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, 2023, 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, 2023, its 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 Standalone 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 on the standalone financial statements.

Material Uncertainty Related to Going Concern

We draw attention to Note No. 34 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. 30 (iii), 31 and 32, indicates 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.

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CHATURVEDI & SHAH LLP
Chartered Accountants

Emphasis of Matter

We draw attention to the following notes to the accompanying standalone financial statements for the year ended March 31, 2023:

a. Note No. 31 to the accompanying standalone financial statements, which describes uncertainty in the matter relating to claim of the Company for compensation of loss of revenue from National Highways Authority of India, State of Punjab and State of Haryana arising as a result of diversion of partial traffic on development of competing road subsequent to bidding of the project which has been referred back to Arbitration tribunal by the Hon'ble High Court of Delhi which is yet to attain finality.

b. 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 December 31, 2022 (i.e., valuation date) higher than the carrying value of the Asset. The value in use so determined is critically dependent upon the receipt of claims for damages and compensation in the pending proceedings as referred in Note no. 31 to the accompanying standalone financial statements. As stated in the said note, the management based on the enterprise valuation report has not considered any adjustment to the carrying value of the carriage ways in the standalone financial statements which is critically dependent on the receipt of claims pursuant to the favourable order from Arbitration proceedings.

c. Note No. 30 (iii) to the accompanying standalone financial statements, regarding non-provisioning of interest on negative grant amounting to Rs. 6,032.39 Lakhs calculated up to August 25, 2020 (Rs. 10,134.00 Lakhs as per NHAI demand up to October 31, 2020) for such reasons as referred to in the said note.

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.

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 m

Responsibility of the Management and Those Charged with Governance 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 including other 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 is also responsible for overseeing the Company's financial reporting process.

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 scepticism 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 with reference to standalone financial statements 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.

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- 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.

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, 2020 ('the Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in 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;

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CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

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

f) on the basis of the written representations received from the directors as on March 31, 2023 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B',

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

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. 30 and 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.

iv. a) The management has represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

b) The management has represented to us that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) Based on our audit procedures conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation given by the management as mentioned above under paragraph (2) (i) (iv) (a) & (b) contain any material misstatement.

v. The company has not declared or paid any dividend during the year.

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

Mhalsekar

Lalit R Mhalsekar
Partner
Membership Number: 103418

UDIN: 23103418BGXVIA3208

Place: Mumbai
Date: April 27, 2023

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

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, 2023, we report that:

i) a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant and Equipment.

B. The Company has maintained proper records showing full particulars of intangible assets.

b) The Company has a regular program of physical verification of its Property Plant and Equipment (PPE) by which PPE are verified every three years, in accordance with this program, the PPE were verified during the Financial year 2020-21 and no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not own any freehold immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) and the company does not have any lease/sublease deed on leasehold land registered in the name of the Company.

d) According to information and explanations given to us and books of accounts and records examined by us, Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

e) According to information, explanations and representation given to us by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

ii) a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, in our opinion, physical verification of the inventories have been conducted at reasonable intervals by the management having regard to the size and nature of business of the Company and nature of its inventory, the coverage and procedures of such verification by the management is appropriate. As explained to us and on the basis of the records examined by us, the value of the discrepancies noticed on physical verification by management did not exceed 10% or more in aggregate of each class of inventory.

b) According to the information and explanations given to us, the Company does not have any sanctioned working capital facility in excess of Rs 5 crores from banks or financial institutions on the basis of security of current assets and hence reporting under Paragraph 3(ii)(b) of the Order is not applicable.

iii) As per 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 not made any investment, or provided any guarantee or security or has not granted any advances in the nature of loans to Companies, Firms, Limited Liability Partnerships or any other entities hence requirement of provisions of paragraph 3(iii) (a) to (f) is not applicable.

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CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

iv) As per the information and explanations given to us, the Company has not given any loans, made investments, 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 explanation given to us, the Company has not accepted any deposits and amounts which are deemed to be deposits within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). 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. Accordingly, the provision of paragraph 3(v) of the Order is not applicable to the Company.

vi) To the best of our knowledge and explanations given to us, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company, hence the provision of paragraph 3(vi) of the Order is not applicable to the Company.

vii) a) According to the information and explanations given to us and on the basis of our examination of the records, the company during the year has been generally regular in depositing with appropriate authorities undisputed statutory dues including employee' state insurance, provident fund, professional tax, income-tax, goods and services tax and other material statutory dues applicable to it with appropriate authorities.

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 statutory dues referred to in sub-clause (a) above, which have not been deposited on account of any dispute.

viii) According to the information, explanations and representation given to us by the management, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

ix) a) In our opinion and according to the information and explanations given to us and on the basis of examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks or in the payment of interest thereon to any lender except the following instance:

Nature of Borrowing	Name of the Lender	Amount not paid on due dates (Rupees in Lakhs)	Whether Principal or Interest	No. of days delay / unpaid	Remarks
Rupee Term Loan	Bank of Maharashtra	284.90	Principal	Delay ranging from 83 days to 87 days	Quarterly instalments

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CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Nature of Borrowing	Name of the Lender	Amount not paid on due dates (Rupees in Lakhs)	Whether Principal or Interest	No. of days delay / unpaid	Remarks
Rupee Term Loan	Central Bank of India	764.50	Principal	Delay ranging from 83 days to 87 days	Quarterly instalments
Rupee Term Loan	Punjab National Bank	722.25	Principal	Delay ranging from 83 days to 87 days	Quarterly instalments
Rupee Term Loan	State Bank of India	787.07	Principal	Delay ranging from 83 days to 87 days	Quarterly instalments
Rupee Term Loan	Union Bank of India	173.97	Principal	Delay ranging from 83 days to 87 days	Quarterly instalments
Rupee Term Loan	Bank of Maharashtra	115.97	Principal	Unpaid	
Rupee Term Loan	Central Bank of India	308.76	Principal	Unpaid	
Rupee Term Loan	Punjab National Bank	290.75	Principal	Unpaid	
Rupee Term Loan	State Bank of India	316.97	Principal	Unpaid	
Rupee Term Loan	Union Bank of India	57.99	Principal	Unpaid	
Rupee Term Loan	Bank of Maharashtra	207.63	Interest	Delay ranging from 83 days to 89 days	
Rupee Term Loan	Central Bank of India	570.54	Interest	Delay ranging from 83 days to 89 days	
Rupee Term Loan	Punjab National Bank	530.91	Interest	Delay ranging from 58 days to 89 days	

Nature of Borrowing	Name of the Lender	Amount not paid on due dates (Rupees in Lakhs)	Whether Principal or Interest	No. of days delay / unpaid	Remarks
Rupee Term Loan	State Bank of India	627.34	Interest	Delay ranging from 83 days to 89 days	
Rupee Term Loan	Union Bank of India	113.41	Interest	Delay ranging from 60 days to 89 days	
Rupee Term Loan	Bank of Maharashtra	63.31	Interest	Unpaid	
Rupee Term Loan	Central Bank of India	178.13	Interest	Unpaid	
Rupee Term Loan	Punjab National Bank	162.51	Interest	Unpaid	
Rupee Term Loan	State Bank of India	185.72	Interest	Unpaid	
Rupee Term Loan	Union Bank of India	17.31	Interest	Unpaid	

b) In our opinion, and according to the information, explanations and representation given to us, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

c) The Company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year and hence requirement of paragraph 3(ix)(c) of the Order is not applicable to the Company.

d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, and on the basis of our examination of the records of the Company, the Company has not raised any fresh short-term funds during the year hence requirement of paragraph 3(ix)(d) of the Order is not applicable to the Company.

e) In our opinion, and according to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures hence requirement of paragraph 3(ix)(e) of the Order is not applicable to the Company.

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CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

f) According to the information and explanations given to us and on the basis of our examination of the records of the company, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x) a) In our opinion and according to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company did not raise money by way of initial public offer or further public offer (including debt instruments), hence requirement of paragraph 3(x)(a) of the Order is not applicable to the Company.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any [illegible]

[illegible] to the information and explanations given to us, no report under sub-section 12 of section [illegible] of the Act has been filed by auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

[illegible] opinion, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) (a) to (c) of the Order is not applicable.

[illegible] our opinion 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.

[illegible] our opinion and based on our examination, the Company has an internal audit system [illegible] with the size and nature of its business.

[illegible] have considered the internal audit reports of the Company issued till date, for the period [illegible]

[illegible] 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 as referred to in Section 192 of the Act.

To the best of our knowledge and as explained to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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b) In our opinion, and according to the information and explanations provided to us, and on the basis of our examination of the records of the Company, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year as per the Reserve bank of India Act 1934.

c) In our opinion and according to the information and explanations provided to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

d) As represented by the management, the Group has two Core Investment Companies (CICs) as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016.

xvii) In our opinion and according to the information and explanations provided to us, the Company has incurred cash losses during the immediately preceding financial year amounting to Rs. 3,738.16 Lakhs.

xviii) There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable to the Company.

xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our review of the evidence supporting the assumptions, there is a existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern as on the date of the audit report and the capability of the company for meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date is dependent on the assurance of the Holding Company to provide necessary financial and other assistance for running its operations as referred to in Note No 34 to the accompanying standalone financial statements (Refer *Material Uncertainty Related to Going Concern* Section of our report). We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx) The Company is not liable to spend on Corporate Social responsibility for the year under audit in terms of the section 135 of the Act, hence reporting requirement under Paragraph 3 (xx) (a) and (b) of the Order are not applicable to the Company.

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CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

xxi) In our opinion, Company is not required to prepare the consolidated financial statement under sub section 3 of section 129 of the Act, hence, reporting requirement under Paragraph 3 (xxi) of the Order are not applicable to the Company.

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

Lalit R Mhalsekar
Partner
Membership Number: 103418

UDIN: 23103418BGXVIA3208

Place: Mumbai
Date: April 27, 2023

CHATURVEDI & SHAH LLP
MUMBAI
CHARTERED ACCOUNTANTS

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls with reference to standalone financial statement of **GMR AMBALA-CHANDIGARH EXPRESSWAYS PRIVATE LIMITED** ("the Company") as of March 31, 2023 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 Company is responsible for establishing and maintaining internal financial controls based on the internal controls 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 ('Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 with reference to Standalone Financial Statements were 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Standalone Financial Statements.

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Meaning of Internal Financial Controls with reference to these Standalone Financial Statements

A company's internal financial control with reference to standalone financial statements 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 with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statement and such internal financial controls with reference to standalone financial statement were operating effectively as at March 31, 2023, based on the internal controls 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: 23103418BGXVIA3208

CHATURVEDI & SHAH LLP
MUMBAI
CHARTERED ACCOUNTANTS

Place: Mumbai
Date: April 27, 2023

GMR Ambala Chandigarh Expressways Private Limited

Financial Statements
April 1, 2022 to March 31, 2023

REGISTERED OFFICE

25/1, SKIP HOUSE
MUSEUM ROAD
BANGALORE - 560 025.

GMR Ambala-Chandigarh Expressways Private Limited

CIN - U45203KA2005PTC036773

Balance Sheet as at March 31, 2023

Particulars	Note	March 31, 2023	Rupees in Lakhs March 31, 2022
ASSETS			
Non-current Assets			
Property, plant and equipment	2	41.67	48.27
Other intangible assets	3	28,077.37	32,212.27
Right of use assets	4	31.42	-
Financial Assets			
Other financial assets	5	24.13	22.60
Income tax assets (net)	7	4.79	18.72
Total Non-Current Assets		**28,179.38**	**32,301.86**
Current Assets			
Inventories	8	64.84	72.50
Financial Assets			
Cash and cash equivalents	9	240.66	124.52
Other financial assets	5	28.46	45.02
Other current assets	6	76.97	154.60
Total Current Assets		**410.93**	**396.64**
TOTAL ASSETS		**28,590.31**	**32,698.50**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	10	9,823.80	9,823.80
Other equity	11	(35,365.59)	(46,392.51)
Total Equity		**(25,541.79)**	**(36,568.71)**
LIABILITIES			
Non-current Liabilities			
Financial Liabilities			
Non Current borrowings	12	26,253.85	24,546.57
Lease Liabilities	13	21.64	-
Other financial liabilities	16	3,582.41	-
Provisions	14	16.84	888.64
Deferred tax liabilities (net)	18	-	-
Total Non-current Liabilities		**29,874.74**	**25,435.21**
Current Liabilities			
Financial Liabilities			
Current borrowings	12	8,841.65	31,609.00
Lease Liabilities	13	9.75	-
Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	15	156.56	306.15
b) Total outstanding dues of creditors other than (a) above	15	544.06	896.18
Other financial liabilities	16	10,818.53	7,755.46
Other current liabilities	17	97.47	731.93
Provisions	14	3,789.34	2,533.28
Total Current Liabilities		**24,257.36**	**43,832.00**
TOTAL EQUITY AND LIABILITIES		**28,590.31**	**32,698.50**
Significant accounting policies	1	-	-

The accompanying notes form an integral part of these 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

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Date : April 27, 2023
Place : Mumbai

For and on behalf of the Board of Directors
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 : April 27, 2023
Place : New Delhi

Divya Kalra
Company Secretary
Membership No. ACS 70871

GMR Ambala-Chandigarh Expressways Pvt. Ltd.

GMR Ambala-Chandigarh Expressways Private Limited
CIN - U45203KA2005PTC036773

Statement of profit and loss for the year ended March 31, 2023

Particulars	Note	March 31, 2023	Rupees in Lakhs March 31, 2022
INCOME			
Revenue from operations	19	7,149.97	1,895.08
Other income	20	21.75	16.46
Total Income		**7,171.72**	**1,911.54**
EXPENSES			
Operating expenses	21	1,500.02	1,655.37
Employee benefits expense	22	151.35	199.10
Finance costs	23	5,126.73	6,600.85
Depreciation and amortization expense	24	4,150.10	1,618.38
Other expenses	25	740.16	671.18
Total Expenses		**11,668.36**	**10,744.88**
Loss for the year before exceptional items and tax		**(4,496.64)**	**(8,833.34)**
Exceptional items (Loss)/ Gain	26	870.50	-
Loss for the year before taxation		**(3,626.14)**	**(8,833.34)**
Tax Expense:			
Current tax		-	-
Deferred tax expense (credit)		-	-
		-	-
Loss for the year after tax		**(3,626.14)**	**(8,833.34)**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss in subsequent periods:			
Re-measurement gains (losses) on defined benefit plans		7.02	(0.36)
Income tax effect		-	-
Other comprehensive income for the year, net of tax		**7.02**	**(0.36)**
Total comprehensive income for the year		**(3,619.12)**	**(8,833.70)**
Earnings per equity share: (face value of equity shares of Rs.10 each)			
Basic	27	(3.69)	(8.99)
Diluted	27	(3.69)	(8.99)
Significant accounting policies	1		

The accompanying notes form an integral part of these 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
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Chief Financial Officer
Membership no.075064

Divya Kalra
Company Secretary
Membership No. ACS 70871

Date : April 27, 2023
Place : New Delhi

GMR Ambala-Chandigarh Expressways Private Limited

CIN - U45203KA2005PTC036773

Statement of cash flows for the year ended March 31, 2023

Rupees in Lakhs

Particulars	March 31, 2023	March 31, 2022
A CASH FLOW FROM OPERATING ACTIVITIES:		
Loss for the year	**(3,626.14)**	**(8,833.34)**
Adjustments For :		
Depreciation and amortisation	4,150.10	1,518.38
Interest and finance charges	5,126.73	6,500.85
Major maintenance expenses	886.70	791.22
Exceptional (Gain)/Loss	(870.50)	-
Loss / (profit) on sale of property plant and equipment	0.57	-
Reameasurements of defined benefit plans	7.02	(0.36)
Interest income on bank deposit and others	(0.04)	(0.06)
Interest on Income Tax Refund	(0.89)	(0.25)
Balances written off	55.00	-
Excess provision/ liabilities written back	(11.81)	-
	5,716.74	**176.44**
Adjustments for Movement in Working Capital:		
Decrease / (increase) in other financial assets and loans	14.46	(8.55)
Decrease / (increase) in other assets	22.63	4.44
Decrease / (increase) in Inventories	7.66	(5.89)
Increase / (decrease) in trade payables	(489.90)	100.23
Increase / (decrease) in financial liabilities	6,162.33	3,684.97
Increase / (decrease) in other liabilities	236.04	613.34
Increase / (decrease) in Provision	(1,581.07)	(381.11)
Cash From/(used In) Operating activities	**10,088.89**	**4,183.87**
Tax (paid)/refund	14.82	(14.47)
Net Cash From/(used In) Operating activities	**10,103.71**	**4,169.40**
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(8.35)	(16.81)
Sale of property, plant and equipment	1.99	-
Interest Income on bank deposit	-	0.07
Decrease/(increase) in Other Bank Balance	-	1.51
Cash From/(used In) Investing Activities	**(6.36)**	**(15.23)**
C CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment of term loan from banks	(3,621.66)	(1,436.47)
Payment of Negative Grant	(3,569.75)	-
Payment of Lease Liabilities	(3.15)	-
Interest and finance charges paid to others	(2,770.24)	(2,519.24)
Interest paid to related parties	(16.41)	(108.60)
Cash From/(used In) Financing Activities	**(9,981.21)**	**(4,064.31)**
D Net Increase / decrease in Cash and Cash Equivalents [A+B+C]	**116.14**	**89.86**
Cash and Cash Equivalents as at beginning of the year	124.52	34.66
Cash and Cash Equivalents as at end of the year	**240.66**	**124.52**
Components of Cash and Cash Equivalents:		
Cash in hand	22.45	13.95
Balances with banks		
- Current account	218.21	110.57
Total	**240.66**	**124.52**
	-	-

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	Principalisation of interest on borrowings	Non-cash / fair value changes/ Others	Closing Balance
For the year ended March 31, 2023					
Liability portion of preference shares*	14,520.33	-	-	(14,520.33)	-
External borrowings	23,199.16	(3,621.66)	-	13.54	19,591.04
Liability portion of Loan from related parties	5,973.57	-	-	638.13	6,611.70
Borrowing from related parties	6,429.91	-	-	-	6,429.91
Negative government grant	6,032.60	(3,569.75)	-	-	2,462.85
Lease Liabilities	-	(3.15)	-	34.54	31.39
Interest accrued	3,760.83	(2,786.65)		3,269.80	4,243.98

*[Refer Note No.10(c)]

GMR Ambala-Chandigarh Expressways Private Limited
CIN - U45203KA2005PTC036773

Statement of cash flows for the year ended March 31, 2023

2 Changes in liabilities arising from financing activities

Rupees in Lakhs

Particulars	Opening balance	Cash flows	Principalisation of interest on borrowings	Non-cash / fair value changes	Closing Balance
For the year ended March 31, 2022					
Liability portion of preference shares	13,118.90	-	-	1,401.43	14,520.33
External borrowings	24,645.13	(1,436.47)	(24.96)	15.46	23,199.16
Liability portion of Loan from related parties	5,397.03	-	-	576.54	5,973.57
Borrowing from related parties	6,429.91	-	-	-	6,429.91
Negative government grant	6,032.60	-	-	-	6,032.60
Interest accrued	2,839.60	(2,627.84)	24.96	3,524.11	3,760.83

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

The accompanying notes form an integral part of these 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

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Date : April 27, 2023
Place : Mumbai

For and on behalf of the Board of Directors
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 : April 27, 2023
Place : New Delhi

Divya Kalra
Company Secretary
Membership No. ACS 70871

GMR Ambala-Chandigarh Expressways Pvt. Ltd.

GMR Ambala-Chandigarh Expressways Private Limited
CIN - U45203KA2005PTC036773

Statement of Changes in Equity for the year ended March 31, 2023

A. Equity Share Capital

Rupees in Lakhs

Particulars	Note	March 31, 2023	March 31, 2022
Balance at the beginning of the year	10	9,823.80	9,823.80
Changes in Equity Share Capital due to prior period errors		-	-
Restated balance at beginning of the year		**9,823.80**	**9,823.80**
Changes in equity share capital during the year		-	-
Balance at the end of the year	10	**9,823.80**	**9,823.80**

B. Other Equity

Rupees in Lakhs

Particulars	Equity component of financial instruments		8% Non-Cumulative Compulsorily Convertible Preference shares[Refer Note No.10(c)]	Retained earnings	Other comprehensive income	Total [Refer Note No.11]
	Preference shares	Related party loans				
Changes in equity for the year ended March 31, 2022						
Balance as at April 1, 2021	10,019.69	6,738.59	-	(54,314.61)	(2.48)	(37,558.81)
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance as at April 1, 2021	**10,019.69**	**6,738.59**	-	**(54,314.61)**	**(2.48)**	**(37,558.81)**
Loss for the year	-	-	-	(8,833.34)	-	(8,833.34)
Other comprehensive income						
Re-measurement gains/(loss) on defined benefit plans	-	-	-	-	(0.36)	(0.36)
Balance as at March 31, 2022	**10,019.69**	**6,738.59**	-	**(63,147.95)**	**(2.84)**	**(46,392.51)**
Changes in equity for the year ended March 31, 2023						
Balance as at April 1, 2022	**10,019.69**	**6,738.59**	-	**(63,147.95)**	**(2.84)**	**(46,392.51)**
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance as at April 1, 2022	**10,019.69**	**6,738.59**	-	**(63,147.95)**	**(2.84)**	**(46,392.51)**
Loss for the year	-	-		(3,626.14)	-	(3,626.14)
Conversion of Redeemable Preference Shares into Compulsorily Convertible Preference shares	-	-	14,646.04	-	-	14,646.04
Other comprehensive income						
Re-measurement gains/(loss) on defined benefit plans	-	-	-	-	7.02	7.02
Balance as at March 31, 2023	**10,019.69**	**6,738.59**	**14,646.04**	**(66,774.09)**	**4.18**	**(35,365.59)**

The accompanying notes form an integral part of these 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 : April 27, 2023
Place : Mumbai

For and on behalf of the Board of Directors
GMR Ambala-Chandigarh Expressways Private Limited

O Bangaru Raju
Director
DIN: 00082228

Arun Kumar Sharma
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Chief Financial Officer
Membership no.075064
Date : April 27, 2023
Place : New Delhi

Divya Kalra
Company Secretary
Membership No. ACS 70871

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

GMR Ambala-Chandigarh Expressways Pvt. Ltd.

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 has registered itself as Medium enterprise under Micro, small and Medium Enterprises Development Act,2006.

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 Power and Urban Infra Limited [Refer Note No.1.2(i)]".

The Financial Statements of the Company for the year ended March 31, 2023 were authorised for issue in accordance with a resolution of the Board of Directors on April 27, 2023.

1.2 Composite Scheme of Amalgamation:

The composite scheme of amalgamation and arrangement for amalgamation of GMR Power Infra Limited ('GPIL') with the GMR Infrastructure Limited ('GIL') and demerger of Engineering Procurement and Construction ('EPC') business and Urban Infrastructure Business of GIL (including Energy business) into GMR Power and Urban Infra Limited ('GPUIL') ("The Scheme") was approved by the Hon'ble National Company Law Tribunal, Mumbai Bench ("the Tribunal") vide its order dated December 22, 2021 (formal order received on December 24, 2021). The said Tribunal order was filed to the Registrar of Companies by GIL, GPIL and GPUIL on December 31, 2021 thereby making the Scheme effective. After the scheme becoming effective, GPUIL becomes the Parent Company.

Pursuant to the Scheme as referred above, the following impact has been given in the financial statements of the Company:

(i) The Equity Shares, Preference Shares held by GIL has been transferred to GPUIL in terms of the Demerger. The equity shares with depository is still appearing in the name of GIL, due to pledge with Banks for Rupee Term Loan in respect of which the Company is in the process of getting the same transferred. Pending such transfer with depository, GPUIL is considered as the holder of shares for the purposes of disclosure in the financial statements in terms of the Demerger Scheme.

(ii) The unsecured loans availed from GIL has been transferred to GPUIL

(iii) All payables to GIL / receivables from GIL (pertaining to EPC division) shall be payable to GPUIL / receivables from GPUIL, except for payable towards Corporate Cost Sharing, up to December 31, 2021.

1.3 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 audited Financial are presented in Indian Rupees (INR)/Rupees in Lakhs, except when otherwise indicated.

1.4 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.

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) **Current versus non-current classification**

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.

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

GMR Ambala-Chandigarh Expressways Pvt. Ltd.

1 Company Overview and Significant Accounting Policies:

1.4 Significant accounting policies

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.

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.

CHATURVEDI & SHAH LLP * MUMBAI * CHARTERED ACCOUNTANTS

GMR Ambala-Chandigarh Expressways Pvt. Ltd. *

1 Company Overview and Significant Accounting Policies:

1.4 Significant accounting policies

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.

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.

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.

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:

Asset Type	Estimated useful Life (In Years)
Plant and equipment	4-15 years
Office equipment	5 years
Furniture and fixtures	10 years
Vehicles	8-10 years
Computers	3 years

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GMR Ambala-Chandigarh Expressways Pvt. Ltd.

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

1.4 **Significant accounting policies**

e) **Property, Plant & Equipment**

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.

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

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.

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Ambala-Chandigarh Expressways Pvt. Ltd.

1 Company Overview and Significant Accounting Policies:

1.4 Significant accounting policies

j) Lease

Finance Leases:

Where the Company is the lessee

The Company assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves–
(a) the use of an identified asset,
(b) the right to obtain substantially all the economic benefits from use of the identified asset, and
(c) the right to direct the use of the identified asset.

The Company at the inception of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

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.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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.

Lease payments have been classified as cash used in Financing activities.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of building, 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 and building that are considered of low value. 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.

Operating Leases:

Where the Company is the lessor

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.

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1 Company Overview and Significant Accounting Policies:

1.4 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.

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.

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

1.4 **Significant accounting policies**

m) **Retirement and other Employee Benefits**

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.

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.

1 Company Overview and Significant Accounting Policies:

1.4 Significant accounting policies

n) **Financial Instruments**

i) Financial assets

Impairment of financial assets

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

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

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

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

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

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

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

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

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

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

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

> Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

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.

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

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1 Company Overview and Significant Accounting Policies:

1.4 Significant accounting policies

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.

q) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipt or payments and item of income or expense associated with investing or financing cash-flows. The cash flow from operating, investing and financing activities of the Company are segregated.

1.5 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.

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.

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.30 & 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.

1.5 Key accounting estimates and judgments

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 received Order from the Hon'ble High Court of Delhi setting aside the Arbitral Award as detailed in Note No. 31. In view of the same and based on the legal opinions and its assessment is of the view that the said claims would be upheld either by Arbitral Tribunal or Delhi High Court and the claim amount will be received by the Company in the ensuing years. The probability of receipt of these amounts have been considered in cash flows for the purpose of impairement testing by expert valuer.

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

GMR Ambala-Chandigarh Expressways Pvt. Ltd.

1 Company Overview and Significant Accounting Policies:

1.5 Key accounting estimates and judgments

ii) Significant judgements :

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. The amortisation is based on the revenue projections without considering the revenue impact of Change in Law claims made by the Company for amortisation.

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.14

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

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

i. Ind AS 1 - Presentation of Financial Statements -

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies and include corresponding amendments to IND AS 107 and IND AS 34. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

ii. Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors -

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

iii. Ind AS 12 - Income Taxes -

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. Also there is corresponding amendment to IND AS 101. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

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GMR Ambala-Chandigarh Expressways Pvt. Ltd. ★

GMR Ambala-Chandigarh Expressways Private Limited
CIN - U45203KA2005PTC036773

Notes to Financial Statements

2 Property, plant and equipment

Rupees in Lakhs

Particulars	Plant and machinery	Computers	Office Equipments	Vehicles	Furniture and Fixtures	Total
Gross block						
As at April 01, 2021	**17.25**	**11.02**	**29.26**	**36.82**	**2.17**	**96.52**
Additions	14.31	-	2.50	-	-	16.81
Disposals / Adjustments	-	-	-	-	-	-
As at March 31, 2022	**31.56**	**11.02**	**31.76**	**36.82**	**2.17**	**113.33**
Additions	-	-	7.86	-	0.49	8.35
Disposals / Adjustments	(16.73)	-	-	-	-	(16.73)
As at March 31, 2023	**14.83**	**11.02**	**39.62**	**36.82**	**2.66**	**104.95**
Depreciation						
As at April 01, 2021	**12.02**	**9.45**	**13.96**	**13.85**	**1.89**	**51.17**
Charge for the year	2.05	1.45	5.86	4.48	0.05	13.89
Disposals / Adjustments	-	-	-	-	-	-
As at March 31, 2022	**14.07**	**10.90**	**19.82**	**18.33**	**1.94**	**65.06**
Charge for the year	1.54	0.03	6.30	4.48	0.04	12.39
Disposals / Adjustments	(14.17)	-	-	-	-	(14.17)
As at March 31, 2023	**1.44**	**10.93**	**26.12**	**22.81**	**1.98**	**63.28**
Net block						
As at March 31, 2022	**17.49**	**0.12**	**11.94**	**18.49**	**0.23**	**48.27**
As at March 31, 2023	**13.39**	**0.09**	**13.50**	**14.01**	**0.68**	**41.67**

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.12

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CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

GMR Ambala-Chandigarh Expressways Pvt. Ltd.

GMR Ambala-Chandigarh Expressways Private Limited
CIN - U45203KA2005PTC036773

Notes to Financial Statements

3 Other Intangible Assets

Rupees in Lakhs

Particulars	Carriageways	Software	Total
Gross block			
As at April 01, 2021	52,555.62	68.23	52,623.85
Additions	-	-	-
Disposals / Adjustments	-	-	-
As at March 31, 2022	52,555.62	68.23	52,623.85
Additions	-	-	-
Disposals / Adjustments	-	-	-
As at March 31, 2023	52,555.62	68.23	52,623.85
Depreciation			
As at April 01, 2021	18,739.04	68.05	18,807.09
Charge for the year	1,604.33	0.16	1,604.49
Disposals / Adjustments	-	-	-
As at March 31, 2022	20,343.37	68.21	20,411.58
Charge for the year	4,134.90	-	4,134.90
Disposals / Adjustments	-	-	-
As at March 31, 2023	24,478.27	68.21	24,546.48
Net block			
As at March 31, 2022	32,212.25	0.02	32,212.27
As at March 31, 2023	28,077.35	0.02	28,077.37

Notes:

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

2 For charges created on Intangible assets refer note no.12

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Notes to Financial Statements

4 Right of use Assets

Rupees in Lakhs

Particulars	Leashold Buildings	Total
Gross block		
As at April 01, 2021		
Additions	-	-
Disposals / Adjustments	-	-
As at March 31, 2022	-	-
Additions	-	-
Disposals / Adjustments	34.23	34.23
As at March 31, 2023	-	-
Depreciation	**34.23**	**34.23**
As at April 01, 2021		
Charge for the year	-	-
Disposals / Adjustments	-	-
As at March 31, 2022	-	-
Charge for the year	-	-
Disposals / Adjustments	2.81	2.81
As at March 31, 2023	-	-
Net block	**2.81**	**2.81**
As at March 31, 2022		
As at March 31, 2023	-	-
	31.42	**31.42**

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CHATURVEDI & SHAH LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

GMR Ambala-Chandigarh Expressways Pvt. Ltd. ★

GMR Ambala-Chandigarh Expressways Private Limited
CIN - U45203KA2005PTC036773

Notes to Financial Statements

5 Other financial assets

Particulars		March 31, 2023	Rupees in Lakhs March 31, 2022
Non-current:			
Carried at amortised cost			
Unsecured, considered good			
Deposit with Government Departments and others		24.13	22.60
Sub Total	**(A)**	**24.13**	**22.60**
Current:			
Carried at amortised cost			
Unsecured, considered good			
Security deposits – considered good - unsecured			
with others		0.70	2.40
Receivable from NHAI		6.22	42.62
Receivable from toll customers		21.54	-
Sub Total	**(B)**	**28.46**	**45.02**
Total	**(A)+(B)**	**52.59**	**67.62**

Note :-

i) The fair value of other financial assets are not materially different from the carrying value presented.

6 Other assets

Particulars	March 31, 2023	Rupees in Lakhs March 31, 2022
Current:		
Unsecured, considered good		
Advances recoverable in cash or kind		
- Advance to suppliers	2.54	57.98
- Advance to employees for expenses	2.71	0.34
Prepaid expenses	66.86	77.14
Balances with government authorities	4.86	19.14
Total	**76.97**	**154.60**

Note :-

i) For charges created on current assets refer note no.12

7 Income tax assets (net)

Particulars	March 31, 2023	Rupees in Lakhs March 31, 2022
Non-current:		
Advance income tax and tax deducted at source (net)	4.79	18.72
Total	**4.79**	**18.72**

8 Inventories

Particulars	March 31, 2023	Rupees in Lakhs March 31, 2022
Stores and spares [Refer note (b) below]	64.84	72.50
Total	**64.84**	**72.50**

Notes:

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

b) For charges created on inventories refer note no.12.

9 Cash and cash equivalents

Particulars	March 31, 2023	Rupees in Lakhs March 31, 2022
Cash in hand	22.45	13.95
Balances with banks		
- Current account	218.21	110.57
Total	**240.66**	**124.52**

Note:

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

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

GMR Ambala-Chandigarh Expressways Pvt. Ltd.

Notes to Financial Statements

10 Equity share capital

Particulars	March 31, 2023	Rupees in Lakhs March 31, 2022
Authorised		
9,85,00,000 [March 31, 2022 : 9,85,00,000] equity shares of Rs.10 each	9,850.00	9,850.00
1,46,50,000 [March 31, 2022 : 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, 2022 : 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**

Name of Shareholder	Numbers	Rupees in Lakhs
Equity shares of Rs. 10 each		
March 31, 2023		
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, 2022		
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
Preference shares of Rs. 100 each [Refer Note No.10(c)]		
March 31, 2023		
Balance at the beginning of the year	1,46,46,040	14,646.04
Shares issued during the year	-	-
Balance at the end of the year	1,46,46,040	14,646.04
March 31, 2022		
Balance at the beginning of the year	1,46,46,040	14,646.04
Shares issued during the year	-	-
Balance at the end of the year	1,46,46,040	14,646.04

(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, if any, 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 Power and Urban Infra Limited (GPUIL) [Refer Note No.1.2(i)], GMR Energy Limited (GEL) and GMR Highways Limited (GHWL) respectively have been pledged with banks against term loan.

(c) **Terms of Preference shares of Rs.100 each**

8% (Tax-free) 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 call 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.

During the year, the Board of Directors of the Company has approved the variation of rights, with the consent of Preference and Equity Shareholders, associated with the preference shares of the Company from 8% (Tax-free) Redeemable Non-Cumulative Non-Convertible Preference shares to 8% (Tax-free) Non-Cumulative Compulsorily Convertible Preference Shares (CCPS) to be converted on or before August 31, 2027 at a ratio of 1:10. These CCPS has been disclosed as instruments entirely equity in nature.

These preference shares are fully subordinated to all amounts payable by issuer to the consortium lenders. Refer note nos.11 and 12 for equity and liabilities portion of Preference Shares.

CHATURVEDI & SHAH LLP * MUMBAI * CHARTERED ACCOUNTANTS

GMR Ambala-Chandigarh Expressways Pvt. Ltd. *

GMR Ambala-Chandigarh Expressways Private Limited
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Notes to Financial Statements

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

Name of Shareholder		
Equity shares of Rs. 10 each	**Numbers**	**% of Holding**
March 31, 2023		
GMR Highways Limited	5,07,42,720	51.65%
GMR Power and Urban Infra Limited [Refer Note No.1.2(i)]	2,32,72,687	23.69%
GMR Energy Limited	2,42,22,593	24.66%
March 31, 2022		
GMR Highways Limited	5,07,42,720	51.65%
GMR Power and Urban Infra Limited [Refer Note No.1.2(i)]	2,32,72,687	23.69%
GMR Energy Limited	2,42,22,593	24.66%
Preference shares of Rs.100 each [Refer Note No.10(c)]		
March 31, 2023		
GMR Tambaram Tindivanam Expressways Limited [Refer Note No.10(i)]	-	0.00%
GMR Tuni-Anakapalli Expressways Limited [Refer Note No.10(i)]	-	0.00%
GMR Highways Limited [Refer Note No.10(i)]	1,45,80,040	99.55%
March 31, 2022		
GMR Tambaram Tindivanam Expressways Limited	68,48,900	46.76%
GMR Tuni-Anakapalli Expressways Limited	76,51,140	52.24%
GMR Highways Limited	80,000	0.55%

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

Name of Shareholder		
Equity shares of Rs. 10 each	**Numbers**	**Rupees in Lakhs**
March 31, 2023		
GMR Energy Limited	2,42,22,593	2,422.26
GMR Highways Limited	5,07,42,720	5,074.27
GMR Power and Urban Infra Limited [Refer Note No.1.2(i)]	2,32,72,687	2,327.27
March 31, 2022		
GMR Energy Limited	2,42,22,593	2,422.26
GMR Highways Limited	5,07,42,720	5,074.27
GMR Power and Urban Infra Limited [Refer Note No.1.2(i)].	2,32,72,687	2,327.27
Preference shares of Rs.100 each [Refer Note No.10(c)]		
March 31, 2023		
GMR Highways Limited [Refer Note No.10(i)]	1,45,80,040	14,580.04
GMR Tambaram Tindivanam Expressways Limited [Refer Note No.10(i)]	-	-
GMR Tuni-Anakapalli Expressways Limited [Refer Note No.10(i)]	-	-
GMR Power and Urban Infra Limited [Refer Note No.1.2(i)].	66,000	66.00
March 31, 2022		
GMR Highways Limited	80,000	80.00
GMR Tambaram Tindivanam Expressways Limited	68,48,900	6,848.90
GMR Tuni-Anakapalli Expressways Limited	76,51,140	7,651.14
GMR Power and Urban Infra Limited [Refer Note No.1.2(i)].	66,000	66.00

(f) Shares in the Company held by Promoters at the end of the year:

Name of Shareholder	March 31, 2023		March 31, 2022		% Change during the year
	No. of Shares	% of holding	No. of Shares	% of holding	
Equity shares of Rs. 10 each					
GMR Energy Limited	2,42,22,593	24.66%	2,42,22,593	24.66%	0.00%
GMR Highways Limited	5,07,42,720	51.65%	5,07,42,720	51.65%	0.00%
GMR Power and Urban Infra Limited [Refer Note No.1.2(i)]	2,32,72,687	23.69%	2,32,72,687	23.69%	0.00%
Preference shares of Rs.100 each [Refer Note No.10(c)]					
GMR Highways Limited [Refer Note No.10(i)]	1,45,80,040	99.55%	80,000	0.55%	18125.05%
GMR Tambaram Tindivanam Expressways Limited [Refer Note No.10(i)]	-	0.00%	68,48,900	46.76%	100.00%
GMR Tuni-Anakapalli Expressways Limited [Refer Note No.10(i)]	-	0.00%	76,51,140	52.24%	100.00%
GMR Power and Urban Infra Limited [Refer Note No.1.2(i)].	66,000	0.45%	66,000	0.45%	0.00%

GMR Ambala-Chandigarh Expressways Private Limited
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Notes to Financial Statements

(g) 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 [Refer Note No.1.2(i)].

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

(i) The Preference Shares held by GMR Tuni-Anakapalli Expressways Limited (GTAEL) and GMR Tambaram Tindivanam Expressways Limited (GTTEL) and borrowings and other amount payable to GTAEL and GTTEL has been transferred to GMR Highways Limited (GHWL) in terms of the merger of GTAEL and GTTEL with GHWL as per scheme approved by the Hon'ble National Company Law Tribunal, Mumbai Bench ("the Tribunal") effective from April 01, 2019 vide its order dated August 03, 2022.

11 Other equity

Particulars		Rupees in Lakhs
	March 31, 2023	March 31, 2022
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**
Instruments Classified as Equity		
8% Non-Cumulative Compulsorily Convertible Preference [Refer Note No.10]		
Opening balance	-	-
Add: Addition during the year [Refer Note No.10(c)]	14,646.04	-
Closing balance	**14,646.04**	**-**
Surplus / (deficit) in the statement of Profit and Loss		
Opening balance	(63,147.95)	(54,314.61)
Add: Loss for the year	(3,626.14)	(8,833.34)
Closing balance	**(66,774.09)**	**(63,147.95)**
Other comprehensive income		
Opening balance	(2.84)	(2.48)
Remeasurements gains/(loss) on defined benefit plans, net of tax effect	7.02	(0.36)
Closing balance	**4.18**	**(2.84)**
Total	**(35,365.59)**	**(46,392.51)**

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 transactions

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 holding company, fellow subsidiary 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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CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

GMR Ambala-Chandigarh Expressways Pvt. Ltd.

Notes to Financial Statements

12 Borrowings

Particulars		**March 31, 2023**	**Rupees in Lakhs March 31, 2022**
Non Current borrowings:			
Secured, at amortized cost			
Loan from banks [Refer note (a) below]		13,478.77	18,573.00
Unsecured, at amortized cost			
Liability component of compound financial instruments			
Liability portion of loan from related parties [Refer note nos.42 and (c) below]		6,611.70	5,973.57
Unsecured, at amortized cost			
Loans from related parties [Refer note nos.42 and (d) below]		6,163.38	-
Total of Non Current borrowings	**(A)**	**26,253.85**	**24,546.57**
Current borrowings			
Unsecured, at amortized cost			
Liability portion of preference shares issued to related parties [Refer note nos.42 and (b) below]		-	14,520.33
Current maturities of Non Current loan [Refer note (a) below]		6,112.27	4,626.16
Loans from related parties [Refer note nos.42 and (d) below]		266.53	6,429.91
Unsecured, at amortized cost			
Liability component of compound financial instruments			
Negative government grants [Refer note no.31 and (e) below]		2,462.85	6,032.60
Total of Current borrowings	**(B)**	**8,841.65**	**31,609.00**
Total	**(A)+(B)**	**35,095.50**	**56,155.57**

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 @ 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 Legal proceedings.

Further during the financial year 2020-21 in terms of COVID-19 - Regulatory Package (Revised) of Reserve Bank India (RBI), interest accrued during the period March 1, 2020 to August 31, 2020 has been converted into term loan. The lenders have issued revised repayment schedule considering the conversion of interest accrued during moratorium period into term loan and the confirmations have been received through email communication and in some cases authenticated documents. The Company has classified the current and non current liabilities based on the best available information through various modes. The loan was repayable in 42 unequal quarterly installments as per the restructured terms referred above, now the repayment terms varies from 44 unequal quarterly installments (last installment due on March 31, 2026) based on the information available as above. The Management is of the opinion that the said repayment schedules considered are good as per the information available with the Company and would not be subject to change.

The Interest rate presently varies from 11.15% to 13.10% on monthly rests.

Terms of Security

The loan is now secured

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 way of Borrowers operating cash flows, book debts and all the receivables and revenue from project, all current assets, commission and any other revenues of whatsoever nature.

iii) by way of charge over present and future Intangible assets.

iv) by the rights, title, interest, benefit, claims, of the company in respect of the project agreements executed / to be executed, applicable permits, 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.

v) by way of pledge of 100% equity shares of the company held by GMR Infrastructure Limited (GIL)/ GMR Power and urban Infra Limited (GPUIL) [Refer Note No.1.2(i)], GMR Energy Limited (GEL) and GMR Highways Limited (GHWL) respectively.

vi) Corporate guarantee of GMR Holdings Pvt Ltd for the shortfall in amount payable in respect of the facility on account of concessionaire event of default.

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

Particulars	**March 31, 2023**		**Rupees in Lakhs March 31, 2022**	
Principal repayment of RTL from Banks **	Upto 1 day	1,090.44	Upto 1 day	809.28
Interest accrued on RTL from Banks	Upto 60 days	606.56	Upto 60 days	639.72

* - the Company confirms that it has not received any communication/notice from banks demanding repayment of the loan on account of non payment of dues upto the date of signing of financial statement.

**- the dues for payment towards RTL is based on the revised repayment schedule received through various mode as explained in the above mentioned note.

(b) Non-cumulative non-convertible Preference shares:

Refer Note No.10(c) for further details.

Particulars		Rupees in Lakhs
	March 31, 2023	March 31, 2022
Opening balance	14,646.04	14,646.04
Add: Issued during the year	-	-
Closing balance	14,646.04	14,646.04
Less: 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	10,019.69	9,893.98
Less: transferred to Instrument entirely equity in nature Refer note nos.11 and 10(c)	(14,646.04)	-
Liability portion of non convertible preference shares	-	**14,520.33**

(c) Liability portion of loan from related parties:

Loans from group Company (unsecured) includes i) an Interest free unsecured loan of Rs.7,753.00 Lakhs (March 31, 2022 : 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, 2022 : 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.

(d) Loan from related parties:

i)The Company had availed loan of Rs. 530.00 Lakhs and Rs. 1,879.00 Lakhs from GMR Tambaram Tindivanam Expressways Limited (GTTEL) bearing interest at the rate of 8.50% and 9.00% p.a. respectively.

The Company had also availed loan of Rs.3,353.00 Lakhs and Rs.401.38 Lakhs from GMR Tuni Anakapalli Expressways Limited (GTAEL) carrying interest at the rate of 9.00% and 10.00% p.a. respectively.

As referred to note number 10(i) above, GTAEL and GTTEL were merged with GMR Highways Limited (GHWL) and the loans stands taken over by GHWL. Since, GHWL is the sponsor / promoter and in terms of the facility agreement any loan from promoter cannot be repaid till all the borrowings from lenders are repaid accordingly the terms of repayment of these loans has been changed to payable after August 31, 2027 and the loan along with interest accrued has been disclosed as non current. The management of the Company is of the view that since these loans were taken over by GHWL by virtue of merger are at fair value and no discounting has been considered necessary.

ii) An Unsecured loan of Rs.266.53 Lakhs bearing interest rate of 10.00% pa from GMR Pochanpalli Expressways Limited and shall be repayable on or before December 29, 2023.

(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).NHAI had issued letters to the Escrow Banker for releasing the amount of Negative Grant including interest and the Escrow Banker has released an amount of Rs.608.00 Lakhs on October 9, 2020 to NHAI towards Negative Grant. The Company has paid negative grant amounting to Rs.3,569.75 in financial year 2022-23. For further details refer Note 30.

13 Lease Liabilities

Operating lease commitments - Company as a Lessee : The Company has entered into certain cancellable and non-cancellable operating lease agreements mainly for office premises. The lease rentals paid during the year and the maximum obligation on the long term non-cancellable operating
The following is the break-up of current and non-current lease liabilities as at March 31, 2023 and March 31, 2022:

Particulars		Rupees in Lakhs
	March 31, 2023	March 31, 2022
Non-current lease liabilities	21.64	-
Current lease liabilities*	9.75	-
Total	**31.39**	-

* includes lease liability due but not paid as on balance sheet date of Rs.0.00 (March 31, 2022: Rs.0.00)

The table below provides details regarding the contractual maturities of lease liabilities:

Particulars		Rupees in Lakhs
	March 31, 2023	March 31, 2022
Less than one year	12.76	-
One to five years	23.81	-
More than five years	-	-
Total	**36.57**	-

The Company does not expect any liquidity risk with regard to its lease liabilities and these obligations would be met as and when they fall due.

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Amount recognised in the statement of profit and loss:

Rupees in Lakhs

Particulars	March 31, 2023	March 31, 2022
Depreciation of right-of-use assets	2.81	-
Interest on lease liabilities	0.92	-
Total	**3.73**	-

Amounts recognised in the statement of cash flows:

Rupees in Lakhs

Particulars	March 31, 2023	March 31, 2022
Repayment of lease liability	3.15	-
Total	**3.15**	-

The Company has paid a lease rental of Rs.15.39 Lakhs (March 31, 2022 : Rs.14.47 Lakhs) against short - term leases and has accounted as Rent under Other expenses refer note number 25 .

14 Provisions

Rupees in Lakhs

Particulars		March 31, 2023	March 31, 2022
Non-current:			
Provision for Gratuity [Refer note no.38(b)]		4.52	8.49
Provision for Leave encashment		12.32	18.04
Provision for periodic major maintenance [Refer note nos. (a) & (b) below]		-	862.11
Sub Total	**(A)**	**16.84**	**888.64**
Current:			
Provision for other employee benefits		11.78	11.49
Provision for Leave encashment		1.52	1.96
Provision for contingencies Refer note no. 30((iii)		2,101.47	1,377.25
Provision for periodic major maintenance [Refer note nos. (a) & (b) below]		1,674.57	1,142.58
Sub Total	**(B)**	**3,789.34**	**2,533.28**
Total	**(A)+(B)**	**3,806.18**	**3,421.92**

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. The Company has initiated the Overlay work in certain stretches due to the instruction from NHAI which has been considered to be the part of MMR which should have been incurred during FY 2023-24 for the purposes of over lay provisions.

b) Movement of provision for periodic major maintenance

Rupees in Lakhs

Particulars	March 31, 2023		March 31, 2022	
	Non-current	Current	Non-current	Current
Opening Balance	862.11	1,142.58	1,379.50	-
Add : Accretion during the year	886.70	-	791.22	-
Add : Unwinding Interest on major maintenance provision	354.41	-	224.77	-
Adj : Transferred from non-current to current	(2,103.22)	2,103.22	(1,142.58)	1,142.58
Less : Utilised during the year	-	(1,571.23)	(390.80)	-
Closing Balance	-	**1,674.57**	**862.11**	**1,142.58**
	-	-	-	-

C) Provision for contingencies

Rupees in Lakhs

Particulars	March 31, 2023	March 31, 2022
	Current	Current
Opening Balance	1,377.25	518.71
Add: Provision made during the year	724.22	858.54
Less: Utilised/ reversed during the year	-	-
Closing Balance	**2,101.47**	**1,377.25**

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Notes to Financial Statements

15 Trade payables

Rupees in Lakhs

Particulars	March 31, 2023	March 31, 2022
Current:		
Carried at amortised cost:		
Dues of micro enterprises and small enterprises [Refer Note nos (a) to (d) below]	156.56	306.15
Dues of creditors other than micro enterprises and small enterprises [Refer Note nos (b) & (c) below]		
Payable to related parties [Refer note no.42]	265.24	454.49
Dues to others	278.82	441.69
Total	**700.62**	**1,202.33**

Notes:

Rupees in Lakhs

Particulars	March 31, 2023	March 31, 2022
a) Details of dues of micro enterprises and small enterprises		
Dues to related parties [Refer note no.42]	43.37	108.97
Dues to others	113.19	197.18
Total	**156.56**	**306.15**

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 subject to fund avaiability thereof.

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, 2023	March 31, 2022
a) i) The principal amount due thereon remaining unpaid to any supplier as at the end of each accounting year (net of amount written back)	156.56	306.15
a) ii) The interest amount due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
b) 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	-	-
c) 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)*	-	-
d) The amount of interest accrued but not accounted in the books and remaining unpaid at the end of accounting year; and*	0.89	12.60
e) 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.	-	-

* In the absence of any demand towards the interest for delayed payment from MSMED vendors the interest disclosed above does not include the interest accrued on the delayed payment where vendors have already been paid.

e) Trade payables ageing schedule

For the year ended March 31, 2023

Rupees in Lakhs

Particulars	Outstading for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	105.48	51.08	-	-	-	156.56
(ii) Others	169.45	347.86	10.10	16.65	-	544.06
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-

For the year ended March 31, 2022

Rupees in Lakhs

Particulars	Outstading for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	131.87	144.64	29.64	-	-	306.15
(ii) Others	372.56	258.84	94.85	33.33	136.60	896.18
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-

Notes to Financial Statements

16 Other financial liabilities

Particulars		March 31, 2023	March 31, 2022
			Rupees in Lakhs
Non Current:			
Interest accrued but not due on loan from related parties [Refer note no.42and 12(d)]		3,582.41	-
Sub Total	**(A)**	**3,582.41**	**-**
Current:			
Other Payable			
-Related Party [Refer note no.42]		10,153.69	3,994.39
-Other		3.27	0.24
Interest accrued and due on term loans		606.56	689.72
Interest accrued but not due on loan from related parties [Refer note no.42]		55.01	3,071.11
Sub Total	**(B)**	**10,818.53**	**7,755.46**
Total	**(A)+(B)**	**14,400.94**	**7,755.46**

17 Other current liabilities

Particulars	March 31, 2023	March 31, 2022
		Rupees in Lakhs
Current:		
Advance received from Customers	38.83	17.72
Amount received from NHAI	-	641.59
Statutory dues	58.64	72.62
Total	**97.47**	**731.93**

Note : - 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 reconciliation.

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Notes to Financial Statements

18 Income Tax

The major components of income tax expense for the year ended March 31, 2023 and, March 31, 2022

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

Rupees in Lakhs

Particulars	March 31, 2023	March 31, 2022
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	-	-

18.02 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2023 and March 31, 2022:

Rupees in Lakhs

Particulars		March 31, 2023	March 31, 2022
Loss for the year before taxation		(3,626.14)	(8,833.34)
Applicable tax rate		26.00%	26.00%
Tax effect of income / (loss)	(a)	(942.80)	(2,296.67)
Adjustments:			
Tax effect on non-taxable income		(166.81)	(0.09)
Tax effect on non-deductible expenses		189.65	223.22
Tax effect on difference In carry forward losses		827.93	351.08
Tax expense / (credit) to Statement of Profit and Loss	(b)	**850.77**	**574.21**
	(c)=(a+b)	(92.03)	(1,722.46)
Deferred tax not is recognised on brought forward unused tax losses and allowances [Refer note no.18.04 (a) below]	(d)	92.03	1,722.46
Tax expense / (credit) to Total Comprehensive Income	(e)=(c+d)	-	-
Effective tax rate	(e)/PBT	**0.00%**	**0.00%**

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

Rupees in Lakhs

Particulars	March 31, 2023	March 31, 2022
Opening balance - Provision for Income tax / (Non-current tax assets)	**(18.72)**	**(4.00)**
Add: Current tax payable for the period/ year	-	-
Add: Interest on Income Tax refund	(0.89)	(0.25)
Less: Refund received/ (Current taxes paid) (Net)	14.82	(14.47)
Closing balance - Provision for Income tax / (Non-current tax assets)	**(4.79)**	**(18.72)**
Breakup		
Provision for Income tax (net)	-	-
Non-current tax assets	(4.79)	(18.72)
Total	**(4.79)**	**(18.72)**

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Notes to Financial Statements

18 Income Tax

18.04 Major components of deferred tax assets and liabilties for the year ended March 31, 2023 and March 31, 2022:

Rupees in Lakhs

Particulars		As at April 01, 2021	For the year ended March 31, 2022	As at March 31, 2022	For the year ended March 31, 2022	As at March 31, 2023
Deferred tax liability						
Carriageways		5,189.78	288.69	5,478.47	(369.27)	5,109.20
Right of use assets net off lease liability		-	-	-	0.01	0.01
Borrowings		12.12	(4.02)	8.10	(3.52)	4.58
Equity Component of preference shares		2,605.12	-	2,605.12	-	2,605.12
Equity Component of loan from related parties		1,752.03	-	1,752.03	-	1,752.03
Total	(a)	**9,559.05**	**284.67**	**9,843.72**	**(372.78)**	**9,470.94**
Deferred tax asset						
Property, plant and equipments and intangible assets		7.63	0.24	7.87	0.14	8.01
Liability portion of preference shares		2,208.06	364.37	2,572.43	32.69	2,605.12
Loan from related parties		938.77	149.90	1,088.67	165.92	1,254.59
Provision for major maintenance		358.67	162.55	521.22	(85.83)	435.39
Provision for Leave Encashment		4.82	0.38	5.20	(1.60)	3.60
Provision for gratuity / (plan assets)		1.51	0.70	2.21	(1.03)	1.18
Provision for bonus		1.48	1.44	2.92	0.09	3.01
Principalisation of interest on rupee term loan		304.76	(6.49)	298.27	-	298.27
Unused tax losses		4,362.94	1,327.21	5,690.15	(390.94)	5,299.21
Unabsorbed tax depreciation		9,466.11	6.83	9,472.94	(0.19)	9,472.75
Total	(b)	**17,654.75**	**2,007.13**	**19,661.88**	**(280.75)**	**19,381.13**
Net deferred tax (assets) / liability	(c)=(a-b)	**(8,095.70)**	**(1,722.46)**	**(9,818.16)**	**(92.03)**	**(9,910.19)**
Deferred tax asset is not recognised [Refer note (a) below]	(d)	8,095.70	1,722.46	9,818.16	92.03	9,910.19
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.

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

Rupees in Lakhs

Particulars		March 31, 2023	March 31, 2022
Unused depreciation allowances available for future taxable profit for unlimited period		36,433.67	36,434.37
Unused business loss available for future taxable profit upto:			
Relating to Assessment year	Available upto Assessment year		
2015-16	2023-24	Lapsed	2,492.07
2016-17	2024-25	442.02	442.02
2018-19	2026-27	2,934.99	2,934.99
2019-20	2027-28	3,617.67	3,617.67
2020-21	2028-29	1,683.60	1,683.60
2021-22	2029-30	4,232.16	4,246.71
2022-23	2030-31	5,803.52	6,468.12
2023-24	2031-32	1,667.59	NA

18.06 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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19 Revenue from operations

Particulars	March 31, 2023	Rupees in Lakhs March 31, 2022
Toll Income from Expressways	7,149.97	1,895.08
Total	**7,149.97**	**1,895.08**

Disaggregate revenue information for the year ended March 31, 2023 and March 31, 2022:

The Company has presented disaggregated revenue from contracts with customers (under service concession arrangements) for the year ended March 31, 2023 and March 31, 2022 by offerings and is of the opinion that, this disaggregation best depicts the nature, amount, timing of revenues and cash flows that are affected by the industry markets and other economic factors.

Particulars	March 31, 2023	Rupees in Lakhs March 31, 2022
Revenue by offering		
Income from toll collection	7,149.97	1,895.08

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, 2023 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.

20 Other income

Particulars	March 31, 2023	Rupees in Lakhs March 31, 2022
Interest Income		
- on Bank Deposit	-	0.06
-on Income Tax Refund	0.89	0.25
Unwinding interest on security deposits	0.04	-
Excess provision/ liabilities written back	11.81	-
Other non-operating income	9.01	16.15
Total	**21.75**	**16.46**

21 Operating expenses

Particulars	March 31, 2023	Rupees in Lakhs March 31, 2022
Sub-contracting expenses and Concession fee	1,500.02	1,655.37
Total	**1,500.02**	**1,655.37**

Details of sub-contracting and concession fee expenses

Particulars	March 31, 2023	Rupees in Lakhs March 31, 2022
Highway Maintenance Expenses	296.45	587.03
Concession fee [Rs.1, (March 31, 2022 : Rs.1/-)]	-	-
Toll/Highway Management Services	316.87	277.12
Major Maintenance expenses	886.70	791.22
Total	**1,500.02**	**1,655.37**

22 Employee benefit expenses

Particulars	March 31, 2023	Rupees in Lakhs March 31, 2022
Salaries, Perquisites & Allowance	132.23	182.31
Contribution to provident and other funds	9.78	10.18
Gratuity expense	3.05	2.65
Staff welfare expenses	6.29	3.96
Total	**151.35**	**199.10**

23 Finance cost

Particulars	March 31, 2023	Rupees in Lakhs March 31, 2022
Interest measured at amortised cost		
Interest on term loans from banks	2,652.24	2,894.92
Interest on loan from related parties [Refer note no.42]	1,220.85	1,159.26
Interest others	1,205.56	2,484.75
Other borrowing cost	48.08	61.92
Total	**5,126.73**	**6,600.85**

Details of finance cost (Interest measured at amortised cost)

Particulars	March 31, 2023	Rupees in Lakhs March 31, 2022
Interest on debts and borrowings		
Interest on term loans from banks	2,652.24	2,894.92
Interest on loan from related parties		
Interest on loan from related parties [Refer note no.42]	582.72	582.72
Unwinding interest on loan from related parties [Refer note no.42]	638.13	576.54
Interest others		
Unwinding interest on liability portion of preference shares [Refer note no.42]	125.71	1,401.43
Unwinding Interest on major maintenance provision	354.41	224.77
Interest on Lease liabilities	0.92	-
Interest on delay in payment of statutory dues	0.30	0.01
Interest on delay in payment of Negative Grant	724.22	858.54
Other borrowing cost		
Bank and other finance charges	48.08	61.92
Total	**5,126.73**	**6,600.85**

24 Depreciation and amortization expense

Particulars	March 31, 2023	Rupees in Lakhs March 31, 2022
Depreciation of property, plant and equipment	12.39	13.89
Amortization of right of use assets	2.81	-
Amortization of intangible assets	4,134.90	1,604.49
Total	**4,150.10**	**1,618.38**

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25 Other expenses

Particulars	March 31, 2023	March 31, 2022
		Rupees in Lakhs
Consumption of Stores and Spares	15.35	22.45
Utility Expenses (including Electricity charges)	106.40	106.83
Rent	15.39	14.47
Logo fees	0.01	0.01
Rates and Taxes	1.92	0.80
Insurance	80.21	110.23
Repairs and maintenance	38.91	47.05
Vehicle running expense	15.55	16.58
Travelling and conveyance	22.91	16.94
Communication costs	3.54	3.30
Printing and stationery	1.07	0.68
Legal and professional fees	312.00	286.10
Manpower Outsourcing	26.30	24.33
Directors' sitting fees	1.89	1.83
Sundry Balances written off	55.00	-
Loss on sale of assets	0.57	-
Bank charges	1.40	1.48
Payment to auditors [Refer note no. (a) below]	11.80	10.74
Advertisement and business promotion	1.34	1.13
Books and Periodicals	0.03	0.02
Miscellaneous Expense	28.57	6.21
Total	**740.16**	**671.18**

Notes:

Particulars	March 31, 2023	March 31, 2022
		Rupees in Lakhs
a) Details of payment to auditors		
Statutory audit fee	6.90	6.90
Tax audit fee	1.18	1.18
Certification charges	3.72	2.66
Total	**11.80**	**10.74**

26 Exceptional Items

Particulars	March 31, 2023	March 31, 2022
		Rupees in Lakhs
Claim received from NHAI towards Force Majeure [Refer note no.33]	870.50	-
Total	**870.50**	-

27 Earning per share (EPS)

Basic EPS amounts are calculated by dividing the profit/ (Loss) 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, 2023 and March 31, 2022. Thus, diluted EPS equals basic EPS.

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

Particulars	March 31, 2023	March 31, 2022
a) Nominal value of Equity shares (in Rupees per share)	10.00	10.00
b) Weighted average number of Equity shares at the end of year (in Nos)	9,82,38,000	9,82,38,000
c) Profit / (Loss) attributable to equity holders of the Company for basic earnings (Rupees in Lakhs)	(3,626.14)	(8,833.34)
d) Basic/Diluted Earning per share of Rs 10/- each (in Rs.) [(c)/(b)]	(3.69)	(8.99)

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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, 2023			As at March 31, 2022		
		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:							
Receivable from NHAI	5	6.22	-	-	42.62	-	-
Cash and cash equivalents	9	240.66	-	-	124.52	-	-
Other financial assets	5	46.37	-	-	25.00	-	-
Total		**293.25**	**-**	**-**	**192.14**	**-**	**-**
		-			-		
Financial liabilities:							
Borrowings (including interest accrued)	12&16	20,197.60	-	-	23,888.88	-	-
Liability component of preference share capital	12	-	-	-	14,520.33	-	-
Loan from group companies (including interest accrued)	12	16,679.03	-	-	15,474.59	-	-
Lease Liabilities	13	31.39	-	-	-	-	-
Trade payables	15	700.62	-	-	1,202.33	-	-
Negative grant payable	12	2,462.85			6,032.60	-	
Other financial liabilities	16	10,156.96	-	-	3,994.63	-	-
Total		**50,228.45**	**-**	**-**	**65,113.36**	**-**	**-**
		-			-		

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, 2023:

Rupees in Lakhs

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

b) The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2022:

Rupees in Lakhs

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

During the year ended March 31, 2023 and March 31, 2022 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 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 Service concession agreement, Cash and Cash equivalents 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, 2023 and March 31, 2022.

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, 2023 and March 31, 2022.

Interest rate risk

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

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

Interest rate sensitivity:

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of 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, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Increase of profit	INR	(+)50	65.50	89.54	65.50	89.54
Decrease of profit	INR	(-)50	(65.50)	(89.54)	(65.50)	(89.54)

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 Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations and borrowing from group companies. The Company believes that the working capital is sufficient to meet its current requirements.

As at March 31, 2023, the Company had a negative working capital of Rs. 23,846.43 Lakhs including cash and cash equivalents of Rs.240.66 Lakhs. As at March 31, 2022, the Company had a negative working capital of Rs.43,435.36 Lakhs including cash and cash equivalents of Rs.124.52 Lakhs.The holding company has given assurity to the company for providing financial support for meeting its day to day operations and financial liabilities payable to borrowers, vendors and other parties.

For the purpose of Working capital, we have considered total current assets + Assets held for sale – total current liabilities – Liabilities related to assets held for sale.

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, 2023						
External Borrowings	19,591.04	19,608.66	1,090.44	5,032.20	13,486.02	-
Interest accrued on term loan	606.56	606.56	606.56	-	-	-
Preference shares	-	-	-	-	-	-
Loan from group companies	13,041.61	14,954.86	-	266.53	14,688.33	-
Interest accrued on loan from related parties	3,637.42	3,637.42	-	55.01	3,582.41	-
Lease Liabilities	31.39	36.57	-	12.76	23.81	-
Trade payable	700.62	700.62	-	700.62	-	-
Negative grant payable	2,462.85	2,462.85	2,462.85	-	-	-
Other financial liabilities	10,156.96	10,156.96	10,156.96	-	-	-
Total	**50,228.45**	**52,164.50**	**14,316.81**	**6,067.12**	**31,780.57**	**-**
	-					

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, 2022						
External Borrowings	23,199.16	23,230.32	809.28	3,830.42	18,590.62	-
Interest accrued on term loan	689.72	689.72	689.72	-	-	-
Preference shares	14,520.33	14,646.04	-	14,646.04	-	-
Loan from group companies	12,403.48	14,954.86	5,762.00	667.91	8,524.95	-
Interest accrued on loan from related parties	3,071.11	3,071.11	2,997.60	73.51	-	-
Trade payable	1,202.33	1,202.33	-	1,202.33	-	-
Negative grant payable	6,032.60	6,032.60	6,032.60	-	-	-
Other financial liabilities	3,994.63	3,994.63	3,994.63	-	-	-
Total	**65,113.36**	**67,821.61**	**20,285.83**	**20,420.21**	**27,115.57**	**-**
	-					

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29.05 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.

29.06 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 external debt divided by total capital plus total debt.

Particulars			Rupees in Lakhs
		March 31, 2023	March 31, 2022
Debt - External borrowings Including interest accrued	(a)	20,197.60	23,888.88
Capital Components			
Equity Share Capital		9,823.80	9,823.80
Other equity		(35,365.59)	(46,392.51)
Liability component of preference share capital		-	14,520.33
Negative Grant		2,462.85	6,032.60
Loan from group companies Including interest accrued		16,679.03	15,474.59
Total Capital	(b)	**(6,399.91)**	**(541.19)**
Capital and debt	(a+b)	**13,797.69**	**23,347.69**
Gearing ratio (%)	(a)/(a+b)	146.38%	102.32%

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 which has been communicated by the lenders that were subsisting as on the balance sheet date.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023 and March 31, 2022.

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Notes to Financial Statements

30 Contingent liabilities and commitments

Rupees in Lakhs

	Particulars	March 31, 2023	March 31, 2022
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. (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.(ii) below]	1,925.74	1,787.79
	Interest on Negative Grant [Refer note no.(iii) below]	6,032.39	6,032.39
B.	Capital Commitments	-	-

Notes:

The Contingent Liabilities are on account of following issues:

i. Penalty levied by NHAI for delay in periodic major maintenance Rs.843.00 Lakhs [March 31, 2022 : Rs.843.00 Lakhs] and damages for not maintaining Railway over bridge at Derabassi of Rs.171.00 Lakhs [March 31, 2022 : 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.1,925.74 Lakhs [March 31, 2022 : Rs.1,787.79 Lakhs] if the claims submitted by the company against NHAI is awarded in its favour on conclusion of the legal proceedings as explained in detail under Note no.31.

iii. 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. During earlier years the Company has paid negative grant to NHAI in various instalments and balance negative grant of Rs.6,640.60 Lakhs was due in various 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 as there was a stay on account of arbitration. The Arbitral Tribunal on August 26, 2020 while rejecting the company's prayer for compensation for breach of State Support Agreement & Concession Agreement by State Government of Haryana, State Government of Punjab and NHAI, vacated the stay granted on payment of Negative Grant and NHAI consequently demanded the payment of negative grant including interest from the Company and the Escrow Banker. The claim by NHAI for interest communicated to the Company and the Escrow Banker was Rs. 10,134 Lakhs calculated up October 31, 2020, though the interest as computed by the Company upto August 25, 2020 is Rs.6,032.39 Lakhs (@SBI PLR plus 2%) which is disclosed as contingent. Escrow Banker based on the demand from NHAI, has remitted Rs. 608.00 Lakhs as per the waterfall mechanism to NHAI. NHAI has been demanding the payment of negative grant along with interest calculated at the rate SBI plus 2% and accordingly, the Company has paid an amount of Rs. 3,569.75 Lakhs towards Negative Grant.

The Company on January 16, 2023 has withdrawn all the SLPs filed before Hon'ble Supreme Court for the Stay on Payment of Negative Grant and interest after its application under section 9 of the Act were dismissed by Single Ld. Judge in Delhi High Court and as well as by Divisional Bench of Delhi High Court, in view of the Arbitral Award being set aside as detailed in Note No. 31 by the Hon'ble High Court of Delhi vide its order dated September 26, 2022.

In terms of the communication to NHAI, the Company has been providing for delay in payment of interest on negative grant based on SBI PLR plus 2% interest rate w.e.f. August 25, 2020, the date of the arbitral award under prudence pursuant to the vacation of stay on payment of Negative Grant vide Arbitral Award dated August 26, 2020. The same has been disclosed as provision for contingencies, refer Note No. 14. Accordingly, the Company has accounted for interest on negative grant as at March 31, 2023 amounting to Rs. 2,101.47 Lakhs [March 31, 2022 : 1,377.25 LakhsL]. The Company has not accounted for interest estimated upto August 25, 2020 to the extent of Rs. 6,032.39 Lakhs, (Rs.10,134 Lakhs as per NHAI upto October 31, 2020) for non-payment of Negative Grant in terms of Concession Agreement as the Management is of the opinion that there is no charge of interest in pursuance of stay given by the Arbitral Tribunal for period prior to August 26, 2020 and effect, if any, will be given on the upon the matters attaining finality as the company is of the opinion that the company's claim on NHAI for diversion of traffic and interest there on are higher than the counter claim of interest payable on negative grant as the total claim has to be looked at net effect.

iv) 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.

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Notes to Financial Statements

31 Litigation

The Company had 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 Company had filed a net claim of Rs. 100,335.28 Lakhs including interest, calculated up to March 31, 2019 before the Tribunal. The Tribunal had also stayed the payment of balance amount of Negative Grant of Rs. 6,640.60 Lakhs payable to NHAI under the provisions of the Concession Agreement. In view of the pendency of the matters and stay from Tribunal up to the date of Arbitral Award, the Company had not provided for interest @ SBI PLR plus 2% for non-payment of Negative Grant up to the date of Arbitral Award in terms of Concession Agreement pending disposal of matters.

The three member Hon'ble Tribunal vide its order dated August 26, 2020, has pronounced the award wherein majority of the Tribunal has disagreed with the contention of the Company and has rejected all the claims of the Company. Majority Award has also vacated the stay granted on recovery of Negative Grant vide Tribunal's interim order dated August 13, 2013.

Minority Arbitrator by way of minority award has agreed with most of the contention of the Company, upheld the claims of the Company and awarded the entire amount claimed and has directed State of Haryana and State of Punjab jointly to pay the claim covered under his award along with interest from 2008 till March 31, 2019. The dissenting opinion of the other Arbitrator also rejected the Company's contention on the non-payment of Negative Grant and has concluded that the Company shall be bound by the Concession Agreement in relation to payment of Negative Grant.

The Company aggrieved by rejection of all claims by majority members had preferred an appeal, in both Punjab and Haryana matters, under Section 34 & Section 9 of the Arbitration Act before Hon'ble Delhi High Court requesting to stay the Majority Award and grant stay on payment of Negative Grant. The Hon'ble High Court vide its order dated September 26, 2022 has set aside the Arbitral Award dated August 26, 2020 appealed under section 34 and has referred the entire dispute back to Arbitration for which the parties are at liberty to re-initiate Arbitration Proceedings as per the Contractual covenants.

The Company has withdrawn all the SLPs filed before the Hon'ble Supreme Court against the dismissal of application by Division Bench under Section 9 seeking interim relief on recovery of Negative Grant till the time Section 34 petition is decided by Hon'ble Delhi Court, in view of the Arbitral Award being set aside by the Hon'ble High Court of Delhi vide its order dated September 26, 2022.
In the meanwhile, NHAI and SoH has filed appeal under section 37 of the Arbitration and Conciliation Act, 1996 with the High Court against setting aside of Arbitral award dated August 26, 2020. The argument from all the parties have concluded and is reserved for order. Further, the Company has also filed an appeal under section 37 of the Arbitration and Conciliation Act, 1996 act with the High Court with a request to consider minority award as final award as the majority award is set aside by the High Court and the matter is listed for hearing on May 18, 2023.

The management of the Company based on the legal opinion is of the view that the application filed by NHAI along with SoH is liable to be rejected and quashed since NHAI's grounds is essentially seeking re-appreciation of merits and facts, which is impermissible in an appeal u/s 37.

Accordingly, the Management is of the opinion that the matter has not attained finality and the Company has good chances on re-initiation of the arbitration proceedings and it expects to win the case and to receive the claims in due course. As per the internal assessment by the management and is reasonable certain that the arbitral claims will flow in to the Company on matter attaining finality and is also of the view that there will be net cash inflows even if outflow of the Negative Grant or interest thereon are considered and expects realisability of the Company's claims in the near future.

32 Impairment of assets

The Company, during the year, has reassessed its impairment assessment to arrive at asset's value in use from its expert valuer considering the probability of winning the appeal in near future. In determining the asset's value in use, the expert has estimated the future cash flows of the Company on discounted cash flows basis under various scenarios which is based on various assumptions made by the management 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 from the financial year 2025-26 and every year thereafter which is critically dependent upon the company getting a favourable order from the Courts / Arbitral tribunal on re-initiation of proceedings based on the direction's of the Hon'ble Delhi High Court Order dated September 26, 2022 and receipt of the award amount . The valuation expert based on these assumptions, had determined value in use of the Company assets as at December 31, 2022 (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 and accordingly is of the opinion that no adjustment to the carrying value of Carriageway is considered necessary.

33 Impact of Farmers protest on the business operation of the company

The Company's right to receive the User fee for usage of the toll roads was effected due to the farmers protests from October 12, 2020 to December 14, 2021 wherein the farmers were not allowing for collection of the toll fees. The Company had submitted its claim of Rs.1,518.00 Lakhs for compensation towards Operation and Maintenance expenses and interest on RTL incurred during October 12, 2020 to December 14, 2021 to NHAI . Pursuant to the claims filed by the Company, NHAI vide its communication dated October 19, 2022 has approved the claim of Rs.870.50 Lakhs. Further, NHAI has also conveyed its approval for extension of concession period by 429 days equal to the period effected by Farmers agitation from the scheduled completion of the Concession Agreement.

The Company had been discharging interest on debt at the rate ranging from 11.40% to 11.75%, whereas the NHAI had considered interest rate of 8.50% while approving the claim resulting in difference of Rs. 428 lakhs. The Company has filed a communication objecting to the method of calculating the interest. The Independant engineer has agreed with the claim of the company and recommended the same to NHAI for release of Rs. 428 lakhs, which is pending approval of NHAI. The Company is confident of receiving the amount of Rs. 428 lakhs as has been recommended by Independent Engineer from NHAI in the ensuing year.

The Company, however, has recognised the approved claim amount of Rs. 870.50 Lakhs as an exceptional items during the year ended March 31, 2023.

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34 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 blocking of highway due to farmers protest during the year resulting in loss of Rs.3,619.12 Lakhs [March 31, 2022 : Rs.8,833.70 Lakhs] and the total liabilities of the company exceeds its total assets by Rs.25,541.79 Lakhs [March 31, 2022 : Rs.36,568.71 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 developing parallel highways resulting in loss of traffic to the Company's toll road under arbitration proceedings. The matter was appealed before Hon'ble Delhi High Court after being finally adjudicated by the Arbitral Tribunal against the Company with 2:1 majority award. The Company in the meanwhile has received favourable order from Hon'ble Delhi High Court which has set aside the Arbitral Award upholding the Company's contentions. In view of the same, the Company expects that claim of damages/compensation will be received by the Company upon the matter attaining finality.

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 year and expected cash flows arising from claims/compensation from the favourably adjudication of claim proceedings by the arbitral tribunal as fully described to in note number 31 and 30(iii)above.

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 from third parties and has received certain confirmations in the course of its process in respect of which reconciliations have been concluded. The Company is following up with the rest of the parties for confirming the balances. The Management, however, is of the opinion that the balances outstanding as per books of accounts are good and does not expect any significant differences required to be accounted in the books of the company.

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 Employee Benefits

a) Defined Contribution Plans :

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

Rupees in Lakhs

Particulars	March 31, 2023	March 31, 2022
Contribution to provident fund and other funds (LWF)	6.43	6.96
Contribution to Employee State Insurance	0.42	0.25
Contribution to Superannuation fund	2.93	2.97
Total	**9.78**	**10.18**

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, 2023 and March 31, 2022:

Rupees in Lakhs

Particulars	March 31, 2023	March 31, 2022
i. Change in defined benefit obligation		
Defined benefit at the beginning	16.86	15.30
Current Service Cost	2.19	2.25
Interest expenses	1.20	0.98
Acquisition Cost/(Credit)	(7.13)	-
Remeasurements - Actuarial loss / (gain)	0.39	0.30
Benefits paid	-	(1.97)
Defined benefit at the end	**13.51**	**16.86**
ii. Change in fair value of plan assets:		
Fair value of Plan Assets at the beginning	8.37	9.49
Interest income on plan assets	0.34	0.58
Acquisition Adjustment	(7.13)	-
Actuarial gains/ (losses)	7.41	(0.06)
Contributions by employer	-	0.33
Benefits paid	-	(1.97)
Fair value of plan assets at the end	**8.99**	**8.37**
iii. Amount Recognized in the Balance Sheet		
Present Value of Obligation as at year end	13.51	16.86
Fair Value of plan assets at year end	(8.99)	(8.37)
Net (asset) / liability recognised	**4.52**	**8.49**

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38 Employee Benefits

Particulars	March 31, 2023	March 31, 2022
		Rupees in Lakhs
iv. *Amount recognized in the Statement of Profit and Loss under employee benefit expenses.*		
Current Service Cost	2.19	2.25
Past service cost - plan amendments	-	-
Net interest on net defined benefit liability / (asset)	0.86	0.40
Total expense	**3.05**	**2.65**
v. *Recognised in other comprehensive income for the year*		
Remeasurement of actuarial gains/(losses) arising from		
- changes in experience adjustments	0.58	0.30
- changes in financial assumption	(0.19)	-
- changes in demographic assumptions	-	-
Actuarial (gain)/loss arising during the year	**0.39**	**0.30**
- return on plan assets excluding interest income	(7.41)	0.06
Actuarial (Gain) or Loss recognized in other comprehensive income	**(7.02)**	**0.36**
vi. *Maturity profile of defined benefit obligation*		
Within the next 12 months (next annual reporting period)	0.79	1.03
1-2 year	2.67	1.17
2-3 year	0.95	2.94
3-4 year	1.14	1.37
4-5 year	1.29	1.57
5-10 year	14.53	16.12
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	(0.86)	(1.24)
(ii) one percentage point decrease in discount rate	0.98	1.41
(iii) one percentage point increase in salary escalation rate	0.98	1.41
(iv) one percentage point decrease in salary escalation rate	(0.87)	(1.26)
(v) one percentage point increase in employee turnover rate	0.06	0.08
(vi) one percentage point decrease in employee turnover rate	(0.07)	(0.09)

Sensitivity Analysis Method

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

Risk Faced by Company:

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

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

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

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

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

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, 2023 and March 31, 2022, the plan assets have been invested in insurer managed funds.

ix. The weighted average assumptions used to determine net periodic benefit cost for the year ended March 31, 2023 and March 31, 2022 are set out below:

Particulars	March 31, 2023	March 31, 2022
Discount rate	7.30%	7.10%
Rate of return on planned asset	4.06%	6.11%
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

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

GMR Ambala-Chandigarh Expressways Pvt. Ltd.

Notes to Financial Statements

38 Employee Benefits

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.NIL to the gratuity fund during FY 2023-24.

The expected return on plan assets is determined considering several applicable factors such as the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Group's policy for plan asset management. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching Government bonds.

c) Leave Encashment

Liability towards Leave Encashment based on Actuarial valuation amounts to Rs. 13.84 Lakhs as at March 31, 2023 [March 31, 2022: Rs. 20.00 Lakhs].

39 NHAI has imposed certain restrictions on the usage of funds relating to escrow account under the waterfall mechanism of concession agreement to ensure the same is used only for the operation & maintenance duly approved by NHAI. The management is of the opinion that the said restrictions are in the regular course of operations and does not foresee any implications on the operations of the company.

40 The Company has filed its application before Consortium of Lenders for resolution plan under the Strategic Debt Restructuring (SDR) scheme of the Reserve Bank of India and currently the resolution plan is under review from the consortium. The impact of implementation of the plan will be given effect upon approval of the resolution plan by the Consortium.

41 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

42 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],
	GMR Power and Urban Infra Limited (GPUIL) w.e.f. December 31, 2021*
	GMR Airport Infrastructure Limited [GAIL] upto December 31, 2021*
Fellow Subsidiary	GMR Energy Ltd (GEL)
	GMR Pochanpalli Expressways Private Limited (GPEL)
	GMR Airport Infrastructure Limited [GAIL] w.e.f. December 31, 2021*
	GMR Tambaram Tindivanam Expressways Limited (GTTEL)***
	Gmr Hyderabad Vijayawada Expressways Private Limited (GHVEPL)
	GMR Tuni Anakapalli Expressways Limited (GTAEL)***
	GMR Generation Assets Limited (GGAL) [formerly GMR Renewable Energy Limited (GREL)]
	Raxa Security Services Limited (RSSL)
Key Management Personnel	Mr. O Bangaru Raju, Non-executive Director
	Mr Arun Kumar Sharma, Non-executive Director
	Mr. B.L. Gupta, Independent Director
	Mr Mani Santosh Bommidala, Director
	Dr. Kavitha Gudapati. Independent Director
Chief Financial Officer	Mr. Mudit Saxena
Company Secretary	Ms. Ritika Ahwal (Upto February 02, 2022)
	Mr. Kashish (W.e.f. April 28, 2022 to April 20, 2023)
	Ms. Divya Kalra (W.e.f. April 27, 2023)
Manager	Mr. Iqbal Singh

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

Rupees in Lakhs

Particulars	Relationship	March 31, 2023	March 31, 2022
Items relating to statement of profit and loss			
a. Unwinding interest on loan from related parties			
GHWL	Holding Company	580.34	524.33
GGAL	Fellow Subsidiary	57.79	52.21
b. Interest on loan from related parties			
GHWL***	Holding Company	556.07	556.07
GPEL	Fellow Subsidiary	26.65	26.65

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GMR Ambala-Chandigarh Expressways Private Limited
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Notes to Financial Statements

42 List of Related Parties with whom transactions have taken place during the year:

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

Rupees in Lakhs

Particulars	Relationship	March 31, 2023	March 31, 2022
c. Unwinding interest on liability portion of preference shares			
GAIL*	Fellow Subsidiary / Enterprises having control over the Company	-	4.70
GPUIL*	Enterprises having control over the Company	0.57	1.62
GHWL	Holding Company	0.69	7.65
GHWL***	Holding Company	124.45	1,387.46
d. Corporate common cost sharing expenses			
GAIL*	Fellow Subsidiary / Enterprises having control over the Company	-	2.21
GPUIL*	Enterprises having control over the Company	26.80	3.77
e. Tollway and highways maintenance charges			
GHWL	Holding Company	48.93	47.04
f. Charges for Periodic and regular Maintenance of Highways			
GHWL	Holding Company	227.18	156.31
g. Charges for Security & Toll management services			
RSSL	Fellow Subsidiary	235.25	220.14
h. Logo fees			
GEPL	Enterprises having control over the Company	0.01	0.01
i. Unwinding Interest on major maintenance provision			
GHWL	Holding Company	354.41	224.77
j. Major Maintenance Expenses (Actual expenses incurred)			
GHWL	Holding Company	1,571.23	219.46
k. Sale of scrap			
GHVEPL	Fellow Subsidiary	-	14.95
l. Sitting fees (excluding taxes):			
Mr. B.L. Gupta	Independent Director	1.53	1.48
Dr. Kavitha Gudapati	Independent Director	0.36	0.35
m. Remuneration paid to			
Mr. Iqbal Singh	Manager	23.77	30.47
Items related to balance sheet			
n. Equity shares outstanding			
GPUIL*	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
o. Equity component of preference shares			
GPUIL*	Enterprises having control over the Company	46.66	46.66
GHWL	Holding Company	56.56	56.56
GHWL***	Holding Company	9,916.47	9,916.47
p. Liability portion of preference shares			
GPUIL*	Enterprises having control over the Company	-	65.43
GHWL	Holding Company	-	79.31
GHWL***	Holding Company	-	14,375.59
q. *Instruments Classified as Equity-* 8% Non-Cumulative Compulsorily Convertible Preference			
GHWL	Holding Company	80.00	-
GHWL***	Holding Company	14,500.04	-
GPUIL*	Enterprises having control over the Company	66.00	-
r. Equity component of loan taken			
GHWL	Holding Company	6,062.02	6,062.02
GGAL	Fellow Subsidiary	676.57	676.57
s. Liability portion of loan taken			
GGAL	Fellow Subsidiary	598.70	540.91
GHWL	Holding Company	6,013.00	5,432.66

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Notes to Financial Statements

42 List of Related Parties with whom transactions have taken place during the year:

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

Rupees in Lakhs

Particulars		Relationship	March 31, 2023	March 31, 2022
t.	Current loan taken from related parties			
	GPEL	Fellow Subsidiary		
	Opening Balance		266.53	266.53
	Add : Received during the Year		-	-
	Less : Repaid during the Year		-	-
	Closing Balance		**266.53**	**266.53**
	GHWL***	Holding Company		
	Opening Balance		6,163.38	6,163.38
	Add : Received during the Year		-	-
	Less : Repaid during the Year		-	-
	Closing Balance		**6,163.38**	**6,163.38**
u.	Interest payable on Loan taken			
	GHWL***	Holding Company	3,582.41	3,040.62
	GPEL	Fellow Subsidiary	55.01	30.49
v.	Trade Payables			
	GAIL*	Fellow Subsidiary / Enterprises having control over the Company	183.79	183.79
	GPUIL*	Enterprises having control over the Company	27.96	5.36
	GEPL	Enterprises having control over the Company	0.01	0.01
	GHWL	Holding Company	53.48	265.33
	RSSL	Fellow Subsidiary	43.37	108.97
w.	Other Payable			
	GHWL	Holding Company	10,153.69	3,994.39
x.	Provision for major maintenance			
	GHWL	Holding Company	1,674.57	2,004.69

* [Refer Note No.1.2(i)]

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

*** [Refer Note No.10(i)]

Notes:

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

ii. Commitments with related parties: As at year ended March 31, 2023, 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 through 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, 2023 and year ended March 31, 2022, 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.12

c. Compensation of key management personnel of the company

Rupees in Lakhs

Particulars	March 31, 2023	March 31, 2022
a. Short-term employee benefits	21.87	28.33
b. Post-employment benefits (provident fund and superannuation fund)	1.90	2.14
c. Termination benefits		
d. Any other payment/benefit given to KMPs	1.89	1.83
Total	**25.66**	**32.30**

d. Transaction with Key Management Personnel

Rupees in Lakhs

Particulars	Remuneration						Outstanding loans/ advances receivables
	Short-term employee benefits	Post employment benefits	Other long-term employee benefits	Termination benefits	Sitting Fee	Others	
Mr. Bajrang Lal Gupta	-	-	-	-	1.53	-	-
	-	-	-	-	*(1.48)*	-	-
Dr. Kavitha Gudapati	-	-	-	-	0.36	-	-
	-	-	-	-	*(0.35)*	-	-
Mr. Iqbal Singh	21.87	1.90	-	-	-	-	-
	(28.33)	*(2.14)*	-	-	-	-	-

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.

43 Other Statutory Information

i. There are no balance outstanding on account of any transaction with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

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

iii. The Company has not advanced or loaned or invested funds to any other person(s) or entitiy(ies), including foreign entity (intermediaries) with the understanding that intermediary shall:
(a) Directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(b) Provide any guarantee ,security or the like to or on behalf of the Ultimate Beneficiaries.

iv. The Company have not received any fund from any person(s) or entity(ies), including foreign entity (Funding Party) wih the understanding (whether recorded in writing or otherwise) that the company shall:
(a) Directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) Provide any guarantee ,security or the like to or on behalf of the Ultimate Beneficiaries.

v. The Company does not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.

vi. The Company has neither transacted in Crypto or Virtual Currency during the year nor held any Crypto or Virtual Currency as at the Balance Sheet date.

vii. The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property

viii. The Company has not declared wilful defaulter by any bank of financial institution of other lender.

44 Ratio Analysis

Sl	Ratios	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance	Remarks
a)	Current Ratio (in times)	Total current assets	Total current liabilities	0.02	0.01	-87.21%	Reduction in current liabilities, current borrowings considered as non-current and variation in terms of Preference Shares.
b)	Debt-Equity Ratio (In times)	Total Debt including interest accured	Total Equity	(1.54)	(1.64)	5.92%	Not Applicable
c)	Debt Service Coverage Ratio (In times)	Earning before tax + depreciation and amortisation expenses+ interest on debt + interest on negative grant+Exceptional Item+ Interest on lease liability	Debt redemptions + Payment of Interest on debt + Payment of Negative Grant+ Lease Liabilities	0.37	(0.71)	151.81%	The resumption of toll collection after conclusion of farmers protect has resulted in improvement of EBITDA and repayment to borrowers and lessor.
d)	Return on Equity Ratio (In %)	Net Profit after Tax (Attributable to Owners)	Average Net-worth	11.68%	27.47%	57.50%	The resumption of toll collection after conclusion of farmers protect has resulted in improvement of EBITDA and and variation in terms of preference shares.
e)	Inventory turnover ratio (In times)	Revenue from operations	Average Inventories	104.12	27.25	-282.15%	The resumption of toll collection after conclusion of farmers protect.
f)	Trade Receivables turnover ratio (In times)	Revenue from operations	Average of Trade Receivables	-	-	0.00%	NA
g)	Trade payables turnover ratio (In times)	Operating expenses, Employee benefits expense, Other expenses (net of provisions movement excluding provision for contingencies)	Average Trade payable	2.87	1.64	-74.94%	Due to payment made to vendors.

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Notes to Financial Statements

44 Ratio Analysis

Sl	Ratios	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance	Remarks
h)	Net capital turnover ratio (In times)	Total Income	Working Capital (current assets minus current liabilities)	(0.30)	(0.04)	-583.38%	Reduction in current liabilities, current borrowings considered as non-current and variation in terms of Preference Shares and The resumption of toll collection after conclusion of farmers protect has resulted in improvemet in revenue.
i)	Net profit ratio (In %)	Net Profit / (Loss) after Tax	Total Income	(50.56%)	(462.11%)	89.06%	The resumption of toll collection after conclusion of farmers protect and claims received from NHAI.
j)	Return on Capital employed (In %)	Earning before tax and Interest expenses	Tangible net worth + Total Debt	10.85%	(9.56%)	213.48%	The resumption of toll collection after conclusion of farmers protect and claims received from NHAI. Further denomitor has also imropved due to conversion of redeemable preference shares to CCPS due to change in terms and repayment of borrowings.
k)	Return on investment (In %)	Interest income from Banks	Investment in bank deposits	0.00%	7.95%	100.00%	No other income earned during the year as fund was not invested in anywhere.

45 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 (in Rupees per kms) with base year as 1997 as given in Schedule G to the Concession Agreement. Toll Rates revised every year on 1st September based on annual 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 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.

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.

Negative Grant

For grant of concession, Concessionaire has agreed to pay an amount of Rs. 174.752 Crore (as set out in bid of the bidder and accepted by NHAI) as per the details tabulated in Article 23 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

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

GMR Ambala-Chandigarh Expressways Pvt. Ltd.

45 Salient aspects of Service Concession Arrangement

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.

46 The previous year figures are not comparable with that of current year due to suspension in toll collections w.e.f., October 12, 2020 to December 14, 2021 on account of Farmers Protest against the Farm Law passed by Government of India (Refer Note No. 33) above.

47 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 : April 27, 2023
Place : Mumbai

For and on behalf of the Board of Directors
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 : April 27, 2023
Place : New Delhi

Divya Kalra
Company Secretary
Membership No. ACS 70871