

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GMR POCHANPALLI EXPRESSWAYS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **GMR POCHANPALLI EXPRESSWAYS LIMITED** ('the Company'), which comprise the balance sheet as at March 31, 2019, the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Contd...2



For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

a. **Provision for periodic major maintenance**

Provision for periodic major maintenance of project roads requires technical evaluations and critical accounting estimates and judgments.

We have obtained an assurance over the appropriateness of management's assumptions and methods applied in the calculating the provision for periodic major maintenance by carrying out the following procedures, amongst others:

- * Obtained the management's calculation of the provision for periodic major maintenance of project roads which is made in accordance with technical evaluation and the Company's policy and checked the assumptions made by the management and its technical team.
- * We have obtained agreement entered between the parties concerned and supporting documents for major maintenance.
- * We have also considered the appropriateness of the provision based on the Company's historical experience by evaluating the managements' assumptions against provision for periodic major maintenance of project roads with reference to historical track record with the same customer.
- * Performed discussion with those charged with governance with regard to the significant management judgement that has been considered in assessing appropriateness and adequacy of the provision made in books in this regard;
- * Ensured appropriateness of the disclosures in the standalone financial statements in accordance with the relevant requirements of Ind As.

Other matters

The standalone financial statements of the Company for the year ended March 31, 2018 were audited by M/s Luthra & Luthra LLP, Chartered Accountants, who expressed an unmodified opinion on those standalone financial statements on April 24, 2018.

Contd...3



Continuation sheet...

Information other than the standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in Board's Report including Annexures to Board's Report, but does not include the standalone financial statements and our auditor's report thereon. The report containing other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the report containing other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Contd...4



Continuation sheet...

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Contd...5



Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, based on our audit we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity, the statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended;

Contd...6



Continuation sheet...

- e) on the basis of the written representations received from the directors as on March 31, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 the requirements of section 197(16) of the Act, as amended:
- in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- the Company has disclosed the impact of pending litigations on its financial position to the extent quantifiable in its standalone financial statements – Refer Note No. 30 to the standalone financial statements;
 - the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Refer Note No. 32 to the standalone financial statements;
 - there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for CHATURVEDI & SHAH LLP

Chartered Accountants

Firm Registration Number : 101720W / W100355


Chandan Lala

Partner

Membership Number: 035671

Place: Mumbai

Date: 07.05.2019



ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

In terms of the Annexure referred to in our report to the members of **GMR POCHANPALLI EXPRESSWAYS LIMITED** ('the Company') on the standalone financial statements for the year ended March 31, 2019, we report that:

- i)
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipments.
 - b) Fixed assets have not been verified by the management of the company 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 and on the basis of our examination of the records of the Company, the company does not own any freehold immovable properties and the Company does not have any lease/sublease deed on leasehold land registered in the name of the company.
- ii) The inventory has been physically verified by the management at regular intervals and in our opinion, the frequency of such verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii) As per the information and explanation given to us, the Company has granted unsecured loans to bodies corporate listed in the register maintained under Section 189 of the Act.
 - a) In our opinion, the terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
 - b) In the case of loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in payment of the principal and interest as stipulated.
 - c) There are no overdue amounts remaining outstanding at the year end.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 of the Act in respect of grant of loans, providing guarantees and securities, as applicable. Further, the Company is an infrastructure Company and accordingly section 186 of the Act is not applicable. Consequently requirement of paragraph 3(iv) of the Order is not applicable to the Company.

Contd...2



- v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provision of paragraph 3(v) of the Order is not applicable to the Company. There are no orders from Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vi) We have broadly reviewed the books of account maintained by the company, pursuant to the Rules made by the Central Government of India, the maintenance of cost records as prescribed under sub-section (1) of section 148 of the Act and we are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year the Company has generally been regular in depositing the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including employee's state insurance, provident fund, income-tax, goods and service tax, service tax, sales tax, duty of customs, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities. As explained to us, the Company did not have any dues on account of duty of excise.
- According to the information and explanations given to us, no undisputed statutory dues were outstanding, at the year end, for a period of more than six months. Refer Note no. 33 for computation and payment of Minimum Alternate Tax (MAT) under Section 115JB of the Income Tax Act, 1961.
- b) According to the information and explanation given to us and records of the Company, there are no dues of income tax, goods and service tax, sales tax, service tax, duty of customs or value added tax or cess or other material statutory dues which have not been deposited on account of any dispute.
- viii) According to the information and explanations given to us and records of the Company, the Company has not defaulted in repayment of debentures to a financial institutions and banks. Further, the Company has not taken any loan from banks and financial institutions during the year.
- ix) According to the information and explanations given to us and records of the Company, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. The Company during the year has not taken term loans from banks and financial institutions hence question of utilisation of term loans does not arise.

Contd...3



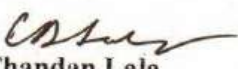
-3-

- x) During the course of our examination of books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have not come across with any material fraud by Company or any fraud on Company by its officers or employees, noticed or reported during the year, nor have been informed of such case by the Management.
- xi) According to the information and explanations given 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 adequate approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) 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.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company, during the year has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, paragraph 3(xiv) of the Order is not applicable
- xv) 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 any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

for CHATURVEDI & SHAH LLP

Chartered Accountants

Firm Registration Number : 101720W / W100355


Chandan Lala

Partner

Membership Number: 035671

Place: Mumbai

Date: 07.05.2019



ANNEXURE B TO THE INDEPENDENT AUDITOR'S 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 POCHANPALLI EXPRESSWAYS LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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') issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

Contd...2



Continuation sheet...

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 standalone 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 standalone 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 standalone 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.

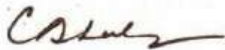
Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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 CHATURVEDI & SHAH LLP

Chartered Accountants

Firm Registration Number : 101720W / W100355



Chandan Lala

Partner

Membership Number: 035671



Place: Mumbai

Date: 07.05.2019

GMR Pochanpalli Expressways Limited

CIN : U45200KA2005PLC049327

Balance Sheet as at March 31, 2019

Particulars	Note	Rupees in Lakhs	
		March 31, 2019	March 31, 2018
ASSETS			
Non-current Assets			
Property, plant and equipment	2	62.26	60.98
Financial Assets			
Investments	3	-	-
Loans	4	14.59	2,714.59
Other financial assets	5	24,661.74	34,955.84
Other non-current assets	6	1,508.85	1,182.56
Total Non-Current Assets		26,247.44	38,913.97
Current Assets			
Inventories	7	8.79	18.54
Financial Assets			
Investments	3	4,016.01	1,040.44
Cash and cash equivalents	8	630.83	4,630.25
Bank balances other than above	9	646.34	1,680.01
Loans	4	25,968.00	17,635.10
Other financial assets	5	7,232.83	9,530.28
Other current assets	6	9,486.72	264.86
Total Current Assets		47,989.52	34,799.48
TOTAL ASSETS		74,236.96	73,713.45
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	10	13,800.00	13,800.00
Other equity	11	8,044.04	8,022.94
Total Equity		21,844.04	21,822.94
LIABILITIES			
Non-current Liabilities			
Financial Liabilities			
Long term borrowings	12	35,220.96	39,059.87
Provisions	13	57.93	6,266.66
Deferred tax liabilities (net)	17	-	-
Total Non-current Liabilities		35,278.89	45,326.53
Current Liabilities			
Financial Liabilities			
Trade payables			
a) Total outstanding dues of micro and small enterprises	14	2.07	1.71
b) Total outstanding dues of creditors other than (a) above	14	797.04	110.84
Other financial liabilities	15	5,712.57	5,457.50
Other current liabilities	16	924.44	77.20
Provisions	13	9,080.88	185.61
Current tax liabilities (net)	17	597.03	731.12
Total Current Liabilities		17,114.03	6,563.98
TOTAL EQUITY AND LIABILITIES		74,236.96	73,713.45

Significant accounting policies

1

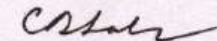
The accompanying notes form an integral part of the Ind AS financial statements.

As per our report of even date attached

For **Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration Number : 101720W / W100355


Chandan Lala

Partner

Membership No.: 035671



Date : 07.05.2019

Place : Mumbai

For and on behalf of

GMR Pochanpalli Expressways Limited

Arun Kumar Sharma

Director

DIN: 02281905

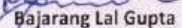

Amit Kumar

Chief Financial Officer

Membership no. 500164

Date : 07.05.2019

Place : New Delhi


Bajarang Lal Gupta

Director

DIN: 07175777


Paramjeet Singh

Company Secretary

Membership no. A18789



GMR Pochanpalli Expressways Limited

CIN : U45200KA2005PLC049327

Statement of profit and loss for the year ended March 31, 2019

Particulars	Note	Rupees in Lakhs	
		March 31, 2019	March 31, 2018
INCOME			
Revenue from operations	18	5,636.82	7,951.60
Other income	19	2,850.53	2,447.37
Total Income		8,487.35^A	10,398.97
EXPENSES			
Operating expenses	20	737.46	2,390.49
Employee benefits expense	21	289.14	886.35
Finance costs	22	5,937.01	4,924.85
Depreciation and amortization expense	23	9.49	8.01
Other expenses	24	632.58	534.31
Total Expenses		7,605.68	8,744.01
Profit for the year before taxation		881.67	1,654.96
Tax Expense:			
Current tax	17	322.98	537.94
Deferred tax	17	-	0.88
Income tax for earlier years		322.98	538.82
Profit for the year after tax		558.69	1,116.14
OTHER COMPREHENSIVE INCOME			
<i>Items that will not be reclassified to profit or loss in subsequent periods:</i>			
Re-measurement gains (losses) on defined benefit plans		17.28	(11.23)
Income tax effect	17	-	-
Other comprehensive income/(expenses) for the year, net of tax		17.28	(11.23)
Total comprehensive income for the year		575.97	1,104.91

Earnings per equity share: (face value of equity shares of Rs.10 each)

Basic	25	0.40	0.81
Diluted	25	0.40	0.81

Significant accounting policies

1

The accompanying notes form an integral part of the Ind AS financial statements.

As per our report of even date attached

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number : 101720W / W100355



Chandan Lala

Partner

Membership No.: 035671



Date : 07.05.2019

Place : Mumbai

For and on behalf of

GMR Pochanpalli Expressways Limited
Arun Kumar Sharma

Director

DIN: 02281905



Amit Kumar

Chief Financial Officer

Membership no.500164

Date : 07.05.2019

Place : New Delhi


Bajarang Lal Gupta

Director

DIN: 07175777


Paramjeet Singh

Company Secretary

Membership no.A18789



GMR Pochanpalli Expressways Limited

CIN : U45200KA2005PLC049327

Statement of changes in equity for the year ended March 31, 2019**A. Equity Share Capital**

Particulars	Note	Rupees in Lakhs	
		March 31, 2019	March 31, 2018
Balance at the beginning of the year	10	13,800.00	13,800.00
Changes in equity share capital during the year	10	-	-
Balance at the end of the year	10	13,800.00	13,800.00

B. Other Equity

Particulars	Equity component of financial instruments - preference shares	Reserves and surplus		Rupees in Lakhs
		Debtenture redemption reserve	Retained earnings	Total
				[Refer Note No.11]
Changes in equity for the year ended March 31, 2018				
Balance as at April 1, 2017	3,620.95	5,414.82	(2,117.74)	6,918.03
Profit for the year			1,116.14	1,116.14
Other comprehensive income				
Re-measurement gains/(loss) on defined benefit plans			(11.23)	(11.23)
Balance as at March 31, 2018	3,620.95	5,414.82	(1,012.83)	8,022.94
Changes in equity for the year ended March 31, 2019				
Balance as at April 1, 2018	3,620.95	5,414.82	(1,012.83)	8,022.94
Ind AS 115 transitional adjustments [Refer note no.31]			(554.87)	(554.87)
Profit for the year			558.69	558.69
Other comprehensive income				
Re-measurement gains/(loss) on defined benefit plans			17.28	17.28
Transferred to Debtenture Redemption Reserve from statement of profit and loss [Refer note no.11(a)]	-	3,844.62	(3,844.62)	
Balance as at March 31, 2019	3,620.95	9,259.44	(4,836.35)	8,044.04

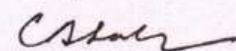
The accompanying notes form an integral part of the Ind AS financial statements.

As per our report of even date attached

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number : 101720W / W100355



Chandan Lala

Partner

Membership No.: 035671



Date : 07.05.2019

Place : Mumbai

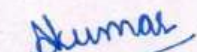
For and on behalf of

GMR Pochanpalli Expressways Limited


Arun Kumar Sharma

Director

DIN: 02281905



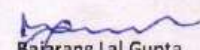
Amit Kumar

Chief Financial Officer

Membership no.500164

Date : 07.05.2019

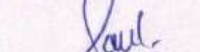
Place : New Delhi



Bajarang Lal Gupta

Director

DIN: 07175777



Paramjeet Singh

Company Secretary

Membership no.A18789



GMR Pochanpalli Expressways Limited

CIN : U45200KA2005PLC049327

Statement of cash flows for the year ended March 31, 2019

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
A CASH FLOW FROM OPERATING ACTIVITIES:		
Profit for the year	881.67	1,654.96
Adjustments For :		
Depreciation and amortisation	9.49	8.01
Interest and finance charges	5,937.01	4,924.85
Major maintenance expenses	2,256.24	2,038.48
Profit on sale of Investment	(52.36)	(136.76)
Fixed assets written off	-	0.12
Reameasurements of defined benefit plans	17.28	(11.23)
Interest income on bank deposit and others	(2,693.76)	(2,296.02)
Excess provision written back	(97.30)	(0.22)
	6,258.27	6,182.19
Adjustments for Movement in Working Capital:		
Decrease / (increase) in non-current/current financial and other assets	(1,254.83)	631.16
Decrease / (increase) in Inventories	9.75	(11.65)
Increase / (decrease) in trade payables and financial/other liabilities	892.64	(5.54)
Increase / (decrease) in Provision	(223.57)	174.77
Cash From/(used In) Operating activities	5,682.26	6,970.93
Tax (paid)/refund	(456.59)	(89.85)
Net Cash From/(used In) Operating activities	5,225.67	6,881.08
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment and intangible assets	(10.77)	(20.74)
Sale of investments in related parties	0.04	-
Decrease/(increase) in current Investments	(2,923.25)	5,728.25
Interest Income on bank deposit and others	2,918.04	238.13
Decrease/(increase) in Loan to Related Parties	(5,652.07)	(4,032.00)
Decrease/(increase) in Other Bank Balance	1,033.67	1,120.00
Annuity received net of payment under service concession agreement	2,942.95	1,805.77
Cash From/(used In) Investing Activities	(1,691.39)	4,839.41
C CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment of debentures	(3,688.99)	(3,363.00)
Interest and finance charges paid	(3,844.71)	(4,157.54)
Cash From/(used In) Financing Activities	(7,533.70)	(7,520.54)
D Net Increase / decrease in Cash and Cash Equivalents [A+B+C]		
	(3,999.42)	4,199.95
Cash and Cash Equivalents as at beginning of the year	4,630.25	430.30
Cash and Cash Equivalents as at end of the year	630.83	4,630.25

Contd..



GMR Pochanpalli Expressways Limited

CIN : U45200KA2005PLC049327

Statement of cash flows for the year ended March 31, 2019

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
Components of Cash and Cash Equivalents:		
Cash in hand	0.32	0.13
Balances with banks		
- Current account	630.51	60.12
- Fixed deposits	-	4,570.00
Total	630.83	4,630.25

Notes :

1 The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS-7 on Statement of Cash Flows as referred to in Section 133 of the Companies Act, 2013.

2 Changes in liabilities arising from financing activities

Particulars	Opening balance	Cash flows - repayments	Non-cash / fair value changes	Rupees in Lakhs	
				Closing balance	
For the year ended March 31, 2019					
Liability portion of preference shares	1,868.85	-	199.64	2,068.49	
Long-term external borrowings	40,857.29	(3,688.99)	22.73	37,191.03	
For the year ended March 31, 2018					
Liability portion of preference shares	1,688.48	-	180.37	1,868.85	
Long-term external borrowings	44,195.46	(3,363.00)	24.83	40,857.29	

3 The previous year figures have been regrouped and rearranged wherever necessary.

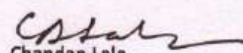
The accompanying notes form an integral part of the Ind AS financial statements.

As per our report of even date attached

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number : 101720W / W100355


Chandan Lala
 Partner
 Membership No.: 035671



Date : 07.05.2019

Place : Mumbai

For and on behalf of

GMR Pochanpalli Expressways Limited


Arun Kumar Sharma
 Director
 DIN: 02281905


Amit Kumar
 Chief Financial Officer
 Membership no.500164

Date : 07.05.2019

Place : New Delhi


Bajarang Lal Gupta
 Director
 DIN: 07175777


Paramjeet Singh
 Company Secretary
 Membership no.A18789



GMR Pochanpalli Expressways Limited

CIN : U45200KA2005PLC049327

1 Company Overview and Significant Accounting Policies:

1.1 Company Overview

GMR Pochanpalli Expressways Limited (the Company) is engaged in development of highways on build, operate and transfer model on annuity 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 for rehabilitation and strengthening of existing 2-lane portion from km 367.000 (Adloor Yellareddy) to km 447.000 (Kalkallu), covering 80.745 kms, and Improvement, operation and maintenance of kms 447.000 (Kalkallu) 464.000 (Gundla Pochanpalli) covering 17.00 kms on NH-7 in the state of Andhra Pradesh, to 4 lanes under a concession on build, operate and transfer (BOT) through with private sector participation thereof.

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 Toopran, Andhra Pradesh.

The Company's Holding Company is GMR Highways Limited while ultimate Holding Company is GMR Infrastructure Limited/GMR Enterprises Private Limited.

1.2 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.

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)/Rupees in Lakhs

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.

b) Foreign currency and derivative transactions

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

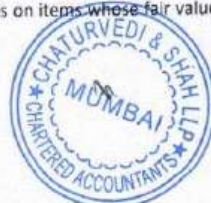
Foreign currency transactions are recorded at the exchange rate prevailing on the date of the respective transactions between the functional currency and the foreign currency.

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).



1 Company Overview and Significant Accounting Policies:

(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 from operations:

Finance income for concession arrangements under financial asset model is recognized using the effective interest method. Revenues from operations and maintenance services and overlay services are recognized concession arrangements in each period as and when services are rendered.

Effective from April 01, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to the contracts that were not completed as of April 01, 2018. In accordance with the cumulative catch up transition method, the comparatives have not been retrospectively adjusted and continues to be reported as per Ind AS 18 "Revenue".

Revenue is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services and excludes amounts collected on behalf of third parties. Revenue is recognized upon transfer of control of promised products or services to customers. To recognize revenues, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied.

The revenue is recognised when (or as) the performance obligation is satisfied, which typically occurs when (or as) control over the products or services is transferred to a customer.



1 Company Overview and Significant Accounting Policies:

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

Revenue for the year ended March 31, 2019 and March 31, 2018:

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
Operations and maintenance income.[Refer note no.31]	1,699.06	4,192.27
Finance income on financial assets	3,937.76	3,759.33
Total	5,636.82	7,951.60

Disaggregate revenue information for the year ended March 31, 2019:

The Company has presented disaggregated revenue from contracts with customers (under service concession arrangements) for the year ended March 31, 2019 by offerings and is of the opinion that, this disaggregation best depicts the nature, amount, timing of revenues and cash flows that are affected by the industry markets and other economic factors.

Particulars	Rupees in Lakhs	
	March 31, 2019	
Revenue by offering		
Operations and maintenance		1,699.06
Financial asset		3,937.76
Total		5,636.82

The Company has not identified any disaggregated revenues based on contract types.

Performance obligations:

Revenue from periodic major maintenance are recognised as per the service concession arrangements.

The performance obligation provides the aggregate amount of transaction price yet to be recognised as at end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. The Company however has applied the practical expedient as given in Ind AS 115 as the performance obligation on periodic major maintenance is part of a concession agreement that has an original expected duration of more than one year. The aggregate value of performance obligation that are unsatisfied as at March 31, 2019 is Rs.8,585.49 Lakhs. Out of this company expects to recognise entire revenue within next one year.

The application of Ind AS 115 has impacted the Company's accounting of revenue from periodic major maintenance services by recognising the same on rendering of services on completion of performance obligations. The Company accordingly has applied the modified retrospective approach and debited retained earnings as at April 1, 2018 by Rs.554.87 Lakhs with regard to margin amount of periodic major maintenance as on that date. The Company has not recognised revenue on periodic major maintenance and periodic major maintenance expenses for the year ended March 31, 2019 to the extent of Rs.2,481.86 Lakhs and Rs.2,256.24 Lakhs respectively. The Company is expected to complete performance obligation with regard to periodic major maintenance during financial year 2019-20. Refer note no. 31].

Assets and liabilities under service concession arrangements on which performance obligation is not satisfied are classified as contract assets and contract liabilities respectively.

Finance income and other income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included in other income in the statement of profit and loss.

On disposal of current investments, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss. Such income is included under the head "other income" in the statement of profit and loss.

Dividend income is accounted for in the year in which the right to receive the same is established by the reporting date.



1 Company Overview and Significant Accounting Policies:**e) Property, Plant & Equipments**

Fixed Assets 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 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 derecognised.

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 fixed asset and whose use is expected to be irregular are capitalized as fixed assets.

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 fixed assets 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 of that 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 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 impairment losses, if any.

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.

Other intangible assets are fully depreciated and carrying value is Rs. Nil.



1 Company Overview and Significant Accounting Policies:

g) Financial Assets - Receivable towards the concession arrangement from the grantor

When the arrangement has a contractual right to receive cash or other financial asset from the grantor specifically towards the concession arrangement (in the form of grants) during the construction period or otherwise, such a right, to the extent eligible, is recorded as financial asset in accordance with Ind AS 109 "Financial Instruments," at amortized cost.

h) 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.

i) Borrowing costs

Borrowing Cost includes interest and amortization of ancillary 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.

j) Inventories

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

Net realizable 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.

k) 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 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.



1 Company Overview and Significant Accounting Policies:

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 certainty that the Company will obtain ownership by the end of the lease term shall generally be classified as finance leases. The minimum lease payments include upfront premium paid plus any annual recurring lease rental which is amortized over the lease term.

l) 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 or cash generating 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.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer 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 reversal 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 revalued amount, in which case the reversal is treated as a revaluation increase.

m) 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 disclosed when it is probable 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 finance cost.



1 Company Overview and Significant Accounting Policies:

n) 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 for services 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.

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 will 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.

o) 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.

i) 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.



1 Company Overview and Significant Accounting Policies:

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,
- 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.

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.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

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.

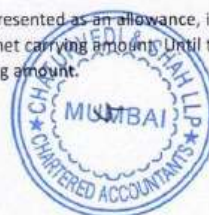
Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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.



1 Company Overview and Significant Accounting Policies:

ii) 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.

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 received.

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.

p) 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.

q) 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.

1.3 Key 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 the 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) Critical Accounting Estimates and Assumptions :

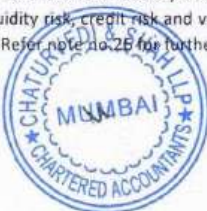
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions 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) Income tax

Deferred tax assets are recognised for Minimum Alternate Tax (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 No.17

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 no.25 for further disclosures.



1 Company Overview and Significant Accounting Policies:

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 the interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates in India.

Further details about gratuity obligations are given in note no.37

ii) Significant judgements :

a) Provision for periodic major maintenance (overlay activities)

As per the terms of concession agreement, the Company is required to carry out periodic major maintenance of project roads once in every five years which requires technical evaluation and critical assumptions, accounting estimates and judgements. The management has estimated the cost to be incurred on such periodic major maintenance to recognise the provision as per the requirements of IND AS 37.

Further details are given in note no.13

1.4 New and amended Ind AS effective as on April 1, 2018

As per Companies (Indian Accounting Standards) Amendment Rules, 2018, the Company has adopted following amendments made to Ind AS for annual periods beginning on or after 1st April, 2018:

a) Ind AS 115, 'Revenue from Contracts with Customers':

This Accounting standard replaced the Ind AS 18, 'Revenue'. The Company has applied the Accounting Standard for the first time during the year, using the cumulative catch-up transition method for the contracts that were not completed as of April 01, 2018. In accordance with the cumulative catch up transition method, the comparatives have not been retrospectively adjusted and continues to be reported as per Ind AS 18 "Revenue".

The impact on account of applying the erstwhile Ind AS18 'Revenue', instead of Ind AS 115 'Revenue from Contract with Customers', on the statement of profit and loss of the Company for the year ended and as at March 31, 2019 is given in detail in note no.31.

b) Effective April 1, 2018 the company has adopted Appendix B to Ind AS 21 - Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. There is no impact on account of adoption of this amendment.

c) 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. These amendments apply 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. There is no impact on account of adoption of this amendment.



1 Company Overview and Significant Accounting Policies:**1.5 Introduction of new standards and amendments to existing standards issued but not effective as on April 1, 2019****a) Ind AS 116 Leases:**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees.

Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- > Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- > Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application. Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:
 - > Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
 - > An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on leases resulting from the application of Ind AS 116 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 116 related to leases and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary.

A reliable estimate of the quantitative impact of Ind AS 116 on the financial statements will only be possible once the implementation project has been completed.

b) Ind AS 19 Employee Benefits - plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- > to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- > to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The company is evaluating the impact of the amendment on the financial position, results of operation and cash flow.

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

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition:

- > Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- > Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The company is evaluating the impact of the amendment on the financial position, results of operation and cash flow.



1 Company Overview and Significant Accounting Policies:

d) Amendment to Ind AS 12 – Income taxes:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

e) Prepayment Features with Negative Compensation, Amendments to Ind AS 109, Financial Instruments :

This amendment enables entities to measure certain pre-payable financial assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit and loss. Negative compensation arises where the contractual terms permit the borrower to prepay the instrument before its contractual maturity, but the prepayment amount could be less than unpaid amounts of principal and interest. However, to qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract'.

That is, when a financial liability measured at amortised cost is modified without this resulting in derecognition, a gain or loss should be recognised in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

The interpretation is effective for annual periods beginning on or after April 1, 2019.

The company is evaluating the impact of the amendment on the financial position, results of operation and cash flow.

f) Annual Improvements to Ind AS :

Ind AS 23, 'Borrowing Cost'- clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

Ind AS 103, 'Business Combination'- clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The acquirer should re-measure its previously held interest in the joint operation at fair value at the acquisition date.

Ind AS 111, 'Joint arrangements'- clarified that the party obtaining joint control of a business that is a joint operation should not measure its previously held interest in joint operation.

Ind AS 12, 'Income Taxes'- clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. These requirements apply to all income tax consequences of dividends.

Previously, it was unclear whether the income tax consequences of dividend should be recognised in profit or loss, or in equity, and the scope of the existing guidance was ambiguous.

The interpretation is effective for annual periods beginning on or after April 1, 2019

The company is evaluating the impact of the amendment on the financial position, results of operation and cash flow.



GMR Pochampalli Expressways Limited

CIN : U45200KA2005PLC049327

Notes to the financial statements

2 Property, plant and equipments

Particulars	Plant and machinery	Electrical fittings	Computers	Office Equipments	Vehicles	Furniture and Fixtures	Lab Equipment	Total
Gross block								
As at April 1, 2017	55.22	2.41	-	2.70	8.69	1.01	0.14	70.17
Additions	-	-	-	0.15	20.59	-	-	20.74
Disposals / Adjustments	-	-	-	(0.06)	(0.05)	(0.01)	-	(0.12)
As at March 31, 2018	55.22	2.41	-	2.79	29.23	1.00	0.14	90.79
Additions	-	-	1.26	2.99	6.52	-	-	10.77
Disposals / Adjustments	-	-	-	-	-	-	-	-
As at March 31, 2019	55.22	2.41	1.26	5.78	35.75	1.00	0.14	101.56
Depreciation								
As at April 1, 2017	11.24	2.40	-	1.35	5.85	0.94	0.03	21.81
Charge for the year	5.62	-	-	0.36	1.99	0.02	0.01	8.00
Disposals / Adjustments	-	-	-	-	-	-	-	-
As at March 31, 2018	16.86	2.40	-	1.71	7.84	0.96	0.04	29.81
Charge for the year	5.62	-	0.01	0.69	3.15	0.01	0.01	9.49
Disposals / Adjustments	-	-	-	-	-	-	-	-
As at March 31, 2019	22.48	2.40	0.01	2.40	10.99	0.97	0.05	39.30
Net block								
As at March 31, 2018	38.36	0.01	-	1.08	21.39	0.04	0.10	60.98
As at March 31, 2019	32.74	0.01	1.25	3.38	24.76	0.03	0.09	62.26

Notes:

1 Deemed Cost: The Company during the Financial Year 2016-17, had first time adopted Indian Accounting Standards ('Ind AS') under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The Company had elected to use its previous GAAP carrying value as at April 01, 2015 being the opening balance sheet date for the purpose of first time adoption of Indian Accounting Standards as per Para D7AA of Ind AS 101, 'First-time Adoption of Indian Accounting Standards'. Accordingly the value of gross block disclosed above includes carrying value of assets at the transition date (i.e., April 01, 2015) which is considered as deemed cost.

2 For charges created on property, plant and equipments refer note no.12



GMR Pochanpalli Expressways Limited

CIN : U45200KA2005PLC049327

Notes to the financial statements
3 Investments

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
Non Current Investments		
Non Trade Investments		
Investments in associates (Unquoted, valued at cost)		
GMR Tambaram Tindivanam Expressways Limited		
Nil (March 31, 2018: 1) equity shares of Rs.10 each fully paid-up	-	-
GMR Tuni Anakapalli Expressways Limited		
Nil (March 31, 2018: 1) shares of Rs.10 each fully paid-up	-	-
Total non-current investments	-	-
Current Investments		
Other than trade investments, Unquoted		
Investments in Mutual Funds		
At fair value through profit and loss		
ICICI Prudential - Super Institutional - Growth	4,016.01	1,040.44
1,458,148.836 units, NAV of Rs.275.419 (March 31, 2018 : Rs.405,806.942 units, NAV of Rs.256.388)		
Total current Investments	4,016.01	1,040.44
Total Investments	4,016.01	1,040.44
Aggregate amount of unquoted non-current investments	-	-
Aggregate amount of Impairment in the value of non-current Investments	-	-
Aggregate amount of unquoted current investments	4,011.00	1,037.87
Aggregate net asset value of unquoted current investments	4,016.01	1,040.44

4 Loans

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
Non-current:		
Carried at amortised cost		
Loan Receivables – considered good - secured	-	-
Loan Receivables – considered good - unsecured		
Loans and advances to :		
Related parties [Refer note no.38]	-	2,700.00
Security deposits		
with related parties [Refer note no.38]	14.28	14.28
with others	0.31	0.31
Loan Receivables which have significant increase in credit risk *	-	-
Loan Receivables – credit impaired *	-	-
Total	14.59	2,714.59
Current:		
Carried at amortised cost		
Loan Receivables – considered good - secured	-	-
Loan Receivables – considered good - unsecured		
Loans and advances to :		
Related parties	25,964.07	17,612.00
Employees	1.41	0.58
Security deposits		
with related parties	2.39	22.39
with others	0.13	0.13
Loan Receivables which have significant increase in credit risk*	-	-
Loan Receivables – credit impaired*	-	-
Total	25,968.00	17,635.10
Total	25,982.59	20,349.69



GMR Pochanpalli Expressways Limited

CIN : U45200KA2005PLC049327

Notes to the financial statements**Notes:**

- (i) An unsecured loan of Rs.6,080.00 Lakhs (March 31, 2018 : Rs.6,080.00 Lakhs) given to GMR Highways Ltd. shall be repayable within 1 year from date of agreement.
- (ii) An unsecured loan of Rs.7,182.00 Lakhs (March 31, 2018 : Rs.3,732.00 Lakhs) given to GMR Infrastructure Ltd and shall be repayable within 1 year.
- (iii) An unsecured loan of Rs.Nil (March 31, 2018 : Rs.1,000.00 Lakhs) given to GMR Enterprises Private Limited and was repaid during the year.
- (iv) An unsecured loan of Rs Nil (March 31, 2018 : Rs.6,800.00 Lakhs) given to Dhruvi Securities Pvt Ltd and shall be repayable within 1 year.
- (v) An unsecured loan of Rs.2,000.00 Lakhs (March 31, 2018 : Rs.2,700.00 Lakhs) which was disclosed under non-current loans) given to Dhruvi Securities Pvt Ltd and shall be repayable within 3 years.
- (v) An unsecured loan of Rs.741.00 Lakhs (March 31, 2018 : Rs Nil) given to GMR Tambaram Tindivanam Expressways Limited and shall be repayable within 1 year.
- (v) An unsecured loan of Rs.494.00 Lakhs (March 31, 2018 : Rs Nil) given to GMR Tuni Anakapalli Expressways Limited and shall be repayable within 1 year.
- (v) An unsecured loan of Rs.7,500.00 Lakhs (March 31, 2018 : Rs Nil) novated in favour of Kakinada SEZ Limited from Dhruvi Securities Pvt Ltd and shall be repayable within 1 year.
- (v) An unsecured loan of Rs.1,967.07 Lakhs (March 31, 2018 : Rs Nil) novated in favour of GMR SEZ and Port Holdings Private Limited from Dhruvi Securities Pvt Ltd and shall be repayable within 1 year.

The fair value of Non current and current loans are not materially different from the carrying value presented.

* - There are no loans receivables which are credit impaired or which have a significant increase in credit risk based on the information available with the Company.

5 Other financial assets

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
Non-current:		
<i>Carried at amortised cost</i>		
Unsecured, considered good		
Receivable under service concession arrangements	24,653.92	34,660.97
Interest accrued on loan to related parties [Refer note no.38]	-	287.05
Deposit with government departments	7.82	7.82
Total	24,661.74	34,955.84
Current:		
<i>Carried at amortised cost</i>		
Unsecured, considered good		
Receivable under service concession arrangements	1,476.23	3,826.73
Receivable towards change of scope work and others	315.16	-
Interest accrued on loan to related parties [Refer note no.38]	4,344.23	4,586.89
Interest accrued on deposits with banks	12.38	28.01
Insurance claims receivable	6.21	10.03
Penalty paid under protest [Refer note no.30]	1,078.62	1,078.62
Total	7,232.83	9,530.28
Total	31,894.57	44,486.12



GMR Pochanpalli Expressways Limited

CIN : U45200KA2005PLC049327

Notes to the financial statements**6 Other assets**

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
Non-current:		
Unsecured, considered good		
Mobilisation Advance	1,508.85	1,182.56
Total	1,508.85	1,182.56
Current:		
Unsecured, considered good		
Advances recoverable in cash or kind	118.09	169.27
Contract assets under service concession arrangements	8,585.49	-
Prepaid expenses	598.12	95.12
Balances with government departments	185.02	0.47
Total	9,486.72	264.86
Total	10,995.57	1,447.42

7 Inventories

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
Stores and spares [Refer note (b) below]	8.79	18.54
Total	8.79	18.54

Notes:

- a) Inventories are valued at lower of cost or net realizable value.
b) For charges created on inventories refer note no.12.

8 Cash and cash equivalents

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
Cash in hand	0.32	0.13
Balances with banks		
- Current account	630.51	60.12
- Fixed deposits	-	4,570.00
Total	630.83	4,630.25

Note:

- a) For charges created on cash and bank balances refer note no.12.

9 Other bank balances

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
Fixed deposit with banks [Refer note (b) & (c) below]	646.34	1,680.01
Total	646.34	1,680.01

Note:

- a) For charges created on cash and bank balances refer note no.12.
b) Includes Fixed deposit of Rs. Nil [March 31, 2018 Rs.1,000.00 Lakhs] are under lien to overdraft facility of Rs.800.00 Lakhs pertaining to Dhruvi Securities Private Limited
c) Includes margin deposit of Rs.311.33 Lakhs [March 31, 2018 : Rs.300.00 Lakhs] kept against bank guarantee
d) The fair value of other bank balances are not materially different from the carrying value presented.



GMR Pochanpalli Expressways Limited

CIN : U45200KA2005PLC049327

Notes to the financial statements

Break-up of financial assets		Rupees in Lakhs	
Particulars	March 31, 2019	March 31, 2018	
Financial assets carried at amortised cost			
Investment in equity instruments	-	-	
Loans to group companies	25,964.07	20,312.00	
Loans to employees	1.41	0.58	
Security deposit	17.11	37.11	
Receivable under service concession	26,130.15	38,487.70	
Cash and cash equivalents	630.83	4,630.25	
Fixed deposit with banks (including interest accrued)	658.72	1,708.02	
Other financial assets	5,752.04	5,970.41	
Financial assets carried at amortised cost			
Investments in mutual funds	4,016.01	1,040.44	
Total	63,170.34	72,186.51	

10 Equity share capital

		Rupees in Lakhs	
Particulars	March 31, 2019	March 31, 2018	
Authorised			
138,100,000 [March 31, 2018 : 138,100,000 equity shares of Rs.10 each]	13,810.00	13,810.00	
4,590,000 [March 31, 2018 : 4,590,000 preference shares of Rs.100 each]	4,590.00	4,590.00	
	18,400.00	18,400.00	
Issued, subscribed and fully paid-up			
138,000,000 [March 31, 2018 : 138,000,000 equity shares of Rs.10 each]	13,800.00	13,800.00	
Total	13,800.00	13,800.00	

Notes:

a) Reconciliation of Shares Outstanding at the beginning and end of the reporting year**Equity shares of Rs. 10 each****March 31, 2019**

	Numbers	Rupees in Lakhs
Balance at the beginning of the year	138,000,000	13,800.00
Shares issued during the year	-	-
Balance at the end of the year	138,000,000	13,800.00

March 31, 2018

Balance at the beginning of the year	138,000,000	13,800.00
Shares issued during the year	-	-
Balance at the end of the year	138,000,000	13,800.00

b) 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 preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Terms to Preference Shares

8% Redeemable, Non-cumulative and Non-Convertible preference shares of Rs.100 each. Preference Shares are redeemable at premium at the option of the Board of Directors of the Company on October 15, 2026, with one day prior notice to the preference shareholders. Refer note nos.11 and 12 for equity and liabilities portion of Preference Shares.



GMR Pochanpalli Expressways Limited

CIN : U45200KA2005PLC049327

Notes to the financial statements**d) Details of the shareholders holding more than 5% shares of the Company**

Name of Shareholder	Numbers	% of holding
Equity shares of Rs. 10 each		
March 31, 2019		
GMR Highways Limited, the immediate holding Company	135,929,996	98.50%
March 31, 2018		
GMR Highways Limited, the immediate holding Company	135,929,996	98.50%
Preference shares of Rs.100 each		
March 31, 2019		
GMR Infrastructure Limited, the ultimate holding Company	4,450,000	100.00%
March 31, 2018		
GMR Infrastructure Limited, the ultimate holding Company	4,450,000	100.00%

e) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

Name of Shareholder	Numbers	Rupees in Lakhs
Equity shares of Rs. 10 each		
March 31, 2019		
GMR Highways Limited, the immediate holding Company	135,929,996	13,593.00
GMR Infrastructure Limited, the ultimate holding Company	1,380,000	138.00
GMR Energy Limited, a subsidiary of GIL and an associate company	690,000	69.00
March 31, 2018		
GMR Highways Limited, the immediate holding Company	135,929,996	13,593.00
GMR Infrastructure Limited, the ultimate holding Company	1,380,000	138.00
GMR Energy Limited, a subsidiary of GIL and an associate company	690,000	69.00
Preference shares of Rs.100 each		
March 31, 2019		
GMR Infrastructure Limited, the ultimate holding Company	4,450,000	4,450.00
March 31, 2018		
GMR Infrastructure Limited, the ultimate holding Company	4,450,000	4,450.00

f) As per records of the Company including its register of share holders/members and other declarations received from share holders regarding beneficial interest, the above share holding represents both legal and beneficial ownership of shares.

g) The Company has not issued shares for consideration other than cash, during the period of five years immediately preceding the reporting date.

11 Other equity

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
Equity component of Preference shares		
Opening balance	3,620.95	3,620.95
Add: Adjustment for the year	-	-
Closing balance	3,620.95	3,620.95
Debenture Redemption Reserve		
Opening balance	5,414.82	5,414.82
Add: Transferred from the statement of profit and loss [Refer note (a) below]	3,844.62	-
Closing balance	9,259.44	5,414.82
Surplus / (deficit) in the statement of Profit and Loss		
Opening balance	(997.11)	(2,113.25)
Less: Ind AS 115 transitional adjustments [Refer note no.31]	(554.87)	-
Add: Profit for the year	558.69	1,116.14
Less: Transferred to Debenture redemption reserve during the year [Refer note (a) below]	(3,844.62)	-
Closing balance	(4,837.91)	(997.11)
Other comprehensive income		
Opening balance	(15.72)	(4.49)
Remeasurements gains/(loss) on defined benefit plans, net of tax effect	17.28	(11.23)
Closing balance	1.56	(15.72)
Total	8,044.04	8,022.94



GMR Pochanpalli Expressways Limited

CIN : U45200KA2005PLC049327

Notes to the financial statements**Nature and purpose of reserve:****a) Debenture Redemption Reserve:**

The Company is required to create Debenture Redemption Reserve (DRR) as on March 31, 2019 to the extent of Rs.9,319.25 Lakhs (25% of outstanding non-convertible debentures) out of the profits of the company available for payment of dividend for the purpose of redemption of debentures in accordance with the provisions of the Companies Act, 2013.

The Company, during the year has created DRR out of profits of earlier Financial Years 2015-16, 2016-17 and 2017-18 aggregating to Rs.3,285.93 Lakhs and out of current year profit of Rs.558.69 Lakhs and balance DRR amount to the extent of Rs.59.81 Lakhs is not created as per the provisions of the Companies Act, 2013 in view of inadequate profit during the year.

b) Retained Earnings

Retained Earnings represents the amount that can be distributed by the Company as dividends considering the requirements of the Companies Act, 2013. No dividends are distributed by the Company during the year.

c) Equity component of related party transaction

Equity Component of Related Party Transactions represents the difference in carrying value and fair value of Preference Shares issued to its parent on initial recognition. Fair value is determined by discounting the estimating the cash flows expected over the term of the instrument using an applicable discount rate. The equity component of related party transactions are adjusted to the carrying amount on account of extinguishment of liability.

d) Other Comprehensive Income : represents Re-measurement gains (losses) on defined benefit plans and its Income Tax Effects.

12 Long term Borrowings

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
Long-term borrowings:		
Secured, at amortized cost		
Non-convertible debenture [Refer note (a) below]	33,152.47	37,191.02
Unsecured, at amortized cost		
Liability component of compound financial instruments		
Non-cumulative non-convertible preference shares issued to the ultimate holding company [Refer Note (b) below]	2,068.49	1,868.85
Total	35,220.96	39,059.87

Notes:**a) Secured non-convertible debenture:**

During the financial year 2009-2010, the Company has issued 9.38% 6,500 Rated, taxable, listed, redeemable, non-convertible Debentures (NCDs) of the face value of Rs.10,00,000 each which are listed on The National Stock Exchange of India. Debentures are repayable in 34 half yearly unequal instalments commencing from April 15, 2010 to October 15, 2026.

i) Terms of Security

The NCDs are secured by way of first charge on all the assets of the Company both movable (including future annuity receivable) and immovable properties, both present and future but excluding project assets (unless permitted by National Highways Authority of India (NHAI) under the Concession agreement).

ii) Maturity profile of 9.38% redeemable non-convertible Debentures of face value of Rs.10,00,000/- each are given below:

No. of Debentures	Date of redemption	Rupees in Lakhs	No. of Debentures	Date of redemption	Rupees in Lakhs
227.90	15/10/2026	2,279.00	219.40	15/04/2022	2,194.00
269.10	15/04/2026	2,691.00	212.40	15/10/2021	2,124.00
218.90	15/10/2025	2,189.00	266.00	15/04/2021	2,660.00
265.00	15/04/2025	2,650.00	256.60	15/10/2020	2,566.00
257.20	15/10/2024	2,572.00	215.90	15/04/2020	2,159.00
242.40	15/04/2024	2,424.00	209.20	15/10/2019	2,092.00
235.60	15/10/2023	2,356.00	196.70	15/04/2019	1,967.00
221.00	15/04/2023	2,210.00	189.70		
214.40	15/10/2022	2,144.00	179.20		

iii. Installments falling due within a year in respect of all the above NCDs aggregating to Rs.4,038.56 Lakhs (March 31, 2018 : Rs.3,666.27 Lakhs) have been grouped under "Current maturities of long-term secured debt" (Refer Note no.15)



GMR Pochanpalli Expressways Limited

CIN : U45200KA2005PLC049327

Notes to the financial statements**b) Non cumulative non-convertible Preference shares:**

The Company had issued 44,50,000 8% Redeemable, Non-cumulative and Non-Convertible preference shares of Rs.100 each. Preference Shares are redeemable at premium at the option of the Board of Directors of the Company on October 15, 2026, with one day prior notice to the preference shareholders.

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 liability 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 no.11 for equity portion of Preference Shares.

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
Opening balance	4,450.00	4,450.00
Add: Issued during the year	-	-
Closing balance	4,450.00	4,450.00
Equity component transferred to Other Equity	3,620.95	3,620.95
Financial liability portion of preference shares	829.05	829.05
Add: Notional Interest recognized up to date	1,239.44	1,039.80
Liability portion of non convertible preference shares	2,068.49	1,868.85

13 Provisions

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
Non-current:		
Provision for employee benefits	57.93	144.32
Provision for periodic major maintenance	-	6,122.34
Total	57.93	6,266.66
Current:		
Provision for employee benefits	19.32	153.73
Provision for operation and maintenance	30.42	31.88
Provision for periodic major maintenance	9,031.14	-
Total	9,080.88	185.61
Total	9,138.81	6,452.27

Note:**a) Provision for periodic major maintenance (overlay activities)**

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.

b) Movement of provision for periodic major maintenance

Particulars	March 31, 2019		March 31, 2018	
	Non-current	Current	Non-current	Current
Opening Balance	6,122.34	-	3,688.52	-
Accretion during the year	-	2,908.80	2,433.82	-
Transferred from non-current to current	(6,122.34)	6,122.34	-	-
Utilised during the year	-	-	-	-
Closing Balance	-	9,031.14	6,122.34	-



GMR Pochanpalli Expressways Limited

CIN : U45200KA2005PLC049327

Notes to the financial statements**14 Trade payables**

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
Current:		
Carried at amortised cost:		
Total outstanding dues of micro and small enterprises [Refer Note (b) below]	2.07	1.71
Retention money - others	4.66	4.21
Retention money - related parties [Refer note no.38]	-	0.90
Payable to related parties [Refer note no.38]	769.46	67.94
Dues to others	22.92	37.79
Total	799.11	112.55

Notes:

a) The fair value of Trade payables is not materially different from the carrying value presented.

b) Terms and conditions of the above financial liabilities:

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

c) The Management is in continuous process of obtaining confirmations from its vendors regarding their registrations under the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). Under the MSMED Act, 2006 which came into force with effect from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. On the basis of information and records available with the company, the following disclosures are made for the amounts due to Micro, Small and Medium Enterprises. Further, in view of the management, the impact of interest, if any, that may be payable in accordance with the provision of the Act are not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
The principal amount due thereon remaining unpaid to any supplier as at the end of each accounting year	2.07	1.71
The interest amount due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006)	0.35	-
The amount of interest accrued but not accounted and remaining unpaid at the end of accounting year; and	0.67	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	0.04	-



GMR Pochanpalli Expressways Limited

CIN : U45200KA2005PLC049327

Notes to the financial statements**15 Other financial liabilities**

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
Other financial current liabilities at amortized cost		
Current maturities of long-term secured debt [Refer note no.12(a)]	4,038.56	3,666.27
Interest accrued but not due on debt	1,609.39	1,768.65
Non-trade payables		
Payable to related parties [Refer note no.38]	22.05	6.89
Payable to others	42.57	15.69
Total	5,712.57	5,457.50

Break-up of financial liabilities

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
Financial liabilities carried at amortised cost		
Borrowings	37,191.03	40,857.29
Liability component of preference share capital	2,068.49	1,868.85
Trade payables	799.11	112.55
Interest accrued but not due on debt	1,609.39	1,768.65
Other financial liabilities	64.62	22.58
Total	41,732.64	44,629.92

16 Other liabilities

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
Current:		
Advance received from Customers	14.92	34.13
Deferred contract revenue under service concession arrangement	780.50	-
Statutory dues	129.02	43.07
Total	924.44	77.20



GMR Pochanpalli Expressways Limited

CIN : U45200KA2005PLC049327

Notes to the financial statements**17 Income Tax**

The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:

17.01 Income tax expense in the statement of profit and loss comprises:

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
<u>Profit or loss section</u>		
Current Tax	322.98	537.94
Deferred Tax	-	-
Income tax for earlier years	-	0.88
Tax expense / (credit) to Statement of Profit and Loss	322.98	538.82
<u>Other comprehensive income section (OCI)</u>		
Deferred tax related to items recognised in OCI during in the year:		
Re-measurement gains (losses) on defined benefit plans	-	-
Tax expense / (credit) to Other Comprehensive Income	-	-
Tax expense / (credit) to Total Comprehensive Income	322.98	538.82

17.02 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018:

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
Profit for the year after tax	881.67	1,654.96
Applicable tax rate	26.00%	25.75%
Tax effect of income / (loss) (a)	229.23	426.15
Adjustments:		
Tax effect on non-taxable income	-	(0.50)
Tax effect on non-deductible expenses	388.47	27.80
Tax Recognised under Section 115JB of Income Tax Act, 1961	322.98	537.94
(b)	711.45	565.24
(c)=(a+b)	940.68	991.39
Unused tax losses and allowances utilised during the year (d)	(617.70)	(453.45)
Tax expense / (credit) to Total Comprehensive Income (e)=(c+d)	322.98	537.94

17.03 Provision for Income tax / Non-current tax assets

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
Opening balance - Provision for Income tax / (Non-current tax assets)	731.12	289.52
Add: Current tax payable for the year	322.98	537.94
Add: Earlier year tax reversed	(0.48)	(6.49)
Less: Current taxes paid	(456.59)	(89.85)
Closing balance - Provision for Income tax / (Non-current tax assets) *	597.03	731.12
* - refer note no.33		
Break-up		
Provision for Income tax (net)	597.03	731.12
Non-current tax assets	-	-
Total	597.03	731.12



GMR Pochanpalli Expressways Limited

CIN : U45200KA2005PLC049327

Notes to the financial statements
17 Income Tax
17.04 Major components of deferred tax assets and liabilities for the year ended March 31, 2019 and March 31, 2018

Particulars	For the year ended		Rupees in Lakhs	
	March 31, 2019	March 31, 2018	As at March 31, 2019	As at March 31, 2018
Deferred tax liability				
Service concession assets	(1,098.43)	(1,576.36)	10,109.19	11,207.62
Borrowings	(6.62)	(9.60)	25.04	31.66
Equity Component of preference shares	-	(64.45)	1,054.42	1,054.42
Major maintenance	537.60	11.11	697.03	159.43
Fair value of Investments	0.71	(1.33)	1.46	0.75
Total (a)	(566.74)	(1,640.63)	11,887.14	12,453.88
Deferred tax asset				
Carriageways	(883.13)	(1,395.89)	6,622.27	7,505.40
Property, plant and equipments and intangible assets	(5.30)	(8.65)	28.77	34.07
Annuity income offered for tax (net)	1,821.14	791.06	3,460.68	1,639.54
Liability portion of preference shares	58.13	37.23	360.92	302.79
Interest accrued on Loan to related Parties	(9.37)	22.08	59.84	69.21
Provision for leave encashment	(22.95)	25.29	13.96	36.91
Provision for gratuity	(16.89)	20.15	4.36	21.25
Provision for bonus	(24.45)	1.52	4.18	28.63
Unused tax losses	(165.43)	(79.25)	103.12	268.55
Unabsorbed tax depreciation	(526.39)	(559.26)	748.84	1,275.23
Total (b)	225.36	(1,145.72)	11,406.94	11,181.58
Net deferred tax (assets) / liability (c)=(a-b)	(792.10)	(494.91)	480.20	1,272.30
Deferred tax asset/(liability) not recognised [Refer note (a) below] (d)	792.10	494.91	(480.20)	(1,272.30)
Net deferred tax (assets) / liability (e)=(c+d)	-	-	-	-

Note:

a) 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 had not claimed the benefit of tax holiday period. The Management expects that all temporary differences as well as unused tax losses will be reversing in tax holiday period under section 80IA of the Income Tax Act, 1961 in view of expected future profits and accordingly, the company has not recognised the resulting deferred tax liability that is expected to reverse during the tax holiday period.

17.05 The unused business loss and allowances is allowable in future period against taxable profit as follows:

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
Unused depreciation allowances available for future taxable profit for unlimited period	2,571.55	4,379.22
Unused business loss available for future taxable profit upto:		
Relating to Assessment year	Available upto Assessment year	
2015-16	2023-24	
	354.12	922.23

17.06 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.


GMR Pochanpalli Expressways Limited

CIN : U45200KA2005PLC049327

Notes to the financial statements**18 Revenue from operations**

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
Operations and maintenance income [Refer note no.31]	1,699.06	4,192.27
Finance income on financial assets	3,937.76	3,759.33
Total	5,636.82	7,951.60

19 Other income

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
Interest Income on Bank Deposit	91.94	168.51
Interest on loan to related parties	2,601.34	2,118.21
Interest on Income Tax Refund	0.48	7.37
Unwinding interest on security deposits	-	1.93
Profit on sale of Investments	52.36	136.76
Excess provision written back	97.30	0.22
Other non-operating income	7.11	14.37
Total	2,850.53	2,447.37

20 Operating expenses

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
Highway Maintenance Expenses	648.05	256.00
Major Maintenance expenses	-	2,038.48
Toll/Highway Management Services	89.41	96.01
Total	737.46	2,390.49

21 Employee benefit expenses

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
Salaries, Perquisites & Allowance	245.89	801.23
Contribution to provident and other funds	20.77	63.09
Gratuity expense	15.50	14.76
Staff welfare expenses	6.79	7.21
Staff recruitment and training cost	0.19	0.06
Total	289.14	886.35

22 Finance cost

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
Interest measured at amortised cost		
Interest on Debentures	3,599.07	3,935.98
Unwinding interest on liability portion of preference shares	199.64	180.37
Interest loss on modification of Loan to related parties	320.58	324.67
Modification charge on service concession asset	1,054.73	-
Unwinding Interest on major maintenance provision	653.88	394.03
Interest on delay in payment of statutory dues	0.06	-
Bank and other finance charges	109.05	89.80
Total	5,937.01	4,924.85



GMR Pochanpalli Expressways Limited

CIN : U45200KA2005PLC049327

Notes to the financial statements**23 Depreciation and amortization expense**

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
Depreciation of property, plant and equipment	9.49	8.01
Amortization of intangible assets	-	-
Total	9.49	8.01

24 Other expenses

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
Consumption of Stores & Spares	14.29	32.68
Utility Expenses (including Electricity charges)	67.28	75.25
Rent	4.61	4.56
Rates and taxes	4.53	4.96
Insurance	40.82	42.13
Repairs and maintenance (including vehicle maintenance)	36.38	42.34
Travelling and conveyance	63.72	86.95
Communication costs	7.91	6.07
Printing and stationery	1.65	0.92
Legal and professional fees	305.74	207.08
Manpower Outsourcing	14.60	12.55
Directors' sitting fees	3.54	3.34
Payment to auditor	5.58	5.82
Advertisement	6.41	0.50
Office Maintenance	0.84	0.19
Fixed Assets written off	-	0.12
Meeting & Seminar	1.74	6.38
Books & Periodicals	0.06	0.08
Business Promotions	5.57	0.24
Donations	0.05	0.05
Corporate Social responsibility Expenses	41.38	-
General expenses	5.88	2.10
Total	632.58	534.31

25 Earning per share (EPS)

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. There is no dilutive potential ordinary shares as at March 31, 2019 and March 31, 2018. Thus, diluted EPS equals basic EPS.

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

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
a) Nominal value of Equity shares (in Rupees per share)	10.00	10.00
b) Weighted average number of Equity shares at the year end (in Nos)	138,000,000	138,000,000
c) Profit attributable to equity holders of the Company for basic earnings (Amount in rupees)	558.69	1,116.14
d) Basic/Diluted Earning per share of Rs 10/- each (in Rs.) [(c)/(b)]	0.40	0.81



GMR Pochanpalli Expressways Limited

CIN : U45200KA2005PLC049327

Notes to the financial statements
26 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.

26.01 Financial instruments by category

Financial instruments comprise financial assets and financial liabilities.

a) The carrying value and fair value of financial instruments by categories are as follows

a) The carrying value and fair value of financial instruments by categories are as follows							Rupees in Lakhs
Particulars	Refer note no.	As at March 31, 2019			As at March 31, 2018		
		Amortised cost	Fair value through profit or loss	Fair value through OCI	Amortised cost	Fair value through profit or loss	Fair value through OCI
Financial assets:							
Investments:							
In equity instruments	3	-	-	-	-	-	-
In Mutual Funds	3	-	4,016.01	-	-	1,040.44	-
Loans to group companies	4	25,965.48	-	-	20,312.58	-	-
Security deposit	4	17.11	-	-	37.11	-	-
Receivable under service concession	5	26,130.15	-	-	38,487.70	-	-
Cash and cash equivalents	8	630.83	-	-	4,630.25	-	-
Other bank balances (including interest accrued)	9	658.72	-	-	1,708.02	-	-
Other financial assets	5	5,752.04	-	-	5,970.41	-	-
Total		59,154.33	4,016.01	-	71,146.07	1,040.44	-
Financial liabilities:							
Borrowings (including interest accrued)	12	38,800.42	-	-	42,625.94	-	-
Liability component of preference share capital	12	2,068.49	-	-	1,868.85	-	-
Trade payables	14	799.11	-	-	112.55	-	-
Other financial liabilities	15	64.62	-	-	22.58	-	-
Total		41,732.64	-	-	44,629.92	-	-

Fair values

The following methods and assumptions were used to estimate the fair values:

- The fair values of the unquoted mutual funds are based on NAV available at the reporting date.

26.02 Fair value hierarchy

The Company held the following assets and liabilities measured at fair value. The Company uses the following hierarchy for determining and disclosing the fair value of assets and liabilities by valuation technique

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
 Level 2: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
 Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

a) The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2019:

Particulars	Rupees in Lakhs			
	Total	Level 1	Level 2	Level 3
Assets measured at fair value through profit or loss:				
Investments in mutual funds	4,016.01	4,016.01	-	-
Liabilities measured at fair value through profit or loss:	-	-	-	-

b) 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	Rupees in Lakhs			
	Total	Level 1	Level 2	Level 3
Assets measured at fair value through profit or loss:				
Investments in mutual funds	1,040.44	1,040.44	-	-
Liabilities measured at fair value through profit or loss:	-	-	-	-



Notes to the financial statements

During the year ended March 31, 2019 and March 31, 2018 there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

The fair value of liquid mutual funds is based on net asset value quoted price.

The Board of Directors considers the fair value of all other financial assets and liabilities to approximate their carrying value at the balance sheet date.

In view of all financial assets and liabilities are carried at amortised cost, there are no financial assets and liabilities to be fair valued under fair value hierarchy.

27 Financial risk management

Financial Risk Factors

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 Receivable under SCA, Cash and Cash equivalents, Investment and other bank balance.

In the course of its business, 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 risk management policy is approved by the Board of Directors. The risk management framework aims to :

- i) create a stable business planning environment by reducing the impact of currency and interest rate fluctuation on the Company's business plans.
- ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

27.01 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 price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, and derivative financial instruments. The sensitivity analysis in the following sections relate to the position as at March 31, 2019 and March 31, 2018.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations, provisions.

The following assumptions have been made in calculating the sensitivity analysis.

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, 2019 and March 31, 2018.

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. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

The Company analysis its interest rate exposure on a dynamic basis. The Company's policy is to manage its interest cost using only interest free/ fixed rate debts from related parties.

Interest rate sensitivity:

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. 50 basis points represents management's assessment of reasonably possible change in interest rate. With all other variables held constant, the Company's profit/(loss) before tax is affected through the impact interest rate of borrowings is as follows:

Particulars	Type of currenc	Increase/decrease in	Rupees in Lakhs			
			Effect on profit before tax		Effect on total equity	
			March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Increase of profit	INR	(+)50	182.20	209.81	182.20	209.81
Decrease of profit	INR	(-)50	(182.20)	(209.81)	(182.20)	(209.81)

27.02 Commodity price risk

The Company is affected by the price volatility of certain commodities which is moderated by optimising the procurement for operating activities which require continuous procurement of road operation and maintenance materials. Therefore the Company monitors its purchases closely to optimise the price.



Notes to the financial statements

27.03 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.

No credit limits were exceeded during the reporting period other than those under litigation, and management does not expect any losses from non-performance by these counterparties.

Credit risk from balances with bank and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units for a specified time period.

The carrying values of the financial assets approximate its fair values. The above financial assets are not impaired as at the reporting date. Other financial assets are neither past due nor impaired at reporting date. The cash and cash equivalents are maintained with reputed banks. Hence the Company believes no impairment is necessary in respect of the above financial instruments.

27.04 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they become due without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company's treasury department is responsible for liquidity, funding as well as settlement management.

Management monitors rolling forecasts of the Company's liquidity reserve on the basis of expected cash flow. This is generally carried out at by the Company in accordance with practice and limits set by the Company. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these; monitoring balance sheet liquidity ratios against internal and external regulatory requirements; and maintaining debt financing plans. The Company also issues preference shares to the parent company/group companies from time to time to ensure a liquidity balance.

The following are the contractual maturities of non-derivative financial liabilities, including the estimated interest payment on an undiscounted basis which therefore differs from both carrying value and fair value. Floating rate interest is estimated using the prevailing interest rate at the year end.

Particulars	Rupees in Lakhs					
	Financial liabilities carrying value	Total amount payable	Repayable on demand	Due within 1 year	Due between 1 to 5 years	Due after 5 years
As at March 31, 2019						
Borrowings	37,191.03	37,277.00	-	4,059.00	18,413.00	14,805.00
Interest accrued on debt	1,609.39	1,609.39	-	1,609.39	-	-
Preference shares	2,068.49	4,450.00	-	-	-	4,450.00
Trade payable	799.11	799.11	-	799.11	-	-
Other financial liabilities	64.62	64.62	-	64.62	-	-
Total	41,732.64	44,200.12	-	6,532.12	18,413.00	19,255.00
As at March 31, 2018						
Borrowings	40,857.29	40,966.00	-	3,689.00	17,906.00	19,371.00
Interest accrued on debt	1,768.65	1,768.65	-	1,768.65	-	-
Preference shares	1,868.85	4,450.00	-	-	-	4,450.00
Trade payable	112.55	112.55	-	112.55	-	-
Other financial liabilities	22.58	22.58	-	22.58	-	-
Total	44,629.92	47,319.78	-	5,592.78	17,906.00	23,821.00

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.



GMR Pochanpalli Expressways Limited

CIN : U45200KA2005PLC049327

Notes to the financial statements**27.05 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 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.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company includes within net debt, borrowings, trade and other payables, less cash and cash equivalents.

The Company monitors capital using a gearing ratio, which is total debt divided by total capital plus total debt.

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
Debt - External long term borrowings	(a) 38,800.42	42,625.94
Capital Components		
Equity Share Capital	13,800.00	13,800.00
Other equity	8,044.04	8,022.94
Liability component of preference share capital	2,068.49	1,868.85
Total Capital	(b) 23,912.53	23,691.79
Capital and debt	(a+b) 62,712.95	66,317.73
Gearing ratio (%)	(a)/(a+b) 61.87%	64.28%

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, 2019 and March 31, 2018.



GMR Pochanpalli Expressways Limited

CIN : U45200KA2005PLC049327

Notes to the financial statements**28 Contingent liabilities and commitments**

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
a. Contingent Liabilities (to the extent not provided for)		
i. Penalty levied by National Highways Authority of India (net of amount paid under protest) [Refer note no.30 below]	-	-
ii. Defaults in Tax Deducted at Source during FY 2007-08, 2015-16 & 2018-19 as per TRACES login	6.35	-
iii. Logo fee and trade mark charges relating to financial years from 2012-13 to 2018-19 are not provided in books as the management is in the process of negotiating with the related party for waive off	181.63	-
b. Capital Commitments	-	-

29 The Supreme Court had passed an order dated February 28, 2019 stating that for the purpose of contribution to be made under the Employees Provident Fund and Miscellaneous Provisions Act, 1956 ('EPF Act'), the definition of basic wages includes all emoluments paid in cash to the employees in accordance with the terms of their contract of employment. In view of the same, the Company is liable to make further contribution towards Provident Fund on the entire salary paid by it to its employees other than certain emoluments based on performance and variable. However there is no clarity on effective date from when the liability is required to be paid by the Company in view of which the Company is not able to estimate the provident fund liability arising in view of the order. The Company further is of the view that the liability payable on account of retrospective effect if any will be accounted and paid on clarification if any provided by the Provident Fund Authorities and the impact if any may not be material. The Company is in the process of taking legal opinion in respect of the same.

30 Litigation

The Company had received a penalty notice from National Highways Authority of India (NHAI) levying a penalty of Rs.1,031 Lakhs for delay in completion of First Periodic Major Maintenance of the Project which was subsequently enhanced by CAG to Rs. 2,300 Lakhs. The penalty levied by NHAI was disputed by the Company and same was referred to Independent Engineer for amicable resolution as per the provisions of the Concession Agreement.

NHAI has subsequently deducted Rs.1,078.62 Lakhs as penalty and damages while releasing 18th Annuity in March 2018. The Company has considered this payment as paid under Protest in March 2019 which hitherto in March 2018 was shown under Concessionaire Receivables.

The Company vide its letter dated December 7, 2017 has invoked Arbitration proceedings against NHAI arbitrator in respect of the dispute on applicability of performance of Periodic Major Maintenance of the road project once in every five years in the annuity Contract and appointed its nominee. Indian Council of Arbitration has appointed the Chairman of the Arbitral Tribunal pursuant to the Order of the Hon'ble High Court of Delhi, New Delhi dated November 02, 2018. As per the direction of the Tribunal, both the parties have filed convenience compilation of all relevant provisions of contracts, harmonious construction of interpretation of contract clauses and correspondences and the matter was posted for hearings and the hearings are in process. The Management is of the opinion that there is no obligation of Periodic Major Maintenance every five years as per its interpretation of annuity contract which has been legally represented with the arbitration authority and it expects a favourable outcome during Arbitration proceedings and expects no further liability in respect of the same and expects to recover the Penalty with held of Rs.1,078.62 Lakhs with interest and other compensation and accordingly has carried the amount deducted as paid under protest.

The Company had raised a claim of Rs.10,447.80 Lakhs on NHAI for the earlier years, for incurrence of expenditure on first major maintenance which is also a subject matter of arbitration currently pending resolution in the said proceedings.

The Company during the year has also received a notice from NHAI for the second periodic major maintenance for the roads in respect of the tenth year of operation. The Company has taken a stay on the said order and is awaiting the arbitration order for the guidance on the same and expects no further liability in respect of the same. The Company under prudence however has accounted for provision for periodic major maintenance in its books of account.

31 Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted.

In the Service Concession agreement the Company has applied the guidance in Ind AS 115, by applying the revenue recognition criteria for each distinct performance obligation. The arrangement with the grantor generally meet the criteria for considering regular maintenance and periodic major maintenance services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of the contract at its relative stand alone price using the expected cost plus margin approach. For Major Maintenance and related services, the performance obligations are satisfied only as and when the services are rendered since the customer generally obtains the control of the work as it progresses though the provision for major maintenance as a best estimate is recognised and measured over the period of time in terms of Ind AS 37.

The application of Ind AS 115 has impacted the Company's accounting of revenue from periodic major maintenance services by recognising the same on rendering of services. The Company accordingly has applied the modified retrospective approach and debited retained earnings as at April 1, 2018 by Rs.554.87 Lakhs. The revenue and expenses for the year ended March 31, 2019 is lower by Rs.2,481.86 Lakhs and Rs.2,256.24 Lakhs respectively.



GMR Pochanpalli Expressways Limited

CIN : U45200KA2005PLC049327

Notes to the financial statements

The revenue from periodic major maintenance is also subject to pending arbitration proceedings as discussed in note no.30 above. The management is of the opinion that if the outcome of the arbitration proceedings in company's favour, then the company need not carryout periodic major maintenance once in five years or there is any change in period then the revenue recognised under Ind AS 115 and provision made for periodic major maintenance may undergo change in the year of adjudicating the matter subject to future litigations if any.

32 The Management of the Company is of the opinion that no provision is required to be made in its books of account other than those already provided if any, with respect to any material foreseeable losses under the applicable laws, accounting standards or long term contracts. The Company does not have any derivative contracts.

33 Non-consideration of Service Concession Agreement adjustment for the purpose of computing Income under section 115JB of the Income Tax Act, 1961:

The Company had entered into concession agreement with National Highways Authority of India for rehabilitation and strengthening of existing 2-lane portion from km 367.000 (Adloor Yellareddy) to km 447.000 (Kalkallu), covering 80.745 kms, and improvement, operation and maintenance of kms 447.000 (Kalkallu) – 464.000 (Gundla Pochanpalli) covering 17.00 kms on NH-7 in the state of Andhra Pradesh, to 4 lanes under a concession on build, operate and transfer (BOT).

Indian Accounting Standards (Ind AS) was made applicable to the Company from financial year (FY) 2016-17. Under Ind AS the company being an operator under Service Concession Agreement (SCA) has classified Carriageways as financial assets. The company in terms of the same is charging/reducing proportionate amount of Annuity received by it every year to the financial assets so that at the end of concession period the assets becomes NIL. The company is not effectively charging any depreciation on carriageways as was done under IGAAP. Accordingly the proportionate amount of annuity charges to carriageways is not shown as income / revenue in the profit and loss account and similarly depreciation is not claimed as expenses as was done under IGAAP.

As per the provision of section 4 and 5 of the Income Tax Act, the above amount of Annuity which is not included in the profit and loss account is chargeable to tax under normal provision of Income Tax Act. Similarly the company is eligible to claim expenses of Major maintenance and income tax depreciation under the normal provision of Act.

The Company while Computing Book Profit in terms of Section 115 JB of Income Tax Act 1961 has offered the above amount of annuity for tax and corresponding depreciation on carriageways (original cost of project road) and expenses towards major maintenance has been claimed while computing book profit under section 115JB of the Act.

In this regard, the company had placed reliance on the rationale of introducing the MAT provisions (by way of section 80VVA of the Act), that actual income of the company without allowing deduction under any of the listed provision has to be taxable. The management is of the opinion that adjustment made towards SCA results in recognition of notional financial income ignoring annuity income, actual depreciation and will lead to taxability of notional income and expenses which will defeat the purpose of introduction of the provision of MAT. As such while computing the book profit under 115JB of the Act, the company has removed the notional adjustment as required for SCA model under IND-AS scenario and offered actual profit under MAT computed in lines with the IGAAP which it hitherto was following prior to introduction of Ind-As in FY 2016-17 in its income tax returns.

The Company for the purposes of preparation of Ind-AS financial statements for the current year and previous year has provided for the current tax considering profits arrived under Ind-AS financial statements considering Service Concession Agreement adjustments under prudence. The provisions would be crystallized on the finalization of the Income tax assessment proceedings and necessary entries would be passed.

34 The Company is engaged primarily in the business of Construction, Operation & Maintenance of Highways. As per the requirements of Ind AS 108, "Operating Segments", the principal revenue generating activities of the Company is from Operation & Maintenance of Highways which is regularly reviewed by the National Highways Authority of India (NHAI). Accordingly, the management is of the view the Company has a single reportable segment and the requirements of reporting on operating segments and related disclosures as envisaged in Indian Accounting Standard 108 is not applicable to the present activities of the Company.

The Company's only segment being Operation & Maintenance of Highways comprises of one customer which has contributed 100% of the revenue during the year.

35 The Company has initiated the process of Balance confirmations and is yet to receive balance confirmations in respect of certain financial assets and financial liabilities. The Management however does not expect any material difference affecting the current year's financial statements due to the same.

36 Operating Lease

The Company has entered into certain cancellable operating lease agreements. Under these agreements refundable interest-free deposits have been given.

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
Lease rentals under cancellable lease	4.61	4.56



GMR Pochanpalli Expressways Limited

CIN : U45200KA2005PLC049327

Notes to the financial statements
37 Employee Benefits
a) Defined Contribution Plans :

The Company's Contribution to Provident and Pension Fund and Superannuation Fund charged to Statement of Profit and Loss are as follows :

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
Contribution to provident fund and other funds	12.55	35.48
Contribution to Superannuation fund	8.13	27.51
Total	20.68	62.99

b) The disclosures required as per the revised Ind AS 19 are as under:

The following tables set out the funded status of the gratuity plans and the amounts recognised in the Company's financial statements as at March 31, 2019 and March 31, 2018:

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
i. Change in defined benefit obligation		
Defined benefit at the beginning	90.18	19.00
Current Service Cost	9.97	1.52
Past Service Cost	-	13.00
Interest expenses	6.70	1.35
Acquisition Cost/(Credit)	(55.77)	43.76
Remeasurements - Actuarial loss / (gain)	(13.49)	11.55
Benefits paid	(4.07)	-
Defined benefit at the end	33.52	90.18
ii. Change in fair value of plan assets:		
Fair value of Plan Assets at the beginning	17.20	15.44
Expected return on plan assets	1.17	1.11
Acquisition Adjustment	0.12	-
Actuarial gains/ (losses)	3.78	0.33
Contributions by employer	0.35	0.32
Benefits paid	(4.07)	-
Fair value of plan assets at the end	18.55	17.20
iii. Amount Recognized in the Balance Sheet		
Present Value of Obligation as at year end	33.52	90.18
Fair Value of plan assets at year end	(18.55)	(17.20)
Net (asset) / liability recognised	14.97	72.98
iv. Amount recognized in the Statement of Profit and Loss under employee benefit expenses.		
Current Service Cost	9.97	1.52
Past Service Cost	-	13.00
Service cost	9.97	14.52
Net interest on net defined benefit liability / (asset)	5.53	0.24
Total expense	15.50	14.76
v. Recognised in other comprehensive income for the year		
Remeasurement of actuarial gains/(losses) arising from		
- changes in experience adjustments	(13.50)	14.33
- changes in financial assumption	-	(2.77)
- changes in demographic assumptions	-	-
Actuarial (gains)/ losses	(13.50)	11.56
- return on plan assets excluding interest income	(3.78)	(0.33)
Recognised in other comprehensive income [loss/(gains)]	(17.28)	11.23
vi. Maturity profile of defined benefit obligation		
Within the next 12 months (next annual reporting period)	2.55	19.50
1-2 year	2.76	4.98
2-3 year	2.86	6.16
3-4 year	2.99	14.41
4-5 year	3.23	7.78
5-10 year	21.46	65.32



Notes to the financial statements

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
vii. Quantitative sensitivity analysis for significant assumptions is as below:		
Increase / decrease on present value of defined benefit obligation as at year end		
(i) one percentage point increase in discount rate	(2.77)	(5.82)
(ii) one percentage point decrease in discount rate	3.18	6.65
(iii) one percentage point increase in salary escalation rate	1.89	5.56
(iv) one percentage point decrease in salary escalation rate	(1.76)	(5.08)
(v) one percentage point increase in employee turnover rate	1.02	0.96
(vi) one percentage point decrease in employee turnover rate	(1.14)	(1.10)

Sensitivity Analysis Method

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by percentage, keeping all the other actuarial assumptions constant.

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

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.

viii. The major category of plan assets as a percentage of the fair value of total plan assets are as follows:

	March 31, 2019	March 31, 2018
Investment with insurer managed funds - conventional products	100%	100%

The Company contributes all ascertained liabilities towards gratuity to the Life Insurance Corporation of India (LIC). As of March 31, 2019 and March 31, 2018, the plan assets have been invested in insurer managed funds.

ix. The weighted average assumptions used to determine net periodic benefit cost for the year ended March 31, 2019 and March 31, 2018 are set out below:

	March 31, 2019	March 31, 2018
Discount rate (p.a.)	7.60%	7.60%
Salary escalation Rate	6.00%	6.00%
Attrition rate	5.00%	5.00%
Retirement age	60 years	60 years
Mortality Table	Indian Assured Lives Mortality (2006-08) (modified) ULT	Indian Assured Lives Mortality (2006-08) (modified) 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.

The Company expects to contribute Rs.0.35 Lakhs to the gratuity fund during FY 2019-20.

c) Leave Encashment

Liability towards Leave Encashment based on Actuarial valuation amounts to Rs. 47.93 Lakhs as at March 31, 2019 [March 31, 2018: Rs. 126.75 Lakhs].



GMR Pochanpalli Expressways Limited

CIN : U45200KA2005PLC049327

Notes to the financial statements
38 List of Related Parties with whom transactions have taken place during the year:
a) Names of the related parties and description of relationship

Relationship	Name of the related parties
Holding Company	GMR Highways Limited (GHWL)
Enterprises having control over the Company	GMR Enterprises Private Limited [GEPL], (formerly known as GMR Holdings Private Limited) GMR Infrastructure Limited [GIL]
Fellow Subsidiary	GMR Energy Ltd (GEL) GMR Ambala Chandigarh Expressways Private Limited (GACEPL) GMR Tamabaram Tindivanam Expressways Limited (GTTEL) GMR Tuni Anakapalli Expressways Limited (GTAEI) GMR Hyderabad Vijayawada Expressways Private Ltd (GHVEPL) Raxa Security Services Limited (RSSI) Dhruvi Securities Private Limited (DSPL) Kakinada SEZ Limited [KSL] GMR SEZ & Port Holdings Limited [GSPHL] Delhi International Airports Limited [DIAL]
Other entities - Enterprise where Key Management Personnel and their relatives exercise significant influence	GMR Varalakshmi Foundation (GVF) GMR Projects Private Limited, (GPPL)
Key Management Personnel	Mrs. Ragini Kiran Grandhi, Whole time director (from May 1, 2016) Mr. O Bangaru Raju, President Mr. Bajarang Lal Gupta, Independent Director (from September 1, 2016) Mr. Arun Kumar Sharma, Director (from April 11, 2014) Mr. K.A.Somayajulu, Independent Director (from March 31, 2015) Mr. Mohan Rao M, Director (from October 16, 2015) Mr. Janagani Pothalalah (Manager, upto January 28, 2019) Mr. Paranthaman Adimoolam (Manager, w.e.f. February 23, 2019)
Chief Financial Officer	Mr. Amit Kumar, CFO
Company Secretary	Mr. Paramjeet Singh, Company Secretary

b) Details of the transactions with related parties are as follows * :

b) Details of the transactions with related parties are as follows * :			Rupees in Lakhs	
Particulars	Relationship		March 31, 2019	March 31, 2018
A. Items relating to statement of profit and loss				
a. Interest Income on Inter Corporate Deposit/Unsecured Loan given				
GHWL	Holding Company		755.78	682.95
GEPL	Enterprises having control over the Company		85.69	133.78
GIL	Enterprises having control over the Company		519.17	208.00
DSPL	Fellow Subsidiary		1,105.75	1,093.46
KSL	Fellow Subsidiary		36.72	-
GSPHL	Fellow Subsidiary		8.38	-
GTTE	Fellow Subsidiary		52.83	-
GTAE	Fellow Subsidiary		37.01	-
b. Interest Income on Security Deposit				
GHWL	Holding Company		-	1.93
c. Modification Loss on Loan given to related parties				
GHWL	Holding Company		130.28	64.60
GEPL	Enterprises having control over the Company		15.69	35.30
GIL	Enterprises having control over the Company		31.93	-
DSPL	Fellow Subsidiary		31.47	224.77
KSL	Fellow Subsidiary		111.21	-
d. Interest on Liability portion of Preference Shares				
GIL	Enterprises having control over the Company		199.64	180.37
e. Share of Corporate Common expense				
GIL	Enterprises having control over the Company		14.43	49.00
f. Monthly Maintenance of Highways				
GHWL	Holding Company		551.12	392.76



GMR Pochanpalli Expressways Limited

CIN : U45200KA2005PLC049327

Notes to the financial statements

b) Details of the transactions with related parties are as follows * :			Rupees in Lakhs	
Particulars	Relationship	March 31, 2019	March 31, 2018	
g. Periodic major maintenance of Highways expenses (Provision)				
GHWL	Holding Company	-	2,038.48	
Periodic major maintenance of Highways cost not recognised as expenses as per Ind AS 115				
GHWL	Holding Company	2,256.24	-	
h. Charges for Security & Toll management services				
RSSL	Fellow Subsidiary	89.41	69.06	
i. Unwinding Interest on Periodic Major Maintenance				
GHWL	Holding Company	653.88	394.03	
j. Corporate Social Responsibility Expenses				
GVF	Other Entities	34.38	-	
k. Travelling and conveyance				
DIAL	Fellow Subsidiary	3.14	-	
B. Items relating to balance sheet				
a. Equity shares outstanding				
GHWL	Holding Company	13,593.00	13,593.00	
GIL	Enterprises having control over the Company	138.00	138.00	
GEL	Fellow Subsidiary	69.00	69.00	
b. Equity component of preference shares				
GHWL	Holding Company	3,620.95	3,620.95	
c. Liability portion of preference shares				
GHWL	Holding Company	2,068.49	1,868.85	
d. Investment in equity instruments				
GTTEL [March 31, 2019: Rs. Nil, March 31, 2018: Rs. 1] Fellow Subsidiary		-	-	
GTTEL [March 31, 2019: Rs. Nil, March 31, 2018: Rs. 1] Fellow Subsidiary		-	-	
e. Unsecured Loan / inter corporate deposits given				
GIL	Enterprises having control over the Company			
Opening balance		3,732.00	-	
Add: Loan given during the year		3,450.00	3,732.00	
Less: Recovered during the year		-	-	
Closing Balance		7,182.00	3,732.00	
GHWL	Holding Company			
Opening balance		6,080.00	5,780.00	
Add: Loan given during the year		-	300.00	
Less: Recovered during the year		-	-	
Closing Balance		6,080.00	6,080.00	
DSPL	Fellow Subsidiary			
Opening balance		9,500.00	6,800.00	
Add: Loan given during the year		-	2,700.00	
Less: Recovered during the year		(7,500.00)	-	
Closing Balance		2,000.00	9,500.00	
GPPL	Other entities			
Opening balance		100.00	100.00	
Add: Loan given during the year		-	-	
Less: Recovered during the year		(100.00)	-	
Closing Balance		-	100.00	
GTTE	Fellow Subsidiary			
Opening balance		-	-	
Add: Loan given during the year		1,005.00	-	
Less: Recovered during the year		(264.00)	-	
Closing Balance		741.00	-	
GTAE	Fellow Subsidiary			
Opening balance		-	-	
Add: Loan given during the year		682.00	-	
Less: Recovered during the year		(188.00)	-	
Closing Balance		494.00	-	



GMR Pochanpalli Expressways Limited

CIN : U45200KA2005PLC049327

Notes to the financial statements
b) Details of the transactions with related parties are as follows * :

Particulars	Relationship	Rupees in Lakhs	
		March 31, 2019	March 31, 2018
e. Unsecured Loan / Inter corporate deposits given			
KSL	Fellow Subsidiary		
Opening balance		-	-
Add: Loan given during the year		7,500.00	-
Less: Recovered during the year		-	-
Closing Balance		7,500.00	-
GSPHL	Fellow Subsidiary		
Opening balance		-	-
Add: Loan given during the year		1,967.07	-
Less: Recovered during the year		-	-
Closing Balance		1,967.07	-
f. Mobilisation Advance Given			
GHWL	Holding Company		
Opening balance		1,182.56	1,180.33
Add: Loan given during the year		326.29	2.23
Less: Recovered during the year		-	0.00
Closing Balance		1,508.85	1,182.56
g. Interest Receivable on Loan given			
GIL	Enterprises having control over the Company	627.25	190.17
GHWL	Holding Company	1,918.17	1,449.55
DSPL	Fellow Subsidiary	354.84	2,769.26
GTTE	Fellow Subsidiary	47.55	-
GTAE	Fellow Subsidiary	33.31	-
KSL	Fellow Subsidiary	1,355.57	-
GSPHL	Fellow Subsidiary	7.54	-
GPPL	Other entities	-	464.96
h. Trade and Other Payables			
GIL	Enterprises having control over the Company	18.96	7.15
GHWL	Holding Company	762.16	54.27
DIAL	Fellow Subsidiary	3.14	-
RSSL	Fellow Subsidiary	7.30	13.67
DIAL	Fellow Subsidiary	-	0.64
i. Security/Other Deposit Recoverable			
GHWL	Holding Company	-	20.00
RSSL	Fellow Subsidiary	16.67	16.67
j. Provision for major maintenance			
GHWL	Holding Company		
Opening balance		6,122.34	3,688.52
Add: Provision made during the year		2,910.12	2,432.51
Less: Provision utilised during the year		(1.32)	1.31
Closing Balance		9,031.14	6,122.34
k. Receivable - other reimbursement			
GHVEPL	Fellow Subsidiary	-	0.02
GTAEI	Fellow Subsidiary	0.01	-
Mrs. Ragini Kiran Grandhi	KMP	0.33	-

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

Notes:

- Related Party Transactions given above are as identified by the Management.
- Commitments with related parties: As at year end March 31, 2019, 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 March 31, 2019, the Company has owed amount to related parties however impairment of receivables relating to amounts owed to 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 please refer Note no.12.
- Logo fee and trade mark charges payable to GEPL not provided in books [Refer note no.28]



GMR Pochanpalli Expressways Limited

CIN : U45200KA2005PLC049327

Notes to the financial statements**c. Compensation of key management personnel of the company**

Particulars	Rupees in Lakhs	
	March 31, 2019	March 31, 2018
a. Short-term employee benefits	98.48	126.55
b. Post-employment benefits (provident fund and superannuation fund)	7.92	-
c. Termination benefits	-	-
d. Any other payment/benefit given to KMPs	3.54	3.22
Total	109.94	129.77

d. Transaction with Key Management Personnel

Particulars	Rupees in Lakhs					
	Remuneration					
	Short-term employee benefits	Post employment benefits	Other long-term employee benefits	Termination benefits	Sitting Fee	Others
Mr. Bajarang Lal Gupta	-	-	-	-	1.71	-
	-	-	-	-	(1.70)	-
Mr. K.A.Somayajulu	-	-	-	-	1.83	-
	-	-	-	-	(1.52)	-
Mrs. Ragini Kiran Grand	63.99	4.15	-	-	-	-
	(54.00)	-	-	-	-	-
Mr. O Bangaru Raju	13.83	1.75	-	-	-	-
	(47.31)	-	-	-	-	-
Mr. Janagani Pothalaia	18.67	1.90	-	-	-	-
	(25.24)	-	-	-	-	-
Mr. Paranthaman Adim	1.99	0.12	-	-	-	-
	-	-	-	-	-	-

Previous year are in brackets

* including arrears for earlier years

Note:

Key Managerial Personnel are entitled to post-employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

39 Salient aspects of Service Concession Arrangement

National Highways Authority of India (NHAI) has granted the exclusive right and authority during the concession period for designing, engineering, financing, procurement, construction, completion, operation and maintenance of the Project Highway. It shall include Improvement, Operation and Maintenance of NH-7 in the state of Andhra Pradesh.

The Concession period is 20 year commencing from the commencement date i.e. September 27, 2006

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

- to develop, design, engineer, finance, procure, construct, operate and maintain the Project Highway during the Concession Period.
- upon Completion of the Project Highway and during the Operation Period to manage, operate & maintain the Project Highway and regulate the use thereof by third parties.
- to allow NHAI to 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.
- perform and fulfil all of the obligations under this agreement.
- bear and pay all expenses, costs and charges incurred in the fulfilment of all the obligations under this Agreement.
- not assign or create any lien or Encumbrance on the Concession hereby granted on the whole or any part of the Project Highway nor transfer, lease or part possession therewith save and except as expressly permitted by this Agreement or the Substitution Agreement.

Annuity

Subject to the provisions of the Concession Agreement and in consideration of the Company accepting the Concession and undertaking to perform and discharge its obligations in accordance with the terms, conditions and covenants set forth in this agreement, NHAI agrees and undertake to pay to the Concessionaire, on each Annuity Payment Date, the sum of Rs. 5418 Lakhs.

The Company should not levy, demand or collect from or in respect of any vehicle or Person, for the use of Project Facilities, any sum whatsoever in the nature of a toll or fee.

The Company should not permit or allow any advertisement/hoarding or other commercial activity and should not be entitled to charge, collect or receive any sums on account of any such activity. The Company agrees that unless otherwise provided in this Agreement, the project revenue shall consist of Annuity only.

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.



GMR Pochanpalli Expressways Limited

CIN : U45200KA2005PLC049327

Notes to the financial statements

Operation and Maintenance

The Company shall operate and maintain the Project Highway by itself or through Operations and Maintenance (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 guidelines and instructions with respect to toll systems and more specifically:

- i. permitting safe, smooth and uninterrupted flow of traffic during normal operating conditions.
- ii. to allow NHAI to 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 as per Article VII of 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 liaison 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 and hardware and other equipment.
- vi. carrying out periodic preventive maintenance to Project Highway.
- 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 standards.

Monitoring and Supervision during Operation

The Company 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.

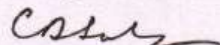
40 Figures of the previous year wherever necessary, have been regrouped and rearranged to conform with those of the current year.

As per our report of even date attached

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number : 101720W / W100355



Chandan Lala

Partner

Membership No.: 035671

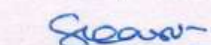


Date : 07.05.2019

Place : Mumbai

For and on behalf of

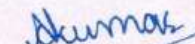
GMR Pochanpalli Expressways Limited



Arun Kumar Sharma

Director

DIN: 02281905



Amit Kumar

Chief Financial Officer

Membership no.500164

Date : 07.05.2019

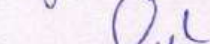
Place : New Delhi



Bajrang Lal Gupta

Director

DIN: 07175777



Paramjeet Singh

Company Secretary

Membership no.A18789

