablities			
(a) Financial Liabilities			
(i) Borrowings	14	37,761.78	37,133.95
(b) Provisions	17 (i)	386.68	915.99
Total Non-Current Liablities		**38,148.46**	**38,049.95**
Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables	16	248.79	152.29
(ii) Short term borrowing from related parties	15(i)	5,762.00	5,762.00
(iii) Other Financial Liabilities	15(ii)	8,956.97	8,240.55
(b) Other current liabilities	18	116.15	154.60
(c) Provisions	17 (ii)	473.75	70.64
Total Current Liabilities		**15,557.65**	**14,380.10**
TOTAL EQUITY AND LIABILITIES		**44,972.95**	**48,778.96**
Notes forming part of the financial statements	1-44		

The accompanying notes are an integral part of the financial statements

In terms of our report attached
For Luthra & Luthra
Chartered Accountants
Reg. No. 002081N

Naresh Agarwal
Partner
(M.No.504922)

Luthra & Luthra New Delhi Chartered Accountants

For and on behalf of
GMR Ambala Chandigarh Expressways Private Limited

O Bangaru Raju Director DIN:00082228	Bajrang Lal Gupta Director DIN.07175777
Mudit Saxena Chief Financial Officer	Kanika Arora Company Secretary

Place: New Delhi
Date: April 24, 2018

GMR AMBALA - CHANDIGARH EXPRESSWAYS PRIVATE LIMITED

GMR Ambala Chandigarh Expressways Private Limited

CIN : U45203KA2005PTC036773

Statement of Profit & Loss for the year ended March 31, 2018 ₹ in Lakhs

	Note	Year ended March 31, 2018	Year ended March 31, 2017
Income			
Revenue from Operation	19	5,091.81	4,154.51
Other Income	20	54.09	64.76
Total Income		**5,145.90**	**4,219.27**
Expenses			
Operating expenses	21	996.72	905.90
Employee benefits expense	22	154.97	125.30
Finance costs	23	4,829.61	4,427.37
Depreciation and amortization expense	24	3,622.58	2,626.14
Other expenses	25	622.55	412.85
Total Expenses		**10,226.43**	**8,497.56**
Profit / (Loss) for the year before taxation		**(5,080.53)**	**(4,278.29)**
Tax Expense:	26		
(1) Current Tax		0.00	0.00
(2) Tax adjustment - prior year		0.00	0.00
		0.00	**0.00**
Profit / (Loss) for the year after tax		(5,080.53)	(4,278.29)
Other Comprehensive Income			
Actuarial (gain)/loss in respect of defined benefit plan		(1.55)	1.38
		(1.55)	**1.38**
Total comprehensive Income for the year		**(5,082.08)**	**(4,276.91)**
Earning per Equity Share:			
- Basic		(5.17)	(4.36)
- Diluted		(5.17)	(4.36)
Notes forming part of the financial statements	1-44		

The accompanying notes are an integral part of the financial statements

In terms of our report attached
For **Luthra & Luthra**
Chartered Accountants
Reg. No. 002081N

Naresh Agarwal
Partner
(M.No.504922)

Luthra & Luthra New Delhi Chartered Accountants

For and on behalf of
GMR Ambala Chandigarh Expressways Private Limited

O Bangaru Raju
Director
DIN:00082228

Bajrang Lal Gupta
Director
DIN.07175777

Mudit Saxena
Chief Financial Officer

Kanika Arora
Company Secretary

Place: New Delhi
Date: April 24, 2018

GMR AMBALA - CHANDIGARH EXPRESSWAYS PRIVATE LIMITED

GMR Ambala Chandigarh Expressways Private Limited

CIN : U45203KA2005PTC036773

Cash Flow Statement for the Year ended March 31, 2018

₹ in Lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / (Loss) for the period	(5,082.08)	(4,276.91)
Adjustments For :		
Depreciation and Amortisation	3,622.58	2,626.14
Interest and Finance Charges	4,829.61	4,427.37
Overlay Expenses	500.80	452.47
Profit on Sale of Investment	(15.09)	(13.65)
Interest Income on Bank deposit and others	(37.40)	(47.34)
	3,818.43	**3,168.07**
Adjustments for Movement in Working Capital:		
Decrease / (Increase) in Financial Assets and other non Current Assets	(0.38)	(4.07)
Decrease / (Increase) in Inventories, Financial Assets and other Current Assets	193.87	(219.50)
Increase / (Decrease) in Trade Payables	96.49	(127.59)
Increase / (Decrease) in Other Financial Liablities	13.24	45.98
Increase / (Decrease) in Provision	(723.68)	37.68
Increase / (Decrease) in Other Current Liablities and Retention Money	(35.44)	67.19
Cash From/(Used In) Operating activities	**3,362.53**	**2,967.76**
Tax (Paid)/Refund	(1.97)	(5.60)
Net Cash From/(Used In) Operating activities	**3,360.56**	**2,962.16**
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase / Addition to Fixed Assets	(35.64)	(6.74)
Interest Income on Bank deposit and others	38.30	47.67
Profit on Sale of Investment	15.09	13.65
Decrease/(Increase) in Other Bank Balance	(0.08)	(625.19)
Decrease/(Increase) in Investment	66.02	(66.02)
Cash From/(Used In) Investing Activities	**83.70**	**(636.63)**
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Interest paid to Related parties	(96.59)	(110.67)
Interest paid on Rupee Term Loan	(2,817.89)	(2,658.57)
Other Finance Charges Paid	(68.13)	(20.15)
Repayment of Rupee Term Loan	(422.35)	(140.77)
Cash From/(Used In) Financing Activities	**(3,404.96)**	**(2,930.16)**
Net Increase /Decrese in Cash and Cash Equivalents	39.30	(604.63)
Cash and Cash Equivalents as at beginning of the year	129.94	734.57
Cash and Cash Equivalents as at end of the period	**169.24**	**129.94**
Components of Cash and Cash Equivelants as at:	**March 31, 2018**	**March 31, 2017**
Cash in hand	61.78	66.34
Balances with the scheduled banks:		
- In Current accounts	107.46	62.60
Balances in Deposit die within 3 months	0.00	1.00
	169.24	**129.94**

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Note: - Effective April 1, 2017, the company adopted the amendment to Ind AS 7, which requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The reconciliation is given as below:

₹ in Lakhs

			Non Cash change	
Particulars	**April 1, 2017**	**Cash Flow**	**Fair Value Changes**	**March 31, 2018**
Long Term External Borrowing	25,208.77	(422.35)	13.40	24,799.81
Related Parties Borrowing	9,357.16	-	384.05	9,741.21
Short term borrowings from External	8,738.98	-	933.54	9,672.52

₹ in Lakhs

			Non Cash change	
Particulars	**April 1, 2016**	**Cash Flow**	**Fair Value Changes**	**March 31, 2017**
Long Term External Borrowing	25,337.06	(140.77)	12.47	25,208.77
Related Parties Borrowing	9,010.17	-	346.99	9,357.16
Short term borrowings from External	7,895.54	-	843.44	8,738.98

In terms of our report attached
For **Luthra & Luthra**
Chartered Accountants
Reg. No. 002081N

Luthra & Luthra * New Delhi * Chartered Accountants

Naresh Agarwal
Partner
(M.No.504922)

For and on behalf of
GMR Ambala Chandigarh Expressways Private Limited

O Bangaru Raju
Director
DIN:00082228

Bajrang Lal Gupta
Director
DIN.07175777

Mudit Saxena
Chief Financial Officer

Kanika Arora
Company Secretary

Place: New Delhi
Date: April 24, 2018

GMR AMBALA - CHANDIGARH EXPRESSWAYS PRIVATE LIMITED

GMR Ambala Chandigarh Expressways Private Limited

CIN : U45203KA2005PTC036773

Statement of Change in Equity for the year ended March 31, 2018

A. Equity Share Capital **₹ in Lakhs**

	Equity Share Capital
As at April 1,2016	9,823.80
Share Capital Issued during the period	-
As at March 31,2017	9,823.80
Share Capital Issued during the period	-
As at March 31,2018	9,823.80

B. Other Equity **₹ in Lakhs**

	Equity component of financial instrument		Retained Earning	Other Comprehensive Income	Total
	Preference shares	Related Party Loans			
As at April 1,2016	10,019.69	6,738.59	(25,956.50)	0.25	(9,197.97)
Net Profit	0.00	0.00	(4,278.29)	0.00	(4,278.29)
Actuarial (gain)/loss in respect of defined benefit plan	0.00	0.00	0.00	1.38	1.38
As at March 31,2017	10,019.69	6,738.59	(30,234.80)	1.63	(13,474.88)
Net Profit	0.00	0.00	(5,080.53)	0.00	(5,080.53)
Actuarial (gain)/loss in respect of defined benefit plan	0.00	0.00	0.00	(1.55)	(1.55)
As at March 31,2018	10,019.69	6,738.59	(35,315.33)	0.08	(18,556.96)

In terms of our report attached
For Luthra & Luthra
Chartered Accountants
Reg. No. 002081N

Naresh Agarwal
Partner
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GMR AMBALA - CHANDIGARH EXPRESSWAYS PRIVATE LIMITED

1 Corporate information

GMR Ambala Chandigarh Expressways Private Limited (the Company) is public limited company incorporated and domiciled in India and has its registered office at 25/1, SKIP House ,Museum Road, Bangalore , Karnataka-560025.. The Company has principal place of business at Chandigarh, Punjab.

The Company engaged in development of highways on build, operate and transfer model on toll basis. This entity is a Special Purpose Vehicle which has entered into a Concession Agreement with National Highways Authority of India for carrying out the project of Design, Construction, Development, Improvement, Operation and Maintenance including strengthening and widening of Ambala – Chandigarh section on National Highway 21 and 22 in the states of Punjab and Haryana on Build, Operate and Transfer (BOT) basis.

The Company's Holding Company is GMR Highways Limited and its ultimate Holding Company is GMR Infrastructure Limited/GMR Holdings Private Limited.

The financial statements were approved for issue in accordance with a resolution of the directors on April 24, 2018.

2 Significant accounting policies

The significant accounting policies applied by the company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

2.1 Basis of preparation

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of Companies Act, 2013 (the 'Act') (to the extent notified). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are presented in Indian Rupees (INR).

2.2 Summary of significant accounting policies

a) Current versus non-current classification

Assets and Liabilities in the balance sheet have been classified as either current or non–current based upon the requirements of Schedule III notified under the Companies Act, 2013.
An asset has been classified as current if
(a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle; or
(b) it is held primarily for the purpose of being traded; or
(c) it is expected to be realized within twelve months after the reporting date; or
(d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date. All other assets have been classified as non–current.

A liability has been classified as current when
(a) it is expected to be settled in the Company's normal operating cycle; or
(b) it is held primarily for the purpose of being traded; or
(c) it is due to be settled within twelve months after the reporting date; or
(d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. All other liabilities have been classified as non–current.

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

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b) Foreign currency and derivative transactions

The Company's financial statements are presented in INR, which is company's functional currency.

Foreign currency transactions are recorded at the exchange rate prevailing on the date of the respective transactions between the functional currency and the foreign currency.

Monetary foreign currency assets and liabilities remaining unsettled at the Balance Sheet date are translated at the rates of exchange prevailing on that date. Gains / losses arising on account of realisation / settlement of foreign currency transactions and on translation of foreign currency assets and liabilities are recognized in the Statement of Profit and Loss.

Exchange differences arising on the settlement of monetary items or on reporting 's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

Non– monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non–monetary items which are carried at fair value or other similar valuation denominated in a foreign currency, are reported using the exchange rates that existed when the values were determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(a) Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit & Loss either under the head foreign exchange fluctuation or interest cost, as the case may be, except those relating to long-term foreign currency monetary items.

(b) **Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or before 31 March 2016:**

Exchange differences on long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the assets . In other cases, exchange differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance period of such long-term foreign currency monetary item by recognition as income or expense in each of such periods.

Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after 1 April 2016:

The exchange differences pertaining to long term foreign currency working capital loans obtained or re-financed on or after 1 April 2016 is charged off or credited to profit & loss account under Ind AS.

c) Fair value measurement

The Company's measures financial instruments at fair value at each balance sheet date.

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

i) In the principal market for the asset or liability, or

ii) 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's

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's uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 — Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company's 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

d) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements.

Toll Revenue is recognised on usage of public service.

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GMR Ambala - Chandigarh Expressways Private Limited

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

e) Property, Plant & Equipments

Property , Plant & Equipments are stated at acquisition cost less accumulated depreciation and cumulative impairment. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Recognition:
The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:
(a) it is probable that future economic benefits associated with the item will flow to the entity; and
(b) the cost of the item can be measured reliably.
When significant parts of plant and equipment are required to be replaced at intervals, Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to note xx and xx regarding significant accounting judgements, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

Gains or losses arising from de–recognition of tangible assets are measured as the difference between the net disposable proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Further, When each major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied.
Any remaining carrying amount of the cost of the previous inspection (as distinct from physical parts) is derecognised.

Machinery spares which are specific to a particular item of Property, Plant & Equipments and whose use is expected to be irregular are capitalized as Property, Plant & Equipments.
Spare parts are capitalized when they meet the definition of PPE, i.e., when the company intends to use these during more than a period of 12 months.
Depreciation on Property, Plant & Equipments is provided on straight line method, up to the cost of the asset (net of residual value, in accordance with the useful lives prescribed under Schedule II to the Companies Act, 2013 which are as below:

- Plant and equipments	4-15 years
- Office equipments	5 years
- Furniture and fixtures	10 years
- Vehicles	8-10 years
- Computers	3 years

Depreciation on additions is being provided on a pro-rata basis from the date of such additions. Similarly, depreciation on assets sold/disposed off during the year is being provided up to the dates on which such assets are sold/disposed off. Modification or extension to an existing asset, which is of capital nature and which becomes an integral part thereof is depreciated prospectively over the remaining useful life ofthat asset.
The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

f) Intangible assets

Intangible assets comprise Carriageways and computer software. Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated
The useful lives of intangible assets are assessed as either finite or indefinite
Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.
Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.
Carriageways is being amortised over concession period on proportionate revenue method. Computer software is being amortized over a period of 6 years on a straight line basis.
The above periods also represent the management estimated economic useful life of the respective intangible assets.

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g) Taxes

Tax expense comprises current and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961

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. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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

Deferred tax is provided using the liability method 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 assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised 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 assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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 credits and unused tax losses can be utilised.

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 utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax 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.

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h) Borrowing costs

Borrowing Cost includes interest and amortization of anciliary costs incurred in connection with the arrangement of borrowings. 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 capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

i) Inventories

Raw materials, components, stores and spares are valued at lower of cost and net realizable value on First In First Out basis.

Net reatizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

j) Lease

Finance Leases:

Where the Company is the lessee

Finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss.- Lease management fees, legal charges and other initial direct costs of lease are capitalized.d on an accrual basis as per the terms of agreements entered into with lessees.

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term.

Operating Leases:

Where the Company is the lessee

Lease rentals are recognized as an expenses on a straight line basis with reference to lease terms and other considerations except where-
(i) Another systematic basis is more representative of the time pattern of the benefit derived from the asset taken or given on lease.; or
(ii) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases

Lands obtained on leases, where there is no reasonable certainity that the Company will obtain ownershp by the end of the lease term shall generally be classified as finance leases. The minimum lease pyayments include upfront premium paid plus any annual recurring lease rental which is amortized over the lease term.

k) Impairment

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's orcashgenerating units' (CGUs) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre—tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The company bases its impairment calculation on detailed budgets and forecast
calculations which are prepared separately for each of the company's cash—
generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

impairment losses of continuing operations are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

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An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no ionger exist or may have decreased. If such indication exists, the company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the assets recoverable amount since the last impairment loss was recognized. The reversai is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and Loss unless the asset is carried at a revaiued amount. in which case the reversal is treated as a revaluation increase.

l) **Provisions, Contingent Liabilities, Contingent Assets And Capital Commitments**

Contingent Liabilities

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 recognized 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 recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Contingent assets are only only disclosed when it is proable that the economic benefits will flow to the entity.

Provisions

Provisions are recognised when the Company's 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's expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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 recognised as a

m) **Retirement and other Employee Benefits**

Short term employee benefits and defined contribution plans.

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc.,are recognised in the statement of profit and loss in the period in which the employee renders the related service.

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund..

The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the reporting date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. if the contribution already paid exceeds the contribution due forsservices received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example. a reduction in future payment or a cash refund.

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Compensated absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short—term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long—term employee benefit for measurement purposes. Such long—term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year—end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non—current liability.

Defined benefit plans

Gratuity

Gratuity is a defined benefit scheme. The cost of providing benefits under the scheme is determined on the basis of actuarial valuation under projected unit credit (PUC) method.

The company recognizes termination benefit as a liability and an expense when the company has a present obligation as a result of past event, it is probable that an outflow . of resources embodying economic benefits witl be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than 12 months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market ' yields at the balance sheet date on government bonds.

Remeasurements

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

► The date of the plan amendment or curtailment, and

► The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

n) **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 plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are only classified as Debt instruments at amortised cost

Debt instruments at amortised cost

A 'debt instrument' is 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.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

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GMR Ambala - Chandigarh Expressways Private Limited

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company's of similar financial assets) is primarily derecognised (i.e. removed from the 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 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 recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises 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

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

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

b) Financial guarantee contracts which are not measured as at FVTPL

The company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables that do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

▶ All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

▶ Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

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 amortised cost: 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 profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings etc.

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Subsequent measurement

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings and security deposits recieved.

Derecognition

A financial liability is derecognised 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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

o) Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprises cash at bank and in hand and short term investments with an original maturity periods of three months or less.

p) Earning per share

Basic Earnings Per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating Diluted Earnings Per Share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

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GMR Ambala - Chandigarh Expressways Private Limited

GMR Ambala Chandigarh Expressways Private Limited

CIN : U45203KA2005PTC036773

Notes forming part of Financial Statements for the year ended March 31, 2018

3. Property, Plant and Equipement

₹ In Lakhs

Sr.No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As At 01-04-2017	Additions	Deductions	As At 31-03-2018	As At 01-04-2017	For the year	Deductions	As At 31-03-2018	As At 31-03-2018	As At 31-03-2017
1	Plant & Machinery	16.73	-	-	16.73	3.88	1.94	-	5.82	10.91	12.85
2	Electrical Fittings	0.00	-	-	0.00	-	-	-	-	0.00	0.00
3	Computers	2.32	1.12	0.00	3.44	1.36	1.05	-	2.41	1.03	0.96
4	Office Equipments	0.91	16.47	0.00	17.38	0.32	0.87	-	1.19	16.19	0.59
5	Vehicles	15.24	18.05	-	33.30	3.26	3.77	-	7.02	26.27	11.99
6	Furniture & Fixtures	1.50	-	0.00	1.50	1.19	0.11	-	1.30	0.20	0.31
7	Lab Equipment	0.52	-	-	0.52	0.20	0.04	-	0.25	0.27	0.32
	Total	37.22	35.64	0.00	72.86	10.20	7.78	-	17.99	54.87	27.01

₹ In Lakhs

Sr.No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As At 01-04-2016	Additions	Deductions	As At 31-03-2017	As At 01-04-2016	For the year	Deductions	As At 31-03-2017	As At 31-03-2017	As At 31-03-2016
1	Plant & Machinery	16.73	-	-	16.73	1.94	1.94	-	3.88	12.85	14.79
2	Electrical Fittings	0.00	-	-	0.00	-	-	-	-	0.00	0.00
3	Computers	2.32	-	-	2.32	0.58	0.78	-	1.36	0.96	1.73
4	Office Equipments	0.43	0.48	-	0.91	0.09	0.22	-	0.32	0.59	0.34
5	Vehicles	8.99	6.26	-	15.24	1.54	1.72	-	3.26	11.99	7.45
6	Furniture & Fixtures	1.50	-	-	1.50	1.04	0.15	-	1.19	0.31	0.46
7	Lab Equipment	0.52	-	-	0.52	0.16	0.04	-	0.20	0.32	0.36
	Total	30.48	6.74	-	37.22	5.35	4.85	-	10.20	27.01	25.13

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GMR AMBALA - CHANDIGARH EXPRESSWAYS PRIVATE LIMITED

GMR Ambala Chandigarh Expressways Private Limited
CIN : U45203KA2005PTC036773

Notes forming part of Financial Statements for the year ended March 31, 2018

4. Other Intangible Assets

₹ in Lakhs

Sr.No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As At 01-4-2017	Additions	Deductions	As At 31-03-2018	As At 01-4-2017	For the year	Deductions	As At 31-03-2018	As At 31-03-2018	As At 31-03-2017
1	Carriageways	52,555.63	-	-	52,555.63	4,999.68	3,602.93	-	8,602.60	43,953.03	47,555.95
2	Software	68.23	-	-	68.23	23.72	11.87	-	35.59	32.64	44.51
	Total	52,623.86	-	-	52,623.86	5,023.39	3,614.80	-	8,638.19	43,985.67	47,600.47

₹ in Lakhs

Sr.No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As At 01-4-2016	Additions	Deductions	As At 31-03-2017	As At 01-4-2016	For the year	Deductions	As At 31-03-2017	As At 31-03-2017	As At 31-03-2016
1	Carriageways	52,555.63	-	-	52,555.63	2,390.27	2,609.41	-	4,999.68	47,555.95	50,165.36
2	Software	68.23	-	-	68.23	11.84	11.87	-	23.72	44.51	56.39
	Total	52,623.86	-	-	52,623.86	2,402.11	2,621.28	-	5,023.39	47,600.47	50,221.75

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GMR AMBALA - CHANDIGARH EXPRESSWAYS PRIVATE LIMITED

GMR Ambala Chandigarh Expressways Private Limited
CIN : U45203KA2005PTC036773

Notes forming part of Financial Statements for the year ended March 31, 2018

5. Investments ₹ in Lakhs

	As At March 31, 2018	As At March 31, 2017
Current investments at fair value through P&L		
Unquoted Investment in Mutual Fund	-	66.02
Nil (Previos Year : 27,490.287) units of @ Nil (Previos Year : 240.1565) with ICICI Prudential - Liquid Plan - Growth		
	-	**66.02**

Aggregate book value of unquoted investments	-	66.00
Aggregate market value of unquoted investments	-	66.02

6. Loans (Unsecured, Considered Good)-Current ₹ in Lakhs

	As At March 31, 2018	As At March 31, 2017
Loan to employees	-	0.07
	-	**0.07**

7. Cash and cash equivalents ₹ in Lakhs

	As At March 31, 2018	As At March 31, 2017
Balance with banks		
- In Current Account	107.46	62.60
- In Deposits with original maturity of less than three months	-	1.00
Cash on hand	61.78	66.34
	169.24	**129.94**
Balance held as margin money or as security against borrowings	626.27	626.19
	626.27	**626.19**
	795.51	**756.13**

8. Other Financial Assets ₹ in Lakhs

	As At March 31, 2018	As At March 31, 2017
(i) Non Current		
Security Deposit	23.27	23.04
	23.27	**23.04**
(ii) Current		
Interest accrued on fixed deposit	1.73	2.63
Other Receivable	25.99	228.14
	27.72	**230.77**

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GMR Ambala - Chandigarh Expressways Private Limited

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Notes forming part of Financial Statements for the year ended March 31, 2018

9. Other Assets ₹ in Lakhs

	As At March 31, 2018	As At March 31, 2017
(i) Non Current (Unsecured, Considered Good)		
Advances recoverable in cash or kind	5.83	5.68
	5.83	**5.68**
(ii) Current (Unsecured, Considered Good)		
Advances recoverable in cash or kind	1.96	4.77
Prepaid Expenses	19.12	17.40
Balances with statutory / government authorities	27.23	27.23
	48.31	**49.40**

10. Inventories ₹ in Lakhs

	As At March 31, 2018	As At March 31, 2017
Stores & Spares	16.75	7.31
(valued at lower of cost and net realizable value)		
	16.75	**7.31**

11. Current Tax Assets ₹ in Lakhs

	As At March 31, 2018	As At March 31, 2017
Advance income tax (net of provision for current tax)	15.03	13.06
	15.03	**13.06**

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12. Share capital ₹ In Lakhs

	As At March 31, 2018	As At March 31, 2017
Authorised		
(i) 98,500,000 equity shares of Rs. 10 each (March 31, 2017: 98,500,000 equity shares of Rs. 10 each)	9,850.00	9,850.00
(ii) 14,650,000 preference shares of Rs. 100 each (March 31, 2017: 14,650,000 preference shares of Rs. 100 each)	14,650.00	14,650.00
	24,500.00	24,500.00
Issued, Subscribed & Paid-Up		
98,238,000 equity shares of Rs. 10 each fully paid up (March 31, 2017: 98,238,000 equity shares of Rs. 10 each fully paid up)	9,823.80	9,823.80
	9,823.80	9,823.80

NOTES :

(i) **Terms to Equity Shares**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity is entitled to one vote per share. The Company declares and pay dividend in indian rupees. The dividend proposed by the Board of director is subject to the approval of the shareholder in ensuing Annual General meeting.

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

(ii) **Terms to Preference Shares**

8% redeemable non-cumulative non-convertible preference shares of Rs. 100 each fully paid up

The Preference Shares are redeemable, non-cumulative and non-convertible. Preference Shares are redeemable at par on May 1,2022. However the preference shareholders reserves the right to all for buy-out of the Preference shares by the promoters of the issure Company or redemption of the preference shares by the company at any time after the expiry of 6 months from the date of allotment by giving one month notice. Refer note 13 and 14 for equity and liablities portion of Preference Shares.

(iii) **Reconciliation of the Equity shares outstanding at beginning and at end of the year** ₹ In Lakhs

	As At March 31, 2018		As At March 31, 2017	
	Number	₹ In Lakhs	Number	₹ In Lakhs
Shares outstanding at the beginning of the year	98,238,000	9,823.80	98,238,000	9,823.80
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	98,238,000	9,823.80	98,238,000	9,823.80

(iv) **Reconciliation of the Preference shares outstanding at beginning and at end of the year** ₹ In Lakhs

	As At March 31, 2018		As At March 31, 2017	
	Number	₹ In Lakhs	Number	₹ In Lakhs
Shares outstanding at the beginning of the year	14,646,040	14,646.04	14,646,040	14,646.04
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	14,646,040	14,646.04	14,646,040	14,646.04

(v) **Details of the shareholders holding more than 5% shares of the Company**

	As At March 31, 2018		As At March 31, 2017	
Equity	No of Share	%	No of Share	%
GMR Energy Limited, the associate company	24,222,593.00	24.66%	24,222,593.00	24.66%
GMR Highways Limited, the holding company	50,742,720.00	51.65%	50,742,720.00	51.65%
GMR Infrastructure Limited, the parent company	23,272,687.00	23.69%	23,272,687.00	23.69%

Preference Share

	As At March 31, 2018		As At March 31, 2017	
	No of Share	%	No of Share	%
GMR Highways Limited, the holding company	80,000	0.55%	80,000.00	0.55%
GMR Tambaram Tindivanam Expressways Limited, the fellow subsidiary	6,848,900	46.76%	6,848,900.00	46.76%
GMR Tuni Anakapalli Expressways Limited, the fellow subsidiary	7,651,140	52.24%	7,651,140.00	52.24%
GMR Infrastructure Limited, the parent company	66,000	0.45%	66,000.00	0.45%

(vi) **Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates**

Equity	As At March 31, 2018		As At March 31, 2017	
	Number	₹ In Lakhs	Number	₹ In Lakhs
GMR Energy Limited, the associate company	24,222,593	2,422.26	24,222,593	2,422.26
GMR Highways Limited, the holding company	50,742,720	5,074.27	50,742,720	5,074.27
GMR Infrastructure Limited, the parent company	23,272,687	2,327.27	23,272,687	2,327.27

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GMR AMBALA - CHANDIGARH EXPRESSWAYS PRIVATE LIMITED

Notes forming part of Financial Statements for the year ended March 31, 2018

₹ In Lakhs

Preference Share	As At March 31, 2018 Number	As At March 31, 2018 ₹ In Lakhs	As At March 31, 2017 Number	As At March 31, 2017 ₹ In Lakhs
GMR Highways Limited, the holding company	80,000	80.00	80,000	80.00
GMR Tambaram Tindivanam Expressways Limited, the fellow subsidiary	6,848,900	6,848.90	6,848,900	6,848.90
GMR Tuni Anakapalli Expressways Limited, the fellow subsidiary	7,651,140	7,651.14	7,651,140	7,651.14
GMR Infrastructure Limited, the parent company	66,000	66.00	66,000	66.00
	14,646,040		14,646,040	

(vii) No Shares have been issued by the Company for consideration other than cash, during the period of five years immediately preceding the reporting date:

13. Other Equity

₹ In Lakhs

		As At March 31, 2018		As At March 31, 2017	
(i)	Equity component of Preference shares				
	Opening Balance	10,019.69		10,019.69	
	Add : Adjustment for the year	0.00	10,019.69	0.00	10,019.69
(ii)	Equity component of Loans from Related Party				
	Opening Balance	6,738.59		6,738.59	
	Add : Adjustment for the year	0.00	6,738.59	0.00	6,738.59
(iii)	**Surplus/ (deficit) in the statement of Profit & Loss**				
	Opening Balance	(30,234.80)		(25,956.50)	
	Add : Profit/ (Loss) for the year	(5,080.53)		(4,278.29)	
			(35,315.33)		(30,234.80)
(iv)	Other Comprehensive Income				
	Opening Balance	1.63		0.25	
	Add : Addition during the year	(1.55)	0.08	1.38	1.63
			(18,556.96)		(13,474.88)

Notes forming part of Financial Statements for the year ended March 31, 2018

14. Borrowings (at amortised cost)

₹ in Lakhs

	As At March 31, 2018	As At March 31, 2017
Long Term Borrowings		
Secured Loan from Banks	24,110.04	24,799.81
Unsecured loans from others		
Liablity component of Loans from group company	3,979.21	3,595.16
Liablity component of Preference Shares	9,672.52	8,738.98
	37,761.78	**37,133.95**

(a) During the financial year 2015-16, term loan has been restructed, restructuring document was signed on 5th October 2015. As per revised terms, Indian rupee loan carries interest @ base rate plus spread, fixed presently @ 11.15% payable on monthly rests. Interest rate/spread shall be reset yearly. The company has also agreed to pay an additional interest of 0.60% pa on the outstanding term loan from August 2010 onwards if the claim submitted by the company is awarded in its favour during the arbitration proceedings.

The loan is repayable in 42 unequal quaterly installments (last installement due on 30th September 2025).

The loan is now secured against
i) by way of pari passu first charge over company's immovable properties & movable properties, both present and future, including plant and machinery.
ii) by the rights, title, interest, benefit, claims, of the company in respect of the project agreements executed / to be executed, insurance policies both present and future, and all rights, title, interest, benefit,claims, demands of the company in respect of monies lying to the credit of trust and retention account and other accounts.
iii) by way of pledge of 100% equity shares of the company held by GMR Infrastructure Limited (GIL) , GMR Energy Limited (GEL) and GMR Highways Limited (GHWL) respectively.

(b) Loans from group Company (unsecured) includes
i). An Interest free unsecured loan of Rs. 7753 lacs (Previous Year - Rs 7753 lacs) from GMR Highways Limited . The same is subordinated to term loans availed and and shall be repayable after final settlement date of Rupee Term Loans as per the financial agreements entered into with Lenders.
ii). An Interest free unsecured loan of Rs. 771.95 lacs (Previous Year - Rs 771.95 lacs) from GMR Generation Assets Pvt Ltd . The same is subordinated to term loans availed and shall be repayable after final settlement date of Rupee Term Loans as per the financial agreements entered into with Lenders.

Interest free loans from Group companies are separated into liability and equity components based on the terms of the contract. On receipt of the loan, the fair value of the liability component is determined using a market rate for an equivalent instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished. The remainder of the proceeds is recognised and included in equity (Refer note 13)

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(c) The Company had issued 146.46 lacs 8% redeemable non-cumulative non-convertible preference shares of Rs. 100 each fully paid up. Preference Shares are redeemable at par on May 1,2022. However the preference shareholders reserves the right to all for buy-out of the Preference shares by the promoters of the issure Company or redemption of the preference shares by the company at any time after the expiry of 6 months from the date of allotment by giving one month notice.

As these Preference share are non cumulative and the Company is not under obligation to pay dividend, only fair value of redemption value has been considered as financial liablity using a market rate for an equivalent instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on redemption. The remainder of the proceeds is recognised and included in Equity (Refer Note 13)

(d) In accordance with the terms of the 'Concession Agreement' entered into with National Highways Authority of India (NHAI), dated November 16, 2005, the company has an obligation to pay an amount of Rs. 17475.20 lacs by way of Negative Grant over the concession period. The total value of Negative Grant has been recognized in the financials by way of capitalization in the cost of carriageway and a corresponding obligation has been created to the extent of the balance amount payable and is disclosed in the Balance Sheet under Long Term Borrowings. The company has obtained interim stay order from the arbitral tribunal against the recovery of the negative grant till further orders.

15. Other Current Financial Liability ₹ **in Lakhs**

	As At March 31, 2018	As At March 31, 2017
(i) Loan from related parties (refer footnote)	5,762.00	5,762.00
	5,762.00	**5,762.00**
(ii) Other financial liabilities		
Current maturities of long term secured debt	689.77	408.95
Interest accured but not due	1,450.90	1,031.56
Retention Money	47.79	44.77
Negative Grant	6,640.60	6,640.60
Non Trade Payable	-	-
- Payables to Related parties	114.37	88.18
- Payables to Others	13.53	26.49
	8,956.97	**8,240.55**

Loans from group Company (unsecured) includes

i). An Unsecured loan of Rs. 530 lacs bearing interest rate of 8.50% pa from GMR Tambaram Tindivanam Expressways Limited and shall be repayable on demand.

ii). An Unsecured loan of Rs. 1879 lacs bearing interest rate of 9.00% pa from GMR Tambaram Tindivanam Expressways Limited and shall be repayable on demand.

iii).An Unsecured loan of Rs. 3353 lacs bearing interest rate of 9.00% pa from GMR Tuni Anakapalli Expressways Limited and shall be repayable on demand.

16. Trade Payables (at amortised cost) ₹ **in Lakhs**

	As At March 31, 2018	As At March 31, 2017
Payables to Related parties	177.90	139.58
Payables to Others	70.89	12.71
	248.79	**152.29**

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GMR Ambala - Chandigarh Expressways Private Limited

Notes forming part of Financial Statements for the year ended March 31, 2018

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 60 days terms

Based on information available with the Company, there are no suppliers who are registered as micro, small or medium enterprises under 'The Micro, Small and Medium Enterprises Development Act, 2006" as at March 31, 2018 which has been relied upon by the auditors.

17. Provisions ₹ in Lakhs

	As At March 31, 2018	As At March 31, 2017
(i) Non Current		
(a) Provision for Employee Benefits	12.69	11.05
(b) Provision for Major Maintenance	373.99	904.94
	386.68	**915.99**
(ii) Current		
(a) Provision for Employee Benefits	17.09	14.23
(b) Provision for Operation and Maintenance	22.11	56.41
(c) Provision for Major Maintenance	434.55	-
	473.75	**70.64**

Provision for Major Maintenance

The Company has a contractual obligation to maintain, replace or restore infrastructure, except for any enhancement element. Cost of such obligation is measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date and recognised over the period at the end of which the overlay is estimated to be carried out. Major Overlay activities have been completed and next major overlay is expected to be carried out in FY 2019-20 & 2020-21. However the companies has incurred certain expenditure in current year as well plan to incur the same in next financial year which is expected to be carried out in FY 2019-20 & 2020-21 and accordingly amount incurred/to be incuured in FY 2017-18 and 2018-19 is tranfer from long term to short term.

₹ in Lakhs

	March 31, 2018		March 31, 2017	
	Non-Current	Current	Non-Current	Current
Opening Balance	904.94	0.00	408.80	0.00
Accretion during the year	597.47	0.00	496.14	0.00
Transfer from Long term to Short term	(1,128.42)	1,128.42	0.00	0.00
Utilised during the year	0.00	(693.87)	0.00	0.00
Closing Balance	**373.99**	**434.55**	**904.94**	**0.00**

18. Other current liabilities ₹ in Lakhs

	As At March 31, 2018	As At March 31, 2017
Advances from customers & others	51.38	92.75
Statutory dues	64.76	61.86
	116.15	**154.60**

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GMR AMBALA - CHANDIGARH EXPRESSWAYS PRIVATE LIMITED

GMR Ambala Chandigarh Expressways Private Limited
CIN : U45203KA2005PTC036773

Notes forming part of Financial Statements for the year ended March 31, 2018

19. Revenue from operations

₹ in Lakhs

	Year ended March 31,2018	Year ended March 31,2017
Toll Revenue	5,091.81	4,154.51
	5,091.81	**4,154.51**

20. Other income

₹ in Lakhs

	Year ended March 31,2018	Year ended March 31,2017
(a) Interest Income on Bank Deposit	36.62	46.83
(b) Interest Income on Others	0.77	0.52
(c) Net gain on sale of investments	15.09	13.65
(d) Excess provision written back	0.47	-
(e) Other non-operating income	1.13	3.76
	54.09	**64.76**

GMR Ambala Chandigarh Expressways Private Limited

CIN : U45203KA2005PTC036773

Notes forming part of Financial Statements for the year ended March 31, 2018

21. Operating expenses ₹ in Lakhs

	Year ended March 31,2018	Year ended March 31,2017
Regular Maintenance	135.56	242.16
Toll/Highway Management Services	360.35	244.47
Overlay Expenses	500.80	452.47
Less: Claim on NHAI for compensation	-	(33.21)
	996.72	**905.90**

22. Employee benefit expense ₹ in Lakhs

	Year ended March 31,2018	Year ended March 31,2017
Salaries, Perquisites & Allowance	140.62	117.45
Contribution to provident and other funds	10.31	8.31
Gratuity expense	(1.55)	0.00
Staff welfare expenses	5.54	8.18
Recruitment	0.05	0.10
Less: Claim on NHAI for compensation	0.00	(8.74)
	154.97	**125.30**

23. Finance costs ₹ in Lakhs

	Year ended March 31,2018	Year ended March 31,2017
(a) Interest on Loan	4,748.09	4,614.76
(b) Other Finance Charges	39.71	32.62
(c) Claims (raised) / rejected - NHAI	41.81	(220.01)
	4,829.61	**4,427.37**

Total interest expense (calculated using the effective interest method) for financial liabilities that are not at fair value through profit or loss

₹ in Lakhs

In relation to Rupee Term Loan classified at amortised cost	2,817.89	2,844.66
In relation to Loan from related parties classified at amortised cost	899.98	862.92
In relation to Preference Shares classified at amortised cost	933.54	843.44
In relation to Negative Grant classified at amortised cost	-	20.07
In relation to Provision for Major Maintenance classified at amortised	96.67	43.67
	4,748.09	**4,614.76**

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GMR AMBALA - CHANDIGARH EXPRESSWAYS PRIVATE LIMITED

24. Depreciation and amortization expense

₹ in Lakhs

	Year ended March 31,2018	Year ended March 31,2017
Depreciation on Property, Plant & Equipment (note 3)	7.78	4.85
Amortization of intangible assets (note 4)	3,614.80	2,621.28
	3,622.58	**2,626.14**

25. Other expenses

₹ in Lakhs

	Year ended March 31,2018	Year ended March 31,2017
Stores Consumptions	19.67	6.88
Utilities Expenses (including Electricity charges)	132.00	107.18
Rent	4.94	4.85
Rates and taxes	3.13	3.58
Insurance	25.79	21.44
Repairs & Maintenance (including Vehicle Maintenance)	53.86	51.50
Travelling and conveyance	20.32	16.40
Communication costs	3.20	3.06
Legal and professional fees	335.45	202.03
Advertising and sales promotion	1.37	2.29
Printing and stationery	1.71	1.38
Directors' sitting fees	2.93	3.68
Payment to auditor (Refer details below)	5.86	6.18
Office Maintenance	1.92	1.62
Meeting & Seminar	5.37	1.45
Books & Peridicals	0.04	0.05
Business Promotions	0.25	0.97
Other Establishment expenses	4.72	9.51
Less: Claim on NHAI for compensation	0.00	(31.18)
	622.55	**412.85**

Payment to auditor

₹ in Lakhs

Particulars	March 31, 2018 in Rs.	March 31, 2017 in Rs.
As auditor:		
Audit fee	3.00	3.00
Tax audit fee	0.75	0.75
Other services (certification fees)	1.00	1.30
Reimbursement of expenses	0.26	0.31
Service tax/GST on above	0.86	0.82
Total	**5.86**	**6.18**

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GMR AMBALA - CHANDIGARH EXPRESSWAYS PRIVATE LIMITED

26. Income Tax

The Company, being Infrastructure Company, enjoys the benefit of tax holiday period for 10 years out of first 20 years of operations. In initial years of operations, the Company has incurred losses and hence not claimed benefit of tax holiday period. The Management expects that all temporary differences as well as unused tax losses will reverse in tax holiday period and accodignly has not recognised resulting deferred tax. Summary of temporary differences & unused tax losses for which deferred tax assets/liablity has not been recognized is as under:

Particulars	31-Mar-18	31-Mar-17
Unused Tax losses	6,472.98	9,928.73
Unabrobed Depreciation	36,343.03	33,645.53
Leave Encashment	16.88	14.60

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Income tax expense for the years ended March 31, 2018 and March 31, 2017are as under:

₹ in Lakhs

	As at 31-Mar-18	As at March 31, 2017
Accounting profit	(5,082.08)	(4,276.91)
Tax at the applicable tax rate	(1,570.36)	(1,321.57)
Deferred tax asset not recognised	1,570.36	1,321.57
Tax expense	0.00	0.00

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GMR AMBALA - CHANDIGARH EXPRESSWAYS PRIVATE LIMITED

27 **Earning/ (Loss) Per Share**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

₹ in Lakhs

	Year ended 31-Mar-18	Year ended 31-Mar-17
Face value of equity shares (Re. per share)	10	10
Profit attributable to equity holders of the parent	(5,080.53)	(4,278.29)
Weighted average number of equity shares used for computing earning per share (basic and diluted)	982.38	982.38
Earning Per Share (Basic / Diluted) (Rs)	**(5.17)**	**(4.36)**

28 **Significant accounting judgements, estimates and assumptions**

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimate and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which are estimate is revised and future periods affected.

Significant judgements and the estimates relating to the carrying values of assets and liabilities, provision for employee benefits and others provisions, commitments and contingencies and fair value measurements of investments.

i) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Taxes

Deferred tax assets are recognised for Mat Credit Entitlement to the extent that it is probable that taxable profit will be available against which the same can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Refer note 26 for further disclosures.

b) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 40 for further disclosures.

c) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and contractual claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

d) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in note .37

Significant Judgements

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

i. Impairment of Intangible Assets:

The Company has filed claim on account of loss of revenue arising as a result of diversion of partial traffic on parallel roads developed subsequent to bidding of the project with NHAI and the State Governments concerned. In this regard, the arbitration proceedings has commenced between the concerned parties. The management is confident that the company will be able to receive damages/compensation from relevant authorities for the loss the Company has suffered/ suffering due to such diversion of traffic and considered the expected cash inflow from claim for testing impairment loss on Carriageways.

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ii. Amortisation:

Intangible Asset arising on service concession arrangement is being amortised on proportionate revenue method. To apply the said method of amortisation, future revenue has been estimated by the Management based on technical study by Independent Consultant.

iii. Provision for overlay:

As per the terms of concession agreement, the Company is required to carry out overlay activities in 2020. The Management has estimated amount to be incurred on such overlay activities to recognise the provision for overlay as per the requirements of IND AS 37.. Further details are given in Note no 17

29 Capital Commitments

Estimated amount of Contracts remaining to be executed on capital account and not provided, as on 31st March 2018, for Rs. Nil (31 March 2017: Rs. NIL).

30 Contingent Liabilities

The Contingent Liabilities as on 31st March 2018 is Rs 21.12 Crore (31 March 2017: Rs. 19.61 Crore) on account of following issues:

(i) Penalty levied by NHAI for delay in periodic major maintenance Rs.8.43. Crore (31 March 2017 - Rs. 8.43 Crore) and damages for not maintaining Railway over bridge at Derabassi of Rs. 1.71 Crore(31 March 2017 - Rs. 1.71 Crore). The penalty and damages levied by NHAI has not been agreed by the Company and Company has referred the issue for mediation with Independent Engineer as per the provisions of the Concession Agreement and same is yet to be concluded

(ii) In view of the concessional interest rate granted by the lenders of term loan, the company has agreed to pay an additional interest of 0.60% pa on the outstanding term loan from August 2010 onwards i.e. Rs. 12.12 Crore (31 March 2017 - Rs. 10.61 Crore) if the claim submitted by the company is awarded in its favour during the arbitration proceedings.

31 Impairment of assets

The company has been incurring losses since the commencement of commercial operations during 2008. These losses are primarily attributable to loss of revenue arising as a result of diversion of partial traffic on parallel roads developed subsequent to bidding of the project. The Company has taken up with NHAI and the State Governments concerned. In this regard, the arbitration proceedings has commenced between the concerned parties. The management is confident that the company will be able to claim damages/compensation from relevant authorities for the loss the Company has suffered/ suffering due to such diversion of traffic. The management's view is also substantiated by the legal opinion obtained in this regard. Accordingly impairment on Carriageways is not required to be recognized at this stage.

32 The total liabilities of the company exceed its total assets by Rs 8733.16 Lakhs as on 31st March 2018 (March 2017 - Rs 3651.08 Lakhs). The promoters of the Company has assured to provide necessary financial and other assistance to help running its operation smoothly in the ensuing years. Thereafter the account of the company has been prepared under going concern assumption.

33 Deferred Payment

In accordance with the terms of the 'Concession Agreement' entered into with National Highways Authority of India (NHAI), dated November 16, 2005, the company has an obligation to pay an amount of Rs. 17475.20 lac by way of Negative Grant over the concession period. The total value of Negative Grant has been recognized in the financials by way of capitalization in the cost of carriageway and a corresponding obligation has been created towards Deferred Payment .An amount of Rs. 1747.50 lacs was due in August 2013 and August 2014 as well as an amount of Rs 2621.30 lacs was due in August 2015 and and further an amount of Rs 524.30 Lacs is due was due in August 2016. the company has obtained interim stay order from the arbitral tribunal against the recovery of the same till further orders.

34 Leases

The Company has entered into certain cancellable operating lease agreements for accommodation. Lease rental of Rs. 4.94 lacs (March 31, 2017 : Rs. 4.85 lacs) paid during the Year under such agreements.

35 Litigation

Due to continued losses suffered by the Company on account of diversion of traffic on to parallel roads developed by State of Haryana (SoH) and State of Punjab (SoPb), Company has invoked arbitration proceedings against NHAI, SOH & SoPb as per the terms of the Concession Agreement. Company's contention is that NHAI, SoH & SoPb has breached the provisions of Concession Agreement dated November 16, 2005, State Support Agreement dated February 21, 2006 & March 8, 2006.

The arbitration is carried out as per the Arbitration and Conciliation Act, 1996. Arbitral Tribunal has been constituted and all the issues has been framed. The matter is in the process of being finally adjudicated by the Arbitral Tribunal.

The Company has filed a claim of Rs. 63178 Lakhs, including interest, calculated up-to March 31, 2017 before the Tribunal, which will be updated based on the directions of the Tribunal. Further, Tribunal has stayed the payment of negative grant amount payable by Company to NHAI under the provisions of the Concession Agreement. In the event of unfavourable decision on the matter, Intangible asset will be impaired substantially.

36 Based on information available with the Company, there are no suppliers who are registered as micro, small or medium enterprises under 'The Micro, Small and Medium Enterprises Development Act, 2006" as at March 31,2018 which has been relied upon by the auditors.

37 Gratuity and other post-employment benefit plans:

(a) Defined Contribution Plans

Contributions paid / payable to defined contribution plans comprising of provident fund, pension fund, superannuation fund etc., in accordance with the applicable laws and regulations are recognised as expenses during the period when the contributions to the respective funds are due.

A sum of Rs. 8.30 lacs (Previous Year Rs. 8.52 lacs) has been charged to the Statement of Profit & Loss in this respect

(b) Defined Benefit Plans

The Company has defined benefit plan, namely gratuity. As per scheme, an employee who has completed five years or more of service gets gratuity equivalents to 15 days salary (last drawn salary) for each completed year of service.

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The following table summarises the components of net expense recognised in the income statement and amounts recognised in the balance sheet for gratuity.

Net Benefit Expenses

	Year ended March 31, 2018 ₹ in Lakhs	Year ended March 31, 2017 ₹ in Lakhs
Components of defined benefit costs recognised in profit or loss		
Current service cost	1.79	1.75
Past Service cost - plan amendments	0.09	0.00
Interest cost on benefit obligation	0.00	0.00
Expected return on plan assets	(0.41)	(0.36)
Total	1.47	1.39
Components of defined benefit costs recognised in other comprehensive income		
Actuarial (gains) / loss due to DBO experience	(0.71)	(2.58)
Actuarial (gains) / loss due to DBO assumption changes	(0.53)	0.66
Return on Plan assets (greater)/less than discount rate	(0.31)	3.30
Total	(1.55)	1.38

	As at 31-Mar-18	As at 31-Mar-17
Benefit Asset/ (Liability)		
Defined benefit obligation	(11.22)	(9.89)
Fair value of plan assets	17.05	15.57
Benefit Asset/ (Liability)	5.83	5.68
Changes in the present value of the defined benefit obligation:		
Opening defined benefit obligation	5.68	10.33
Interest cost on the DBO	0.41	0.77
Current service cost	(1.87)	1.75
Amount recognised in OCI	1.55	
Employer contributions	0.07	
Benefits Paid		(1.04)
Actuarial (gain)/loss - experience	0.00	(2.58)
Actuarial (gain)/loss - demographic assumptions	0.00	0.00
Actuarial (gain)/loss - financial assumptions	0.00	0.66
Acquisition adjustment	0.00	0.00
Closing defined benefit obligation	5.83	9.89
Changes in the fair value of plan assets:		
Opening fair value of plan assets	15.57	11.00
Net interest on net defined benefit liabilty/ (asset)	1.11	1.12
Acquisition adjustment	0.00	3.15
Return on plan assets greater/(lesser) than discount rate	0.31	(3.30)
Contributions by employer	0.07	4.63
Benefits paid	0.00	(1.04)
Closing fair value of plan assets	17.05	15.57

	As at 31-Mar-18	As at 31-Mar-17
The major categories of plan assets as a percentage of total		
Other (including assets under Schemes of Insurance)	100%	100%

The principal assumptions used in determining pension and post-employment benefit obligations for the Company's plans are shown below:

Discount rate	7.60%	7.80%
Future salary increases	6.00%	6.00%
Rate of interest	5.00%	5.00%
Mortality table used	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.

The estimates of future salary increases considered in the actuarial valuation take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market

Contributions expected to be made by the Company during the next year is Rs. 0.01 lacs (previous year Rs. 0.05 lacs)

Risk Faced by Company:

The Gratuity scheme is a final salary Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase

Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation

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Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Sensitivity Analysis ₹ in Lakhs

	31-Mar-18					
	Discount rate		Future salary increases		Withdrawal Rate	
Sensitivity Level	+1%	-1%	+1%	-1%	+1%	-1%
	Amount in INR					
Impact on defined benefit obligation	(0.96)	1.11	1.11	(0.98)	0.06	(0.07)

	31-Mar-17					
	Discount rate		Future salary increases		Withdrawal Rate	
Sensitivity Level	+1%	-1%	+1%	-1%	+1%	-1%
	Amount in INR					
Impact on defined benefit obligation	(0.92)	1.07	0.94	(0.93)	0.07	(0.08)

Maturity Plan of defined benefit obligation:	March 31, 2018 ₹ in Lakhs	March 31, 2017 ₹ in Lakhs
Within 1 year	0.63	0.60
1-2 year	0.70	0.69
2-3 year	0.87	0.77
3-4 year	1.13	0.95
4-5 year	1.42	1.06
5-10 year	12.45	10.63

38 List of Related parties and Transactions / Outstanding Balances:

a) Name of Related Parties and description of relationship:

Enterprises that control the Company / exercise significant influence	GMR Enterprises Private Limited (GEPL) GMR Infrastructure Limited (GIL) GMR Highways Limited (GHWL)
Fellow Subsidiaries	GMR Tambaram–Tindivanam Expressways Limited (GTTEL) GMR Energy Ltd (GEL) GMR Renewable Energy Limited (GREL) GMR Tuni Anakapalli Expressways Limited (GTAEL) GMR Pochanpalli Expressways Limited(GPEL) GMR OSE Hungund Hospet Highways Pvt Ltd (GOHHHPL) Raxa Security Services Limited (RSSL) GMR Kishangarh Udaipur Ahmadabad Expressways Private Limited (GKUAEPL)
Enterprise where Key Management Personnel	GMR Varalakshmi Foundation (GVF)
Key Management Personnel	**Non Executive Director** Mr. O Bangaru Raju Mr. Arun Kumar Sharma (wef 1st September 2016) **Independent Director** Mr. B.L. Gupta (wef 3rd September 2016) Ms. Vinita Tharachandani (wef 1st September 2016 **Manager** Mr. Iqbal Singh **Company Secretary** Ms. Kanika Arora **Chief Financial Officer** Mr. Mudit Saxena

b) Summary of transactions with above related parties are as follows: ₹ in Lakhs

Name of Entity	Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Transaction with Enterprises that control the Company / exercise significant influence			
GIL	Interest on compound financial instruments (Preference Shares)	4.21	3.80
	Project Support Services	26.91	57.06
GHWL	Interest on Compound financial instruments (Loan)	349.2B	281.54
	Interest on compound financial instruments (Preference Shares)	5.10	4.61
	Tollway and Highway Maintenance Charges	45.78	42.00
	Charges for Periodic & Regular Maintenance of Highways	717.57	102.73

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Transaction with Fellow Subsidiaries			
GTAEL	Interest on Compound financial instruments (Loan)	301.77	301.77
	Interest on compound financial instruments (Preference Shares)	487.69	440.62
GTTEL	Interest on Compound financial instruments (Loan)	214.16	214.16
	Interest on compound financial instruments (Preference Shares)	436.55	394.42
GHPL	Trademark & Logo fees	0.01	0.01
GEL	Interest on Compound financial instruments (Loan)	-	36.87
GGAL	Interest on Compound financial instruments (Loan)	34.78	28.58
RSSL	Charges for Security & Toll management services	313.93	198.99
	Rates & Taxes - wireless license renewal charges	-	0.14

*** Reimbursement of expenses are not considered in the above statement.**

Transaction with Key Management Personnel ₹ in Lakhs

Details of Key Managerial Personnel	Remuneration						Outstanding loans/advances receivables
	Short-term employee benefits	Post employment benefits	Other long-term employee benefits	Termination benefits	Sitting Fee	Others	
VINITA SANJAY TARACHANDANI	-				1.47 '(0.75)	-	
K R RAMAMOORTHY	-	-	-	-	- '(0.75)	-	
K PARAMESWARA RAO	-	-	-	-	- '(0.75)	-	
BAJRANG LAL GUPTA	-	-	-	-	1.47 '(0.75)	-	
DR. KAVITHA GUDAPATI	-	-	-	-	- '(0.69)	-	
Mr. Iqbal Singh	20.11 (4.64)	1.62 (0.29)		-	-	-	
Mr. K.S.V. Jagga Rao	- '(7.45)	- '(1.48)					

Previous year i.e. March 2017 are given in brackets.

₹ in Lakhs

Name of Entity	Particulars	As At March 31, 2018	As At March 31, 2017
Closing Balances with Enterprises that control the Company / exercise significant influence			
GIL	Equity Shares Outstanding	2,327.27	2,327.27
	Equity Portion of compound financial instruments (Preference Shares)	46.66	46.66
	Liability Portion of compound financial instruments (Preference Shares)	43.59	39.38
	Trade and Other Payables	114.36	88.12
GHWL	Equity Shares Outstanding	5,074.27	5,074.27
	Equity Portion of compound financial instruments (Preference Shares)	56.56	56.56
	Liability Portion of compound financial instruments (Preference Shares)	52.83	47.73
	Liability portion of compond financial instruments (Subordinate Debt)	3,618.89	3,269.61
	Equity Portion of compond financial instruments (sub ordinate debt)	6,062.02	6,062.02
	Trade and Other Payables	128.87	104.12
GEPL	Trade and Other Payables	0.01	0.01
Closing Balances with Fellow Subsidiaries			
GEL	Equity Shares Outstanding	2,422.26	2,422.26
GTTEL	Equity Portion of compound financial instruments (Preference Shares)	4,842.37	4,842.37
	Liability Portion of compound financial instruments (Preference Shares)	4,523.14	4,086.59
	Subordinate Debt Payables	2,409.00	2,409.00
	Interest Payable on Inter Corporate Deposit/Unsecured Loan	623.30	475.56
GTAEL	Equity Portion of compound financial instruments (Preference Shares)	5,074.10	5,074.10
	Liability Portion of compound financial instruments (Preference Shares)	5,052.96	4,565.27
	Subordinate Debt Payables	3,353.00	3,353.00
	Interest Payable on Inter Corporate Deposit/Unsecured Loan	827.59	556.00
GREL	Subordinate Debt Payables	360.32	325.55
	Equity Portion of Subordinate Debt	676.57	676.57
RSSL	Trade and Other Payables	49.03	35.47
GPEL	Reimbursement of Expenses Receivables	-	0.20

Commitments with related parties: As at year end March 31, 2018, there is no commitment outstanding with any of the related parties

Terms and conditions of transactions with related parties

The transaction from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2017, the Company has not owed any amount by related parties so impairment of receivables relating to amounts owed by related parties does not arise. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

For terms and condition related to Preference Share and Borrowing please refer Note no 14 & 15

39 Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Company.

For the purpose of the Company's capital management, capital includes issued equity capital, Preference Share, loan from related parties and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

New Delhi Chartered Accountants

GMR AMBALA - CHANDIGARH EXPRESSWAYS PRIVATE LIMITED

₹ in Lakhs

Particulars	At 31 March 2018	At 31 March 2017
Borrowings-other than related party	31,440	31,849
Net debts	**31,440**	**31,849**
Capital Components		
Share Capital	9,824	9,824
Other Equity	(18,557)	(13,475)
Borrowings- Related party	20,865	19,128
Total Capital	12,131	15,477
Capital and net debt	43,572	47,326
Gearing ratio (%)	72%	67%

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. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

40 Disclosures on Financial Instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Notes to the financial statements.

(a) Financial assets and liabilities

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2018 and March 31, 2017.

₹ in Lakhs

Particulars	As at 31 March 2018			As at 31 March 2017		
	At Amortised Cost	At FVTPL		At Amortised Cost	At FVTPL	
		Cost	Fair Value		Cost	Fair Value
Assets						
Investment in Mutual Funds	-	-	-	66.02	66.00	66.02
Loans to Employees	-	-	-	0.07	-	-
Other Financial Assets	50.99	-	-	253.81	-	-
Cash and cash equivalents	795.51	-	-	756.13	-	-
Total	**846.50**	-	-	**1,076.04**	**66.00**	**66.02**
Liabilities						
Borrowings (including interest)	45,664.45	-	-	44,336.47	-	-
Trade Payable	248.79	-	-	152.29	-	-
Other Financial Liability	6,816.30	-	-	6,800.04	-	-
Total	**52,729.54**	-	-	**51,288.80**	-	-

b) Fair values

Fair Value Hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2018:

Particulars	As at March 31, 2018	Fair Value measurement at end of the reporting period/year using Level 1	Level 2	Level 3
Assets				
Investment in Mutual Funds (Refer note 5)	-	-	-	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2017:

Particulars	As at March 31, 2017	Fair Value measurement at end of the reporting period/year using Level 1	Level 2	Level 3
Assets				
Investment in Mutual Funds (Refer note 5)	66.02	66.02	-	-

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GMR AMBALA - CHANDIGARH EXPRESSWAYS PRIVATE LIMITED

C - Financial Risk Management Objectives and Policies

The Company's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets is cash and cash equivalents, Investment and other bank balance.

The Company's exposed to market risk, credit risk and liquidity risk. The company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the company's senior management that the company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and Investment measured at FVTPL .

The sensitivity analyses in the following sections relate to the position as at March 31, 2018 and March 31, 2017.
The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt are all constant.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions. The analysis for the contingent consideration liability is provided in Note 30.

The following assumptions have been made in calculating the sensitivity analyses:
The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018 and March 31, 2017.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's policy is to manage its interest cost using only interest free/ fixed rate debts from related parties.
The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/ decrease in basis points	Effect on profit before tax
31-Mar-18		
INR	+50	(125.78)
INR	-50	125.78
31-Mar-17		
INR	+50	(127.84)
INR	-50	127.84

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. With respect to credit risk arising from other financial assets of the Company's, which comprise Cash and cash equivalents, loans and advances and investment, the Company's exposure to credit risk arises from default of the counterparty, with maximum exposure equal to the carrying amount of these instrument.

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GMR AMBALA - CHANDIGARH EXPRESSWAYS PRIVATE LIMITED

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecast on the basis of expected cash flows.

The table below summarises the maturity profile of the company's financial liabilities based on contractual undiscounted payments.

₹ in Lakhs

	On Demand	Within 1 year	1-2 years	2-3 years	3-5 years	More than 5 Years	Total
Year ended							
31-Mar-18							
Term Loan from Banks	-	703.92	703.92	703.92	7,602.39	15,176.77	24,890.92
Loan from Related parties	5,762.00	-	-	-	-	8,524.95	14,286.95
Preference Shares at amortis	-	-	-	-	-	14,646.04	14,646.04
Negative Grant payable to NHAI	-	6,640.60	-	-	-	-	6,640.60
Trade payables	-	248.79	-	-	-	-	248.79
Other financial liabilities	-	1,626.60	-	-	-	-	1,626.60
	5,762.00	9,219.91	703.92	703.92	7,602.39	38,347.76	62,339.89

	On Demand	Within 1 year	1-2 years	2-3 years	3-5 years	More than 5 Years	Total
Year ended							₹ in Lakhs
31-Mar-17							
Term Loan from Banks	-	422.35	703.92	703.92	3,941.98	19,541.10	25,313.27
Loan from Related parties	5,762.00	-	-	-	-	8,524.95	14,286.95
Preference Shares	-	-	-	-	-	14,646.04	14,646.04
Negative Grant payable to NHAI	-	6,640.60	-	-	-	-	6,640.60
Trade payables	-	152.29	-	-	-	-	152.29
Other financial liabilities	-	1,191.00	-	-	-	-	1,191.00
	5,762.00	8,406.25	703.92	703.92	3,941.98	42,712.09	62,230.15

Excessive risk concentration

The Company needs to assess the risks in relation to excessive risk concentration and the measures adopted by the Company to mitigate such risks.

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the company to manage risk concentrations at both the relationship and industry levels.

41 Segment Reporting

The Company is engaged in the business of Construction, Operation & Maintenance of Highways. This being the only segment, the reporting under the provisions of IND AS 108 (Segment Information) does not arise.

42 Salient aspects of Service Concession Arrangement

NHAI has granted the exclusive right and authority for Improvement, Operation and Maintenance including strengthening and widening of existing 2-lane road to 4-lane dual carriageway from I) KM 5-735 - KM 39+960 of NH-22 and II) KM 0+000 - KM 0+871 of NH-21 (Ambala-Chandigarh Section) in the states of Haryana and Punjab on Build, Operate and Transfer (BOT) Basis.

NHAI has further granted the exclusive right and authority during the concession period in accordance with terms and condition of the agreement to:

- develop, design, engineer, finance, procure, construct, operate and maintain the Project Highway during the Concession Period.
- manage, operate & maintain the Project Highway and regulate the use thereof by third parties during the Operation Period.
- levy, demand, collect and appropriate the Fees from vehicles and persons liable to payment of Fees for using the Project Highway or any part thereof and refuse entry of any vehicle to the Project Highway if the due is not paid.

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Concession period

The Concession period is 20 year commencing from the appointed date i.e. May 2006

Fees

The Concession agreement had determined the base fee rate (determined and set according to 1997 figures) as given below:

Vehicle Type	Capping rate per vehicle per one way trip (In Rupees per KM)
A Car, Passenger Van or Jeep	0.40
Light Commercial Vehicle (LCV) including Mini I	0.70
Truck/Bus	1.40
Multi Axle Vehicle (> 2 axle)	2.25
Earth-moving equipments and heavy construction machinery	3.00

Rate of Fees will be revised every year based on annual Yearly average WPI published by the office of Economic Advisor, Ministry of Commerce & Industry, Government of India for the Financial Year ending 31st March preceding the date of Revision. The date of Fee revision will be 1st september. The revised fee shall be computed ("Computed Fee") as follows :-

$$\frac{\text{Base Fee} \times \text{WPI-B}}{\text{WPI-A}}$$

Where

WPI-A = Is the whole sale Price Index of June 1997 (131.4)

WPI-B = Is the average whole sale Price Index for the year ending March 31 Preceding the fee-revision date.

The Actual fees to be charged from the vehicles shall be rounded off to nearest one Rupee.

Fees from Local Personal Traffic and Local Commercial Traffic shall be collected at discounted rates i.e.

a) Local personal Traffic : Twenty five percent of the applicable fees for the specific category of Vehicle.

b) Local Commercial Traffic : Fifty Percent of applicable fees for the specific Category of Vehicle.

The Company shall charge 1.5 (one and a half times) the full applicable fee for one way trip for users who intend to complete a round Trip on Project Highway within 24 Hours. For Local Traffic the provision mentioned above shall not be applicable in this case.

The Company shall issue monthly pass to users intend to use the Project Highway on regular basis. The rate of issuing such monthly passes to such users including Local Traffic shall be 30 (times) the full applicable fee for one way Trip. For Local Traffic the provision mentioned at (iii) above shall not be applicable in this case."

No fee shall be payable or collected from certain specified vehicles i.e.

(i) Vehicles -

(A) Having VIP symbol or officially belonging to President/ Vice President of India, Governor of a state and Lt. Governor of Union Territory, Members of Parliament etc.

(B) Belonging to the winner of Gallantary Awards such as Param Vir Chakra , Ashok Chakra , Mahavir Chakra , Kirti Chakra , Vir Chakra and Shaurya Chakra , if such awardee produces his photo identity card duly authenticated by the Competent Authority for such award.

(C) Defence vehicles, Police vehicles, Fire Fighting Vehicles , Ambulanes, Funeral Vans, Post and Telegraph Dept. Vehicles , Central and State Government Vehicles on duty.

The actual fees to be charged to the users shall be computed by the Concessionaire and sent to the Authority for validation as soon as possible after 31st March in every year, but atleast forty five days before the rate increase is to be effective. Authority shall provide any comments or request clarifications as soon as possible upon receipt of fee revision proposal but not later than fifteen days of receipt of the fee revison proposal . If the Authority does not affer comments or seek clarification during this period the revised fee, as proposed by the Concessionaire, shall be deemedn to be confirmed by the Authority.

Concession Fee

In consideration of the grant of Concession under this Agreement, the Concession fee payable by the Company to the NHAI is Rs. 1 per year during the terms of the concession agreement.

Operation and Maintenance

The Company shall operate and maintain the Project Highway by itself or through O&M Contractor and if required, modify, repair or otherwise make improvement to the Project Highway to comply with Specifications and Standards, and other requirements set forth in this Agreement, Good Industry Practice, Applicable laws and Applicable Permits and manufacturer's guidlines and instructions with respect to toll systems and more specifically:

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i) permitting safe, smooth and uninterrupted flow of traffic during normal operating conditions.

ii) charging, collecting and retaining the Fees in accordanve with the concession agreement

iii) minimizing disruption to traffic in the event of accidents or other incidents affecting the safety and use of the Project Highway by providing a rapid and effective response and maintaining laiison procedures with emergency services.

iv) undertaking routine maintenance including prompt repairs of potholes, cracks, Concrete joints, drains, line marking, lighting and signage.

v) undertaking major maintenance such as resurfacing of pavements, repairs to structures, repairs and refurbishment of tolling system and hardware and other equipment.

vi) carrying out periodic preventive maintenance to Projecy Highway including tolling system

vii) preventing with the assistance of concerned law enforcement agencies unauthorised entry to and exit from the Project Highway.

viii) preventing with the assistance of the concerned law enforcement agencies encroachments on the Project Highway including site and preserve the right of way of the Project Highway

ix) maintaining a public relations unit to interface with and attend to suggestions from users of the Project Highway, the media, Government Agencies, and other external agencies.

x) adherence to the safety standrads

Monitoring and Supervision during Operation

The Compnay is required to undertake periodic inspection of the Project Highway to determine the condition of the Project Highway including its compliance or otherwise with the Maintenance Manual, the Maintenance Programme, Specifications and Standards and the maintenance required and shall submit report of such inspection ("Maintenance Report") to NHAI and the Independent Consultant.

Additional Tollway

Any of NHAI, Government of India, Government of Haryana or Government of Punjab shall not construct and operate either itself or have the same, inter alia, built and operated on BOT basis or otherwise any Expressway or other toll road between, inter alia, Ambala-Chandigarh Section from i) Km 5+735 - Km 39+960 of NH-22 and ii) Km 0+000 - Km 0+871 of NH-21 (the " Additional Tollway") in a manner that such Additional Tollway get opened to traffic before expiry of 8 (eight) years from the Appointed Date.

43 Recent accounting pronouncements

a) New Indian Accounting Standard (Ind AS) issued but not yet effective

Ind AS 115 'Revenue from Contracts with Customers' was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the Company. Ind AS 115 is effective for the Company in the first quarter of fiscal 2019 and permits two possible methods of transition:

(i) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or

(ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (1 April 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The Company has established an implementation team to implement Ind AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary.

Upon adoption the Company expects there to be a change in the manner that variable consideration in certain revenue arrangements is recognized from the current practice of recognizing such revenue as the services are performed and the variable consideration is earned to estimating the achievability of the variable conditions when the Company begins delivering services and recognizing that amount over the contractual period. The Company also expects a change in the manner that it recognizes certain incremental and fulfilment costs from expensing them as incurred to deferring and recognizing them over the contractual period. A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the implementation project has been completed.

b) Amendments to Indian Accounting Standards (Ind AS) issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Amendments to Ind AS 12 - Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any impact on the company as the company has no deductible temporary differences or assets that are in the scope of the amendments.

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GMR Ambala - Chandigarh Expressways Private Limited

~~43~~ 44 Previous year figures

Previous year's figures have been regrouped where necessary to conform to this year's classification.

The accompanying notes are an integral part of the financial statements

In terms of our report attached
For **Luthra & Luthra**
Chartered Accountants
Reg. No. 002081N

Naresh Agarwal
Partner
(M.No.504922)

Luthra & Luthra
New Delhi
Chartered Accountants

GMR Ambala Chandigarh Expressways Private Limited

O Bangaru Raju
Director
DIN:00082228

Bajrang Lal Gupta
Director
DIN.07175777

Mudit Saxena
Chief Financial Officer

Kanika Arora
Company Secretary

Place: New Delhi
Date: April 24, 2018

GMR AMBALA - CHANDIGARH EXPRESSWAYS PRIVATE LIMITED

Related Party Transaction Details
As at 31st March 2018

Balance Sheet

GMR Ambala Chandigarh Expressways Private Limited (GACEPL)
Code : C3210

A. Payable / Sundry Creditors / Deposits Received / Interest Payable

(Rs. in Units)

Sl No	Short Code	Inter Company	IC Code	Transaction Description	Main Head	Show in Financials: Sub Head	Show in Financials: Transaction GL	IGAAP Amount	Ind AS adjustment Amount	Total (IGAAP + IND AS Adjustments)	DTL/(DTA) on Ind AS Adjustments
1	GTTEPL	GMR Tambaram Tindivanam Expressways Limited (GTTEPL	IC3110	Interest accrued on Unsecured Loan	Other current liabilities	Interest accrued but not due on borrowings	2050700006	62,330,496.00	-	62,330,496.00	-
2	GTAEPL	GMR Tuni Anakapalli Expressways Limited (GTAEPL)	IC3120	Interest accrued on Unsecured Loan	Other current liabilities	Interest accrued but not due on borrowings	2050700006	82,759,496.00	-	82,759,496.00	-
3	GMRHL	GMR Highways Limited (GMRHL)	IC3300	Routine charges & Maintenance fees	Trade payables C	Trade payables-Current	2050201016	12,887,053.00	-	12,887,053.00	-
4	GIL	GMR Infrastructure Limited (GIL)	IC6100	Project Support Services	Other current liabilities	Non Trade payable	2050201016	11,436,317.00	-	11,436,317.00	-
5	RSSL	Raxa Security Services Limited	IC8000	Toll Management services	Trade payables C	Trade payables-Current	2050201016	4,903,161.00	-	4,903,161.00	-
6	GEPL	GMR Enterprises Pvt Ltd	0	Trademark & Logo fees	Trade payables C	Trade payables-Current	2050201016	1,120.00	-	1,120.00	-

B. Loan taken from Group Companies / Share Application money refundable / Other Loans

(Rs. in Units)

Sl No	Short Code	Inter Company	IC Code	Transaction Description	Main Head	Show in Financials: Sub Head	Show in Financials: Transaction GL	IGAAP Amount	Investment in Equity Portion in loans/ debentures	Notional Interest accrued till date	DTL/(DTA) on Ind AS Adjustments	IND AS loan Amount
1	GTTEPL	GMR Tambaram Tindivanam Expressways Limited (GTTEPL	0	Unsecured Loan	Short term borrowings	Short Term Borrowings - Others - Unsecured	2030500011	240,900,000.00	-	-	-	240,900,000.00
2	GTAEPL	GMR Tuni Anakapalli Expressways Limited (GTAEPL)	IC3120	Unsecured Loan	Short term borrowings	Short Term Borrowings - Others - Unsecured	2030500011	335,300,000.00	-	-	-	335,300,000.00
3	GMRHL	GMR Highways Limited (GMRHL)	IC3300	Sub Ordinate Debt	Long term borrowings	Long Term Borr.-INR TL from Group Comp(	2030500011	775,300,000.00	606,202,185.73	192,791,203.00	-	361,889,017.27
4	GMRHL	GMR Highways Limited (GMRHL)	IC3300	Financial liability - Preference Share C	Share capital	Preference Issued and Subscribed	2010102007	8,000,000.00	5,656,228.42	2,939,580.39	-	5,283,351.97
5	GTTEPL	GMR Tambaram Tindivanam Expressways Limited (GTTEPL	IC3110	Financial liability - Preference Share C	Share capital	Preference Issued and Subscribed	2010102007	684,890,000.00	484,236,785.02	251,661,151.50	-	452,314,366.48
6	GTAEPL	GMR Tuni Anakapalli Expressways Limited (GTAEPL)	IC3120	Financial liability - Preference Share C	Share capital	Preference Issued and Subscribed	2010102007	765,114,000.00	507,410,064.88	247,591,884.93	-	505,295,820.05
7	GIL	GMR Infrastructure Limited (GIL)	IC6100	Financial liability - Preference Share C	Share capital	Preference Issued and Subscribed	2010102007	6,600,000.00	4,666,388.44	2,425,153.82	-	4,358,765.38
8	GGAL	GMR Generation Asset Limited (GGAL)(Formerly GMR Rene	IC2361	Sub Ordinate Debt	Long term borrowings	Long Term Borr.-INR TL from Group Comp(	2030500011	77,194,800.00	67,657,257.26	26,494,897.00	-	36,032,439.74

C. Share Capital

(Rs. in Units)

Sl No	Short Code	Inter Company	IC Code	Transaction Description	Main Head	Show in Financials: Sub Head	Show in Financials: Transaction GL	IGAAP Amount	Ind AS adjustment Amount	Total (IGAAP + IND AS Adjustments)	DTL/(DTA) on Ind AS Adjustments
1	GEL	GMR Energy Limited (GEL)	IC2000	Equity Share Capital	Share capital	Equity Issued and Subscribed-fully paid-up	2010101002	242,225,930.00	-	242,225,930.00	-
2	GMRHL	GMR Highways Limited (GMRHL)	IC3300	Equity Share Capital	Share capital	Equity Issued and Subscribed-fully paid-up	2010101002	507,427,200.00	-	507,427,200.00	-
3	GIL	GMR Infrastructure Limited (GIL)	IC6100	Equity Share Capital	Share capital	Equity Issued and Subscribed-fully paid-up	2010101002	232,726,870.00	-	232,726,870.00	-
4	GMRHL	GMR Highways Limited (GMRHL)	IC3300	Equity component of Related party loa	Reserves and surplus	Equity component of Related party loans	0	-	606,202,185.73	606,202,185.73	-
5	GMRHL	GMR Highways Limited (GMRHL)	IC3300	Equity component of preference share	Reserves and surplus	Equity component of preference shares	0	-	5,656,228.42	5,656,228.42	-
6	GTTEPL	GMR Tambaram Tindivanam Expressways Limited (GTTEPL	IC3110	Equity component of preference share	Reserves and surplus	Equity component of preference shares	0	-	484,236,785.02	484,236,785.02	-
7	GTAEPL	GMR Tuni Anakapalli Expressways Limited (GTAEPL)	IC3120	Equity component of preference share	Reserves and surplus	Equity component of preference shares	0	-	507,410,064.88	507,410,064.88	-
8	GIL	GMR Infrastructure Limited (GIL)	IC6100	Equity component of preference share	Reserves and surplus	Equity component of preference shares	0	-	4,666,388.44	4,666,388.44	-
9	GGAL	GMR Generation Asset Limited (GGAL)(Formerly GMR Rene	IC2361	Equity component of Related party loa	Reserves and surplus	Equity component of Related party loans	0	-	67,657,257.26	67,657,257.26	-

For Luthra & Luthra
Firm registration number: 002081N
Chartered Accountants

Luthra & Luthra * New Delhi * Chartered Accountants

Naresh Agarwal
Partner
Membership no.: 504922

Place: New Delhi
Date: 24/04/2018

For and on behalf of the Board of Directors

Bajrang Lal Gupta
Director
DIN: 7175777

Kanika Arora
Company Secretary

GMR AMBALA - CHANDIGARH EXPRESSWAYS PRIVATE LIMITED

Related Party Transaction Details
For the year ended March 31, 2018

Profit & Loss

GMR Ambala Chandigarh Expressways Private Limited (GACEPL)
Code : C3210

A. Expense

(Rs. in Units)

Sl No	Short Code	Inter Company	IC Code	Transaction Description	Main Head	Sub Head	Transaction	IGAAP Amount	Ind AS adjustment Amount	Total (IGAAP + IND AS Adjustments)	DTL/(DTA) on Ind AS Adjustments
				Show in Financials							
1	GTTEPL	GMR Tambaram Tindivanam Expressways Limited (GTTEPL)	IC3110	Interest on unsecured loan	Finance costs	Interest	6200014003	21,416,000.00	-	21,416,000.00	-
2	GTAEPL	GMR Tuni Anakapalli Expressways Limited (GTAEPL)	IC3120	Interest on unsecured loan	Finance costs	Interest	6200014003	30,177,000.00	-	30,177,000.00	-
3	Limited	Raxa Security Services Limited	IC8000	Toll Management services	Sub contracting expenses	Other subcontracting (	5500012019	31,393,099.00	-	31,393,099.00	-
4	GMRHL	GMR Highways Limited (GMRHL)	IC3300	Operation & Maintenance	Sub contracting expenses	Other subcontracting (	5101010002	14,110,937.00	-	14,110,937.00	-
5	GIL	GMR Infrastructure Limited (GIL)	IC6100	Corporate sharing cost	Other expenses	Legal and professional	6004001019	2,691,066.00	-	2,691,066.00	-
6	GMRHL	GMR Highways Limited (GMRHL)	IC3300	Interest on preference share	Finance costs	Interest	0	-	509,922.08	509,922.08	-
7	GTTEPL	GMR Tambaram Tindivanam Expressways Limited (GTTEPL)	IC3110	Interest on preference share	Finance costs	Interest	0	-	43,655,066.91	43,655,066.91	-
8	GTAEPL	GMR Tuni Anakapalli Expressways Limited (GTAEPL)	IC3120	Interest on preference share	Finance costs	Interest	0	-	48,768,565.55	48,768,565.55	-
9	GIL	GMR Infrastructure Limited (GIL)	IC6100	Interest on preference share	Finance costs	Interest	0	-	420,685.72	420,685.72	-
10	GMRHL	GMR Highways Limited (GMRHL)	IC3300	Interest on unsecured loan	Finance costs	Interest	0	-	34,927,675.27	34,927,675.27	-
11	GREEL)	GMR Generation Asset Limited (GGAL)(Formerly GMR Renewal	IC2361	Interest on unsecured loan	Finance costs	Interest	0	-	3,477,666.59	3,477,666.59	-
12	GMRHL	GMR Highways Limited (GMRHL)	IC3300	Major Maintenance	Sub contracting expenses	Other subcontracting (	5101010001	57,646,253.00	-	57,646,253.00	-
13	GMRHL	GMR Highways Limited (GMRHL)	IC3300	Management fees	Sub contracting expenses	Other subcontracting (	5500012019	4,578,000.00	-	4,578,000.00	-
14	GEPL	GMR Enterprises Pvt Ltd	0	Trademark & Logo fees	Other expenses	Rates & taxes	0	1,120.00	-	1,120.00	-

For Luthra & Luthra
Firm registration number: 002081N
Chartered Accountants

Luthra & Luthra * New Delhi * Chartered Accountants

Naresh Agarwal
Partner
Membership no.: 504922

Place: New Delhi
Date: 24/04/2018

For and on behalf of the Board of Directors

Bajrang Lal Gupta
Director
DIN: 7175777

Kanika Arora
Company Secretary

GMR AMBALA - CHANDIGARH EXPRESSWAYS PRIVATE LIMITED *