

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GMR HYDERABAD VIJAYAWADA EXPRESSWAYS PRIVATE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **GMR HYDERABAD VIJAYAWADA EXPRESSWAYS PRIVATE LIMITED** ('the Company'), which comprise the Balance Sheet as at March 31, 2024, 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 material 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, 2024, 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 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. 31 to the accompanying standalone financial statements, regarding the continuous losses incurred by the Company and erosion of net-worth and pending receipt of the claim amount based on Arbitral award. As stated in the said note, these events or conditions, along with other matters as set forth in Note No. 28 to 30, indicates the existence of material uncertainty 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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Emphasis of Matter

We draw attention to the following notes to the accompanying standalone financial statements for the year ended March 31, 2024:

- a. Note No. 30(a), which describes uncertainty in the matter relating to restriction of concession period by National Highways Authority of India (NHAI) to 15 years which is sub-judice with Arbitral Tribunal. The restriction on the concession period to 15 years from 25 years would have significant impact on the amortization, carrying value of Intangible Asset and losses for the year as detailed in the said note. The management based on the legal opinion, however has not considered any adjustment to the amortization charge during the year in the financial statements which is critically dependent on the decision on concession period which is pending finality under Arbitration Proceedings.
- b. Note No. 30(b), regarding the impairment assessment of the carrying value of Intangible assets. In determining the asset's value in use, the valuation expert has estimated the future cash flows of the Company on discounted cash flow basis which is based on various assumptions made by the management which the expert has relied upon to arrive at the range of values. The Assets value in use is critically dependent upon key assumptions of receipt of cash inflows for damages / compensation under arbitration award fully described in Note No. 28(a) and raising of debt and additional equity support from GMR Power and Urban Infra Limited / GMR Highways Limited in future to shore up the capital structure of the project and the life of the Concession period.
- c. Note No. 28(b), regarding the non-payment by the Company to NHAI an amount of Rs. 1,62,782.21 Lakhs towards premium along with interest thereon pending receipt of claim amount as fully described in Note No. 28(a), which is pending before Divisional Bench of Hon'ble Delhi High Court and settlement there off with NHAI.

Our opinion is not modified in respect of above said 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 Annexure to Board's Report, but does not include the standalone financial statements and our auditor's report thereon. The report containing other information is expected to be made available to us after the date of this auditor's report.

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

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

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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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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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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- 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, 2024 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- g) with respect to the adequacy of the internal financial controls over financial reporting of the Company 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 according to the information and explanations given to us, the Company has not paid any remuneration to its managerial personnel during the year and accordingly reporting in accordance with the requirements of Section 197(16) of the Act is not required;

- 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. 27 to 30 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. 32 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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- 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.
- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of audit we did not come across any instance of the audit trail feature being tampered with.

for CHATURVEDI & SHAH LLP

Chartered Accountants

Firm Registration Number: 101720W / W100355



Lalit R Mhalsekar

Partner

Membership Number: 103418



UDIN: 24103418BKCRQE4048

Place: Mumbai

Date: April 29, 2024

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of GMR HYDERABAD VIJAYAWADA EXPRESSWAYS LIMITED of even date)

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

- i) In respect of the Company's property, plant and equipment, right of use assets and intangible assets:
- 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 Company during the year have conducted physical verification of PPE 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) 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) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii) a) 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) The Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under Paragraph 3(ii)(b) of the Order is not applicable.
- iii) The Company, during the year, 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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- iv) The Company, during the year, 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) The Company has not accepted any deposits or 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) We have broadly reviewed the books of account maintained by the company, pursuant to the Rules made by the Central Government of India, the maintenance of cost records as prescribed under sub-section (1) of section 148 of the Act and we are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete
- vii) a) In our opinion, the company during the year has generally been regular in depositing with appropriate authorities undisputed statutory dues including employee' state insurance, provident fund, goods and services tax, income-tax and other material statutory dues applicable to it with appropriate authorities.
- There are no undisputed statutory dues payable as at March 31, 2024, for a period of more than six months from the date they become payable.
- b) There are no statutory dues referred to in sub-clause (a) above, which have not been deposited on account of any dispute.
- viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix) a) In our opinion, 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 for 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	Indian Overseas Bank	2,711.47	Principal	Delay ranging from 1 days to 12 days	4 quarterly instalments
Rupee Term Loan	Indian Bank	1,336.43	Principal	Delay ranging from 1 days to 12 days	Quarterly instalments

Contd... 3



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	Punjab National Bank	1,650.00	Principal	Delay ranging from 1 days to 12 days	Quarterly instalments
Rupee Term Loan	India Infrastructure Finance Company Limited	1,355.66	Principal	Delay ranging from 1 days to 12 days	Quarterly instalments
Rupee Term Loan	Punjab and Sind Bank	718.82	Principal	Delay ranging from 1 days to 12 days	Quarterly instalments
Rupee Term Loan	Bank of Baroda	2,722.50	Principal	Delay ranging from 1 days to 12 days	Quarterly instalments
Rupee Term Loan	IDBI Bank	2,891.51	Principal	Delay ranging from 1 days to 12 days	Quarterly instalments
Rupee Term Loan	Union Bank of India	660.00	Principal	Delay ranging from 1 days to 12 days	Quarterly instalments
Rupee Term Loan	State Bank of India	723.30	Principal	Delay ranging from 1 days to 12 days	Quarterly instalments

- b) 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) On an overall examination of the financial statements 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.

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- e) On overall examination of the financial statements of the Company, 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.
- f) 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) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year, hence requirement of paragraph 3(x)(a) of the Order is not applicable to the Company.
- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year, hence requirement of paragraph 3(x)(b) of the Order is not applicable to the Company.
- xi) a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- b) No report under sub-section 12 of section 143 of the Act has been filed by cost auditors or secretarial auditors or by us 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.
- c) There are no whistle blower complaints received by the Company during the year.
- xii) The Company is not a Nidhi Company. Accordingly paragraph 3(xii) (a) to (c) of the Order is not applicable.
- xiii) In our opinion, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv) a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its director and hence provision of Section 192 of the Act is not applicable to the Company.
- xvi) a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly paragraph 3(xvi) (a) of the Order is not applicable.
- b) 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. Accordingly paragraph 3(xvi) (b) of the Order is not applicable.

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- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly paragraph 3(xvi) (c) of the Order is not applicable.
- 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) The Company has not incurred cash losses during the current financial year but had incurred cash losses of Rs. 202.97 Lakhs in the immediately preceding financial year.
- 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) 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 and expected cash flows from the favourable adjudication of arbitration proceedings as referred to in Note No. 31 (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.
- 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: 24103418 BKCRQE 4048



Place: Mumbai

Date: April 29, 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of GMR HYDERABAD VIJAYAWADA EXPRESSWAYS PRIVATE LIMITED of even date)

Report on the Internal Financial Controls with reference to the 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 statements of GMR HYDERABAD VIJAYAWADA EXPRESSWAYS PRIVATE LIMITED ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements 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 (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 system with reference to Standalone Financial Statements.

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Meaning of Internal Financial Controls with reference to 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 over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls 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 the standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the criteria for internal control with reference to financial statements 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: 26103418 B KCRQE 4048

Place: Mumbai
Date: April 29, 2024

GMR Hyderabad Vijayawada Expressways Private Limited

Financial Statements
April 1, 2023 to March 31, 2024

REGISTERED OFFICE

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

GMR HYDERABAD VIJAYAWADA EXPRESSWAYS PRIVATE LIMITED

CIN: U45201KA2009PTC050109

BALANCE SHEET AS AT MARCH 31, 2024

Particulars	Note	Rupees in Lakhs	
		March 31, 2024	March 31, 2023
ASSETS			
Non-current Assets			
Property, plant and equipments	2	75.69	93.48
Other intangible assets	3	1,70,166.24	1,77,837.24
Financial Assets			
Other financial assets	4	7,632.83	7,629.94
Income tax assets (net)	16	8.91	8.97
Total Non-Current Assets		1,77,883.67	1,85,569.63
Current Assets			
Inventories	6	105.79	133.69
Financial Assets			
Cash and cash equivalents	7	5,524.64	3,180.62
Other bank balances (other than above)	8	7,510.29	1,134.42
Other financial assets	4	1,835.92	1,877.16
Other current assets	5	415.79	447.13
Total Current Assets		15,392.43	6,773.02
TOTAL ASSETS		1,93,276.10	1,92,342.65
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	9	500.00	500.00
Other equity	10	(1,29,087.84)	(1,14,075.00)
Total Equity		(1,28,587.84)	(1,13,575.00)
LIABILITIES			
Non-current Liabilities			
Financial Liabilities			
Long term borrowings	11	83,862.17	1,42,636.78
Provisions	12	97.80	13.31
Total Non-current Liabilities		83,959.97	1,42,650.09
Current Liabilities			
Financial Liabilities			
Short term borrowings	11	72,888.40	28,480.43
Trade payables	13		
a) Total outstanding dues of micro and small enterprises		113.96	182.94
b) Total outstanding dues of creditors other than (a) above		1,64,260.22	1,32,539.11
Other financial liabilities	14	0.16	3.11
Other current liabilities	15	52.13	182.45
Provisions	12	589.10	1,879.52
Total Current Liabilities		2,37,903.97	1,63,267.56
TOTAL EQUITY AND LIABILITIES		1,93,276.10	1,92,342.65

Company overview and Material accounting policies
The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number: 101720W / W100355

R. Mhalsekar

Lalit R Mhalsekar
Partner
Membership Number: 103418
Date: 29.04.2024
Place: Mumbai



For and on behalf of
GMR HYDERABAD VIJAYAWADA EXPRESSWAYS PRIVATE LIMITED

O. Bangaru Raju
Director
DIN: 00082228

R. Ranjan
Rakesh Ranjan
Chief Financial Officer

Date: 29.04.2024
Place: New Delhi

Arun Kumar Sharma
Arun Kumar Sharma
Director
DIN: 02281905

Priyanka Chawri
Priyanka Chawri
Company Secretary
M. No. A65871



GMR HYDERABAD VIJAYAWADA EXPRESSWAYS PRIVATE LIMITED
CIN: U45201KA2009PTC050109

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2024

Particulars	Note	Rupees in Lakhs	
		March 31, 2024	March 31, 2023
INCOME			
Revenue from operations	17		
Other income	18	48,639.92	44,964.83
Total Income		369.19	95.95
EXPENSES			
Concession Premium			
Operating expenses		21,199.22	19,150.57
Employee benefit expenses	19	2,653.22	1,812.68
Other expenses	20	770.00	350.86
Total Expenses	21	2,651.01	2,298.45
		27,273.45	23,612.56
Earnings / (Loss) before finance cost, tax, depreciation and amortisation expenses (EBITDA)		21,735.66	21,448.22
Finance cost	22	29,033.14	27,677.00
Depreciation and amortization expenses	23	7,708.94	7,142.22
		36,742.08	34,819.22
(Loss) / Profit before tax		(15,006.42)	(13,371.00)
Tax Expense:			
Current tax	16	-	-
Deferred tax expense / (credit)		-	-
		(15,006.42)	(13,371.00)
(Loss) / Profit after tax		(15,006.42)	(13,371.00)
OTHER COMPREHENSIVE INCOME			
<i>Items that will not be reclassified to profit or loss in subsequent periods:</i>			
Re-measurement gains / (losses) on defined benefit plans		(6.42)	(6.10)
Income tax effect	16	-	-
Other comprehensive income/(expenses) for the period / year, net of tax		(6.42)	(6.10)
Total comprehensive income for the period / year		(15,012.84)	(13,377.10)
Earnings per equity share (EPS): (face value of equity shares: Rs. 10 each)			
Basic EPS (Amount in Rupees)	24	(300.13)	(267.42)
Diluted EPS (Amount in Rupees)	24	(300.13)	(267.42)

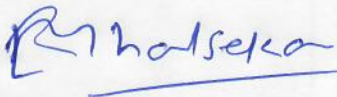
Company overview and Material accounting policies 1
The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number: 101720W / W100355



Lalit R Mhalsekar

Partner

Membership Number: 103418

Date: 29.04.2024

Place: Mumbai



For and on behalf of

GMR HYDERABAD VIJAYAWADA EXPRESSWAYS PRIVATE LIMITED


O Bangaru Raju

Director

DIN: 00082228


Rakesh Ranjan

Chief Financial Officer

Date: 29.04.2024

Place: New Delhi


Arun Kumar Sharma
Director
DIN: 02281905


Priyanka Chawri
Company Secretary
M. No. A65871



GMR HYDERABAD VIJAYAWADA EXPRESSWAYS PRIVATE LIMITED

CIN: U45201KA2009PTC050109

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2024

A. Equity Share Capital

Particulars	Rupees in Lakhs	
	March 31, 2024	March 31, 2023
Balance at the beginning of the period	500	500
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the period	500	500
Changes in equity share capital during the year	-	-
Balance at the end of period	500	500

B. Other Equity

Particulars	Rupees in Lakhs				Total [Refer Note No.10]	
	Reserves and Surplus		Equity component of financial instruments			Other comprehensive income
	Retained earnings	Preference shares	Related party loans			
Changes in equity for the year ended March 31, 2023						
Balance as at April 1, 2022	(1,52,014.61)	22,052.27	29,255.49	8.95	(1,00,697.90)	
Changes in accounting policy or prior period errors	-	-	-	-	-	
Restated balance as on April 1, 2022	(1,52,014.61)	22,052.27	29,255.49	8.95	(1,00,697.90)	
Profit / (Loss) for the year	(13,371.00)	-	-	-	(13,371.00)	
Other comprehensive income	-	-	-	-	-	
Re-measurement gains/(loss) on defined benefit plans	-	-	-	(6.10)	(6.10)	
Balance as at March 31, 2023	(1,65,385.61)	22,052.27	29,255.49	2.85	(1,14,075.00)	
Changes in equity for the year ended March 31, 2024						
Balance as at April 1, 2023	(1,65,385.61)	22,052.27	29,255.49	2.85	(1,14,075.00)	
Changes in accounting policy or prior period errors	-	-	-	-	-	
Restated balance as on April 1, 2023	(1,65,385.61)	22,052.27	29,255.49	2.85	(1,14,075.00)	
Profit / (Loss) for the year	(15,006.42)	-	-	-	(15,006.42)	
Other comprehensive income	-	-	-	-	-	
Re-measurement gains/(loss) on defined benefit plans	-	-	-	(6.42)	(6.42)	
Balance as at March 31, 2024	(1,80,392.03)	22,052.27	29,255.49	(3.57)	(1,29,087.84)	

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

As per our report of even date attached

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number: 101720W / W100355

Lalit R Mhalsekar

Lalit R Mhalsekar

Partner

Membership Number: 103418

Date: 29.04.2024

Place: Mumbai



For and on behalf of

GMR HYDERABAD VIJAYAWADA EXPRESSWAYS PRIVATE LIMITED

O Bangaru Raju

O Bangaru Raju

Director

DIN: 00082228

Rakesh Ranjan

Rakesh Ranjan

Chief Financial Officer

Date: 29.04.2024

Place: New Delhi

Arun Kumar Sharma

Arun Kumar Sharma

Director

DIN: 02281905

Priyanka Chawri

Priyanka Chawri

Company Secretary

M. No. A65871



GMR HYDERABAD VIJAYAWADA EXPRESSWAYS PRIVATE LIMITED

CIN: U45201KA2009PTC050109

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED MARCH 31, 2024

Particulars	Rupees in Lakhs	
	March 31, 2024	March 31, 2023
A CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / (Loss) before tax	(15,006.42)	(13,371.00)
Adjustments For :		
Depreciation and amortisation	7,708.94	7,142.22
Interest and finance charges	29,033.14	27,677.00
Major maintenance expenses	1,220.27	152.52
Loss / (Profit) on sale of PPE	-	-
Re-measurements of defined benefit plans	(6.42)	(6.10)
Interest income on bank deposit and others	(320.93)	(51.79)
Sundry balances written (back) / off	-	(38.96)
	22,628.58	21,503.89
Adjustments for Movement in Working Capital:		
Decrease / (increase) in non-current/current financial and other assets	220.78	1,489.81
Decrease / (increase) in Inventories	27.90	(33.07)
Increase / (decrease) in trade payables and financial/other liabilities	19,096.24	19,125.26
Increase / (decrease) in Provision	(2,426.20)	(4,311.36)
Cash From/(used In) Operating activities	39,547.30	37,774.53
Tax (paid)/refund	0.50	0.31
Net Cash generated from Operating activities	39,547.80	37,774.84
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(20.15)	(33.58)
Interest Income on bank deposit and others	169.41	40.25
Decrease/(increase) in Other Bank Balance	(6,375.87)	(645.06)
Cash used in Investing Activities	(6,226.62)	(638.39)
C CASH FLOW FROM FINANCING ACTIVITIES:		
Disbursement / (Repayment) of rupee term loan	(19,678.22)	(19,748.03)
Disbursement / (Repayment) of Loan from related parties	(1,200.00)	-
Interest and finance charges paid on rupee term loans	(10,098.94)	(14,757.89)
Cash used in Financing Activities	(30,977.16)	(34,505.92)
D Net Increase / decrease in Cash and Cash Equivalents [A+B+C]	2,344.02	2,630.53
Cash and Cash Equivalents as at beginning of the year	3,180.62	550.09
Cash and Cash Equivalents as at end of the year	5,524.64	3,180.62
Components of Cash and Cash Equivalents:		
Cash in hand	42.16	48.31
Balances with banks		
- Current account	5,222.82	2,686.90
- Fixed deposits	259.66	445.41
Total	5,524.64	3,180.62



GMR HYDERABAD VIJAYAWADA EXPRESSWAYS PRIVATE LIMITED

CIN: U45201KA2009PTC050109

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED MARCH 31, 2024**Notes :**

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

2 Changes in liabilities arising from financing activities:

Particulars	Opening balance	Cash flows	Non-cash / fair value changes	Rupees in Lakhs
				Closing balance
For the year ended March 31, 2024				
Liability portion of preference shares	25,533.28	-	2,735.45	28,268.73
Long-term external borrowings	1,01,537.73	(19,678.22)	-	81,859.51
Liability portion of Loan from related parties	44,046.20	(1,200.00)	3,776.13	46,622.33
Interest accrued on long term external borrowings	3.11	(10,098.94)	10,095.99	0.16
For the year ended March 31, 2023				
Liability portion of preference shares	23,068.94	-	2,464.34	25,533.28
Long-term external borrowings	1,21,272.59	(19,748.03)	13.17	1,01,537.73
Liability portion of Loan from related parties	40,644.32	-	3,401.88	44,046.20
Interest accrued on long term external borrowings	2,186.26	(14,757.89)	12,574.74	3.11

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

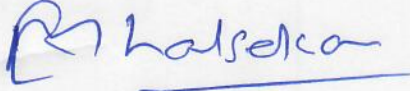
The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number: 101720W / W100355



Lalit R Mhalsekar

Partner

Membership Number: 103418

Date: 29.04.2024

Place: Mumbai



For and on behalf of


GMR HYDERABAD VIJAYAWADA EXPRESSWAYS PRIVATE LIMITED



O Bangaru Raju

Director

DIN: 00082228




Rakesh Ranjan

Chief Financial Officer

Date: 29.04.2024

Place: New Delhi



Arun Kumar Sharma

Director

DIN: 02281905



Priyanka Chawri

Company Secretary

M. No. A65871



GMR HYDERABAD VIJAYAWADA EXPRESSWAYS PRIVATE LIMITED

CIN: U45201KA2009PTC050109

1 Company Overview and Material Accounting Policies:

1.1 Company Overview

GMR Hyderabad Vijayawada Expressways Private Limited (the Company) is incorporated on June 11, 2009 and domiciled in India and has its registered office at 25/1, SKIP House, Museum Road, Bangalore, Karnataka-560025.

The Company engaged in development of highways on Design, Build, Finance, Operate and Transfer ("DBFOT") model on toll basis. This entity is a Special Purpose Vehicle which has entered into a Concession Agreement with National Highways Authority of India (NHAI / Regulator) for carrying out the project of Design, Construction, Development, Finance, Operation and Maintenance of 4/6 laning of Hyderabad - Vijayawada section on National Highway 9 from KM 40.000 to KM 221.500 in the state of Andhra Pradesh and Telangana.

The Company's 90% of the equity shares are held by GMR Power and Urban Infra Limited along with GMR Highways Limited and the balance of 10% of equity shares are held by Punj Lloyd Limited.

The Financial Statements of the Company for the year ended March 31, 2024 were authorised for issue in accordance with a resolution of the Audit Committee and Board of Directors on April 29, 2024.

1.2 Material accounting policies

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

Basis of preparation

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

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

The Company has presented (loss) / profit before finance costs, taxes, depreciation, amortisation expenses and exceptional items as EBITDA.

The Financial Statements are presented in Indian Rupees (INR)/Rupees in Lakhs.

Summary of significant accounting policies

a) Current versus non-current classification

Assets and Liabilities in the balance sheet have been classified as either current or non-current based upon the requirements of Schedule III notified under the Companies Act, 2013.

An asset has been classified as current if

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle; or
- it is held primarily for the purpose of being traded; or
- it is expected to be realized within twelve months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets have been classified as non-current.

A liability has been classified as current when

- it is expected to be settled in the Company's normal operating cycle; or
- it is held primarily for the purpose of being traded; or
- it is due to be settled within twelve months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other liabilities have been classified as non-current.

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

b) Foreign currency and derivative transactions

The Company's financial statements are presented in INR, which is the 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.



GMR HYDERABAD VIJAYAWADA EXPRESSWAYS PRIVATE LIMITED

CIN: U45201KA2009PTC050109

1 Company Overview and Material Accounting Policies:

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 April 1, 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.

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

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

c) Fair value measurement

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

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

- i) In the principal market for the asset or liability, or
 - ii) In the absence of a principal market, in the most advantageous market for the asset or liability
- The principal or the most advantageous market must be accessible by the Company.

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

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

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

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

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

d) Revenue Recognition

Revenue from operations:

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

Toll Revenue is recognised on usage of public service on accrual basis. Claims raised on NHAI under concession agreement are accounted for in the year of acceptance.

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.



GMR HYDERABAD VIJAYAWADA EXPRESSWAYS PRIVATE LIMITED

CIN: U45201KA2009PTC050109

1 Company Overview and Material Accounting Policies:

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 & Equipments

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

Recognition:

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:

- (a) it is probable that future economic benefits associated with the item will flow to the entity; and
- (b) the cost of the item can be measured reliably.

When significant parts of plant and equipment are required to be replaced at intervals, Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

Spare parts are capitalized when they meet the definition of PPE, i.e., when the company intends to use these during more than a period of 12 months.

Depreciation on fixed assets is provided on straight line method, up to the cost of the asset (net of residual value), in accordance with the useful lives prescribed under Schedule II to the Companies Act, 2013 which are as below:

Plant and equipments	4-15 years
Office equipments	5 years
Furniture and fixtures	10 years
Vehicles	6-10 years
Servers	6 years
Computers	3 years

Depreciation on additions is being provided on a pro-rata basis from the date of such additions. Similarly, depreciation on assets sold/disposed off during the year is being provided up to the dates on which such assets are sold/disposed off. Modification or extension to an existing asset, which is of capital nature and which becomes an integral part thereof is depreciated prospectively over the remaining useful life of that asset.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.



GMR HYDERABAD VIJAYAWADA EXPRESSWAYS PRIVATE LIMITED

CIN: U45201KA2009PTC050109

1 Company Overview and Material Accounting Policies:

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.

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.

j) Lease

Finance Leases:

Where the Company is the lessee

Right-of-use assets

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



GMR HYDERABAD VIJAYAWADA EXPRESSWAYS PRIVATE LIMITED

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1 Company Overview and Material Accounting Policies:

Lease liabilities

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

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

Short-term leases and leases of low-value assets

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

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

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has the option, under some of its leases to lease the assets for additional terms of three to five years. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

The Company included the renewal period as part of the lease term for leases of plant and machinery due to the significance of these assets to its operations. These leases have a short non-cancellable period (i.e., three to five years) and there will be a significant negative effect on production if a replacement is not readily available. The renewal options for leases of motor vehicles were not included as part of the lease term because the Company has a policy of leasing motor vehicles for not more than five years and, hence, not exercising any renewal options.

Operating Leases:

Where the Company is the 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.

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 group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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



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1 Company Overview and Material Accounting Policies:

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

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

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

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 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 prepayment will lead to, for example, a reduction in future payment or a cash refund.

Compensated absences

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

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

Defined benefit plans

Gratuity

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

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



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1 Company Overview and Material Accounting Policies:

Remeasurements

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

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

- > The date of the plan amendment or curtailment, and
- > The date that the Group recognises related restructuring costs

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

n) Financial Instruments

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

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

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

Derecognition

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

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

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

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

Impairment of financial assets

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

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial guarantee contracts which are not measured as at FVTPL

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

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



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1 Company Overview and Material Accounting Policies:

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.

p) Earnings per share (EPS)

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

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

1.3 Key accounting estimates and judgments

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

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



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1 Company Overview and Material Accounting Policies:

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

i) Critical Accounting Estimates and Assumptions :

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

a) Income tax

Deferred tax assets are recognised for Minimum Alternate Tax (MAT) Credit Entitlement to the extent that it is probable that taxable profit will be available against which the same can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Refer Note No. 16.

b) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note no. 25 for further disclosures.

c) Contingencies

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

d) Defined benefit plans (gratuity benefits)

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

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

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

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 in terms of its accounting policy has got a valuation assessment for impairment for checking the impairment on its intangible assets in respect of which cash flows were projected and discounted by the expert valuer. Scenario analysis was conducted by the valuer in two scenarios with different concession periods of 15 Years and 25 Years, which has considered receipt of claims of the Company under Change in Law (CIL) of the amount claimed / claimable by the Management up to the date of expected receipt along with interest as per calculations of the management. The management is confident that the Company will be receive damages / compensation from relevant authorities for the loss the Company has suffered / suffering due CIL events and considered the expected cash inflow from claim for testing impairment loss on Carriageways. The valuation of intangible assets by expert valuer is dependent on receipt of the claims under CIL calculated in terms of the judgement of the management.

b) Amortisation:

Intangible Asset arising on service concession arrangement is being amortised on proportionate revenue method. To apply the said method of amortisation, future revenue has been estimated by the Management based on technical study by Independent Consultant. The concession period has been restricted to 15 years in terms of communication by NHAI, which has been challenged by the Company. The Company based on the current traffic flow and expectation of favourable decision on the life of concession period has estimated the requirement of the six laning within the stipulated date and as such 25 years for amortisation along with estimated revenue for said period has been considered appropriate. Further details are given in note no. 30(a).

In accordance with the concession agreement, concession period for project is 25 years from the appointed date. The project was initially developed from existing 2 lanes to 4 lane and be further developed to 6 laning subsequently (before 14th anniversary of the appointed date i.e. April 2024).The concession period of 25 years is dependent on development of 6 (six) lane to be carried out on or before the 14th Anniversary from the appointed date i.e., April 2024 with option to be exercised on or before the 11th Anniversary from the appointed date i.e., April 2021.



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1 Company Overview and Material Accounting Policies:

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 overlay activities if roughness value exceeds defined parameters. The Management estimates the timing and amount to be incurred on such overlay activities to recognise the provision for overlay as per the requirements of IND AS 37. During the previous year, an independent agency has carried out roughness test on the project site. Based on report by independent agency, the management has done a fresh estimation and revised its assumption about the timing and quantum of the estimated overlay expenditure which in the opinion of the management is appropriate and fair reflection of the liability toward such contractual overlay activity. Further details are given in note no. 12.

1.4 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. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

2. Property, plant and equipments

Particulars	Plant and machinery	Electrical Fittings	Computers	Office Equipments	Vehicles	Furniture and Fixtures	Building & Roads	Rupees in Lakhs	
								Total	Total
Gross block									
As at April 1, 2022	40.93	0.48	25.38	195.94	85.64	12.67	-	-	361.04
Additions	8.79	8.07	10.34	6.38	-	-	-	-	33.58
Disposals / Adjustments	-	-	-	-	-	-	-	-	-
As at March 31, 2023	49.72	8.55	35.72	202.32	85.64	12.67	-	-	394.62
Additions	-	1.19	8.02	9.15	-	1.79	-	-	20.15
Disposals / Adjustments	-	-	-	-	-	-	-	-	-
As at March 31, 2024	49.72	9.74	43.74	211.47	85.64	14.46	-	-	414.77
Depreciation									
As at April 1, 2022	22.17	0.48	14.42	139.06	62.12	12.09	-	-	250.34
Charge for the year	7.44	0.22	4.27	30.81	7.83	0.23	-	-	50.80
Disposals / Adjustments	-	-	-	-	-	-	-	-	-
As at March 31, 2023	29.61	0.70	18.69	169.87	69.95	12.32	-	-	301.14
Charge for the year	3.16	1.27	6.18	17.67	7.82	1.84	-	-	37.94
Disposals / Adjustments	-	-	-	-	-	-	-	-	-
As at March 31, 2024	32.77	1.97	24.87	187.54	77.77	14.16	-	-	339.08
Net block									
As at March 31, 2023	20.11	7.85	17.03	32.45	15.69	0.35	-	-	93.48
As at March 31, 2024	16.95	7.77	18.87	23.93	7.87	0.30	-	-	75.69

Notes:

- Deemed Cost: The Company during the Financial Year 2016-17, had for the 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.
- Assets are owned and are used for own use, unless otherwise mentioned.
- For charges created on property, plant and equipments refer note no. 11(a).



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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**3 Other Intangible Assets**

Particulars	Rupees in Lakhs		
	Carriageways	Software	Total
Gross block			
As at April 1, 2022	2,20,549.15	-	2,20,549.15
Additions	-	-	-
Disposals / Adjustments	-	-	-
As at March 31, 2023	2,20,549.15	-	2,20,549.15
Additions	-	-	-
Disposals / Adjustments	-	-	-
As at March 31, 2024	2,20,549.15	-	2,20,549.15
Depreciation			
As at April 1, 2022	35,620.49	-	35,620.49
Charge for the Period	7,091.42	-	7,091.42
Disposals / Adjustments	-	-	-
As at March 31, 2023	42,711.91	-	42,711.91
Charge for the Period	7,671.00	-	7,671.00
Disposals / Adjustments	-	-	-
As at March 31, 2024	50,382.91	-	50,382.91
Net block			
As at March 31, 2023	1,77,837.24	-	1,77,837.24
As at March 31, 2024	1,70,166.24	-	1,70,166.24

Notes:

- 1 Deemed Cost: The Company during the Financial Year 2016-17, had for the 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 estimation of amortisation period and impairment assessment refer note no. 30.
- 3 For charges created on intangibles refer note no. 11(a).



GMR HYDERABAD VIJAYAWADA EXPRESSWAYS PRIVATE LIMITED

CIN: U45201KA2009PTC050109

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**4 Other financial assets**

Particulars	Rupees in Lakhs	
	March 31, 2024	March 31, 2023
Non-current:		
<i>Carried at amortised cost</i>		
Unsecured, considered good		
Receivable from NHAI *	7,500.00	7,500.00
Security deposits		
with government departments / authorities	123.08	120.19
with related parties [Refer note no. 37]	9.75	9.75
Total	7,632.83	7,629.94
Current:		
<i>Carried at amortised cost</i>		
Unsecured, considered good		
Receivable from NHAI **	1,273.59	1,273.59
Receivable from NHAI towards Change in Scope Works	387.76	430.24
Interest accrued on deposits with banks	171.09	20.01
Security deposits		
with related parties [Refer note no. 37]	-	149.84
with others	3.48	3.48
Total	1,835.92	1,877.16
Total	9,468.75	9,507.10

* - includes amount of Rs. 7,500.00 deposited with National Highways Authority of India (NHAI) under protest on the instructions of Arbitral Tribunal. Refer Note no. 28(b).

** - pertaining to the demonetisation period. Refer Note no. 28(c).

5 Other assets

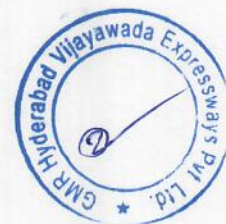
Particulars	Rupees in Lakhs	
	March 31, 2024	March 31, 2023
Current:		
Unsecured, considered good		
Advances recoverable in cash or kind	103.61	87.93
Prepaid expenses	179.60	202.57
Balances with government departments	132.58	156.63
Total	415.79	447.13
Total	415.79	447.13

6 Inventories

Particulars	Rupees in Lakhs	
	March 31, 2024	March 31, 2023
Stores and spares	105.79	133.69
Total	105.79	133.69

Notes:

- a) Inventories are valued at lower of cost and net realizable value.
b) For charges created on inventories refer note no. 11(a).



GMR HYDERABAD VIJAYAWADA EXPRESSWAYS PRIVATE LIMITED

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**7 Cash and cash equivalents**

Particulars	Rupees in Lakhs	
	March 31, 2024	March 31, 2023
Cash in hand	42.16	48.31
Balances with banks		
- Current account	5,222.82	2,686.90
- Fixed deposits with maturity less than 3 months	259.66	445.41
Total	5,524.64	3,180.62

Note:

a) For charges created on cash and bank balances refer note no. 11(a).

8 Other bank balances

Particulars	Rupees in Lakhs	
	March 31, 2024	March 31, 2023
Fixed deposit with banks	7,510.29	1,134.42
Total	7,510.29	1,134.42

Note:

a) For charges created on cash and bank balances refer note no. 11(a).

b) The fair value of other bank balances are not materially different from the carrying value presented.

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GMR HYDERABAD VIJAYAWADA EXPRESSWAYS PRIVATE LIMITED

CIN: U45201KA2009PTC050109

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

9 Equity share capital

Particulars	Rupees in Lakhs	
	March 31, 2024	March 31, 2023
Authorised		
50,00,000 [March 31, 2023 : 50,00,000] equity shares of Rs.10 each	500.00	500.00
2,98,00,000 [March 31, 2023 : 2,98,00,000] preference shares of Rs. 100 each	29,800.00	29,800.00
	30,300.00	30,300.00
Issued, subscribed and fully paid-up		
50,00,000 [March 31, 2023 : 50,00,000] equity shares of Rs.10 each	500.00	500.00
Total	500.00	500.00

Notes:

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

Particulars	Equity shares of Rs. 10 each	
	No. of Shares	Rupees in Lakhs
As at April 01, 2022	50,00,000	500.00
Add : Issued during the year	-	-
As at March 31, 2023	50,00,000	500.00
Add : Issued during the year	-	-
As at March 31, 2024	50,00,000	500.00

Particulars	Preference shares of Rs. 100 each*	
	No. of Shares	Rupees in Lakhs
As at April 01, 2022	2,97,52,740	29,752.74
Add : Issued during the year	-	-
As at March 31, 2023	2,97,52,740	29,752.74
Add : Issued during the year	-	-
As at March 31, 2024	2,97,52,740	29,752.74

* for further details refer note no. 10 and 11.

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 Directors is subject to the approval of the shareholders 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.

1,300,000 equity shares held by GMR Highways Limited (GHWL) have been pledged against rupee term loan. Refer Note no. 11(a)(i).

c) Terms to Preference Shares

6% Non-Cumulative, Compulsory Convertible Preference Shares of INR 100 each fully paid up

The Non-cumulative, Compulsory Convertible Preference Shares of INR 100 each will be converted into Equity Shares of INR 10 each at the option of the Company / Preference Shareholders, at any time on or before October 01, 2024, at Par Value or at such price as may be mutually agreed between the Company and the Preference Shareholders at the time of conversion. Refer note nos. 10 and 11 for equity and liabilities portion of Preference Shares.

7,735,713 preference shares held by GMR Highways Limited (GHWL) have been pledged against rupee term loan. Refer Note no. 11(a).

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

Name of Sharehold	March 31, 2024		March 31, 2023	
	No. of Shares	% of holding	No. of Shares	% of holding
Equity shares of Rs. 10 each				
GMR Highways Limited	24,50,000	49.00%	24,50,000	49.00%
GMR Power and Urban Infra Limited	20,50,000	41.00%	20,50,000	41.00%
Punj-Llyod Limited	5,00,000	10.00%	5,00,000	10.00%
Preference shares of Rs.100 each				
GMR Highways Limited	2,16,00,000	72.60%	2,16,00,000	72.60%
GMR Power and Urban Infra Limited	81,52,740	27.40%	81,52,740	27.40%



GMR HYDERABAD VIJAYAWADA EXPRESSWAYS PRIVATE LIMITED

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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

Name of Shareholder	March 31, 2024		March 31, 2023	
	No. of Shares	% of holding	No. of Shares	% of holding
Equity shares of Rs. 10 each				
GMR Highways Limited	24,50,000	49.00%	24,50,000	49.00%
GMR Power and Urban Infra Limited	20,50,000	41.00%	20,50,000	41.00%
Preference shares of Rs.100 each				
GMR Highways Limited	2,16,00,000	72.60%	2,16,00,000	72.60%
GMR Power and Urban Infra Limited	81,52,740	27.40%	81,52,740	27.40%

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

Name of Shareholder	March 31, 2024		March 31, 2023		% Change during the year
	No. of Shares	% of holding	No. of Shares	% of holding	
Equity shares of Rs. 10 each					
GMR Highways Limited	24,50,000	49.00%	24,50,000	49.00%	0.00%
GMR Power and Urban Infra Limited	20,50,000	41.00%	20,50,000	41.00%	0.00%
Preference shares of Rs.100 each					
GMR Highways Limited	2,16,00,000	72.60%	2,16,00,000	72.60%	0.00%
GMR Power and Urban Infra Limited	81,52,740	27.40%	81,52,740	27.40%	0.00%

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

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

10 Other equity

Particulars	Rupees in Lakhs	
	March 31, 2024	March 31, 2023
Equity component of Preference shares [Refer note no. 37]		
Opening balance		
Adjustment for the year	22,052.27	22,052.27
Closing balance	22,052.27	22,052.27
Equity component of loan from related parties [Refer note no. 37]		
Opening balance	29,255.49	29,255.49
Adjustment for the year	-	-
Closing balance	29,255.49	29,255.49
Retained Earnings		
Surplus / (deficit) in the statement of Profit and Loss		
Opening balance	-	-
(Loss) / Profit after tax	(1,65,385.61)	(1,52,014.61)
Closing balance	(1,80,392.03)	(1,65,385.61)
Other comprehensive income		
Opening balance	2.85	8.95
Remeasurement gain / (loss) on defined benefit plans, net of tax effect	(6.42)	(6.10)
Closing balance	(3.57)	2.85
Total	(1,29,087.84)	(1,14,075.00)

Nature and purpose of reserve:

a) Retained Earnings

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

b) Equity component of related party transaction

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

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



GMR HYDERABAD VIJAYAWADA EXPRESSWAYS PRIVATE LIMITED

CIN: U45201KA2009PTC050109

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**11 Borrowings**

Particulars	Rupees in Lakhs	
	March 31, 2024	March 31, 2023
Long-term borrowings:		
Secured, at amortized cost		
Rupee Term Loan [Refer note (a) below]		
Banks	16,568.77	74,802.67
Financial	1.34	7,053.63
Unsecured, at amortized cost		
Liability component of compound financial instruments		
Liability portion of preference shares issued to related parties [Refer note nos. 37 and (b) below]	28,268.73	25,533.28
Liability portion of loan from related parties [Refer note nos. 37 and (c) below]	39,023.33	35,247.20
Total of Long-term borrowings	83,862.17	1,42,636.78
Short term borrowings		
Secured, at amortized cost		
Current maturities of rupee term loan [Refer note (a) below]		
Banks	58,232.08	17,874.91
Financial Institutions	7,057.32	1,806.52
Unsecured, at amortized cost		
Loans from related parties [Refer note nos. 37 and (d) below]	7,599.00	8,799.00
Total of Short-term borrowings	72,888.40	28,480.43
Total	1,56,750.57	1,71,117.21

Notes:**a) Rupee Term Loan from banks and financial institution****i) Nature of security**

A first charge by way of hypothecation in favour of the Lenders / Security trustee, of all the borrowers movable properties including but not limited to all current / non-current assets including project assets, present and future, a first charge on all the intangible assets including but not limited to goodwill, rights, undertakings, and uncalled capital both present and future, a first charge on all the borrower's bank accounts, including without limitation, the Escrow account and the Debt Service Reserve Account and any other bank accounts, a first charge by way of assignment or creation of charge of all the right, title and interest to the extent covered by and in accordance with the Substitution agreement, pledge of 26% of the total equity share capital and 26% of the total preference share capital of the borrower.

ii) Terms of repayment

As per the Underwriting and Facility Agreement entered into by the Company on April 5, 2010 and restated Facility Agreement dated March 9, 2011 with the consortium of banks and financial institution, the amount to be borrowed by the Company from the lenders shall not exceed Rs. 1,69,000.00 Lakhs. The applicable interest rate for all the lenders for the year ended March 31, 2024 varies from 11.00% p.a. to 12.20% p.a. The Company shall repay the amortised portion of the loans to the lenders in 46 (forty six) unequal quarterly installments.

The interest accrued on rupee term loans is due for payment on March 31, 2024 to banks and financial institution aggregating to Rs. 0.16 Lakhs and interest accrued but not due as on March 31, 2024 is Rs. 0.00 Lakhs.

b) Non cumulative Compulsorily Convertible Preference shares:

The Company had issued 29,752,740 6% Non-Cumulative, Compulsory Convertible Preference Shares of Rs. 100 each fully paid up. The Preference Shares shall be converted into Equity Shares of Rs. 10 each at the option of the Company / Preference Shareholders, at any time on or before October 01, 2024, at Par Value or at such price as may be mutually agreed between the Company and the Preference Shareholders at the time of conversion. The due date for conversion has proposed to be extended up to October 1, 2025 subject to approval of Board of Directors of both the companies.

As these Preference shares are non cumulative and the Company is not under obligation to pay dividend, only the fair value of redemption value has been considered as financial liability using the market rate for an equivalent instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion. The remainder of the proceeds is recognised and included in Equity. Refer note no. 10 for equity portion of Preference Shares.



GMR HYDERABAD VIJAYAWADA EXPRESSWAYS PRIVATE LIMITED

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Particulars	Rupees in Lakhs	
	March 31, 2024	March 31, 2023
Preference Share issued at inception		
Issued during the year	29,752.74	29,752.74
Closing balance of Preference Shares issued	29,752.74	29,752.74
Equity component transferred to Other Equity	22,052.27	22,052.27
Financial liability portion of preference shares	7,700.47	7,700.47
Notional Interest recognized up to date	20,568.26	17,832.81
Liability portion of convertible preference shares	28,268.73	25,533.28

c) Loan from related parties:

Loans from group Company (unsecured) includes:

i) An Interest free unsecured loan of Rs. 20,160.00 Lakhs (March 31, 2023 : Rs. 20,160.00 Lakhs) from GMR Highways Limited. 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.

ii) An Interest free unsecured loan of Rs. 1,379.00 Lakhs (March 31, 2023 : Rs. 1,379.00 Lakhs) from GMR Highways Limited to meet the Cost over run of the Project Construction. 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.

iii) An Interest free unsecured term loan of Rs. 21,653.00 Lakhs (March 31, 2023 : Rs. 21,653.00 Lakhs) from GMR Highways Limited and shall be repayable by March 31, 2026.

Interest free Loans from Group Companies are separated into liability and equity components based on the terms of the contract. On receipt of the loan, the fair value of the liability component is determined using a market rate for an equivalent instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished. The remainder of the proceeds is recognised and included in equity. Refer note no. 10 for equity portion of loans from related parties.

d) Short term Loan from related parties:

An interest free unsecured loan of Rs. 7,599.00 Lakhs from GMR Highways Limited for a period of one year and shall be repayable on demand.

12 Provisions

Particulars	Rupees in Lakhs	
	March 31, 2024	March 31, 2023
Non-current:		
<i>Provision for employee benefits</i>		
Gratuity	97.80	13.31
Total	97.80	13.31
Current:		
<i>Provision for employee benefits</i>		
Leave encashment	111.74	40.83
Other benefits	81.88	29.50
Provision for operation and maintenance	-	153.34
Provision for periodic major maintenance	395.48	1,655.85
Total	589.10	1,879.52
Total	686.90	1,892.83

Note:

a) Provision for periodic major maintenance (overlay activities)

The Company has a contractual obligation to maintain, replace or restore infrastructure, except for any enhancement element. Cost of such obligation is measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date and recognised over the period at the end of which the overlay is estimated to be carried out. Major Overlay activities was initially expected to be carried out up to the end FY 2023-24, however the management has re-estimated the overlay work to be carried out by end of September 2023 based on the roughness test conducted at the project site. The management has revised its assumption about the timing and quantum of the estimated overlay expenditure based on report by independent agency and re-assessed the said provision in terms of Para 36 of Ind AS 37.



GMR HYDERABAD VIJAYAWADA EXPRESSWAYS PRIVATE LIMITED

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

b) Movement of provision for periodic major maintenance

Particulars	Rupees in Lakhs			
	March 31, 2024		March 31, 2023	
	Non-current	Current	Non-current	Current
Opening Balance	-	1,655.85	-	5,712.25
Accretion / (reversal) during the year	-	1,220.27	-	152.52
Notional interest on unwinding of liability	-	-	-	-
Transferred from non-current to current	-	-	-	-
Utilised during the year	-	(2,480.64)	-	(4,208.92)
Closing Balance	-	395.48	-	1,655.85

13 Trade payables

Particulars	Rupees in Lakhs	
	March 31, 2024	March 31, 2023
Non-current:		
Total	-	-
Current:		
Carried at amortised cost:		
Total outstanding dues of micro and small enterprises		
Retention money	62.65	56.05
Related parties [Refer note no. 37]	-	75.97
Others	51.31	50.92
Dues to others		
Payable to NHAI [Refer note no. 28(b)]	1,62,997.22	1,29,181.15
Retention money		
Related parties [Refer note no. 37]	52.60	51.12
Others	5.92	5.82
Others		
Related parties [Refer note no. 37]	910.48	2,936.09
Others	294.00	364.93
Total	1,64,374.18	1,32,722.05
Total	1,64,374.18	1,32,722.05

Notes:

- a) The fair value of Trade payables is not materially different from the carrying value presented.
 b) Terms and conditions of the above financial liabilities:
 Trade payables are non-interest bearing and are normally settled on 60 days terms

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

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GMR HYDERABAD VIJAYAWADA EXPRESSWAYS PRIVATE LIMITED

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Particulars	Rupees in Lakhs	
	March 31, 2024	March 31, 2023
The principal amount due thereon remaining unpaid to any supplier as at the end of each accounting year	113.96	182.94
The interest amount due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006)	-	-
The amount of interest accrued but not accounted and remaining unpaid at the end of accounting year; and	-	-
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.	-	-

d) Trade payables ageing schedule:

For the year ended March 31, 2024

Particulars	Outstanding 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	29.91	24.21	56.29	2.69	0.86	113.96
(ii) Others	710.34	342.23	182.54	191.20	0.01	1,426.32
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	33,624.79	28,373.45	21,468.76	79,366.90	1,62,833.90

For the year ended March 31, 2023

Particulars	Outstanding 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	122.03	57.63	2.42	0.86	-	182.94
(ii) Others	699.30	452.89	1,704.94	438.94	-	3,296.07
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	30,406.99	21,229.06	17,617.12	59,989.87	1,29,243.04

14 Other financial liabilities

Particulars	Rupees in Lakhs	
	March 31, 2024	March 31, 2023
Other financial current liabilities at amortized cost		
Interest accrued and due on term loans	0.16	3.11
Total	0.16	3.11



GMR HYDERABAD VIJAYAWADA EXPRESSWAYS PRIVATE LIMITED

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

15 Other liabilities

Particulars	Rupees in Lakhs	
	March 31, 2024	March 31, 2023
Non-current:		
Total	-	-
Current:		
Advance received from:		
Toll customers	0.20	5.06
NHAI towards Change in Scope Works *	-	138.09
Statutory dues	51.93	39.30
Total	52.13	182.45
Total	52.13	182.45

* - 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 year of completion of such reconciliation and the management is of the opinion that there will not be any significant effect on the operating results of the Company on completion of such reconciliation.

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GMR HYDERABAD VIJAYAWADA EXPRESSWAYS PRIVATE LIMITED

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

16 Income Tax

The major components of income tax expense for the years ended March 31, 2024 and March 31, 2023 are:

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

Particulars	Rupees in Lakhs	
	March 31, 2024	March 31, 2023
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	-	-

16.02 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2024 and March 31, 2023:

Particulars	Rupees in Lakhs	
	March 31, 2024	March 31, 2023
(Loss) / Profit after tax	(15,006.42)	(13,371.00)
Applicable tax rate	26.0%	26.0%
Tax effect of income / (loss)	(a) (3,901.67)	(3,476.46)
Adjustments:		
Tax effect on non-taxable income	(577.70)	(61.42)
Tax effect on non-deductible expenses	-	0.04
Tax effect on difference in carry forward losses	2,656.80	1,376.95
Tax expense / (credit) to Statement of Profit and Loss	(b) 2,079.10	1,315.57
	(c)=(a+b)	(1,822.57)
Deferred tax is not recognised on brought forward unused tax losses and allowances [Refer note no. 16.04 (a) below]	(d) 1,822.57	2,160.89
Tax expense / (credit) to Total Comprehensive Income	(e)=(c+d)	-

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

Particulars	Rupees in Lakhs	
	March 31, 2024	March 31, 2023
Opening balance - Provision for Income tax / (Non-current tax assets)	(8.97)	(8.36)
Current tax payable for the year	-	-
Interest on income tax refund	(0.44)	(0.92)
Current taxes paid	0.50	0.31
Closing balance - Provision for Income tax / (Non-current tax assets)	(8.91)	(8.97)
Breakup		
Provision for Income tax (net)	-	-
Current tax assets	(8.91)	(8.97)
Total	(8.91)	(8.97)



GMR HYDERABAD VIJAYAWADA EXPRESSWAYS PRIVATE LIMITED

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

16 Income Tax

16.04 Major components of deferred tax assets and liabilities for the year ended March 31, 2024 and March 31, 2023:

Particulars	Rupees in Lakhs				
	As at April 1, 2022	For the year 2022-23	As at March 31, 2023	For the year 2023-24	As at March 31, 2024
Deferred tax liability					
Carriageways	34,308.98	2,570.16	36,879.14	2,641.72	39,520.86
Borrowings	7.08	(3.43)	3.65	(2.98)	0.67
Equity Component of preference shares	5,733.59	-	5,733.59	-	5,733.59
Equity Component of loan from related parties	7,606.43	-	7,606.43	-	7,606.43
Total (a)	47,656.08	2,566.73	50,222.81	2,638.74	52,861.55
Deferred tax asset					
Property, plant and equipments and intangible assets	86.05	(5.43)	80.62	(7.41)	73.21
Provision for major maintenance	1,969.24	39.66	2,008.90	317.27	2,326.17
Liability portion of preference shares	3,995.80	640.73	4,636.53	711.22	5,347.75
Loan from related parties	4,656.29	884.49	5,540.78	981.79	6,522.57
Provision for Leave Encashment	8.29	2.33	10.62	18.43	29.05
Provision for gratuity / (plan assets)	(0.99)	4.45	3.46	21.97	25.43
Provision for bonus	0.49	(0.17)	0.32	1.23	1.55
Principalisation of interest on rupee term loans	1,788.90	(342.45)	1,446.45	(293.10)	1,153.35
Unused tax losses	38,540.50	3,485.39	42,025.89	2,692.63	44,718.52
Unabsorbed tax depreciation	22,283.86	18.62	22,302.48	17.28	22,319.76
Unused short term capital loss	-	-	-	-	-
Total (b)	73,328.43	4,727.62	78,056.05	4,461.31	82,517.36
Net deferred tax (assets) / liability (c)=(a-b)	(25,672.35)	(2,160.89)	(27,833.24)	(1,822.57)	(29,655.81)
Deferred tax asset is not recognised *	(d) 25,672.35	2,160.89	27,833.24	1,822.57	29,655.81
Net deferred tax (e)=(c+d)	-	-	-	-	-

Note:

* - 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.

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

Particulars	Rupees in Lakhs	
	March 31, 2024	March 31, 2023
Unused depreciation allowances available for future taxable profit for unlimited period	85,845.23	85,778.77
Unused business loss available for future taxable profit upto:		
<u>Relating to Assessment year</u>	<u>Available upto Assessment year</u>	
2015-16	2023-24	-
2016-17	2024-25	-
2017-18	2025-26	7,433.96
2018-19	2026-27	24,519.17
2019-20	2027-28	23,917.67
2020-21	2028-29	25,928.16
2021-22	2029-30	21,662.42
2022-23	2030-31	25,051.86
2023-24	2031-32	22,906.35
2024-25	2032-33	20,574.72

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



GMR HYDERABAD VIJAYAWADA EXPRESSWAYS PRIVATE LIMITED

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**17 Revenue from operations**

Particulars	Rupees in Lakhs	
	March 31, 2024	March 31, 2023
Income from toll collection	48,639.92	44,964.83
Total	48,639.92	44,964.83

Disaggregate revenue information for the year ended March 31, 2024 and March 31, 2023:

The Company has presented disaggregated revenue from contracts with customers (under service concession arrangements) for the year ended March 31, 2024 and March 31, 2023 by offerings and is of the opinion that, this disaggregation best depicts the nature, amount, timing of revenues and cash flows that are affected by the industry markets and other economic factors.

Particulars	Rupees in Lakhs	
	March 31, 2024	March 31, 2023
Revenue by offering		
Income from toll collection	48,639.92	44,964.83

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 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, 2024 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.

18 Other income

Particulars	Rupees in Lakhs	
	March 31, 2024	March 31, 2023
Interest Income on Bank Deposit	315.57	47.37
Interest income from others	4.92	3.50
Interest on Income Tax Refund	0.44	0.92
Sundry balances written back	-	38.96
Other non-operating income	48.26	5.20
Total	369.19	95.95

19 Operating expenses

Particulars	Rupees in Lakhs	
	March 31, 2024	March 31, 2023
Sub-contracting expenses	2,653.22	1,812.68
Total	2,653.22	1,812.68
Details of sub-contracting expenses		
Highway Maintenance Expenses	832.02	1,077.85
Major Maintenance expenses	1,220.27	152.52
Toll/Highway Management Services	600.93	582.31
Total	2,653.22	1,812.68



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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

20 Employee benefit expenses

Particulars	Rupees in Lakhs	
	March 31, 2024	March 31, 2023
Salaries, Perquisites & Allowance	721.59	324.15
Contribution to provident and other funds	31.67	15.60
Gratuity expense	10.81	3.78
Staff welfare expenses	5.93	7.33
Total	770.00	350.86

21 Other expenses

Particulars	Rupees in Lakhs	
	March 31, 2024	March 31, 2023
Consumption of Stores & Spares	164.79	114.60
Utility Expenses (including Electricity charges)	604.79	519.39
Rent	10.53	10.08
Rates and taxes	4.50	2.72
Insurance	342.06	351.01
Repairs and maintenance	59.06	52.81
Vehicle maintenance cost for O&M	79.39	82.19
Travelling and conveyance	14.99	15.13
Communication costs	8.14	5.43
Printing and stationery	1.81	1.96
Legal and professional fees	1,217.63	997.19
Manpower Outsourcing	76.11	82.24
Directors' sitting fees	2.07	1.83
Payment to auditor		
Statutory Audit	7.08	8.85
Tax audit	1.18	1.18
Certifications	6.49	3.55
Advertisement	4.85	13.38
Meeting & Seminar	6.14	4.31
Staff recruitment and training cost	0.10	0.86
Bank Charges	21.51	18.30
Books & Periodicals	0.03	0.07
Business Promotions	16.17	9.65
General expenses	1.59	1.72
Total	2,651.01	2,298.45

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

22 Finance cost

Particulars	Rupees in Lakhs	
	March 31, 2024,	March 31, 2023
Interest measured at amortised cost		
Interest on borrowings	9,872.23	12,325.81
Interest others	18,937.15	15,089.23
Other borrowing cost	223.76	261.96
Total	29,033.14	27,677.00

Details of finance cost (Interest measured at amortised cost)

Particulars	Rupees in Lakhs	
	March 31, 2024	March 31, 2023
Interest on borrowings		
Interest on term Loan	9,872.23	12,325.81
Interest others		
Unwinding interest on liability portion of preference shares [Refer note no.37]	2,735.45	2,464.34
Unwinding interest on loan from related parties [Refer note no.37]	3,776.13	3,401.88
Interest on Concession Premium	12,425.57	9,222.87
Interest on delays in remittance of Statutory dues	-	0.14
Other borrowing cost		
Bank and other finance charges	223.76	261.96
Total	29,033.14	27,677.00

23 Depreciation and amortization expenses

Particulars	Rupees in Lakhs	
	March 31, 2024	March 31, 2023
Depreciation of property, plant and equipment	37.94	50.80
Amortization of intangible assets	7,671.00	7,091.42
Total	7,708.94	7,142.22

24 Earning per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year. In respect of the Convertible Preference Share, the number of dilutive shares have not been crystallised in view of the same being decided as on the date of conversion. Further, in view of these shares being anti-dilutive, the diluted EPS on these shares is not calculated:

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

Particulars	March 31, 2024	March 31, 2023
a) Nominal value of Equity shares per share (Amount in Rupees)	10.00	10.00
b) Weighted average number of Equity shares at the year end (in No.)	50,00,000	50,00,000
c) Profit/(loss) attributable to equity holders for basic earnings (Rupees in Lakhs)	(15,006.42)	(13,371.00)
d) Basic/Diluted Earning per share of Rs. 10/- each (Amount in Rupees) [(c)/(b)]	(300.13)	(267.42)



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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

25 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.

25.01 Financial instruments by category

Financial instruments comprise financial assets and financial liabilities.

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

Particulars	Refer note no.	As at March 31, 2024			As at March 31, 2023		
		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:							
Loans to employees and others	4	-	-	-	-	-	-
Security deposit	4	13.23	-	-	163.07	-	-
Receivable from NHAI	4	1,273.59	-	-	1,273.59	-	-
Cash and cash equivalents	7	5,524.64	-	-	3,180.62	-	-
Other bank balances	8	7,510.29	-	-	1,134.42	-	-
Other financial assets	4	8,181.93	-	-	8,070.44	-	-
Total		22,503.68	-	-	13,822.14	-	-
Financial liabilities:							
Borrowings (including interest accrued)	11	81,859.67	-	-	1,01,540.84	-	-
Liability component of preference share capital	11	28,268.73	-	-	25,533.28	-	-
Loan from group companies (including interest accrued)	11	46,622.33	-	-	44,046.20	-	-
Trade payables	13	1,64,374.18	-	-	1,32,722.05	-	-
Other financial liabilities	14	-	-	-	-	-	-
Total		3,21,124.91	-	-	3,03,842.37	-	-

Fair values

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

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

25.02 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, 2024:

Particulars	Rupees in Lakhs			
	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:	-	-	-	-



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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

b) The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2023:

Particulars	Rupees in Lakhs			
	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, 2024 and March 31, 2023 there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

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

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

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

26 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 cash and cash equivalents.

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:

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

26.01 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, 2024 and March 31, 2023.

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

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

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2024 and March 31, 2023.

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:

Particulars	Type of currency	Increase/ decrease in basis points	Rupees in Lakhs			
			Effect on profit before tax		Effect on total equity	
			March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Increase of profit	INR	(+)50	(254.29)	(446.42)	(254.29)	(446.42)
Decrease of profit	INR	(-)50	254.29	446.42	254.29	446.42



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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**26.02 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.

26.03 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.

26.04 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 group companies borrowings. The Company believes that the working capital is sufficient to meet its current requirements.

As at March 31, 2024, the Company has a negative working capital of Rs. 2,22,511.54 Lakhs including cash and cash equivalents of Rs. 5,524.64 Lakhs. As at March 31, 2023, the Company had a negative working capital of Rs. 1,56,494.54 Lakhs including cash and cash equivalents of Rs. 3,180.62 Lakhs. GMR Power and Urban Infra Limited and GMR Highways Limited have 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.

Particulars	Rupees in Lakhs					
	Financial liabilities carrying value	Total amount payable	Repayable on demand	Due within 1 year	Due between 1 to 5 years	Due after 5 years
As at March 31, 2024						
External long term Borrowings	81,859.51	81,862.07	-	65,291.97	16,570.10	-
Interest accrued on RTL	0.16	0.16	0.16	-	-	-
Preference shares	28,268.73	29,752.74	-	29,752.74	-	-
Loan from group companies	46,622.33	50,791.00	7,599.00	43,192.00	-	-
Trade payable	1,64,374.18	1,64,374.18	-	1,64,374.18	-	-
Other financial liabilities	-	-	-	-	-	-
Total	3,21,124.91	3,26,780.15	7,599.16	3,02,610.89	16,570.10	-



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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Particulars	Rupees in Lakhs					
	Financial liabilities carrying value	Total amount payable	Repayable on demand	Due within 1 year	Due between 1 to 5 years	Due after 5 years
As at March 31, 2023						
External long term Borrowings	1,01,537.73	1,01,551.78	-	19,692.92	81,858.86	-
Interest accrued on RTL	3.11	3.11	3.11	-	-	-
Preference shares	25,533.28	29,752.74	-	-	29,752.74	-
Loan from group companies	44,046.20	51,991.00	8,799.00	-	43,192.00	-
Trade payable	1,32,722.05	1,32,722.05	-	1,32,722.05	-	-
Other financial liabilities	-	-	-	-	-	-
Total	3,03,842.37	3,16,020.68	8,802.11	1,52,414.97	1,54,803.60	-

26.05 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.

26.06 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 or raise funds from the Group Companies. The Company includes within net debt, borrowings, trade and other payables, less cash and cash equivalents.

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

Particulars	Rupees in Lakhs	
	March 31, 2024	March 31, 2023
Debt - External borrowings	(a) 81,859.67	1,01,540.84
Capital Components		
Equity Share Capital	500.00	500.00
Other equity	(1,29,087.84)	(1,14,075.00)
Liability component of preference share capital	28,268.73	25,533.28
Loan from group companies	46,622.33	44,046.20
Total Capital	(b) (53,696.78)	(43,995.52)
Capital and debt	(a+b) 28,162.89	57,545.32
Gearing ratio (%)	(a)/(a+b) 290.67%	176.45%

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 years ended March 31, 2024 and March 31, 2023.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

27 Contingent liabilities and commitments

Particulars	Rupees in Lakhs	
	March 31, 2024	March 31, 2023
a. Contingent Liabilities	-	-
b. Capital Commitments	152.56	152.56

c. 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.

28 Litigation with National Highways Authority of India (NHAI / Regulator):

a. Change in Law:

The Company had invoked Arbitration Proceedings against National Highways Authority of India (NHAI / Regulator), in terms of the provisions of Concessionaire Agreement dated October 9, 2009 due to loss of revenue arising as a result of drop in commercial vehicles, due to bifurcation of erstwhile state of Andhra Pradesh and ban on sand mining in the region constituting Change in Law (CIL) events.

The Arbitral Tribunal vide its order dated March 31, 2020, had pronounced the award unanimously, upholding Company's contention that bifurcation of state of Andhra Pradesh and ban on sand mining in the region constitutes Change in Law event and that the Company is entitled for compensation for the loss of revenue arising as a result of drop in commercial vehicles.

The Single Bench of Hon'ble High Court of Delhi vide order dated August 4, 2020, had upheld the decision of the Arbitral Tribunal and had appointed Justice D K Jain, as Sole Arbitrator to quantify the claims under the arbitral award. The sole Arbitrator had submitted his report to Hon'ble Delhi High Court by determining the claim amount at Rs. 1,67,220.00 Lakhs, as against claimed amount of Rs. 1,67,634.00 Lakhs, up to March 31, 2020, with direction to follow the same methodology and formula for claims for FY 2020-21 and onwards including granting of interest on claim amount in terms of Clause 47.5 of the Concession Agreement. The report submitted by the Sole Arbitrator has been taken on record by the Single Bench of Hon'ble Delhi High Court and the Court has fixed the next hearing on July 10, 2024, NHAI, in the interim has also filed an application u/s 34 of Arbitration Act before Delhi High Court against the report of Justice D. K. Jain which is posted for hearing on May 07, 2024.

NHAI had also challenged the order of the Single Bench of Honourable High Court of Delhi before Divisional Bench which allowed the Sole Arbitrator to continue to discharge its duties pending the final outcome of the appeal. The arguments are completed before the Divisional Bench and matter is reserved for judgement.

b. Premium:

The Company owes Premium amounting to Rs. 1,17,455.77 Lakhs to NHAI for the period from April 1, 2015 to March 31, 2024, which is unpaid pending finality of litigation proceedings as referred to in Note No. 28(a) above. The Company has provided for interest payable on such accrual of Premium under prudence, which amounts to Rs. 45,326.45 Lakhs, in total aggregating to Rs. 1,62,782.21 Lakhs [March 31, 2023: Rs. 1,29,157.43 Lakhs] which is outstanding as on the date of financial statements.

NHAI vide notice dated November 18, 2019, pursuant to Article 36 of the Concession Agreement, had suspended the rights of the Company to collect toll. Aggrieved by the said notice, Company approached the Tribunal for stay of the said notice and stay was granted by way of an ad-interim order dated November 18, 2019. The Tribunal passed an interim order on December 9, 2019 directing the Company to deposit an amount of Rs. 7,500.00 Lakhs on without prejudice basis, as an interim measure which has been complied with.

The Hon'ble High Court of Delhi has currently stayed the recovery of Premium vide its order dated August 4, 2020, till the next date of hearing.

The management, in terms of the matters described in Note No. 28(a) above is confident that Divisional Bench of Hon'ble High Court of Delhi will uphold the Order dated August 4, 2020. The Management is of the opinion that the damages / compensation claimed under CIL will be received by the Company and doesn't foresee any negative impact of the outflow of the Premium to NHAI or on the continuation of the Concession Agreement as the claim amount receivable by the Company would be far in excess of the Premium payable considering the computation of claims that has been assessed by the sole arbitrator and taken on record by the High Court and expects the same to be settled on the receipt of the CIL claims on net basis.

The Company is also in discussion with NHAI for early settlement of claims after adjustment of liability of towards Premium to NHAI. Outcome of this discussion with NHAI will be known by in the near future.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

- c. The Company had filed claim of Rs. 1,316.23 Lakhs for operating expenses incurred, in terms of guidelines issued by NHAI for non-collection of toll from November 9, 2016 to mid-night of December 2, 2016 (Demonetisation period), however during the previous year the Independent Engineer has recommended an amount of Rs. 1,273.59 Lakhs and accordingly the differential amount of Rs. 42.64 Lakhs was charged to Profit and Loss in FY 2021-22. Further, the Company has been following up with NHAI for release of the claim amount. The management is certain that the amount will be realised, in view of certainty of recovery, the amount of claim (being in nature of reimbursement) has been recognised as other financial assets.

29 Litigation with others:

The Company has been made a party to various litigations with relation to land acquired by NHAI and Government of Andhra Pradesh and Telangana for its toll roads seeking compensation for land acquired. Further, the Company has filed a petition before Hon'ble High Court seeking Police Protection for the toll plazas. In view of the above, the Management of the Company is of the opinion that, since it is a co-respondent, it does not foresee any adverse financial impact arising from these litigations on the financial statements of the Company as acquisition of land and payment of compensation was the responsibility of NHAI under the Concession Agreement.

30 Estimation of Amortisation Period and Impairment Assessment

a. Amortisation Period

The Company has been amortising intangible assets over the concession period of 25 years from the appointed date on proportionate revenue method. The concession period of 25 years was dependent on development of 6 (six) lane to be carried out on or before the 14th Anniversary from the appointed date i.e., April 2024 with option to be exercised on or before the 11th Anniversary from the appointed date i.e., April 2021. The concession period would be restricted to 15 years in case the six laning of the project is not carried out within the stipulated period. The Company based on the current traffic flow estimated the requirement of the six laning within the stipulated date and as such 25 years for amortisation and carrying value of intangible was considered appropriate.

The Company, on May 8, 2020, has received a notice from NHAI / Regulator stating that it is satisfied that six-laning is not required for the project highway and four laning is sufficient for operating the project highway thereby restricting the concession period to 15 years pursuant to Clause 3.2.2 of the Concession Agreement dated October 9, 2009. The Company has filed a response with NHAI on various dates seeking the material on record on the basis of which the NHAI has decided that six-laning is not required, since in terms of Company's assessment, six-laning shall be required considering the current traffic flow on the project highway. NHAI, however vide its letter dated June 24, 2020 and October 15, 2020 has stated that the contention of the Company is unmerited and due reasons have been conveyed, even though no substantial information is provided on the basis of which such decision is taken.

The Company has also internally assessed the average daily traffic for financial year 2024-25, the scheduled six-laning period which indicates that average daily traffic at designated Toll Plaza will exceed the Design Capacity that would require six-laning as per Clause 29.2.3 of the Concession Agreement.

In this regard, the Company had obtained a legal opinion from its external Counsel handling the NHAI matter in Honourable High Court of Delhi which has opined that with the majority findings of the Arbitral Award in favour of the Company, issuance of Notice dated May 8, 2020 and letter dated June 24, 2020 / October 15, 2020 by NHAI / Regulator is in bad light and arbitrary. Legal Counsel opined that the notice from NHAI is bad in law as the sole purpose of issuing of notice dated May 8, 2020 seems to delay the quantification process under the on-going arbitration proceeding and also to restrict the claim when awarded to the Company under Change in Law to the period of 15 years and not the full duration of the Concession Period of 25 years.

The Company aggrieved by notice for restriction in the concession period had initiated Arbitration Proceedings with Arbitral Tribunal which is in progress. The Hon'ble Tribunal vide interim order dated September 29, 2021, has stayed the letter dated May 8, 2020.

The arguments and submissions are completed before the Arbitral Tribunal and the matter is currently reserved for pronouncement of award.

The legal counsel based on its assessment had opined that the Company is in a good position to assert concession period to 25 years or obtain compensation based on NPV for the concession period of 25 years. Accordingly, considering the matter being sub-judice, concession life of 25 years with six laning has been considered by the management for the purposes of the Amortisation of Intangibles considering the initiation of Arbitration Proceedings challenging the communication / notice by NHAI / Regulator restricting the period to 15 years with four-laning duly considering the stay has been granted on the operation of the said letter.

The restriction, in terms of the notice dated May 8, 2020 from NHAI, on the concession period to 15 years from 25 years would have significant impact on the carrying value of Intangible Asset resulting in increase in amortisation charge for the year by Rs. 75,378.48 Lakhs with corresponding increase in the losses for the year and carry forward losses. Further, in case of any adverse outcome of the Arbitration Proceedings before Arbitral Tribunal, the carrying value of intangible assets as at March 31, 2024 of Rs. 1,70,166.24 Lakhs, which is being amortised over the balance life of approximately 12 years on revenue projections at present, would have to be amortised over approximately next 1 year.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

b. **Impairment of assets:**

The Company has been incurring consistent losses since the commencement of commercial operations. These losses are primarily attributable to loss of revenue arising as a result of drop in commercial traffic, bifurcation of erstwhile state of Andhra Pradesh and ban on sand mining in the region. The management accordingly during the year ending March 31, 2024, has obtained a valuation report on the asset's value in use from its expert valuer for its yearly impairment assessment. In determining the asset's value in use, the expert has estimated the future cash flows of the Company on discounted cash flow basis 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 assumptions of receipt of cash inflows for damages / compensation under arbitration award fully described in Note No. 28(a). The Assets value in use is critically dependent upon the receipt of claim amount under arbitration and raising of debt and additional equity support from GMR Power and Urban Infra Limited / GMR Highways Limited in future to shore up the capital structure of the project. Based on the valuation report, the management has concluded that the recoverable value of the Intangible Asset is significantly higher than its carrying value of the intangible assets. Accordingly, the management based on its key assumption for receipt of damages / compensation in the arbitration proceedings raising of funds in the immediate future and other assumptions in particular is of the opinion that asset's value in use is higher and no adjustments to the carrying value of Intangible assets is considered necessary.

The amortisation of the intangibles (carriage ways) charged to profit and loss account has not considered the effect of the notice of NHAI on the reduction of the concession period in terms of management's assessment that the Company has a good case as detailed in Note No. 30(a). above. In terms of the legal advice received, the Company has initiated arbitration proceedings under Article 44 of the Concession Agreement to NHAI for settlement and pursued legal action. The financial statement accordingly has considered the life of 25 years which would have a significant impact on its the carrying value of intangibles, Amortisation and losses for the year, net worth and the value in use as per impairment assessment, if the concession period is restricted to 15 years as per NHAI notice which is critically dependent on finality of litigation with the NHAI. Pending the same, the management based on current estimate of traffic flow is of the view that the Company's plan to develop six laning considering the traffic flow would be considered and approved by NHAI amicably in near future or on conclusion of the litigation favourably and the carrying value of the intangible asset is good and recoverable and accordingly does not expect any further amortisation charge referred above or impairment charge on the financials. The effect if any, will be given on the matter attaining finality pursuant to the disposal of appeal at the Divisional Bench of Hon'ble Delhi High Court.

31 The Company has been incurring continuous losses since inception due to loss of revenue arising as a result of drop in commercial traffic, bifurcation of erstwhile state of Andhra Pradesh and ban on sand mining in the region and has incurred a net loss during the year of Rs. 15,012.84 Lakhs and the total liabilities of the company exceeds its total assets by Rs. 1,28,587.84 Lakhs as on March 31, 2024 [March 31, 2023: Rs. 1,13,575.00 Lakhs] resulting in erosion of net-worth 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 has received favourable order from Arbitral Tribunal on its contention on loss of revenue arising as a result of drop in commercial traffic, bifurcation of erstwhile state of Andhra Pradesh and ban on sand mining in the region under arbitration proceedings with NHAI, which is also upheld by the Single Bench of Hon'ble High Court of Delhi. The management expects that claim of damages/compensation from respective authorities for the loss of revenue incurred by the Company due to change in law as upheld by the High Court will be received by the Company in due course which will make up for the losses incurred by the Company and will ensure sufficient cash flows in the ensuing years. The management is further of the opinion that the notice of NHAI restricting the concession period to 15 years is not tenable and would not affect its future cash flows adversely.

The accounts however have been prepared on a going concern basis in view of the assurance of the Holding Company to provide necessary financial and other assistance for running its operations smoothly in the ensuing years and expected cash flows from the favourable adjudication of pending litigation fully described to in Note No. 28 and 30 above.

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

33 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.

34 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.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

35 Operating Lease

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

Particulars	Rupees in Lakhs	
	March 31, 2024	March 31, 2023
Lease rentals under cancellable lease	10.53	10.08

36 Employee Benefits

a) Defined Contribution Plans :

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

Particulars	Rupees in Lakhs	
	March 31, 2024	March 31, 2023
Contribution to provident fund and other funds	26.29	13.14
Contribution to Superannuation fund	5.38	2.46
Total	31.67	15.60

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, 2024 and March 31, 2023:

Particulars	Rupees in Lakhs	
	March 31, 2024	March 31, 2023
i. Change in defined benefit obligation		
Defined benefit at the beginning	39.52	26.30
Current Service Cost	7.31	4.05
Past service cost - plan amendments	-	-
Interest expenses	5.11	1.83
Acquisition Cost/(Credit)	67.56	7.35
Remeasurements - Actuarial loss / (gain)	6.42	1.12
Benefits paid	(6.65)	(1.13)
Defined benefit at the end	119.27	39.52
ii. Change in fair value of plan assets:		
Fair value of Plan Assets at the beginning	26.21	30.10
Interest income on plan assets	1.61	2.10
Acquisition Adjustment	-	-
Actuarial gains/ (losses)	-	(4.98)
Contributions by employer	0.30	0.12
Benefits paid	(6.65)	(1.13)
Fair value of plan assets at the end	21.47	26.21
iii. Amount Recognized in the Balance Sheet		
Present Value of Obligation as at year end	119.27	39.52
Fair Value of plan assets at year end	(21.47)	(26.21)
Net (asset) / liability recognised	97.80	13.31
iv. Amount recognized in the Statement of Profit and Loss under employee benefit expenses.		
Current Service Cost	7.31	4.05
Past service cost - plan amendments	-	-
Net interest on net defined benefit liability / (asset)	3.50	(0.27)
Total expense	10.81	3.78
v. Recognised in other comprehensive income for the year		
<i>Remeasurement of actuarial gains/(losses) arising from</i>		
- changes in experience adjustments	7.17	1.87
- changes in financial assumption	(0.75)	(0.75)
- changes in demographic assumptions	-	-
Actuarial (gain)/loss arising during the year	6.42	1.12
- return on plan assets excluding interest income	-	4.98
Recognised in other comprehensive income [loss/(gain)]	6.42	6.10



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Particulars	Rupees in Lakhs	
	March 31, 2024	March 31, 2023
vi. Maturity profile of defined benefit obligation		
Within the next 12 months (next annual reporting period)		
1-2 year	14.94	2.35
2-3 year	6.67	2.71
3-4 year	10.12	3.16
4-5 year	6.71	3.56
5-10 year	6.80	4.01
	65.57	39.85
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	(8.30)	(3.33)
(ii) one percentage point decrease in discount rate	9.46	3.84
(iii) one percentage point increase in salary escalation rate	8.93	3.75
(iv) one percentage point decrease in salary escalation rate	(8.41)	(3.40)
(v) one percentage point increase in employee turnover rate	0.50	0.28
(vi) one percentage point decrease in employee turnover rate	(0.57)	(0.32)

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, 2024 and March 31, 2023, 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/period ended March 31, 2024 and March 31, 2023 are set out below:

	March 31, 2024	March 31, 2023
Discount rate	7.00%	7.30%
Salary escalation rate	6.00%	6.00%
Attrition rate	5.00%	5.00%
Normal retirement age	60 years	60 years
Mortality Table	Indian Assured Lives Mortality (2006-08) (modified) ULT	Indian Assured Lives Mortality (2006-08) (modified) ULT

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

The Company expects to contribute Rs. 0.30 Lakhs to the gratuity fund during FY 2024-25.

c) Leave Encashment

Liability towards Leave Encashment based on Actuarial valuation amounts to Rs. 111.74 Lakhs as at March 31, 2024 [March 31, 2023: Rs. 40.83 Lakhs].



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

- d) 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.

37 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
Enterprises that control the Company / exercise significant influence	GMR Enterprises Private Limited [GEPL], GMR Airport Infrastructure Limited [GAIL] up to December 31, 2021 GMR Power and Urban Infra Limited [GPUIL] w.e.f., December 31, 2021 GMR Highways Limited (GHWL)
Fellow Subsidiary	GMR Airport Infrastructure Limited [GIL] w.e.f., December 31, 2021 Raxa Security Services Limited (RSSL)
Other entities - Shareholders of the controlling Company / Key Management Personnel and their relatives exercise significant influence	GMR Varalakshmi Foundation (GVF) GMR Family Fund Trust (GFFT)
Key Management Personnel	Mr. O Bangaru Raju, Non-executive Director Mr Arun Kumar Sharma, Non-executive Director Mr. Bajrang Lal Gupta, Independent Director Dr. Kavitha Gudapati, Independent Director
Chief Financial Officer	Mr. Satanu Ranjan Jati up to August 31, 2023 Mr. Rakesh Ranjan w.e.f., August 31, 2023 Ms. Priyanka Chawri w.e.f. April 27, 2023 Mr. Sarabhasrikanth Kallakurivenkatasatya
Company Secretary Manager	

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

Particulars	Relationship	Rupees in Lakhs	
		March 31, 2024	March 31, 2023
Items relating to statement of profit and loss			
a. Unwinding interest on Liability portion of Preference Shares			
GHWL	Enterprises having control over the Company	1,985.89	1,789.07
GPUIL	Enterprises having control over the Company	749.56	675.27
b. Unwinding interest on Liability portion of sub-debt			
GHWL	Enterprises having control over the Company	3,776.13	3,401.88
c. Corporate common cost sharing expenses			
GPUIL	Enterprises having control over the Company	537.92	173.15
d. Charges for Periodic and regular Maintenance of Highways			
GHWL	Enterprises having control over the Company	1,922.43	5,049.96
e. Charges for Security & Toll management services			
RSSL	Fellow Subsidiary	685.07	534.23
f. Legal and professional fees and Repairs & Maintenance			
GHWL	Enterprises having control over the Company	41.30	39.98
g. Communication cost			
GHWL	Enterprises having control over the Company	4.95	4.43



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Particulars	Relationship	Rupees in Lakhs	
		March 31, 2024	March 31, 2023
h. Logo fees			
GEPL	Enterprises having control over the Company	0.01	0.01
i. Change of scope work			
GHWL	Enterprises having control over the Company	2.18	42.01
Items relating to balance sheet			
a. Equity shares outstanding			
GHWL	Enterprises having control over the Company	245.00	245.00
GPUIL	Enterprises having control over the Company	205.00	205.00
b. Equity component of preference shares			
GHWL	Enterprises having control over the Company	16,349.31	16,349.31
GPUIL	Enterprises having control over the Company	5,702.96	5,702.96
c. Liability portion of preference shares			
GHWL	Enterprises having control over the Company	20,522.63	18,536.74
GPUIL	Enterprises having control over the Company	7,746.10	6,996.54
d. Equity component of sub-debt taken			
GHWL	Enterprises having control over the Company	29,255.49	29,255.49
e. Liability portion of sub-debt taken			
GHWL	Enterprises having control over the Company	39,023.33	35,247.20
f. Short-term unsecured loan (interest free)			
GHWL	Enterprises having control over the Company	7,599.00	8,799.00
g. Security/Other Deposit Recoverable			
RSSL	Fellow Subsidiary	9.75	9.75
GFFT	Other entities	-	149.84
h. Trade and Other Payables			
GHWL	Enterprises having control over the Company	652.73	1,411.93
GAIL	Fellow Subsidiary / Enterprises having control over the Company	-	1,340.33
GPUIL	Enterprises having control over the Company	256.91	234.94
RSSL	Fellow Subsidiary	68.30	75.97
GEPL	Enterprises having control over the Company	0.01	0.01
i. Trade and Other Advances			
GHWL	Enterprises having control over the Company	24.98	67.13
j. Provision for major maintenance			
GHWL	Enterprises having control over the Company	395.48	1,655.85

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



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Notes:

- i. Related Party Transactions given above are as identified by the Management.
- ii. **Commitments with related parties:** As at year end March 31, 2024 and 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. Outstanding balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2024 and March 31, 2023, the Company has owed amount to related parties however impairment of receivables relating to amounts owed to related parties does not arise. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

- iv. For terms and condition related to Preference Share please refer Note no. 11.

c. Compensation of key management personnel of the company

Particulars	Rupees in Lakhs	
	March 31, 2024	March 31, 2023
a. Short-term employee benefits	-	-
b. Post-employment benefits (provident fund)	-	-
c. Termination benefits	-	-
d. Any other payment/benefit given to KMPs	2.06	1.83
Total	2.06	1.83

d. Transaction with Key Management Personnel

Particulars	Rupees in Lakhs					
	Remuneration					
	Short-term employee benefits	Post employment benefits	Other long-term employee benefits	Termination benefits	Sitting Fees	Others
Mr. Bajrang Lal Gupta	-	-	-	-	1.65	-
Dr. Kavitha Gudapati	-	-	-	-	(1.48)	-
	-	-	-	-	0.41	-
	-	-	-	-	(0.35)	-

Previous year figures are in brackets

Note:

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

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

38 Ratios

Sl. No.	Particulars	Numerator	Denominator	March 31, 2024	March 31, 2023	Variance	Remarks
a.	Current ratio (in times)	Total current assets	Total current liabilities	0.06	0.04	55.96%	Increased as Rupee term loan falling due in next one year
b.	Debt Service Coverage ratio (in times)	Earning before tax + depreciation + interest on secured debt (including interest on Concession Premium)	Debt redemptions + Interest on Debt + Interest on Concession Premium	0.36	0.37	-3.67%	NA
c.	Inventory Turnover Ratio (in times)	Revenue from operations	Average Inventories	406.21	383.81	5.84%	NA
d.	Trade Payable Turnover Ratio (in times)	Concession Premium, Operating expenses, Employee benefits expense, Other expenses (net of provisions movement)	Average Trade payable	0.19	0.23	-18.29%	NA
e.	Net Profit Ratio (in %)	Net Profit / (Loss) after Tax	Total Income	(0.31)	(0.30)	3.19%	NA
f.	Return on Investment (in %)	Interest income from Banks and Others	Average of Bank Deposits + Average of Other interest bearing deposits	0.07	0.04	63.90%	Increase in fixed deposits and corresponding interest from such fixed deposits
g.	Debt-Equity Ratio (in times)	Total Debt including interest accrued	Total Equity	(1.22)	(1.51)	-19.09%	NA
h.	Return on Equity Ratio (in %)	Net Profit after Tax (Attributable to Owners)	Average Net-worth	12.39%	12.51%	-0.93%	NA
i.	Trade Receivables Turnover Ratio (in times)	Revenue from operations	Average of Trade Receivables	-	-	0.00%	NA
j.	Net Capital Turnover Ratio (in times)	Total Income	Working Capital (current assets minus current liabilities)	(0.22)	(0.29)	-23.51%	NA
k.	Return on Capital Employed (in %)	Earning before tax and Interest expense	Tangible net worth + Total Debt	80.64%	39.04%	106.57%	Repayment of Rupee Term Loans

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GMR HYDERABAD VIJAYAWADA EXPRESSWAYS PRIVATE LIMITED

CIN: U45201KA2009PTC050109

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

39 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 entity(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) with 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 have 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 does not own any immovable property and accordingly the title deeds not held in name of the Company does not arise.
- vii. The Company does 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 been declared wilful defaulter by any bank or financial institution or other lenders.
- ix. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- x. The Company does not have any scheme of arrangements that has been approved by the Competent Authority during the financial year in terms of sections 230 to 237 of the Companies Act, 2013
- xi. 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.

40 Salient aspects of Service Concession Arrangement

NHAI has irrevocably granted to the Company the exclusive right and authority during the concession period for designing, construction, development, finance, operation and maintenance of Four/Six laning of Hyderabad Vijaywada Section from Km 40.000 to Km 221.500 of NH-9 in State of Andra Pradesh.

NHAI grants to the Concessionaire, to construct, operate and maintain the project from existing 2 lane to 4 lane and later on to 6 laning (before 14th anniversary of appointed date). Concession period is 25 years from the appointed date. Later, if six laning is not developed (if so required by NHAI/desired by the Company), concession period will restrict to 15 years. (which may be increased maximum by 3 years/decreased maximum by 1.5 years depending upon traffic and other terms of the concession agreement).

NHAI shall not construct/cause to be constructed any additional toll way at any time before 8th anniversary of the appointed date. If NHAI contemplates opening additional Toll way between the 8th and 15th anniversary of the Appointed Date, the six-laning shall be cancelled and concession period will be extended beyond 15 years by the difference between the opening of additional toll way and 15th anniversary of the Appointed Date. If the additional toll way is opened between 15th and 25th anniversary, the Concession Period shall extend beyond 25 years by difference between the opening of additional toll way and 25th anniversary of the Appointed Date.

NHAI has further granted to the Company to enjoy, and oblige the Company to undertake the following in accordance with the provision of the concession agreement, the applicable laws and the applicable permit:

- Right of Way, access and license to the Site for the purpose of and to the extent conferred by the provisions of the Concession Agreement
- finance and construct the Project Highway
- manage, Operate and maintain the Project Highway and regulate the use thereof by third parties.
- demand, collect and appropriate the Fees from vehicles and users liable to payment of Fees for using the Project Highway or any part thereof and refuse entry of any vehicle if the due is not paid.
- perform and fulfil all of the obligations under and in accordance with the Concession Agreement.
- bear and pay all costs, expenses and charges in connection with or incidental to the performance of the Obligations of the Company under this agreement.
- neither assign, transfer or sublet or create any lien or Encumbrance on the Concession Agreement, or the Concession hereby granted on the whole or any part of the Project Highway nor transfer, lease or part possession therewith save except as expressly permitted by this Agreement or the Substitution Agreement.



GMR HYDERABAD VIJAYAWADA EXPRESSWAYS PRIVATE LIMITED

CIN: U45201KA2009PTC050109

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Concession period

The Concession period is 25 years commencing from the appointed date i.e. April 5, 2010 (as per NHAI) / August 5, 2012 (as per Company).

Fees

The Company is entitled during the Operation Period to demand, collect and appropriate Fee from the Users subject to and in accordance with this Agreement and the National Highway Fee (determination of Rates and Collection) Rules, 2008 (the "Fee Rules") provided that for ease of payment and collection, such Fee shall be rounded off to the nearest 5 (five) rupees in accordance with the Fee Rules; provided further that the Concessionaire may determine and collect Fee at such rates as it may, by public notice to the Users, specify in respect of all or any category of Users or Vehicles.

The rate of Fee for use of Project Highway for base year 2007-08 are given in the Concession Agreement at Schedule R.

Concession Fee

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

The Company shall pay a premium in form of an additional concession fee equal to 32.6% of the total realizable fee for 3rd year of concession period but commencing from the day falling after 0 (zero) days from COD. For subsequent years, such percentage shall be increased upwards by 1% for every year on each anniversary of Appointed Date. If the actual revenue from toll collection is short than projected realizable fee as determined under the Concession Agreement, the Company will be liable to pay concession fee based on projected realizable fee so determined under the Concession Agreement.

Fee levied and collected from the traffic exceeding 120% of designated capacity is also to be payable to NHAI every year

Operation and Maintenance

The Company shall operate and maintain the Project Highway either by itself or through O&M Contractor and if required, modify, repair or otherwise make improvement to the Project Highway to comply with the provision of the Concession Agreement, Applicable laws and Applicable Permits and conform to Specifications and Standards and Good Industry Practice. The obligations of the Concessionaire should include:

- i) permitting safe, smooth and uninterrupted flow of traffic on the Project Highway during normal operating conditions.
- ii) collecting and appropriating the Fee.
- 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 with emergency services of the State.
- iv) carrying out periodic preventive maintenance of the Project Highway
- v) undertaking routine maintenance including prompt repairs of potholes, cracks, Concrete joints, drains, embankments, structures, pavement marking, lighting, road signs and other traffic control devices
- vi) undertaking major maintenance such as resurfacing of pavements, repairs to structures, and repairs and refurbishment of tolling system and other equipment.
- 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 any encroachments on the Project Highway.
- ix) protection of the environment and provision of equipment and materials therefore.
- x) operation and maintenance of all communication, control and administrative system necessary for the efficient operation of the Project Highway.
- xi) 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.
- xii) complying with Safety Requirements in accordance with concession agreement

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

41 Figures of the previous period / year wherever necessary, have been regrouped and rearranged to conform with those of the current period / 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 Number: 103418
Date: 29.04.2024
Place: Mumbai



For and on behalf of
GMR HYDERABAD VIJAYAWADA EXPRESSWAYS PRIVATE LIMITED



O Bangaru Raju
Director
DIN: 00082228



Rakesh Ranjan
Chief Financial Officer

Date: 29.04.2024
Place: New Delhi



Arun Kumar Sharma
Director
DIN: 02281905



Priyanka Chawri
Company Secretary
M. No. A65871

