CHATURVEDI & SHAH LLP
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GMR AMBALA CHANDIGARH EXPRESSWAYS PRIVATE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **GMR AMBALA CHANDIGARH EXPRESSWAYS PRIVATE LIMITED** ('the Company'), which comprise the balance sheet as at March 31, 2020, 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, 2020, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for 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.

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Material Uncertainty Related to Going Concern

We draw attention to Note No.33 to the accompanying standalone financial statements, regarding the continuous losses incurred by the company resulting in erosion of net-worth. As stated in the said note, these events or conditions, along with other matters as set forth in Note no. 31 on pending litigation, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Our Opinion is not modified in this respect.

Emphasis of Matter

a) We draw attention to Note No. 32 to the accompanying standalone financial statements, regarding the assessment of the asset's value by the valuation expert. The valuation expert based on the assumption of receipt of the damages/compensation claim of the Company, has determined value in use of the Company assets as at March 31, 2020 (i.e., valuation date) at a range of values higher than the carrying value of the Asset. The value in use so determined is critically dependent upon the receipt of damages/compensation in arbitral award in the arbitration proceedings wherein the Company has made claims for damages and compensation against National Highways Authority of India (NHAI), State of Haryana (SoH) and State of Punjab (SoPb) which is pending finality as referred in Note no. 31 to the accompanying standalone financial statements. As stated in the said notes, the management of the Company is confident of obtaining a favorable arbitral award and considering the enterprise valuation report received from the valuer is of the opinion that no adjustments to the carrying value of carriageways are considered necessary in the accompanying standalone financial statements.

b) We draw attention to Note No.34 to the accompanying standalone financial statements, with regard to management's evaluation of impact of COVID-19 on the performance of the Company.

Our Opinion is not modified in respect of above matters.

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.

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CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

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.

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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.

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CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

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.

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;

    e) The matters described in the Material Uncertainty Related to Going Concern and Emphasis of Matter paragraphs above, in our opinion, may have an adverse effect on the functioning of the Company.

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CHATURVEDI & SHAH LLP
MUMBAI
CHARTERED ACCOUNTANTS

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

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

h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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 managerial personnel during the year is in accordance with the provisions of section 197 of the Act.

i) 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:
   i. 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. 31 to the standalone financial statements;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Refer Note No. 35 to the standalone financial statements;

   iii. 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

Lalit R Mhalsekar
Partner
Membership Number: 103418
UDIN : 20103418AAAACE9838

Place: Mumbai
Date: May 16, 2020

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

In terms of the Annexure referred to in our report to the members of **GMR AMBALA CHANDIGARH EXPRESSWAYS PRIVATE LIMITED** ('the Company') on the standalone financial statements for the year ended March 31, 2020, 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) According to the information and explanation given to us, the property plant and equipment (PPE) have not been physically verified by the Management during the year due to limitations imposed by the Covid-19 Pandemic, in terms of the managements planned programme of verifying PPE once in three years.

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) According to the information and explanation given to us, 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 not granted any loans, secured or unsecured to companies, firms, LLP's or other parties listed in the register maintained under Section 189 of the Act. Consequently requirements of paragraphs 3(iii)(a),(b) and (c) of the Order are not applicable to the Company.

iv) As per the information and explanations given to us, the Company has not given any loans, guarantees and security to the parties covered under section 185 of the Act. 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.

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.

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CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

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.

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 explanation given to us and records of the Company, the Company has not defaulted in repayment of loans or borrowing to Banks except for the following :

Sl. No	Name of the bank	Principal installment not paid as at March 31, 2020 * (Rs. in Lakhs)	Due date of payment *
1.	State Bank of India	51.11	March 31, 2020
2.	Central Bank of India	49.89	March 31, 2020
3.	Punjab National Bank	46.92	March 31, 2020
4.	Bank of Maharashtra	18.71	March 31, 2020
5.	Corporation Bank	9.36	March 31, 2020

*- as per the information and explanation given to us, the Company has filed for an extension in moratorium with the RTL lenders in terms of the RBI Circular on Covid-19 - Regulatory Package wide circular No. DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020. The Company, however, is yet to obtain the revised repayment schedule from its lender. In view of the above said circular of RBI, the Company has considered the principal amount and interest payable as on March 31, 2020 in terms of rupee term loan agreement as not due for payment.

Further, the Company has not issued any debentures to any party and has not taken any loans from Government as at March 31, 2020.

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CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

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 utlisation of term loans does not arise.

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.

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MUMBAI
CHARTERED ACCOUNTANTS

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

Lalit R Mhalsekar
Partner
Membership Number: 103418
UDIN : 20103418AAAACE9838

Place: Mumbai
Date: May 16, 2020

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 AMBALA CHANDIGARH EXPRESSWAYS PRIVATE LIMITED** ("the Company") as of March 31, 2020 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 judgement, 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.

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CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for CHATURVEDI & SHAH LLP
Chartered Accountants
Firm Registration Number : 101720W / W100355

Lalit R Mhalsekar
Partner
Membership Number: 103418
UDIN : 20103418AAAACE9838

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Place: Mumbai
Date: May 16, 2020

GMR Ambala Chandigarh Expressways Private Limited

CIN - U45203KA2005PTC036773

Balance Sheet as at March 31, 2020

Particulars	Note	March 31, 2020	March 31, 2019
			Rupees in Lakhs
ASSETS			
Non-current Assets			
Property, plant and equipment	2	57.05	50.10
Other intangible assets	3	35,564.20	40,071.91
Financial Assets			
Loans	5	2.40	2.40
Other financial assets	6	22.60	22.57
Other non-current assets	7	27.43	30.16
Income tax assets (net)	8	24.42	20.86
Total Non-Current Assets		**35,698.10**	**40,198.00**
Current Assets			
Inventories	9	67.64	17.02
Financial Assets			
Investments	4	186.94	-
Cash and cash equivalents	10	104.31	111.14
Bank balances other than above	11	626.42	626.34
Other financial assets	6	26.98	26.88
Other current assets	7	41.97	35.11
Total Current Assets		**1,054.26**	**816.49**
TOTAL ASSETS		**36,752.36**	**41,014.49**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12	9,823.80	9,823.80
Other equity	13	(29,954.79)	(25,008.63)
Total Equity		**(20,130.99)**	**(15,184.83)**
LIABILITIES			
Non-current Liabilities			
Financial Liabilities			
Long term borrowings	14	39,449.63	38,530.27
Provisions	15	571.56	18.38
Deferred tax liabilities (net)	19	-	-
Total Non-current Liabilities		**40,021.19**	**38,548.65**
Current Liabilities			
Financial Liabilities			
Short term borrowings	14	12,402.60	12,402.60
Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	16	132.24	1.30
b) Total outstanding dues of creditors other than (a) above	16	747.08	1,395.59
Other financial liabilities	17	3,431.18	2,757.01
Other current liabilities	18	127.21	123.91
Provisions	15	21.85	970.26
Total Current Liabilities		**16,862.16**	**17,650.67**
TOTAL EQUITY AND LIABILITIES		**36,752.36**	**41,014.49**
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

Lalit R Mhalsekar

Partner

Membership No.: 103418

Date : May 16, 2020

Place : Mumbai

CHATURVEDI & SHAH LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of

GMR Ambala Chandigarh Expressways Private Limited

O Bangara Raju

Director

DIN: 00082228

Arun Kumar Sharma

Director

DIN: 02281905

Mudit Saxena

Chief Financial Officer

Membership no.075064

Date : May 16, 2020

Place : New Delhi

Ritika Ahwal

Company Secretary

Membership no.A44408

GMR Ambala Chandigarh Expressways Private Limited
CIN - U45203KA2005PTC036773

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

Rupees in Lakhs

Particulars	Note	March 31, 2020	March 31, 2019
INCOME			
Revenue from operations	20	5,965.59	5,672.50
Other income	21	510.59	47.83
Total Income		**6,476.18**	**5,720.33**
EXPENSES			
Operating expenses	22	1,076.62	1,209.62
Employee benefits expense	23	168.21	179.05
Finance costs	24	4,976.77	4,976.44
Depreciation and amortization expense	25	4,521.75	3,925.71
Other expenses	26	678.35	791.18
Total Expenses		**11,421.70**	**11,082.00**
Loss for the year before taxation		**(4,945.52)**	**(5,361.67)**
Tax Expense:			
Current tax	19	-	-
Deferred tax expense (credit)	19	-	-
		-	-
Loss for the year after tax		**(4,945.52)**	**(5,361.67)**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss in subsequent periods:			
Re-measurement gains (losses) on defined benefit plans		(0.64)	(1.22)
Income tax effect	19	-	-
Other comprehensive income/(expenses) for the year, net of tax		**(0.64)**	**(1.22)**
Total comprehensive income for the year		**(4,946.16)**	**(5,362.89)**
Earnings per equity share: (face value of equity shares of Rs.10 each)			
Basic	27	(5.03)	(5.46)
Diluted	27	(5.03)	(5.46)
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

Mhalsekar

Lalit R Mhalsekar
Partner
Membership No.: 103418

Date : May 16, 2020
Place : Mumbai

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of
GMR Ambala Chandigarh Expressways Private Limited

O Bangaru Raju
Director
DIN: 00082228

Arun Kumar Sharma
Director
DIN: 02281905

Mudit Saxena
Chief Financial Officer
Membership no.075064

Ritika Ahwal
Company Secretary
Membership no.A44408

Date : May 16, 2020
Place : New Delhi

GMR Ambala Chandigarh Expressways Private Limited
CIN - U45203KA2005PTC036773

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

A. Equity Share Capital

Rupees in Lakhs

Particulars	Note	March 31, 2020	March 31, 2019
Balance at the beginning of the year	12	9,823.80	9,823.80
Changes in equity share capital during the year	12	-	-
Balance at the end of the year	**12**	**9,823.80**	**9,823.80**

B. Other Equity

Rupees in Lakhs

Particulars	Equity component of financial instruments		Retained earnings	Total [Refer Note No.13]
	Preference shares	Related party loans		
Changes in equity for the year ended March 31, 2019				
Balance as at April 1, 2018	10,019.69	6,738.59	(36,404.02)	(19,645.74)
Loss for the year			(5,361.67)	(5,361.67)
Other comprehensive income				
Re-measurement gains/(loss) on defined benefit plans			(1.22)	(1.22)
Balance as at March 31, 2019	**10,019.69**	**6,738.59**	**(41,766.91)**	**(25,008.63)**
Changes in equity for the year ended March 31, 2020				
Balance as at April 1, 2019	10,019.69	6,738.59	(41,766.91)	(25,008.63)
Loss for the year			(4,945.52)	(4,945.52)
Other comprehensive income				
Re-measurement gains/(loss) on defined benefit plans			(0.64)	(0.64)
Balance as at March 31, 2020	**10,019.69**	**6,738.59**	**(46,713.07)**	**(29,954.79)**

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

Lalit R Mhalsekar
Partner
Membership No.: 103418

Date : May 16, 2020
Place : Mumbai

CHATURVEDI & SHAH LLP
MUMBAI
CHARTERED ACCOUNTANTS

For and on behalf of
GMR Ambala Chandigarh Expressways Private Limited

O Bangaru Raju
Director
DIN: 00082228

Arun Kumar Sharma
Director
DIN: 02281905

Mudit Saxena
Chief Financial Officer
Membership no.075064

Ritika Ahwal
Company Secretary
Membership no.A44408

Date : May 16, 2020
Place : New Delhi

GMR Ambala Chandigarh Expressways Private Limited

CIN - U45203KA2005PTC036773

Statement of cash flows for the year ended March 31, 2020

Rupees in Lakhs

	Particulars	March 31, 2020	March 31, 2019
A	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Loss for the year	**(4,945.52)**	**(5,361.67)**
	Adjustments For :		
	Depreciation and amortisation	4,521.75	3,925.71
	Interest and finance charges	4,976.77	4,976.44
	Major maintenance expenses	516.60	700.00
	Profit on sale of investment	(9.04)	(11.80)
	Loss / (profit) on sale of property plant and equipment	(2.69)	-
	Reameasurements of defined benefit plans	(0.64)	(1.22)
	Interest income on bank deposit and others	(35.70)	(33.33)
	Excess provision written back	(21.78)	-
	Reversal of provision for major maintenance no longer required	(433.78)	-
		4,565.97	4,194.13
	Adjustments for Movement in Working Capital:		
	Decrease / (increase) in financial assets	0.03	(0.94)
	Decrease / (increase) in other current/non-current assets	(4.12)	(11.13)
	Decrease / (increase) in Inventories	(50.62)	(0.27)
	Increase / (decrease) in trade payables	(495.79)	1,100.29
	Increase / (decrease) in financial liabilities	26.99	75.02
	Increase / (decrease) in other current/non-current liabilities	3.30	7.77
	Increase / (decrease) in Provision	(516.01)	(1,863.25)
	Cash From/(used In) Operating activities	3,529.75	3,501.62
	Tax (paid)/refund	(3.56)	(5.83)
	Net Cash From/(used In) Operating activities	**3,526.19**	**3,495.79**
B	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Purchase of property, plant and equipment	(22.54)	(7.19)
	Sale of property, plant and equipment	4.24	-
	Decrease/(increase) in Investment	(177.90)	11.80
	Interest Income on bank deposit and others	35.54	33.41
	Decrease/(increase) in Other Bank Balance	(0.08)	(0.07)
	Cash From/(used In) Investing Activities	**(160.74)**	**37.95**
C	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Repayment of term loan from banks	(538.98)	(704.66)
	Interest and finance charges paid	(2,557.01)	(2,785.33)
	Interest paid to related parties	(276.29)	(101.85)
	Cash From/(used In) Financing Activities	**(3,372.28)**	**(3,591.84)**
D	**Net Increase / decrease in Cash and Cash Equivalents [A+B+C]**	**(6.83)**	**(58.10)**
	Cash and Cash Equivalents as at beginning of the year	111.14	169.24
	Cash and Cash Equivalents as at end of the year	**104.31**	**111.14**

Contd..

CHATURVEDI & SHAH LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

GMR Ambala-Chandigarh Expressways Pvt. Ltd. ★

GMR Ambala Chandigarh Expressways Private Limited
CIN - U45203KA2005PTC036773

Statement of cash flows for the year ended March 31, 2020

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Components of Cash and Cash Equivalents:		
Cash in hand	21.31	65.11
Balances with banks		
- Current account	83.00	46.03
Total	**104.31**	**111.14**

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

Rupees in Lakhs

Particulars	Opening balance	Cash flows	Non-cash / fair value changes	Closing balance
For the year ended March 31, 2020				
Liability portion of preference shares	10,705.79	-	1,146.94	11,852.73
Long-term external borrowings	24,109.30	(538.98)	14.81	23,585.13
Liability portion of Loan from related parties	10,166.29	-	471.85	10,638.14
For the year ended March 31, 2019				
Liability portion of preference shares	9,672.52	-	1,033.27	10,705.79
Long-term external borrowings	24,799.81	(704.66)	14.15	24,109.30
Liability portion of Loan from related parties	9,741.21	-	425.08	10,166.29

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

Lalit R Mhalsekar
Partner
Membership No.: 103418

Date : May 16, 2020
Place : Mumbai

CHATURVEDI & SHAH LLP * MUMBAI * CHARTERED ACCOUNTANTS

For and on behalf of
GMR Ambala Chandigarh Expressways Private Limited

O Bangaru Raju
Director
DIN: 00082228

Arun Kumar Sharma
Director
DIN: 02281905

Mudit Saxena
Chief Financial Officer
Membership no.075064

Ritika Ahwal
Company Secretary
Membership no.A44408

Date : May 16, 2020
Place : New Delhi

GMR Ambala Chandigarh Expressways Private Limited
CIN - U45203KA2005PTC036773

1 Company Overview and Significant Accounting Policies:

1.1 Company Overview

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

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

The Company's Holding Company is GMR Highways Limited 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 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 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.

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

GMR Ambala-Chandigarh Expressways Pvt. Ltd.

1 **Company Overview and Significant Accounting Policies:**

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

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

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

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

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

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

c) **Fair value measurement**

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, 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 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:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements.
Toll Revenue is recognised on usage of public service on accrual basis. Claims raised on NHAI under concession agreement are accounted for in the year of acceptance.

CHATURVEDI & SHAH LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

GMR Ambala-Chandigarh Expressways Pvt. Ltd. ★

1 Company Overview and Significant Accounting Policies:

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.

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, 2020 and March 31, 2019

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Toll Income from Expressways	5,965.59	5,672.50

Disaggregate revenue information for the year ended March 31, 2020 and March 31, 2019:
The Company has presented disaggregated revenue from contracts with customers (under service concession arrangements) for the year ended March 31, 2020 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.

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Revenue by offering		
Operations and maintenance	5,965.59	5,672.50

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

Performance obligations:
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 during the year has applied the practical expedient given in Ind AS 115 for the disclosure of remaining performance obligations and based on its analysis of service concession arrangements outstanding as on March 31, 2020 has not identified any remaining performance obligations and accordingly there are no disclosures given in respect of service concession arrangements, as the toll revenue recognised corresponds directly with the value to the customer arising out of toll road service.

Interest 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.

CHATURVEDI & SHAH LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

GMR Ambala-Chandigarh Expressways Pvt. Ltd. ★

1 Company Overview and Significant Accounting Policies:

e) Property, Plant & Equipment

Property, Plant & Equipment 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.

Gains or losses arising from de–recognition of tangible assets are measured as the difference between the net disposable proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.
Further, When each major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied.
Any remaining carrying amount of the cost of the previous inspection (as distinct from physical parts) is derecognised.

Machinery spares which are specific to a particular item of PPE 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 PPE 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 equipment	4-15 years
Office equipment	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.

CHATURVEDI & SHAH LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

GMR Ambala-Chandigarh Expressways Pvt. Ltd.

1 Company Overview and Significant Accounting Policies:

Carriageways is being amortised over concession period on proportionate revenue method. Computer software is being amortized over a period of 6 years on a straight line basis.
The above periods also represent the management estimated economic useful life of the respective intangible assets.

g) **Taxes**
Tax expense comprises current and deferred tax.
Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.
Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

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

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

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

h) **Borrowing costs**
Borrowing Cost includes interest and amortization of anciliary costs incurred in connection with the arrangement of borrowings.
Borrowing costs directly attributable to the acquisition. construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

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

j) **Lease**
Finance Leases:
Where the Company is the lessee
Right-of-use assets
The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

GMR Ambala Chandigarh Expressways Pvt. Ltd.

1 Company Overview and Significant Accounting Policies:

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured
if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below Rs. 50,000). Lease payments on short-
term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.
The Company has the option, under some of its leases to lease the assets for additional terms of three to five years. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event
or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).
The Company included the renewal period as part of the lease term for leases of plant and machinery due to the significance of these assets to its operations. These leases have a short non-cancellable period (i.e., three to five years) and there will be a significant negative effect on production if a replacement is not readily available. The renewal options for leases of motor vehicles were not included as part of the lease
term because the Company has a policy of leasing motor vehicles for not more than five years and, hence, not exercising any renewal options.

Operating Leases:

Where the Company is the lessee

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.
For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

CHATURVEDI & SHAH LLP
MUMBAI
CHARTERED ACCOUNTANTS

GMR Ambala-Chandigarh ... Pvt. Ltd.

1 **Company Overview and Significant Accounting Policies:**

k) **Impairment**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's 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 Company 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 PPE, 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.

l) **Provisions, contingent liabilities, contingent assets and capital commitments**

Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non–occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company'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.

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1 Company Overview and Significant Accounting Policies:

m) **Retirement and other Employee Benefits**

Short term employee benefits and defined contribution plans.

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

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

The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the reporting date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. if the contribution already paid exceeds the contribution due 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 Company recognises related restructuring costs

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

n) **Financial Instruments**

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

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.

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GMR Ambala-Chandigarh Expressways Pvt. Ltd.

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, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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.

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1 **Company Overview and Significant Accounting Policies:**

> 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.

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.

o) **Cash and cash equivalents**

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

p) **Earnings 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 estimates and judgments

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

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

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

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GMR Ambala-Chandigarh Expressways Pvt. Ltd.

1 Company Overview and Significant Accounting Policies:

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

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.19]

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.28 for further disclosures.

c) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and contractual claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events. [Refer note no.31]

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.39

ii) Significant judgements :

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

a) Impairment of Intangible Assets:

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

b) Amortisation:

Intangible Asset arising on service concession arrangement is being amortised on proportionate revenue method. To apply the said method of amortisation, future revenue has been estimated by the Management based on technical study by Independent Consultant. The amortisation is based on the revenue projections without considering the revenue impact of Change in Law claims made by the Company for amortisation.

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1 Company Overview and Significant Accounting Policies:

c) 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.15

1.4 New and amended Ind AS 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 has replaced 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.

There is no significant impact on account of adoption of this amendment. There is no significant right-of use assets and corresponding lease liability. There has no reclassification from Property Plant and Equipment to Right of use Assets and there is no impact in opening retained earnings on account of adoption of the new standard.

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. There is no plan amendments, curtailments and settlements during year and accordingly there is no impact on opening retained earnings on account of the amendment.

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.

There is no financial impact of the amendment on the opening retained earnings, financial position, results of operation and cash flow.

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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. There is no financial impact of the amendment on the opening retained earnings, financial position, results of operation and cash flow.

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.

There is no financial impact of the amendment on the opening retained earnings, 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.

There is no financial impact of the amendment on the opening retained earnings, financial position, results of operation and cash flow.

1.5 Introduction of new standards and amendments to existing standards issued but not effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

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GMR Ambala-Chandigarh Expressways Pvt. Ltd.

GMR Ambala Chandigarh Expressways Private Limited

CIN - U45203KA2005PTC036773

Notes to the financial statements

2 Property, plant and equipment

Rupees in Lakhs

Particulars	Plant and machinery	Electrical Fittings	Computers	Office Equipments	Vehicles	Furniture and Fixtures	Total
Gross block							
As at April 1, 2018	17.25	-	3.44	17.37	33.29	1.50	72.85
Additions	-	-	6.80	0.25	-	0.14	7.19
Disposals / Adjustments	-	-	-	-	-	-	-
As at March 31, 2019	17.25	-	10.24	17.62	33.29	1.64	80.04
Additions	-	-	0.78	9.33	12.15	0.28	22.54
Disposals / Adjustments	-	-	-	-	(8.62)	-	(8.62)
As at March 31, 2020	**17.25**	**-**	**11.02**	**26.95**	**36.82**	**1.92**	**93.96**
Depreciation							
As at April 1, 2018	6.06	-	2.41	1.18	7.03	1.30	17.98
Charge for the year	1.98	-	1.60	3.67	4.50	0.21	11.96
Disposals / Adjustments	-	-	-	-	-	-	-
As at March 31, 2019	8.04	-	4.01	4.85	11.53	1.51	29.94
Charge for the year	1.99	-	2.87	3.97	4.88	0.33	14.04
Disposals / Adjustments	-	-	-	-	(7.07)	-	(7.07)
As at March 31, 2020	**10.03**	**-**	**6.88**	**8.82**	**9.34**	**1.84**	**36.91**
Net block							
As at March 31, 2019	9.21	-	6.23	12.77	21.76	0.13	50.10
As at March 31, 2020	**7.22**	**-**	**4.14**	**18.13**	**27.48**	**0.08**	**57.05**

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 Assets are owned and are used for own use, unless otherwise mentioned.

3 For charges created on property, plant and equipments refer note no.14

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GMR Ambala Chandigarh Expressways Private Limited
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Notes to the financial statements

3 Other Intangible Assets

Rupees in Lakhs

Particulars	Carriageways	Software	Total
Gross block			
As at April 1, 2018	52,555.62	68.23	52,623.85
Additions	-	-	-
Disposals / Adjustments	-	-	-
As at March 31, 2019	52,555.62	68.23	52,623.85
Additions	-	-	-
Disposals / Adjustments	-	-	-
As at March 31, 2020	**52,555.62**	**68.23**	**52,623.85**
Depreciation			
As at April 1, 2018	8,602.61	35.58	8,638.19
Charge for the year	3,901.88	11.87	3,913.75
Disposals / Adjustments	-	-	-
As at March 31, 2019	12,504.49	47.45	12,551.94
Charge for the year	4,495.84	11.87	4,507.71
Disposals / Adjustments	-	-	-
As at March 31, 2020	**17,000.33**	**59.32**	**17,059.65**
Net block			
As at March 31, 2019	40,051.13	20.78	40,071.91
As at March 31, 2020	**35,555.29**	**8.91**	**35,564.20**

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.

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Notes to the financial statements

4 Investments

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Current Investments		
Other than trade investments, Unquoted		
Investments in Mutual Funds		
At fair value through profit and loss		
ICICI Prudential Liquid Fund - Direct Plan - Growth 63,630.989 units, NAV of Rs.293.7816 (March 31, 2019 : Nil units, NAV of Rs.Nil)	186.94	-
Total Investments	**186.94**	**-**
Aggregate amount of unquoted non-current investments	-	-
Aggregate amount of Impairment in the value of non-current Investments	-	-
Aggregate amount of unquoted current investments	-	-
Aggregate net asset value of unquoted current investments	186.94	-

5 Loans

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Non-current:		
Carried at amortised cost		
Loan Receivables – considered good - secured	-	
Loan Receivables – considered good - unsecured		
Security deposits		
with others	2.40	2.40
Loan Receivables which have significant increase in credit risk *	-	
Loan Receivables – credit impaired *	-	
Total	**2.40**	**2.40**

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.

6 Other financial assets

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Non-current:		
Carried at amortised cost		
Unsecured, considered good		
Non Trade receivable - Deposit with Government Departments and others	22.60	22.57
Total	**22.60**	**22.57**
Current:		
Carried at amortised cost		
Unsecured, considered good		
Receivable from NHAI	25.13	25.13
Receivable from toll customers	0.04	0.10
Interest accrued on deposits with banks	1.81	1.65
Total	**26.98**	**26.88**
Total	**49.58**	**49.45**

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GMR Ambala-Chandigarh Expressways Pvt. Ltd. ★

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Notes to the financial statements

7 Other assets

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Non-current:		
Unsecured, considered good		
Gratuity plan assets (net)	0.20	2.93
Balances with government departments	27.23	27.23
Total	**27.43**	**30.16**
Current:		
Unsecured, considered good		
Advances recoverable in cash or kind		
- Advance to suppliers	1.64	3.75
- Advance to employees for expenses	0.77	0.10
Prepaid expenses	34.71	30.94
Balances with government departments	4.85	0.32
Total	**41.97**	**35.11**
Total	**69.40**	**65.27**

8 Income tax assets (net)

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Non-current:		
Advance income tax and tax deducted at source (net) [Refer note no.19.03]	24.42	20.86
Total	**24.42**	**20.86**

9 Inventories

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Stores and spares [Refer note (b) below]	67.64	17.02
Total	**67.64**	**17.02**

Notes:

a) Inventories are valued at lower of cost or net realizable value.

b) For charges created on inventories refer note no.14.

10 Cash and cash equivalents

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Cash in hand	21.31	65.11
Balances with banks		
- Current account	83.00	46.03
Total	**104.31**	**111.14**

Note:

a) For charges created on cash and bank balances refer note no.14.

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11 Other bank balances

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Balance held as margin money or as security against borrowings	626.42	626.34
Total	**626.42**	**626.34**

Note:
a) For charges created on cash and bank balances refer note no.14.
b) The fair value of other bank balances are not materially different from the carrying value presented.

Break-up of financial assets

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Financial assets carried at amortised cost		
Security deposit	2.40	2.40
Cash and cash equivalents	104.31	111.14
Fixed deposit with banks (including interest accrued)	628.23	627.99
Other financial assets	47.77	47.80
Financial assets measured at fair value		
Investments in mutual funds	186.94	-
Total	**969.65**	**789.33**

12 Equity share capital

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Authorised		
9,85,00,000 [March 31, 2019 : 9,85,00,000 equity shares of Rs.10 each]	9,850.00	9,850.00
1,46,50,000 [March 31, 2019 : 1,46,50,000 preference shares of Rs.100 each]	14,650.00	14,650.00
	24,500.00	24,500.00
Issued, subscribed and fully paid-up		
9,82,38,000 [March 31, 2019 : 9,82,38,000 equity shares of Rs.10 each]	9,823.80	9,823.80
Total	**9,823.80**	**9,823.80**

Notes:

a) Reconciliation of Shares Outstanding at the beginning and end of the reporting year

Equity shares of Rs. 10 each	Numbers	Rupees in Lakhs
March 31, 2020		
Balance at the beginning of the year	9,82,38,000	9,823.80
Shares issued during the year	-	-
Balance at the end of the year	9,82,38,000	9,823.80
March 31, 2019		
Balance at the beginning of the year	9,82,38,000	9,823.80
Shares issued during the year	-	-
Balance at the end of the year	9,82,38,000	9,823.80

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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.

The entire equity shares of the company held by GMR Infrastructure Limited (GIL), GMR Energy Limited (GEL) and GMR Highways Limited (GHWL) respectively have been pledged with banks against term loan.

c) Terms to Preference Shares

8% preference shares of Rs. 100 each fully paid up are redeemable, non-cumulative and non-convertible. Preference Shares are redeemable at par on May 1, 2022. However, the preference shareholders reserve the right to all for buy-out of the Preference shares by the promoters of the issuer Company or redemption of the preference shares by the company at any time after the expiry of 6 months from the date of allotment by giving one month notice. Refer note nos.13 and 14 for equity and liabilities portion of Preference Shares.

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, 2020		
GMR Highways Limited, the holding company	5,07,42,720	51.65%
GMR Infrastructure Limited, the parent company	2,32,72,687	23.69%
GMR Energy Limited, the associate company	2,42,22,593	24.66%
March 31, 2019		
GMR Highways Limited, the holding company	5,07,42,720	51.65%
GMR Infrastructure Limited, the parent company	2,32,72,687	23.69%
GMR Energy Limited, the associate company	2,42,22,593	24.66%
Preference shares of Rs.100 each		
March 31, 2020		
GMR Highways Limited, the holding company	80,000	0.55%
GMR Infrastructure Limited, the parent company	66,000	0.45%
GMR Tambaram Tindivanam Expressways Limited, the fellow subsidiary	68,48,900	46.76%
GMR Tuni Anakapalli Expressways Limited, the fellow subsidiary	76,51,140	52.24%
March 31, 2019		
GMR Highways Limited, the holding company	80,000	0.55%
GMR Infrastructure Limited, the parent company	66,000	0.45%
GMR Tambaram Tindivanam Expressways Limited, the fellow subsidiary	68,48,900	46.76%
GMR Tuni Anakapalli Expressways Limited, the fellow subsidiary	76,51,140	52.24%

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, 2020		
GMR Energy Limited, the associate company	2,42,22,593	2,422.26
GMR Highways Limited, the holding company	5,07,42,720	5,074.27
GMR Infrastructure Limited, the parent company	2,32,72,687	2,327.27
March 31, 2019		
GMR Energy Limited, the associate company	2,42,22,593	2,422.26
GMR Highways Limited, the holding company	5,07,42,720	5,074.27
GMR Infrastructure Limited, the parent company	2,32,72,687	2,327.27

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Name of Shareholder	Numbers	Rupees in Lakhs
Preference shares of Rs.100 each		
March 31, 2020		
GMR Highways Limited, the holding company	80,000	80.00
GMR Tambaram Tindivanam Expressways Limited, the fellow subsidiary	68,48,900	6,848.90
GMR Tuni Anakapalli Expressways Limited, the fellow subsidiary	76,51,140	7,651.14
GMR Infrastructure Limited, the parent company	66,000	66.00
March 31, 2019		
GMR Highways Limited, the holding company	80,000	80.00
GMR Tambaram Tindivanam Expressways Limited, the fellow subsidiary	68,48,900	6,848.90
GMR Tuni Anakapalli Expressways Limited, the fellow subsidiary	76,51,140	7,651.14
GMR Infrastructure Limited, the parent company	66,000	66.00

f) As per records of the Company including its register of shareholders/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.

13 Other equity

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Equity component of Preference shares		
Opening balance	10,019.69	10,019.69
Add: Adjustment for the year	-	-
Closing balance	10,019.69	10,019.69
Equity component of loan from related parties		
Opening balance	6,738.59	6,738.59
Add: Adjustment for the year	-	-
Closing balance	6,738.59	6,738.59
Surplus / (deficit) in the statement of Profit and Loss		
Opening balance	(41,768.87)	(36,407.20)
Add: Loss for the year	(4,945.52)	(5,361.67)
Closing balance	(46,714.39)	(41,768.87)
Other comprehensive income		
Opening balance	1.96	3.18
Remeasurements gains/(loss) on defined benefit plans, net of tax effect	(0.64)	(1.22)
Closing balance	1.32	1.96
Total	**(29,954.79)**	**(25,008.63)**

Nature and purpose of reserve:

a) 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.

b) 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 and loans taken from its parent and associates 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.

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

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14 Borrowings

Particulars	March 31, 2020	March 31, 2019
		Rupees in Lakhs
Long-term borrowings:		
Secured, at amortized cost		
Loan from banks [Refer note (a) below]	22,720.76	23,420.19
Unsecured, at amortized cost		
Liability component of compound financial instruments		
Liability portion of preference shares issued to related parties [Refer note nos.40 and (b) below]	11,852.73	10,705.79
Liability portion of loan from related parties [Refer note nos.40 and (c) below]	4,876.14	4,404.29
Total of Long-term borrowings	**39,449.63**	**38,530.27**
Short term borrowings		
Unsecured, at amortized cost		
Loans from related parties [Refer note nos.40 and (d) below]	5,762.00	5,762.00
Negative government grants [Refer note no.31 and (e) below]	6,640.60	6,640.60
Total of Short-term borrowings	**12,402.60**	**12,402.60**
Total	**51,852.23**	**50,932.87**

Notes:

a) Terms of rupee term loan from bank:

During the financial year 2015-16, term loan has been restructured, restructuring document was signed on October 05, 2015. As per revised terms, Indian rupee loan carries interest @ base rate plus spread, fixed presently @ 11.15% payable on monthly rests. Interest rate/spread shall be reset yearly. The company has also agreed to pay an additional interest of 0.60% pa on the outstanding term loan from August 2010 onwards if the claim submitted by the company is awarded in its favour during the arbitration proceedings.
The loan is repayable in 42 unequal quarterly instalments (last instalment due on September 30, 2025).

Terms of Security

The loan is now secured against

i) by way of pari passu first charge over company's immovable properties & movable properties, both present and future, including plant and machinery.

ii) by the rights, title, interest, benefit, claims, of the company in respect of the project agreements executed / to be executed, insurance policies both present and future, and all rights, title, interest, benefit, claims, demands of the company in respect of monies lying to the credit of trust and retention account and other accounts.

iii) by way of pledge of 100% equity shares of the company held by GMR Infrastructure Limited (GIL) , GMR Energy Limited (GEL) and GMR Highways Limited (GHWL) respectively.

In terms of rupee term loan (RTL) agreement, the following amounts are due for payment to Banks as on balance sheet date:

	March 31, 2020	March 31, 2019
		Rupees in Lakhs
Principal repayment of RTL from Banks *	175.98	-
Interest accrued on RTL from Banks *	230.87	-

* - the Company has filed for an extension in moratorium with the RTL lenders in terms of the RBI Circular on Covid-19 - Regulatory Package wide circular No. DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020. The Company, however, is yet to obtain the revised repayment schedule from its lender. The Company, pending receipt of the revised repayment schedule has classified the non-current classification based on original repayment schedule.

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b) Non-cumulative non-convertible Preference shares:

The Company had issued 1,46,46,040 8% redeemable non-cumulative non-convertible preference shares of Rs. 100 each fully paid up. Preference Shares are redeemable at par on May 1,2022. However, the preference shareholders reserve the right to all for buy-out of the Preference shares by the promoters of the issuer Company or redemption of the preference shares by the company at any time after the expiry of 6 months from the date of allotment by giving one month notice.

As these Preference shares 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.13 for equity portion of Preference Shares.

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Opening balance	14,646.04	14,646.04
Add: Issued during the year	-	-
Closing balance	14,646.04	14,646.04
Equity component transferred to Other Equity	10,019.69	10,019.69
Financial liability portion of preference shares	4,626.35	4,626.35
Add: Notional Interest recognized up to date	7,226.38	6,079.44
Liability portion of non convertible preference shares	**11,852.73**	**10,705.79**

c) Loan from related parties:

Loans from group Company (unsecured) includes i) an Interest free unsecured loan of Rs.7,753.00 Lakhs (March 31, 2019 : Rs.7,753.00 Lakhs) from GMR Highways Limited. The same is subordinated to term loans availed and and shall be repayable after final settlement date of Rupee Term Loans as per the financial agreements entered into with Lenders. ii) an Interest free unsecured loan of Rs.771.95 Lakhs (March 31, 2019 : Rs.771.95 Lakhs from GMR Generation Assets Pvt Ltd. The same is subordinated to term loans availed and shall be repayable after final settlement date of Rupee Term Loans as per the financial agreements entered into with Lenders.

Interest free Loans from Group Companies are separated into liability and equity components based on the terms of the contract. On receipt of the loan, the fair value of the liability component is determined using a market rate for an equivalent instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished. The remainder of the proceeds is recognised and included in equity. Refer note no.13 for equity portion of loans to related parties.

d) Short term Loan from related parties includes:

i) An Unsecured loan of Rs.530.00 Lakhs bearing interest rate of 8.50% pa from GMR Tambaram Tindivanam Expressways Limited and shall be repayable on demand.

ii) An Unsecured loan of Rs.1,879.00 Lakhs bearing interest rate of 9.00% pa from GMR Tambaram Tindivanam Expressways Limited and shall be repayable on demand.

iii) An Unsecured loan of Rs.3,353.00 Lakhs bearing interest rate of 9.00% pa from GMR Tuni Anakapalli Expressways Limited and shall be repayable on demand.

e) Deferred Payment of negative grant

In accordance with the terms of the Concession Agreement entered into with National Highways Authority of India (NHAI), dated November 16, 2005, the company has an obligation to pay an amount of Rs.17,475.20 Lakhs by way of Negative Grant over the concession period. The total value of Negative Grant has been recognized in the financials by way of capitalization in the cost of carriageway and a corresponding obligation has been created towards Deferred Payment. Balance negative grant of Rs.6,640.60 Lakhs were due in instalments (ie., Rs.1,747.50 Lakhs, Rs.1,747.50 Lakhs, Rs.2,621.30 Lakhs and Rs.524.30 Lakhs were due in August 2013, August 2014, August 2015 and August 2016 respectively) but have not been remitted to NHAI and interest on non-payment as per Concession Agreement is not booked in view of interim stay order received from the arbitral tribunal against the recovery of the same till further orders. The Company pending the finality of the order has disclosed the same under 'short term borrowings' and expects no further liability in respect of the same.

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15 Provisions

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Non-current:		
Provision for Leave encashment	17.00	18.38
Provision for periodic major maintenance [Refer note nos. (a) & (b) below]	554.56	-
Total	**571.56**	**18.38**
Current:		
Provision for variable performance pay	20.00	14.80
Provision for Leave encashment	1.62	1.89
Provision for Superannuation	0.23	0.29
Provision for periodic major maintenance [Refer note nos. (a) & (b) below]	-	953.28
Total	**21.85**	**970.26**
Total	**593.41**	**988.64**

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. 15th year Major Overlay activities is expected to be completed in FY 2023-24 and accordingly provision for periodic major maintenance as on balance sheet date is treated as long term provisions.

b) Movement of provision for periodic major maintenance

Rupees in Lakhs

Particulars	March 31, 2020		March 31, 2019	
	Non-current	Current	Non-current	Current
Opening Balance	-	953.28	373.99	1,523.33
Accretion during the year	554.56	-	-	902.68
Transferred from non-current	-	-	(373.99)	373.99
Reversal of provision no longer required		(433.78)	-	-
Utilised during the year	-	(519.50)	-	(1,846.72)
Closing Balance	**554.56**	-	-	**953.28**

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16 Trade payables

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Current:		
Carried at amortised cost:		
Dues of micro enterprises and small enterprises [Refer Note nos (a) to (d) below]	132.24	1.30
Dues of creditors otherthan micro enterprises and small enterprises [Refer Note nos (b) & (c) below]		
Payable to related parties [Refer note no.40]	676.87	1,274.45
Dues to others	70.21	121.14
Total	**879.32**	**1,396.89**

Notes:

a) Details of dues of micro enterprises and small enterprises

Dues to related parties [Refer note no.40]	131.83	-
Dues to others	0.41	1.30
Total	**132.24**	**1.30**

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

c) Terms and conditions of the above financial liabilities:
Trade payables are non-interest bearing and are normally settled on 60 days terms

d) 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.

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
The principal amount due thereon remaining unpaid to any supplier as at the end of each accounting year (net of amount written back)	132.24	1.30
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)	-	-
The amount of interest accrued but not accounted and remaining unpaid at the end of accounting year; and	0.42	0.47
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.	-	-

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17 Other financial liabilities

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Other financial current liabilities at amortized cost		
Current maturities of long-term loan [Refer note no.14(a)] *	864.37	689.11
Interest accrued but not due on term loans *	230.87	-
Interest accrued but not due on loan from related parties [Refer note no.40]	2,106.03	1,864.98
Non-trade payables		
Payable to related parties [Refer note no.40]	168.11	136.57
Payable to others	61.80	66.35
Total	3,431.18	2,757.01

* - the Company has requested the lenders to allow moratorium for a period of three months for payment of Term Loan Installment and Interest falling due between March 1, 2020 to May 31, 2020 in terms of COVID-19 - Regulatory Package (Revised) of Reserve Bank India (RBI), Rescheduling of Payments - Term Loans and Working Capital Facilities, vide their circular no. RBI/2019-20/ 186, DOR.No.BP.BC.47/21.04.048/2019-20, dated March 27, 2020. In view of the above said circular of RBI, interest accrued as on March 31, 2020 is not considered as due and principal amount payable as on March 31, 2020 is not considered as due and classified as current maturities in the financial statements.

Break-up of financial liabilities

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Financial liabilities carried at amortised cost		
Borrowings from banks	23,585.13	24,109.30
Interest accrued on term loan	230.87	-
Liability component of preference share capital	11,852.73	10,705.79
Loan from related parties	10,638.14	10,166.29
Interest accrued on loan from related parties	2,106.03	1,864.98
Negative grant payable	6,640.60	6,640.60
Trade payables	879.32	1,396.89
Other financial liabilities	229.91	202.92
Total	56,162.73	55,086.77

18 Other current liabilities

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Advance received from Customers*	60.69	60.56
Statutory dues	66.52	63.35
Total	127.21	123.91

* - the Company is in the process of reconciling the outstanding balances with vendors and any changes in the balance upon reconciliation shall be given effect in the ensuing year and the management is of the opinion that there will not be any significant effect on such reconciliaiton.

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19 Income Tax

The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:

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

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Profit or loss section		
Current Tax	-	-
Deferred Tax	-	-
Tax expense / (credit) to Statement of Profit and Loss	-	-
Other comprehensive income section (OCI)		
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	-	-

19.02 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019:

Rupees in Lakhs

Particulars		March 31, 2020	March 31, 2019
Loss for the year before taxation		(4,945.52)	(5,361.67)
Applicable tax rate		26.00%	26.00%
Tax effect of income / (loss)	(a)	(1,285.84)	(1,394.03)
Adjustments:			
Tax effect on non-taxable income		(0.19)	(1.07)
Tax effect on non-deductible expenses		-	0.02
Unused tax losses no longer available in future period against taxable profit		289.48	335.79
Tax expense / (credit) to Statement of Profit and Loss	(b)	289.29	334.74
	(c)=(a+b)	(996.55)	(1,059.29)
Deferred tax not is recognised on brought forward unused tax losses and allowances [Refer note no.19.04 (a) below]	(d)	996.55	1,059.29
Tax expense / (credit) to Total Comprehensive Income	(e)=(c+d)	-	-
Effective tax rate	(e)/PBT	0.00%	0.00%

19.03 Non-current tax assets / Provision for Income tax (net)

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Opening balance - Provision for Income tax / (Non-current tax assets)	(20.86)	(15.03)
Add: Current tax payable for the year	-	-
Less: Current taxes paid	(3.56)	(5.83)
Closing balance - Provision for Income tax / (Non-current tax assets)	**(24.42)**	**(20.86)**
Breakup		
Provision for Income tax (net)	-	-
Non-current tax assets	(24.42)	(20.86)
Total	**(24.42)**	**(20.86)**

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19 Income Tax

19.04 Major components of deferred tax assets and liabilties for the year ended March 31, 2020 and March 31, 2019:

Rupees in Lakhs

Particulars		For the year ended		As at	As at
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Deferred tax liability					
Carriageways		(461.18)	(308.69)	4,936.03	5,397.21
Borrowings		(3.85)	(3.68)	16.16	20.01
Equity Component of preference shares		-	-	2,605.12	2,605.12
Equity Component of loan from related parties		-	-	1,752.03	1,752.03
Fair value of Investments		0.03	-	0.03	-
Total	(a)	**(465.00)**	**(312.37)**	**9,309.37**	**9,774.37**
Deferred tax asset					
Property, plant and equipments and intangible assets		1.94	1.61	5.33	3.39
Liability portion of preference shares		298.21	268.65	1,878.86	1,580.65
Loan from related parties		122.68	110.52	803.34	680.66
Provision for major maintenance		(103.66)	(245.45)	144.19	247.85
Provision for Leave Encashment		(0.43)	0.88	4.84	5.27
Provision for gratuity / (plan assets)		0.71	0.76	(0.05)	(0.76)
Provision for bonus		1.35	0.57	5.20	3.85
Unused tax losses		206.64	604.80	3,470.98	3,264.34
Unabsorbed tax depreciation		4.11	4.58	9,462.33	9,458.22
Total	(b)	**531.55**	**746.92**	**15,775.02**	**15,243.47**
Net deferred tax (assets) / liability	(c)=(a-b)	**(996.55)**	**(1,059.29)**	**(6,465.65)**	**(5,469.10)**
Deferred tax asset is not recognised [Refer note (a) below]	(d)	996.55	1,059.29	6,465.65	5,469.10
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 asset/liability that is expected to reverse during the tax holiday period.

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

Particulars		March 31, 2020	March 31, 2019
Unused depreciation allowances available for future taxable profit for unlimited period		36,393.57	36,377.77
Unused business loss available for future taxable profit upto:			
Relating to Assessment year	Available upto Assessment year		
2012-13	2020-21	Lapsed	1,113.37
2013-14	2021-22	1,125.72	1,125.72
2014-15	2022-23	829.32	829.32
2015-16	2023-24	2,492.07	2,492.07
2016-17	2024-25	442.02	442.02
2017-18	2025-26	-	-
2018-19	2026-27	2,934.99	2,934.99
2019-20	2027-28	3,617.67	3,617.67
2020-21	2028-29	1,908.12	NA

19.06 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.

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20 Revenue from operations

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Toll Income from Expressways [Refer note no.34]	5,965.59	5,672.50
Total	**5,965.59**	**5,672.50**

21 Other income

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Interest Income on Bank Deposit and Others	35.70	33.33
Profit on sale of Investments [including fair value gain of Rs.0.11 Lakhs, (March 31, 2019 : Rs.Nil)	9.04	11.80
Profit on sale of assets	2.69	-
Excess provision written back *	455.56	-
Scrap Sales	1.10	0.05
Other non-operating income	6.50	2.65
Total	510.59	47.83

* - includes reversal of provision for major maintenance no longer required Rs.433.78 Lakhs [March 31, 2019 : Rs.Nil]

22 Operating expenses

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Sub-contracting expenses [Refer note no.34]	1,076.62	1,209.62
Concession fee [Re.1/-, (March 31, 2019 : Re.1/-)]	-	-
Total	**1,076.62**	**1,209.62**
Details of sub-contracting expenses		
Highway Maintenance Expenses	137.95	130.53
Toll/Highway Management Services	422.07	379.09
Major Maintenance expenses	516.60	700.00
Total	**1,076.62**	**1,209.62**

23 Employee benefit expenses

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Salaries, Perquisites & Allowance	150.15	159.17
Contribution to provident and other funds	10.99	11.53
Gratuity expense	2.21	1.76
Staff welfare expenses	4.86	6.59
Total	168.21	179.05

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24 Finance cost

Particulars	March 31, 2020	March 31, 2019
		Rupees in Lakhs
Interest measured at amortised cost		
Interest on term loans from banks	2,752.81	2,749.12
Interest on loan from related parties [Refer note no.40]	989.18	941.01
Interest others	1,184.91	1,236.01
Other borrowing cost	49.87	50.30
Total	**4,976.77**	**4,976.44**
Details of finance cost (Interest measured at amortised cost)		
Interest on debts and borrowings		
Interest on term loans from banks	2,752.81	2,749.12
Interest on loan from related parties		
Interest on loan from related parties [Refer note no.40]	517.34	515.93
Unwinding interest on loan from related parties [Refer note no.40]	471.84	425.08
Interest others		
Unwinding interest on liability portion of preference shares [Refer note no.40]	1,146.94	1,033.27
Unwinding Interest on major maintenance provision	37.96	202.68
Interest on delay in payment of statutory dues	0.01	0.06
Other borrowing cost		
Bank and other finance charges	49.87	50.30
Total	**4,976.77**	**4,976.44**

25 Depreciation and amortization expense

Particulars	March 31, 2020	March 31, 2019
		Rupees in Lakhs
Depreciation of property, plant and equipment	14.04	11.96
Amortization of intangible assets	4,507.71	3,913.75
Total	**4,521.75**	**3,925.71**

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26 Other expenses

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Consumption of Stores and Spares	23.37	35.62
Utility Expenses (including Electricity charges)	145.07	120.34
Rent	16.15	16.93
Logo fees	0.01	0.01
Rates and taxes	2.94	3.38
Insurance	48.90	33.88
Repairs and maintenance		
- Building	0.89	0.59
- Others	67.65	50.10
Vehicle running expense	13.24	12.03
Travelling and conveyance	15.43	21.10
Communication costs	2.90	3.22
Printing and stationery	1.47	2.04
Legal and professional fees	278.20	447.09
Manpower Outsourcing	35.33	31.11
Directors' sitting fees	3.07	2.54
Staff recruitment and training cost	0.08	0.09
Bank charges	0.14	0.41
Payment to auditors [Refer note no. (a) below]	7.61	5.27
Advertisement and business promotion	2.50	1.85
Meeting and Seminar	2.12	-
Membership and Subscriptions	0.27	0.37
Books and Periodicals	-	0.10
Miscellaneous Expense	11.01	3.11
Total	**678.35**	**791.18**

Notes:

a) Details of payment to auditors

Statutory audit fee *	4.43	3.54
Tax audit fee	0.89	0.89
Certification charges **	2.29	0.84
Total	**7.61**	**5.27**

* - includes arrears of previous year Rs.0.89 Lakhs; (March 31, 2019 : includes audit fee of erstwhile auditor Rs.0.89 Lakhs)

** - includes certification charges of erstwhile auditor Rs. Nil; (March 31, 2019 : Rs.0.84 Lakhs)

27 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, 2020 and March 31, 2019. Thus, diluted EPS equals basic EPS.

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

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
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)	9,82,38,000	9,82,38,000
c) Profit attributable to equity holders of the Company for basic earnings (Rupees in Lakhs)	(4,945.52)	(5,361.67)
d) Basic/Diluted Earning per share of Rs 10/- each (in Rs.) [(c)/(b)]	(5.03)	(5.46)

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28 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.

28.01 Financial instruments by category

Financial instruments comprise financial assets and financial liabilities.

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, 2020			As at March 31, 2019		
		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 Mutual Funds	4	-	186.94	-	-	-	
Security deposit	5	2.40	-	-	2.40	-	-
Receivable from NHAI	6	25.13	-	-	25.13	-	-
Cash and cash equivalents	10	104.31	-	-	111.14	-	-
Other bank balances	11	626.42	-	-	626.34	-	-
Fixed deposit with banks	6	-	-	-	-	-	-
Other financial assets	6	24.45	-	-	24.32	-	-
Total		782.71	186.94	-	789.33	-	-
Financial liabilities:							
Borrowings (including interest accrued)	14	23,816.00	-	-	24,109.30	-	-
Liability component of preference share capital	14	11,852.73			10,705.79	-	-
Loan from group companies (including interest accrued)	14	12,744.17	-	-	12,031.27	-	-
Trade payables	16	879.32	-	-	1,396.89	-	-
Negative grant payable	14	6,640.60			6,640.60	-	
Other financial liabilities	17	229.91	-	-	202.92	-	-
Total		56,162.73	-	-	55,086.77	-	-

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.

28.02 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, 2020:

Rupees in Lakhs

Particulars	Total	Level 1	Level 2	Level 3
Assets measured at fair value through profit or loss:				
Investments in mutual funds	186.94	186.94	-	-
Liabilities measured at fair value through profit or loss:	-	-	-	-

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

Rupees in Lakhs

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

During the year ended March 31, 2020 and March 31, 2019 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.

29 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 audit committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The company's senior management ensure 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 frame work 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

29.01 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, 2020 and March 31, 2019.

The analysis excludes 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, 2020 and March 31, 2019.

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 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 external 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:

Rupees in Lakhs

Particulars	Type of currency	Increase/ decrease in basis points	Effect on profit before tax		Effect on total equity	
			March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Increase of profit	INR	(+)50	116.10	119.94	116.10	119.94
Decrease of profit	INR	(-)50	(116.10)	(119.94)	(116.10)	(119.94)

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29.02 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.

29.03 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.

29.04 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.

Rupees in Lakhs

Particulars	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, 2020						
External long term Borrowings	23,585.13	23,647.28	-	879.90	19,146.79	3,620.59
Interest accrued on debt	230.87	230.87	-	230.87	-	-
Preference shares	11,852.73	14,646.04	-	-	14,646.04	-
Loan from group companies	10,638.14	14,286.95	5,762.00	-	-	8,524.95
Interest accrued on loan from	2,106.03	2,106.03	2,106.03	-	-	-
Trade payable	879.32	879.32	-	879.32	-	-
Negative grant payable	6,640.60	6,640.60	6,640.60	-	-	-
Other financial liabilities	229.91	229.91	-	229.91	-	-
Total	**56,162.73**	**62,667.00**	**14,508.63**	**2,220.00**	**33,792.83**	**12,145.54**
As at March 31, 2019						
External long term Borrowings	24,109.30	24,186.26	-	703.92	13,937.73	9,544.61
Preference shares	10,705.79	14,646.04	-	-	14,646.04	-
Loan from group companies	10,166.29	14,286.95	5,762.00	-	-	8,524.95
Interest accrued on loan from related parties	1,864.98	1,864.98	1,864.98	-		
Trade payable	1,396.89	1,396.89	-	1,396.89	-	-
Negative grant payable	6,640.60	6,640.60	6,640.60	-	-	-
Other financial liabilities	202.92	202.92	-	202.92	-	-
Total	**55,086.77**	**63,224.64**	**14,267.58**	**2,303.73**	**28,583.77**	**18,069.56**

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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.

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

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.

Rupees in Lakhs

Particulars		March 31, 2020	March 31, 2019
Debt - External borrowings	(a)	23,816.00	24,109.30
Capital Components			
Equity Share Capital		9,823.80	9,823.80
Other equity		(29,954.79)	(25,008.63)
Liability component of preference share capital		11,852.73	10,705.79
Loan from group companies		12,744.17	12,031.27
Total Capital	(b)	4,465.91	7,552.23
Capital and debt	(a+b)	28,281.91	31,661.53
Gearing ratio (%)	(a)/(a+b)	84.21%	76.15%

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, 2020 and March 31, 2019.

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30 Contingent liabilities and commitments

Rupees in Lakhs

Particulars		March 31, 2020	March 31, 2019
A.	Contingent Liabilities (to the extent not provided for)		
	Penalty levied by NHAI for delay in first periodic major maintenance and damages for not maintaining Railway over bridge [Refer note no. (a)(i) below]	1,014.00	1,014.00
	Concessional interest rate granted by the lenders of term loan against which company has agreed to pay additional interest [Refer note no.(a)(ii) below]	1,502.00	1,358.78
B.	Capital Commitments	-	-

Notes:

a) The Contingent Liabilities on account of following issues:

i. Penalty levied by NHAI for delay in periodic major maintenance Rs.843.00 Lakhs [March 31, 2019 : Rs.843.00 Lakhs] and damages for not maintaining Railway over bridge at Derabassi of Rs.171.00 Lakhs [March 31, 2019 : Rs.171.00 Lakhs]. The penalty and damages levied by NHAI has not been accepted by the Company and the Company has referred the issue for mediation with Independent Engineer as per the provisions of the Concession Agreement which is yet to be concluded. The company does not foresee any outflow of resources in respect of the said litigation.

ii. In view of the concessional interest rate granted by the lenders of term loan, the company has agreed to pay an additional interest of 0.60% pa on the outstanding term loan to banks from August 2010 onwards i.e. Rs.1,502.00 Lakhs [March 31, 2019 : Rs.1,358.78 Lakhs] if the claims submitted by the company for arbitral award is awarded in its favour on conclusion of the arbitration proceedings as explained in detail under Note no.31.

b) The Supreme Court (SC) 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 ('PF') 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. As a matter of caution, the Company has accounted and paid the PF liability in terms of the SC order on a prospective basis from the date of the SC order i.e., April 1, 2019 onwards. The Company further will account and pay the differential PF liability if any, on receiving further clarity on the subject from the Provident Fund Authorities and the impact if any which in view of the Company is not expected to be material.

31 Litigation

The Company has invoked arbitration proceedings against National Highways Authority of India (NHAI), State of Haryana (SoH) and State of Punjab (SoPb) as per the terms of the Concession Agreement dated November 16, 2005 and State Support Agreement dated February 21, 2006 & March 8, 2006 due to continued losses suffered by the Company on account of diversion of traffic to parallel roads developed by SoH and SoPb. The Company has raised its contention that NHAI, SoH & SoPb has breached the provisions of Concession Agreement dated November 16, 2005, State Support Agreement dated February 21, 2006 & March 8, 2006 by building parallel highways resulting in loss of traffic to the Company's toll road.

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

The Company has filed a claim of Rs.88,715.00 Lakhs including interest, calculated upto March 31, 2019 before the Tribunal, which will be updated based on the directions of the Tribunal. Tribunal has also stayed the payment of negative grant balance amount of Rs.6,640.60 Lakhs payable to NHAI under the provisions of the Concession Agreement. In view of stay from Tribunal, the Company has not provided interest @ SBI PLR plus 2% for non-payment of negative grant in terms of Concession Agreement pending disposal of arbitral award.

The Company, based on the opinion received from external legal counsel, that the Company has a good and tenable case in the arbitration proceeding and as per the internal assessment by the management, on the reasonable certainty of inflows of the arbitral claims discussed above, has considered that there would be no cash outflow related to negative grants and expects realisability of company's arbitration claims in the near future on the receipt of the arbitration award.

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32 Impairment of assets

The Company during the year ended March 31, 2020, has obtained a valuation report on the asset's value in use from its expert valuer. In determining the asset's value in use, the expert has estimated the future cash flows of the Company on discounted cash flows basis which is based on various assumptions made by the management including effect of COVID-19 for financial year 2020-21 which the expert has relied upon to arrive at the range of values. In estimating the future cash flows, the Company has made key assumption of receipt of cash inflows for claims for loss due to diversion of traffic/compensation under arbitration award in the financial year 2021-22 and every year thereafter which is fully dependent upon the company getting a favourable order in its arbitration proceedings against National Highways Authority of India (NHAI), State of Haryana (SoH) and State of Punjab (SoPb) that is pending finality. The valuation expert based on these assumptions, had determined value in use of the Company assets as at March 31, 2020 (i.e., valuation date) which is higher than the carrying value of assets. The management is confident of receipt of claims for loss due to diversion of traffic/compensation in the arbitration proceedings and accordingly is of the opinion that no adjustments to the carrying value of Carriage way is necessary in the accompanying Standalone Ind AS financial statements.

33 The Company has been incurring continuous losses due to loss of toll revenue arising as a result of diversion of partial traffic on parallel roads developed subsequent to bidding of the project and has incurred a net loss during the year of Rs.4,946.16 Lakhs [March 31, 2019 : Rs.5,362.89 Lakhs] and the total liabilities of the company exceeds its total assets by Rs.20,130.99 Lakhs as on March 31, 2020 [March 31, 2019 : Rs.15,184.83 Lakhs] resulting in erosion of networth indicating that there is a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The Company had raised its contention on loss of revenue due to diversion by NHAI, SoH & SoPb by building parallel highways resulting in loss of traffic to the Company's toll road under arbitration proceedings. The matter is in the process of being finally adjudicated by the Arbitral Tribunal and the Company expects that claim of damages/compensation from respective authorities for the loss of revenue incurred by the Company due to diversion of traffic will be favourably considered by the tribunal and Company would be entitled to the receipt of such claims upto the date of award and concession period thereafter.

The accounts, however have been prepared on a going concern basis in view of the assurance of the Holding Company to provide necessary financial and other assistance for running its operations smoothly in the ensuing years and expected cash flows arising from claims/compensation from the favourably adjudication of arbitration proceedings as fully described to in note number 32 above.

34 Impact of Covid-19 pandemic

The outbreak of Coronavirus (Covid-19) pandemic globally and in India has caused significant disturbance and slowdown of economic activities in the country. The Company, however, believes strongly that its offerings to the customer falls in essential services and would not significantly impact its revenue.

Covid-19 Pandemic Lockdown Commenced on March 24, 2020 with suspension of toll collections from March 26, 2020 on the instructions of NHAI/Government of India. Toll collections resumed from April 20, 2020 with lockdown still continuing with reduction in users on the project highway. The Concession Agreement provides for the compensation from Force Majeure which in the opinion of the management can be claimed on O&M Cost and interest on debt for the period of Force Majeure. The Company proposes to claim the compensation under Force Majeure which it deems can be claimed and will be worked out when the exact period of the lock down and its impacts can be ascertained with certainty, considering the lock down continued as on date of financial statements.

The impact assessment of COVID-19 on toll revenue is a continuing process given the uncertainties associated with its nature and duration. However, management does not anticipate significant decrease in toll collection post lockdown period.

The Company on the basis of their assessment believes that the probability of the occurrence of their forecasted transactions is not much impacted by COVID-19 pandemic. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk.

Further, the Company has also assessed its financial assets and financial liabilities as at March 31, 2020 and based on such assessment, does not expect:

- any impact on its receivables as all receivables are recoverable and don't foresee any bad debts.
- any breach of debt covenants as company has enough cash balance and inflows along with support of holding companies to meet its liabilities towards interest and principal obligation, if any
- any large-scale contraction in demand which could result in significant down-sizing of its employee base rendering the physical infrastructure redundant. The leases that the Company has entered with lessors towards properties and no changes in terms of those leases are expected.
- any impact on its regular maintenance activities including major maintenance which would be done with the guidance of NHAI.

Due to the nature of the pandemic and non-availability of necessary vaccine / treatment for its eradication, the Company will continue to be vigilant on various developments / impacts in the future so as to insulate itself from any material adverse impact.

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35 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.

36 The Company has initiated the process of obtaining Balance confirmations and is yet to receive balance confirmations in respect of certain financial assets and financial liabilities. The Management is of the opinion the balances outstanding are correct and does not expect any material differences in the balances that would be affecting the current year's financial statements on receipt of the balance confirmations post the balance sheet date.

37 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 Construction, 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.

38 Operating Lease

The Company has entered into certain cancellable operating lease agreements. Under these agreements refundable interest-free deposits have been given. The details of lease rentals paid are given below:

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Lease rentals under cancellable lease [Refer note no.34]	16.15	16.93

39 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 :

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
Contribution to provident fund and other funds	7.71	7.68
Contribution to Superannuation fund	2.98	3.47
Total	**10.69**	**11.15**

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, 2020 and March 31, 2019:

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
i. Change in defined benefit obligation		
Defined benefit at the beginning	14.36	11.22
Current Service Cost	2.44	2.20
Interest expenses	0.93	0.83
Acquisition Cost/(Credit)	0.15	(0.23)
Remeasurements - Actuarial loss / (gain)	0.64	1.06
Benefits paid	(4.26)	(0.72)
Defined benefit at the end	**14.26**	**14.36**
ii. Change in fair value of plan assets:		
Fair value of Plan Assets at the beginning	17.29	17.05
Interest income on plan assets	1.16	1.26
Acquisition Adjustment	0.15	(0.23)
Actuarial gains/ (losses)	-	(0.16)
Contributions by employer	0.12	0.09
Benefits paid	(4.26)	(0.72)
Fair value of plan assets at the end	**14.46**	**17.29**

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Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
iii. Amount Recognized in the Balance Sheet		
Present Value of Obligation as at year end	14.26	14.36
Fair Value of plan assets at year end	(14.46)	(17.29)
Net (asset) / liability recognised	**(0.20)**	**(2.93)**
iv. Amount recognized in the Statement of Profit and Loss under employee benefit expenses.		
Current Service Cost	2.44	2.20
Net interest on net defined benefit liability / (asset)	(0.23)	(0.44)
Total	**2.21**	**1.76**
v. Recognised in other comprehensive income for the year		
Remeasurement of actuarial gains/(losses) arising from		
- changes in experience adjustments	(0.29)	1.06
- changes in financial assumption	0.93	-
- changes in demographic assumptions	-	-
Actuarial (gain)/loss arising during the year	0.64	1.06
- return on plan assets excluding interest income	-	0.16
Actuarial (Gain) or Loss recognized in other comprehensive income	**0.64**	**1.22**
vi. Maturity profile of defined benefit obligation		
Within the next 12 months (next annual reporting period)	0.73	0.73
1-2 year	1.01	0.91
2-3 year	1.15	1.19
3-4 year	1.30	1.51
4-5 year	2.99	1.71
5-10 year	17.71	21.06
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	(1.14)	(1.19)
(ii) one percentage point decrease in discount rate	1.31	1.36
(iii) one percentage point increase in salary escalation rate	1.31	1.37
(iv) one percentage point decrease in salary escalation rate	(1.16)	(1.22)
(v) one percentage point increase in employee turnover rate	0.03	0.06
(vi) one percentage point decrease in employee turnover rate	(0.04)	(0.08)

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.

	March 31, 2020	March 31, 2019
viii. The major category of plan assets as a percentage of the fair value of total plan assets are as follows:		
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, 2020 and March 31, 2019, the plan assets have been invested in insurer managed funds.

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ix. **The weighted average assumptions used to determine net periodic benefit cost for the year ended March 31, 2020 and March 31, 2019 are set out below:**

	March 31, 2020	March 31, 2019
Discount rate	6.80%	7.60%
Salary escalation rate	6.00%	6.00%
Attrition rate	5.00%	5.00%
Normal 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.0.12 Lakhs to the gratuity fund during FY 2020-21.

c) **Leave Encashment**

Liability towards Leave Encashment based on Actuarial valuation amounts to Rs. 18.62 Lakhs as at March 31, 2020 [March 31, 2019: Rs. 20.26 Lakhs].

40 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 Pochanpalli Expressways Private Limited (GPEL) GMR Tambaram Tindivanam Expressways Limited (GTTEL) GMR Tuni Anakapalli Expressways Limited (GTAEL) GMR Hyderabad Vijayawada Expressways Private Ltd (GHVEPL) GMR OSE Hungund Hospet Highways Private Limited (GOHHHPL) GMR Kishangarh Udaipur Ahmdabad Expressways Private Limited (GKUAEPL) GMR Generation Assets Limited (GGAL) [formerly GMR Renewable Energy Limited (GREL)] Raxa Security Services Limited (RSSL) Dhruvi Securities Private Limited (DSPL) 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	Mr. O Bangaru Raju, Non-executive Director Mr Arun Kumar Sharma, Non-executive Director (from September 1, 2016) Mr. B.L. Gupta, Independent Director (from September 3, 2016) Ms. Vinita Sanjay Tarachandani, Independent Director (from September 1, 2016) Mr Mani Santosh Bommidala, Additional Director (from January 21, 2020)
Chief Financial Officer	Mr. Mudit Saxena
Company Secretary	Ms. Ritika Ahwal (from January 21, 2020) Ms. Kanika Arora (upto October 19, 2020)
Manager	Mr. Iqbal Singh

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

Rupees in Lakhs

Particulars	Relationship	March 31, 2020	March 31, 2019
Items relating to statement of profit and loss			
a. Interest expenses on unsecured loan			
GHWL	Holding Company	429.12	386.59
GTAEL	Fellow Subsidiary	302.60	301.77
GTTEL	Fellow Subsidiary	214.75	214.16
GGAL	Fellow Subsidiary	42.73	38.49
b. Interest on Liability portion of Preference Shares			
GIL	Enterprises having control over the Company	5.17	4.66
GHWL	Holding Company	6.26	5.64
GTAEL	Fellow Subsidiary	599.17	539.78
GTTEL	Fellow Subsidiary	536.34	483.19
c. Project support services			
GIL	Enterprises having control over the Company	31.69	22.26
d. Tollway and highways maintenance charges			
GHWL	Holding Company	47.04	47.04
e. Charges for Periodic and regular Maintenance of Highways (Provision)			
GHWL	Holding Company	641.10	822.98
f. Reversal of provision for major maintenance no longer required			
GHWL	Holding Company	(433.78)	-
g. Charges for Security & Toll management services			
RSSL	Fellow Subsidiary	373.66	330.38
h. Logo fees			
GEPL	Enterprises having control over the Company	0.01	0.01
i. Interest on Major Maintenance			
GHWL	Holding Company	37.96	202.68
Items relating to balance sheet			
a. Equity shares outstanding			
GIL	Enterprises having control over the Company	2,327.27	2,327.27
GHWL	Holding Company	5,074.27	5,074.27
GEL	Fellow Subsidiary	2,422.26	2,422.26
b. Equity component of preference shares			
GIL	Enterprises having control over the Company	46.66	46.66
GHWL	Holding Company	56.56	56.56
GTAEL	Fellow Subsidiary	5,074.10	5,074.10
GTTEL	Fellow Subsidiary	4,842.37	4,842.37
c. Liability portion of preference shares			
GIL	Enterprises having control over the Company	53.41	48.24
GHWL	Holding Company	64.74	58.48
GTAEL	Fellow Subsidiary	6,191.91	5,592.74
GTTEL	Fellow Subsidiary	5,542.67	5,006.33
d. Equity component of loan taken			
GHWL	Holding Company	6,062.02	6,062.02
GGAL	Fellow Subsidiary	676.57	676.57
e. Liability portion of loan taken			
GHWL	Holding Company	4,434.60	4,005.47
GGAL	Fellow Subsidiary	441.54	398.82
GTAEL	Fellow Subsidiary	3,353.00	3,353.00
GTTEL	Fellow Subsidiary	2,409.00	2,409.00
f. Interest payable on Loan taken			
GTAEL	Fellow Subsidiary	1,273.08	1,057.13
GTTEL	Fellow Subsidiary	832.95	807.85

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Particulars		Relationship	March 31, 2020	March 31, 2019
g.	Trade and Other Payables			
	GIL	Enterprises having control over the Company	168.10	136.57
	GEPL	Enterprises having control over the Company	0.01	0.01
	GHWL	Holding Company	676.87	1,164.29
	RSSL	Fellow Subsidiary	131.83	110.01
h.	Provision for major maintenance			
	GHWL	Holding Company		
	Opening balance		953.28	1,897.32
	Add: Provision made during the year		554.56	902.68
	Less: Provision utilised during the year		(519.50)	(1,846.72)
	Less: Reversal of provision no longer required		(433.78)	-
	Closing Balance		554.56	953.28

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

Notes:

i. Related Party Transactions given above are as identified by the Management.

ii. Commitments with related parties: As at year end March 31, 2020, there is no commitment outstanding with any of the related parties.

iii. 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 as approved by the Audit Committee. 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 as per the management. For the year ended March 31, 2020, the Company owes amount to related parties which is payable in terms of the agreements and balance confirmations.

iv. For terms and conditions related to Preference Share please refer Note no.14

c. Compensation of key management personnel of the company

Rupees in Lakhs

Particulars	March 31, 2020	March 31, 2019
a. Short-term employee benefits	21.40	23.14
b. Post-employment benefits (provident fund)	1.87	1.77
c. Termination benefits	-	-
d. Any other payment/benefit given to KMPs	3.06	2.54
Total	26.33	27.45

d. Transaction with Key Management Personnel

Rupees in Lakhs

Particulars	Remuneration: Short-term employee benefits	Post employment benefits	Other long-term employee	Termination benefits	Sitting Fee	Others	Outstanding loans/advances receivables
Ms. Vinita Sanjay	-	-	-	-	1.53	-	-
Tarachandani	-	-	-	-	*(1.06)*	-	-
Mr. Bajrang Lal	-	-	-	-	1.53	-	-
Gupta	-	-	-	-	*(1.48)*	-	-
Mr. Iqbal Singh	21.40	1.87	-	-	-	-	-
	(23.14)	*(1.77)*	-	-	-	-	-

Previous year figures are in brackets

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.

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41 **Salient aspects of Service Concession Arrangement**

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

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

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

Concession period

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

Fees

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

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

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

(Base Fee X WPI-B) / WPI-A

Where

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

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

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

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

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

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

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

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

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

(i) Vehicles -

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

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

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

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

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Concession Fee

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

Operation and Maintenance

The Company shall operate and maintain the Project Highway by itself or through O&M Contractor and if required, modify, repair or otherwise make improvement to the Project Highway to comply with Specifications and Standards, and other requirements set forth in this Agreement, Good Industry Practice, Applicable laws and Applicable Permits and manufacturer's 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) charging, collecting and retaining the Fees in accordance with the concession agreement
iii) minimizing disruption to traffic in the event of accidents or other incidents affecting the safety and use of the Project Highway by providing a rapid and effective response and maintaining 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, repairs and refurbishment of tolling system and hardware and other equipment.
vi) carrying out periodic preventive maintenance to Project Highway including tolling system
vii) preventing with the assistance of concerned law enforcement agencies unauthorised entry to and exit from the Project Highway.
viii) preventing with the assistance of the concerned law enforcement agencies encroachments on the Project Highway including site and preserve the right of way of the Project Highway
ix) maintaining a public relations unit to interface with and attend to suggestions from users of the Project Highway, the media, Government Agencies, and other external agencies.
x) adherence to the safety 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.

Additional Tollway

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

42 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

Lalit R Mhalsekar
Partner
Membership No.: 103418

Date : May 16, 2020
Place : Mumbai

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of
GMR Ambala Chandigarh Expressways Private Limited

O Bangaru Raju
Director
DIN: 00082228

Arun Kumar Sharma
Director
DIN: 02281905

Mudit Saxena
Chief Financial Officer
Membership no.075064
Date : May 16, 2020
Place : New Delhi

Ritika Ahwal
Company Secretary
Membership no.A44408