ANNUAL AUDIT REPORT

GF TOLL ROAD PRIVATE LIMITED

FY: April'20 - March'21 (20-21)

Audited by:

Subhash Mittal & Associates

Chartered Accountants

512 – A, Deepshikha Building, 8 Rajendra Place, New Delhi – 110008	**Telephone contacts:** 011-20920133 011-25817157, 011-41685300	**SMA** e-mail: sma@sma.net.in **Websites:** www.sma.net.in www.srr-foundation.org

Independent Auditor's Report
To the Members of GF Toll Road Private Limited

Opinion

We have audited the accompanying standalone Ind AS financial statements of **GF Toll Road Private Limited** ('the Company') ("the Company"), which comprise the Balance Sheet as at **31st March, 2021**, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit/ (loss), its cash flows and statement of Changes in Equity for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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I) We draw attention to Note 9 (a) stating that due to the inability of the Company to repay the overdue amount of term loan instalments aggregating a sum of Rs.3129.93 Million (Previous Year Rs. 1728.33 Million) upto 31st March,2021, Bank of India, the lead Lending Institution and the other Consortium Member Banks, have classified the Company as 'Non-Performing Asset' (NPA) during the financial year 2018-2019. Further, in spite of the Loan account being classified as 'NPA' by the consortium member banks, the management of the company continues to prepare the financial statements as a 'Going Concern'.

II) We draw attention to Note 9 (a) stating that the borrowings are overstated to the extent of Rs.512.28 Million.

Responsibility of Management for the standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that ,except for the effects of the matter described in the Key Audit matters mentioned hereinabove, give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 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 financial statements.

Other Matters

We draw attention to Note 33 stating the impact of COVID 19 Pandemic on the operations of the company.

Report on Other Legal and Regulatory Requirements

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

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

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

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

(c) the balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

(d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) on the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

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

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

i. The Company has disclosed the impact of pending litigations as at 31st March,2021 on its financial position in its standalone financial statements – refer Note 34 to the Ind As standalone financial statements on Arbitration claims and Note 9 (viii) on inability of the Company to repay the overdue amount of term loan instalments aggregating a sum of Rs. 3129.93 Million (Rs.1728.33 Million) upto 31st March,2021, resulting in the Company being

(2)

classified as a 'Non-Performing Asset'(NPA) by the Consortium Member Banks and consequential appointment of the Interim Resolution Professional by the Company Law Tribunal during the FY 2020-2021.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. During the year, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Subhash Mittal & Associates
Chartered Accountants
Firm's Regn. No. 009976N

Deepak Bansal
Partner
Membership No. : 089135
UDIN: 21089135AAAABY7367
Date: 12-5-2021
Place: New Delhi

"Annexure A" referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: GF Toll Road Private Limited (the company)

1. The Company does not carry any tangible fixed assets.

2. The company does not carry inventory and hence no comment is made on its physical verification and any discrepancies therein.

3. As per the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, LLPs or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

4. In our opinion and according to the information and explanations given to us in respect of loans, investments, guarantees and securities, the company has complied with the provisions of Section 185 and 186 of the Companies Act , 2013.

5. According to the information and explanations given to us, we are of opinion that the company has not accepted any deposit in pursuance of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder.

6. During the current year, the company was not required to maintain cost records as per the provisions of Section 148(1).

7. (a) According to the information and explanations given to us and books and records as produced and examined by us are in accordance with generally accepted auditing practices in India and also based on management representation, the company is regular in depositing undisputed statutory dues including provident fund, income-tax, service tax and any other statutory dues with the appropriate authorities. Further, we report that no undisputed amount payable in respect to income tax, Goods service tax and any other statutory dues were outstanding as at March 31, 2021 for a period of more than six months from the date they became payable.

   (b) According to the information and explanations given to us, there are no dues of income-tax, sales tax , Goods service tax and any other statutory dues which have not been deposited on account of any dispute.

8. Due to the inability of the Company to repay the overdue amount of term loan instalments aggregating a sum of Rs. 3129.93 Million (Previous year Rs. 1728.33 Million), Bank of India, the lead Lending Institution and the other Consortium Member Banks, have classified the Company as a 'Non-Performing Asset' (NPA) during the financial year 2018-2019 and consequential appointment of the Interim Resolution Professional by the Company Law Tribunal during the FY 2020-2021.

9. In our opinion and according to the information and explanations given to us, the money has not been raised by way of initial public offer or further public offer during the financial year 2020-21. However, the term loans raised from Banks during earlier years were reported to have been utilised for the purpose for which they were raised.

10. According to the information and explanations given to us, no fraud by or on the company by its officers/employees has been noticed or reported during the Financial year 2020-21.
11. The company has not paid managerial remuneration during the year. Therefore, this clause is not applicable to the company.
12. In our opinion, the Company is not a chit fund or a Nidhi company. Therefore, this clause is not applicable to the company.
13. The company transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statement as required by the Indian Accounting Standards and the Companies Act, 2013.
14. The company has not made any preferential allotment/private placement of shares or fully or partly convertible debentures during the year.
15. The company has not made any non-cash transaction with directors or persons connected with him.
16. According to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Subhash Mittal & Associates
Chartered Accountants
Firm's Regn. No. 009976N

Deepak Bansal
Partner
Membership No. : 089135
UDIN: 21089135AAAABY7367
Date: 12-5-2021
Place: New Delhi

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of GF Toll Road Private Limited ("the Company") as of 31st March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Subhash Mittal & Associates
Chartered Accountants
Firm's Regn. No. 009976N

Deepak Bansal
Partner
Membership No. : 089135
UDIN: 21089135AAAABY7367
Date: 12-5-2021
Place: New Delhi

GF TOLL ROAD PVT LTD

FINANCIAL STATEMENTS

year ended March 31, 2021

GF Toll Road Private Limited
Balance Sheet as at March 31, 2021

₹ Millions

Particulars	Note	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
Non-current assets			
(a) Intangible assets	4	**5,021.88**	5,574.52
Current assets			
(a) Financial Assets			
(i) Cash and cash equivalents	5a	**19.44**	13.49
(ii) Other financial asset	5b	**71.72**	89.03
(b) Current Tax Assets (Net)		**0.03**	0.13
(c) Other current assets	6	**11.67**	17.53
Total Assets		**5,124.74**	5,694.70
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	7	**19.61**	19.61
(b) Subordinated debt (in nature of Equity)	8a	**2,726.83**	2,726.83
(c) Other equity	8	**(1,872.40)**	(1,290.95)
Total Equity		**874.04**	1,455.49
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
Borrowings	9a	-	758.90
(b) Provisions	12b	**41.07**	2.49
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	9b	**15.00**	15.00
(i) Trade payables			
i) Total outstanding dues of micro and small enterprises	10	-	-
ii) Total outstanding due to others		**40.23**	27.81
(ii) Other financial liabilities	11	**3,804.72**	3,079.56
(b) Other current liabilities	13	**0.77**	2.67
(c) Provisions	12a	**348.91**	352.78
Total Equity and Liabilities		**5,124.74**	5,694.70

The accompanying notes are an integral part of the Financial Statements.

As per our attached report of even date.

For Subhash Mittal & Associates
Chartered Accountants
Firm's Regn. No. 009976N

Deepak Bansal
Partner
Membership No. : 089135
UDIN: 21089135AAAABY7367
Date: May 12, 2021
Place: New Delhi

For and on behalf of the Board

Rajesh Das
Director
DIN:08717511

Arup Gupta
Director
DIN:07406556

Date: May 12, 2021
Place: Mumbai

GF Toll Road Private Limited
Statement of Profit and Loss for the year ended March 31, 2021

₹ Millions

Particulars	Note	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from Operations	14	**566.35**	751.09
Other Income	15	**0.49**	363.72
Total Income		**566.84**	1,114.81
Expenses			
Toll Operation and Maintainence expenses	16	**173.34**	216.79
Employee benefits expense	17	**11.50**	12.47
Finance costs	18	**384.06**	420.28
Depreciation and amortization expense	4	**552.63**	668.63
Other expenses	19	**27.34**	13.24
Total expenses		**1,148.87**	1,331.41
Profit / (loss) before tax		**(582.03)**	(216.60)
Tax expense			
Current tax		-	-
Deferred tax charge/(credit)		-	-
		-	-
Profit/(Loss) after Tax		**(582.03)**	(216.60)
Other Comprehensive Income / (Loss)			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit plans : Gains / (Loss)		**0.58**	(2.57)
Income tax relating to above		-	-
Other Comprehensive Income / (Loss)		**0.58**	(2.57)
Total Comprehensive Income/ (Loss)		**(581.45)**	(219.17)
Earnings per equity share of Rs. 10 each			
Basic & Diluted	25	**(296.79)**	(110.45)

This is the Statement of Profit and Loss referred to in our report of even date.

For Subhash Mittal & Associates
Chartered Accountants
Firm's Regn. No. 009976N

Deepak Bansal
Partner
Membership No. : 089135
UDIN: 21089135AAAABY7367
Date: May 12, 2021
Place: New Delhi

For and on behalf of the Board

Rajesh Das
Director
DIN:08717511

Arup Gupta
Director
DIN:07406556

Date: May 12, 2021
Place: Mumbai

GF Toll Road Private Limited

Cash flow Statement for the year ended March 31, 2021

₹ Millions

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	**(582.04)**	(216.59)
Adjustments for:		
Depreciation and amortisation expenses	**552.63**	668.63
Interest income	-	(0.01)
Excess provision for resurfacing expenses written back	-	(363.00)
Interest expense	**384.07**	420.28
	354.66	509.31
Cash Generated from Operations before working capital changes		
Adjustments for:		
(Increase)/decrease in financial assets except for investments	**17.31**	(6.13)
(Increase)/decrease in other current assets	**5.86**	(11.45)
Increase/(decrease) in trade payables	**12.42**	3.18
Increase/(decrease) in other financial liabilities	**1.27**	0.63
Increase/(decrease) in provisions	**35.30**	58.55
Increase/(decrease) in other current liabilities	**(1.90)**	(0.07)
	70.26	44.72
Cash generated from operations	**424.92**	554.03
Taxes (paid) net of refunds	**0.11**	(0.01)
Net cash generated from operating activities - [A]	**425.03**	554.01
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase/sale proceeds of intangible assets	**(18.40)**	(166.43)
Interest received	-	0.01
Net cash (used in) / generated from investing activities - [B]	**(18.40)**	(166.42)
C CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from inter-corporate deposits (short term borrowings)	-	15.00
Repayment of long term borrowings	-	(75.00)
Interest paid	**(400.68)**	(370.53)
Net cash used in financing activities - [C]	**(400.68)**	(430.53)
Net increase/(decrease) in cash and cash equivalents - [A+B+C]	**5.95**	(42.94)
Add: Cash and cash equivalents at the beginning of the year	**13.49**	56.43
Cash and cash equivalents at the end	**19.44**	13.49
Components of Cash and cash equivalents		
Balances with banks - in Current accounts	**17.51**	13.49
Cash on hand	**1.93**	-
Total Cash and cash equivalents	**19.44**	13.49

* Balance in current account with banks of ₹ 17.51 Million (₹ 13.49 Million) lying in escrow account held as security against borrowings.

As per our attaached report of even date.

For Subhash Mittal & Associates
Chartered Accountants
Firm's Regn No. 009976N

For and on behalf of the Board

Deepak Bansal
Partner
Membership No. : 089135
UDIN: 21089135AAAABY7367
Date: May 12, 2021
Place: New Delhi

Rajesh Das
Director
DIN:08717511

Arup Gupta
Director
DIN:07406556

Date: May 12, 2021
Place: Mumbai

GF Toll Road Private Limited
Statement of Changes in Equity

A. Note 7 - EQUITY SHARE CAPITAL

₹ Millions

Particulars	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
For the year ended March 31, 2020	19.61	-	19.61
For the year ended March 31, 2021	**19.61**	-	**19.61**

B. Note 8 - OTHER EQUITY

₹ Millions

Particulars	Reserves and Surplus		Sub Total
	Securities Premium Account	Retained Earnings	
Balance at April 01, 2019	1,931.59	(3,003.37)	(1,071.78)
Profit for the year		(216.60)	(216.60)
Other comprehensive income for the year		(2.57)	(2.57)
Total comprehensive income for the year	-	(219.17)	(219.17)
Balance at 31st March 2020	1,931.59	(3,222.54)	(1,290.95)
Balance at April 01, 2020	**1,931.59**	**(3,222.54)**	**(1,290.95)**
Profit for the year		**(582.03)**	**(582.03)**
Other comprehensive income for the year		**0.58**	**0.58**
Total comprehensive income for the year	-	**(581.45)**	**(581.45)**
Balance at 31st March 2021	**1,931.59**	**(3,803.99)**	**(1,872.40)**

As per our attached report of even date.

For Subhash Mittal & Associates
Chartered Accountants
Firm's Regn No. 009976N

Deepak Bansal
Partner
Membership No. : 089135
UDIN: 21089135AAAABY7367
Date: May 12, 2021
Place: New Delhi

For and on behalf of the Board

Rajesh Das
Director
DIN:08717511

Arup Gupta
Director
DIN:07406556

Date: May 12, 2021
Place: Mumbai

Note 1: Corporate information

GF Toll Road Private Limited. (the "Company") was awarded on Build, Operate and Transfer (BOT) basis, the upgrading of existing road covering 66.185 kms stretch from Km 00.000 - Km 24.310 (approximately 24.310 kms) of Gurgaon – Faridabad Road; from Km 00.000 - Km 6.10 (approximately 6.10 kms) of MCF Road; from Km 00.000 - Km 3.100 (approximately 3.10 kms) of Crusher Zone; from Km 00.000 - Km 28.575 (approximately 28.575 kms) of Ballabhgarh – Lukhawas junction Road and from Km 00.000 - Km 4.100 (approximately 4.100 kms) of Pali - Bhakri Road in the State of Haryana and widening from two lanes to four lanes with paved shoulders and operation and maintenance thereof, under the Concession Agreement dated January 31, 2009 with Haryana P.W.D. (B&R), Branch. The Concession Agreement is for a period of 17 years from the appointed date as stated in the Concession Agreement.

Note 2: Basis of preparation

These Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. These Financial Statements have been prepared in accordance with the requirements of the information and disclosures mandated by Schedule III of the Act, applicable Ind AS, other applicable pronouncements and regulations..

These Financial Statements have been prepared on a historical cost basis, except for certain assets and liabilities which have been measured at fair value. For the purpose of preparation of these Financial Statements, the transition date to Ind AS is considered as April 1, 2015.

These Financial Statements are presented in ₹ Millions, except where otherwise indicated.

Ind AS 115 establishes principles for reporting useful information to users of the financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contract with customers. Ind AS 115 supersedes other revenue standards i.e. Ind AS 11 and Ind AS 18 notified by Ministry of Corporate Affairs (MCA). Management has undertaken an assessment of the impact of this standard and does not believe that the impact would be material.

Note 3: Summary of Significant accounting policies

3.1 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

3.2 Functional and presentation currency

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Financial Statements are presented in Indian Rupees (₹), which is the Company's functional and presentation currency.

3.3 Fair value measurement

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:

- In the principal market for the asset or liability, or
- 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorized 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 (unadjusted) market 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
Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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.

The Company's Management determines the policies and procedures for both recurring and non – recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

Disclosures for valuation methods, significant estimates and assumptions of financial instruments (including those carried at amortised cost (note 20) and Quantitative disclosures of fair value measurement hierarchy (note 21).

3.4 **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. The Company recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for the Company's activities, as described below.

Toll revenue

The income from toll revenue from operations of the facility is accounted on accrual basis.

Contract revenue (construction contracts)

Contract revenue associated with the construction of road is recognized as revenue by reference to the stage of completion of the projects at the balance sheet date. The stage of completion of project is determined by the proportion that contract cost incurred for work performed up to the balance sheet date bears to the estimated total contract costs.

Contract cost includes costs that relate directly to the specific contract and allocated costs that are attributable to the construction of the toll roads. Cost that cannot be attributed to the contract activity such as general administration costs are expensed as incurred and classified as other operating expenses.

Others

Insurance and other claims are recognized as revenue on certainty of receipt basis.

Income on investment is recognized based on the terms of the investment. Income from mutual fund scheme having fixed maturity plans is accounted on declaration of dividend or on maturity of such investments. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rates applicable. For all other financial assets measured at amortised cost interest income is recorded using the Effective Interest Rate (EIR).

3.5 **Accounting of intangible assets under service concession arrangement**

The Company has Toll Road Concession rights where it Builds, Operates and Transfers (BOT) infrastructure used to provide public service for a specified period of time. These arrangements may include Infrastructure used in a public-to-private service concession arrangement for its entire useful life.

These arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the Company receives a right (a license) to charge users of the public service. The financial asset model is used when the Company has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component. If the Company performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

Intangible assets model
Intangible assets arising out of service concession arrangements are accounted for as intangible assets where the Company has a contractual right to charge users of service when the projects are completed.

The intangible assets is measured at the fair value of consideration transferred to acquire asset, which is the fair value of consideration received or receivable for the construction services delivered.

Amortization of concession intangible assets
The Intangible asset recognized are amortised over the concession period on the basis of projected toll revenue which reflects the pattern in which the assets economic benefits are consumed. The projected total toll revenue is based on the independent traffic volume projections; Amortization is revised in case of any material change in the expected pattern of economic benefits. Refer note 23 for description and significant terms of the concession agreements.

Financial assets model
The financial asset model applies when the operator has an unconditional right to receive cash or another financial asset from the grantor in remuneration for concession services. In the case of concession

services, the operator has such an unconditional right if the grantor contractually guarantees the payment of amount specified or determined in the contract or the shortfall, if any, between amounts received from users of public service and amounts specified or determined in the Contract.

Financial Assets resulting from application of Appendix A and Appendix B of Ind AS 11 are recorded in the Balance Sheet under the heading "Other Financial Assets" and recognized at amortised cost.

However in case of certain arrangements, the contract may include a payment commitment on the part of the concession grantor covering only part of investment, with the balance to be recovered from by charging users of service . In such arrangements the investment amount guaranteed by the concession grantor is recognized under the financial asset model and the residual balance is recognized under the Intangible asset model.

Any asset carried under concession arrangements is derecognized on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expire.

Maintenance obligations
Contractual obligations to maintain, replace or restore the infrastructure (principally resurfacing costs and major repairs and unscheduled maintenance which are required to maintain the Infrastructure asset in operational condition except for any enhancement element) are recognized and measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date for which next resurfacing would be required as per the concession arrangement. The provision is discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

3.6 **Taxes**

Current income tax

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 in the countries where the Company operates and generates taxable income. Current income tax relating to items recognized outside the Statement of Profit and Loss is recognized outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in other comprehensive income 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

Deferred tax is provided using the balance sheet approach 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 liabilities and assets are recognized for all taxable temporary differences

Deferred tax assets are recognized for unused tax losses 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 losses can be utilized.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized 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 relating to items recognized outside the Statement of Profit and Loss is recognized outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly 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.

3.7 Borrowing costs

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 capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

3.8 Leases

Operating lease payments are recognized as an operating expense in the income statement on a straight line basis over the lease term.

3.9 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 recognised 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 recognised because it cannot be measured reliably. The contingent liability is not recognised in the books of accounts but its existence is disclosed in the Financial Statements.

3.10 Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

3.11 Provisions

Provisions are recognized 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 the reimbursement is recognized 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 recognized as a finance cost.

3.12 Employee benefits

(i) Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Leave obligations

The Company provides sick leave and privilege leave to its employees.

Privilege and sick leave obligation is provided based on actuarial valuation which takes into account the estimated portion of leave that will be en-cashed, availed and the portion that will lapse. The portion that is expected to be en-cashed is provided for based on the basic salary of the employee and for the portion that is expected to be availed, the valuations are based on the employees' total compensation. The liability for earned leave is also classified as current where it is expected to be availed/ en-cashed during the next 12 months. The remaining portion is classified as non-current. The amounts of current and non-current liability are based on actuarial estimates.

(iii) Post - employment obligations

The Company operates various post-employment schemes, including
(a) defined benefit plans such as gratuity
(b) defined contribution plans such as provident fund.

Gratuity Obligations

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Defined Contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

3.13 **Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

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

3.14 **Trade Payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

3.15 **Financial instruments**

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at fair value through Statement of Profit and Loss, net of directly attributable transaction cost to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

For purposes of subsequent measurement, financial assets are classified in following categories;

- at amortised cost
- at fair value through profit or loss (FVTPL)
- at fair value through other comprehensive income (FVTOCI)

Financial Assets at amortised cost

Financial assets are measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. All the Loans and other receivables under financial assets (except Investments) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

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 amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss. This category generally applies to loans and other receivables.

Financial Assets at Fair Value through Statement of Profit and Loss/Other Comprehensive Income

All investments in scope of Ind AS 109 are measured at fair value. The Company has investment in mutual funds which are held for trading, are classified as at FVTPL. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income. There is no recycling of the amounts from Other Comprehensive Income (OCI) to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of the Company's similar financial assets) is primarily derecognized (i.e. removed from the Company's 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 recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Company has three types of financial assets subject to Ind AS 109's expected credit loss model:

- Loans receivables measured at amortised cost
- Retentions receivable
- Loans given to employees

The impairment methodology for each class of financial assets stated above is as follows:

Loans receivables measured at amortised cost: Loans receivables at amortised cost are generally short term in nature considered to be low risk, and thus the impairment provision is determined as 12 months expected credit losses.

Loans given to employees: For loans given to employees outstanding as on the reporting dates, the has determined reliably that assessing the probability of default at the initial recognition of each and every loan or receivable would result in undue cost and effort. As permitted by Ind AS 109, the credit provision will be determined based on whether credit risk is low only at each reporting date, until the loan is derecognized. Using the impairment methodology the Company has assessed that no loan loss allowance needs to be recorded in the books of accounts.

Expected credit loss ('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 amortized cost and other contractual revenue receivables - ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through Statement of Profit and Loss, loans and borrowings, trade payables or other payables.

All financial liabilities are recognized initially at fair value.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. However, the Company has borrowings at floating rates. The impact of restatement of effective interest rate, year on year due to reset of interest rate, is not material. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the transaction cost amortization process.

Retention money payable

This is the category most relevant to the Company. Retention moneys are measured at Fair value initially. Subsequently, they are measured at amortised cost using the EIR (Effective interest rate) method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process.

De-recognition

A financial liability is derecognized 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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

3.16 Segment information

The Company is engaged in "Road Infrastructure Project" which in the context of Ind AS 108 "Operating Segment" is considered as the only segment. The Company's activities are restricted within India and hence, no separate geographical segment disclosure is considered necessary.

3.17 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are disclosed below.

(i) Applicability of service concession arrangement accounting to toll roads concessionaire arrangements

The Company has determined that Appendix A of Ind AS 11 'Service concession arrangements' is applicable to the Company which provides on accounting by the operators for public-to-private service concession arrangements. The Company has entered into concession arrangement with HPWD as per which the Company would participate in the Design, Build, Finance, Operate and Transfer (DBFOT) basis the toll roads infrastructure. After the end of the concession arrangement, the Company has to transfer the infrastructure i.e. toll roads constructed to Haryana Public Works Department (HPWD).

Accordingly the Company has recognized the intangible assets recognized as per the accounting policy mentioned in Note no 3.5 'Accounting of intangible assets under service concessionaire arrangement'.

(ii) Income taxes

The Company has recognized deferred tax assets relating to carried forward tax losses to the extent there are sufficient taxable temporary differences relating to the same taxation authority against which the unused tax losses can be utilized. However, the utilization of tax losses also depends on the ability of the Company to satisfy certain tests at the time the losses are recouped. Management has forecasted future taxable profits and has therefore recognized deferred tax assets in relation to tax losses.

(iii)Amortization of concession intangible assets

The Intangible asset recognized are amortised over the concession period on the basis of projected toll revenue which reflects the pattern in which the assets economic benefits are consumed. The projected total toll revenue is based on the independent traffic volume projections; Amortization is revised in case of any material change in the expected pattern of economic benefits.

(iv) Impairment of concession intangible assets

The Company tests intangible assets and cash generating units have suffered any impairment, in accordance with the accounting policy stated in note 3.11. The recoverable amount of each cash generating unit has been determined based on the greater of value-in-use and fair value less costs to sell calculations. These calculations require the use of assumptions regarding traffic flows, discount rates, growth rates and other factors affecting operating activities of the cash generating units.

(v) Provision for resurfacing obligation (major maintenance expenditure)

The Company records the resurfacing obligation for its present obligation as per the concession arrangement to maintain the toll roads at every five years during the concession period. The provision is included in the Financial Statements at the present value of the expected future payments. The calculations to discount these amounts to their present value are based on the estimated timing of expenditure occurring on the roads.

The discount rate used to value the resurfacing provision at its present value is determined through reference to the nature of provision and risk associated with the expenditure.

3.18 Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period. • Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

GF Toll Road Private Limited
Notes to Financial Statements as of and for the year ended March 31, 2021

Note 4 - Intangible assets

₹ Millions

Particulars	**Toll Collection Rights**
Year ended March 2020	
Opening gross carrying amount	7,712.20
Additions	-
Disposals	-
Closing gross carrying amount	7,712.20
Accumulated Amortization and impairment	
Opening accumulated Amortization and impairment	1,469.05
Amortization expenses for the year	668.63
Disposals	-
Closing accumulated Amortization and impairment	2,137.68
Net carrying amount as at March 31, 2020	5,574.52
As at 31st March, 2021	
Opening gross carrying amount	**7,712.20**
Additions	-
Disposals	-
Closing gross carrying amount	**7,712.20**
Accumulated Amortization and impairment	
Opening accumulated Amortization and impairment	**2,137.68**
Amortization expenses for the year	**552.63**
Disposals	-
Closing accumulated Amortization and impairment	**2,690.31**
Net carrying amount as at March 31, 2021	**5,021.88**

Note :
1. The above Intangible Asset are other than internally generated.

2. The above Intangible Asset are pledged as security with lenders.

Note 5 - Financial Assets - Current

₹ Millions

Note 5 (a) - Cash and Cash equivalents

Particulars	As at 31st March, 2021	As at 31st March, 2020
Cash and cash equivalents		
Balances with banks		
- in current accounts	**17.51**	13.49
Cash on hand	**1.93**	-
	19.44	13.49

Note 5 (b) - Other financial assets - current

Security deposits	**3.09**	3.09
Others receivable	**44.02**	61.33
Claims receivable from HPWD	**24.61**	24.61
	71.72	89.03

Note 6 - Other Current assets

Advance to vendors	-	0.18
Advance to employees	**1.50**	0.02
Prepaid Expenses	**7.67**	14.83
Duties and taxes receivable	**2.50**	2.50
	11.67	17.53

Note 7 - Share Capital and Other equity

Note 7a - Authorised Share Capital

₹ Millions

Particulars	Nos of Shares	As at 31st March, 2021	As at 31st March, 2020
At the beginning of the year	2,00,00,000	**200.00**	200.00
Add : Increase during the year	-	-	-
At the end of the year	2,00,00,000	**200.00**	200.00
Note 7b - Issued, subscribed and paid-up equity share capital			
At the beginning of the year	19,61,100	**19.61**	19.61
Add : Increase during the year	-	-	-
At the end of the year	19,61,100	**19.61**	19.61

Note 7c - Terms and rights attached to equity shares

(i). The Company has only one class of shares referred to as Equity Shares having a Par Value of Rs.10 per share. Each hold share is entitiled to one vote per share.

(ii). In the event of liquidation of the company, the holders of the equity shares will be entitled to receive all of the remaining a company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity share shareholders.

Note 7d - Reconciliation of nos of Shares

Particulars	As at 31st March, 2021	As at 31st March, 2020
Nos of Shares at the beginning of the year	**19,61,100**	19,61,100
Add : Nos of Shares issued during the year	-	-
Nos of Shares at the end of the year	**19,61,100**	19,61,100
Note 7e - Shares held by the holding Company or their subsidiaries/associates		
Reliance Infrastructure Limited (Holding Company)	**19,61,100**	19,61,100
Note 7f - Details of Shareholders holding more than 5% shares		
Reliance Infrastructure Limited and its Nominees		
Nos of Shares	**19,61,100**	19,61,100
% of holding	**100%**	100%

The Holding Company has pledged 5,88,330 (PY 5,88,330) Equity Shares for availing various term loans.

Particulars	As at 31st March, 2021	As at 31st March, 2020
Note 8a - Sub-ordinated debt (in nature of equity)		
At the beginning of the year	**2,726.83**	2,726.83
Increase / (decrease) during the year	-	-
At the end of the year	**2,726.83**	2,726.83

Terms and rights attached to Sub-ordinated debts infused by Holding Company

i) Subordinated debt is the part of Equity from the promoters of the Company for the project, which is unsecured and interest free as per Common Loan agreement with the lenders;

ii) No repayment/redemption/interest servicing allowed during the moratorium period of the long term project loan.

Particulars	As at 31st March, 2021	As at 31st March, 2020
Note 8b - Retained Earnings		
At the beginning of the year	**(3,222.54)**	(3,003.37)
Net Profit for the year	**(582.03)**	(216.60)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasuremens of post-employements obligations (net of tax)	**0.58**	(2.57)
At the end of the year	**(3,803.99)**	(3,222.54)
Note 8c - Securities Premium Account		
At the beginning of the year	**1,931.59**	1,931.59
Premium on shares issued during the year	**-**	-
At the end of the year	**1,931.59**	1,931.59

Nature and purpose of securities premium
Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the act.

₹ Millions

Financial Liabilities

Note 9(a) - Borrowings - Non current

Particulars	As at 31st March, 2021	As at 31st March, 2020
Secured - Term loans		
From banks		
Rupee term loan	-	758.90
Total	-	758.90

1) Secured Term Loan from Banks of Rs 3,538.73 million (Principal undiscounted amount) :

The Borrowings are secured by the way of terms stated in Common Loan Agreement entered between the company and Consortium of lenders:-

(i) a first ranking pari passu mortgage/charge over all the Borrower's immoveable and movable properties, both present and future, except the Project Assets. ;

(ii) a first ranking pari passu charge on all the Borrower's bank accounts including, but not limited to the Escrow Account/ its Sub-Accounts where all revenues, Disbursements, receivables shall be deposited and in all funds from time to time deposited therein and in all Permitted Investments or other securities representing all amounts credited to the Escrow Account.

(iii) a first ranking pari passu charge on all movable tangible and intangible assets of the Borrower (other than those specified in paragraphs (ii) above and (iv) below) including but not limited to its goodwill, undertaking and uncalled capital, both present and future, except the Project Assets.;

(iv) a first ranking pari passu charge over / assignment of the right, title, interests, benefits, claims and demands of the Borrower in, to and under any letter of credit, guarantees (except the guarantees issued in favour of NHAI) including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents.

(v) The repayment of loan started from 31st March 2012 in 39 quarterly installments and will be paid till 30th June 2021.

(vi) the applicable interest rate for Rupee Term Loan varies from 10.00% to 11.50% p.a.

(vii) Maturity Profile of Secured loan from others (Principal undiscounted) is as under:

₹ Millions

Particulars	Rupee Loan from
FY 2018-19 - Due but not paid	677.13
FY 2019-20 - due but not paid	1,051.20
FY 2020-21 - due but not paid	1,401.60
FY 2021-22	408.80
Total	3,538.73

(viii) Due to the inability of the Company to repay the overdue amount of Rupee Term Loan instalments aggregating to ₹ 3129.93 Million (previous year ₹ 1728.33 Million) upto 31st March,2021, Rupee Term Loan has been classified as a 'Non-Performing Asset'(NPA) by the Consortium Lenders.

(ix) The Consortium Lenders have stopped charging monthly interest amount w.e.f. the date of classifying the account as NPA. However, the Company has been regular in paying the monthly interest amount on accrual basis. This has resulted in overstatement of borrowing to the extent of Rs 512.28 Million.

(x) The Company is under discussion with the Consortium Lenders and and has proposed a Resolution Plan (RP). The Lead Lender and the consortium has appointed Techno Economic Viability consultant for presenting RP to the consortium. Further GFTR has filed arbitration claims worth Rs 755.00 Crore, and is confident of favourable outcome, which will further improve the financial position of GFTR. In view of the above, in spite of the Loan account being classified as NPA by the lenders and the ongoing RP, the management of the company continues to prepare the financial statements as a 'Going Concern'.

(xi) As per the clause no. 3.6 (iv) of Common Loan Agreement (CLA) dated 26th August'2009, in case of default in payment of principal and interest, the Company shall pay liquidity damages on the default amount @ 2% per annuam over and above the applicable interest rate for the period of default. However, the Company, in the ongoing RP has proposed a complete waiver of the same

₹ Millions

Note 9 (b) - Borrowings - Current

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured		
(unsecured, repayable on demand and intrest free)		
Loan from related parties	15.00	15.00
	15.00	15.00

Note 10 - Trade Payables

Particulars	As at 31st March, 2021	As at 31st March, 2020
Total outstanding due to Micro and Small Enterprises	-	-
Total outstanding due to others	40.23	27.81
	40.23	27.81

Balances in debit and credit are subject to reconciliation and confirmation.

(a) Dues to Micro and Small Enterprises

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the company. There are no overdue principal amounts/interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.

Particulars	As at 31st March, 2021	As at 31st March, 2020
Note 11 - Other financial liabilities - current		
Current Maturities of long term debt	3,538.57	2,779.47
Security Deposits	2.84	4.13
Interest Accrued but not due	-	16.81
Creditors for Capital expenditure	-	3.66
Employee benfits payable	4.47	1.90
Retention money payable	258.84	273.58
Total	3,804.72	3,079.56
Note 12 (a) - Provisions - Current		
Current		
Provision for employee benefits		
- Gratuity	0.27	0.40
- Leave encashment	0.02	0.07
Others		
- Resurfacing expenses	348.61	352.30
	348.91	352.78
Note 12 (b) - Provisions - Non - Current		
Provision for employee benefits		
- Gratuity	0.43	2.01
- Leave encashment	0.14	0.48
Others		
- Resurfacing expenses	40.50	-
	41.07	2.49
Movement of Resurfacing provisions is as follows:		
At the beginning of the year	352.30	625.13
Charged / (credited) to Statement of Profit and Loss		
Provision made during the year	40.50	58.72
unwinding of discount	-	31.46
Amount utilised during the year	(3.69)	-
Excess provision written back	-	(363.00)
At the end of the year	389.11	352.30

Resurfacing provisions - significant estimates

As per the service concession arrangement with HPWD, The Company Group is obligated to carry out resurfacing of the roads under concession. The Company Group estimates the likely provision required towards resurfacing and accrues the costs on a straight line basis over the period at the end of the which resurfacing would be required, in the Statement of Profit and Loss in accordance with Ind AS 37 ' Provisions, Contingent Liabilities and Contingent Assets.

Note 13 - Other current liabilities

Advances from Customers	-	0.47
Duties and taxes payable	0.77	2.20
	0.77	2.67

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Note 14 - Revenue		
Operating income		
- Income from toll collections	**565.06**	740.37
Other Operating income	**1.29**	10.72
	566.35	751.09
Note 15 - Other income		
Interest income		
- On fixed deposits	-	0.01
Excess provision for resurfacing expenses written back	-	363.00
Miscellaneous income	**0.49**	0.71
	0.49	363.72
Note 16 - Toll Operation and Maintenance expenses		
Subcontracting expenses	**90.90**	104.55
Maintenance of Roads	**73.58**	102.33
Electricity expenses	**4.76**	4.91
Handling Charges	**0.87**	1.06
Site and other direct expenses	**3.23**	3.95
	173.34	216.79
Note 17 - Employee benefits expenses		
Salaries wages and bonus	**9.86**	10.82
Contribution to provident funds and other funds	**0.41**	0.48
Gratuity	**0.42**	0.08
Leave encashment	**0.43**	0.90
Staff welfare expenses	**0.38**	0.20
	11.50	12.47
Note 18 - Finance Costs		
Interest on loan	**383.51**	387.35
Unwinding of discount on provisions	-	31.46
Other finance charges	**0.55**	1.48
	384.06	420.28
Note 19 - Other expenses		
Rent	**0.98**	-
Rates & taxes	**0.02**	-
Insurance	**17.39**	4.11
Legal and Professional Charges	**6.30**	5.43
Expenditure toward Corporate Social responsibility	-	-
Auditors Remuneration	**0.24**	0.27
Travelling and Conveyance	**0.51**	2.49
Other miscellaneous expenses	**1.90**	0.94
	27.34	13.24

GF Toll Road Private Limited
Notes to Financial Statements as of and for the year ended March 31, 2021

Note 20 - Fair value measurements

Financial Instruments by category
(a) Signficance of financial instruments ₹ Millions

Particulars	As at 31st March, 2021	As at 31st March, 2020
Financial assets		
At amortised Cost		
Security Deposits	**3.09**	3.09
Insurance/other Claim receivables	**44.02**	61.33
Cash and Cash equivalent	**19.44**	13.49
Claims receivable from HPWD	**24.61**	24.61
Total financial assets	**91.15**	102.52
Financial liabilities		
At amortised Cost		
Floating Rate Borrowings	**3,538.57**	3,538.37
Trade Payables	**40.23**	27.81
Retention money payable	**258.84**	273.58
Security Deposits	**2.84**	4.13
Interest accrued but not due	-	16.81
Employee Benefits Payable	**4.47**	1.90
Creditors for capital expenditure	-	3.66
Total financial liabilities	**3,844.94**	3,866.27

GF Toll Road Private Limited
Notes to Financial Statements as of and for the year ended March 31, 2021

Note 21 - Fair value Hierarchy

₹ millions

(a) Fair value hierarchy - Recurring fair value measurements

	As at 31st March, 2021	As at 31st March, 2020
Financial assets		
At Fair value through profit & loss		
Level 1		
Mutual fund Investments	-	-
Total financial assets	-	-

(b) Fair value hierarchy - Assets and liabilities which are measured at amortised cost for which fair values are disclosed

	As at 31st March, 2021	As at 31st March, 2020
Financial liabilities		
Level 3		
Floating Rate Borrowings	**3,538.57**	3,538.37
Retention money payable	**258.84**	273.58
Total financial liabilities	**3797.41**	3811.96

Recognised fair value measurements

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for borrowings, debentures, Rerention money payable and hedging derivative included in level 3

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

• the use of quoted market prices or dealer quotes for similar instruments

• the fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date

• the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

(c) Fair value of financial assets and liabilities measured at amortised cost ₹ Millions

	As at 31st March, 2021	As at 31st March, 2020
Financial assets		
Carrying value of financial assets at amortised cost		
Grant receivable	-	-
Total Financial assets at amortised cost	-	-
Fair value of financial assets carried at amortised cost		
Grant receivable	-	-
Total Fair value of financial assets at amortised cost	-	-
Financial liabilities		
Carrying value of financial liabilities at amortised cost		
Floating rate borrowigns	**3,538.57**	3,538.37
Retention money	**258.84**	273.58
	3,797.41	3,811.96
Fair value of financial liabilities carried at amortised cost		
Floating rate borrowigns	**3,538.57**	3,538.37
Retention money	**258.84**	273.58
	3,797.41	3,811.96

The carrying value amounts of fixed deposits, interest accrued on depoists, retention money receivable, insurance claim receivable, cash and cash equivalents,

trade payables, interest accrued, employee benefits payable and creditors for capital expenditure approximate their fair value due to their short term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Note 22 - Concession arrangements - Main features

₹ Millions

Name of entity	Description of the arrangement	Significant terms of the arrangement	Intangible Assets		Financial Asset
			Gross book value	Net book value	
GF Toll Road Private Limited	Financing, design, building and operation of 66 kilometre long four lane toll road between Gurgaon and Faridabad and Ballabhgarh Sohna Road.	Period of concession: 2009 - 2026	**March 31, 2021**	**March 31, 2021**	**March 31, 2021**
		Remuneration : Toll	**7,712.20**	**5,021.88**	**-**
		Investment grant from concession grantor : Negative grant	March 31, 2020	March 31, 2020	March 31, 2020
		Infrastructure return at the end of concession period : Yes	7,712.20	5,574.52	-
		Investment and renewal obligations : Nil			
		Re-pricing dates : Once in 3 years			
		Basis upon which re-pricing or re-negotiation is determined : Inflation			
		Premium payable to grantor : Nil			

Note 23 – Financial risk management

The Company activities exposes it to market risk, liquidity risk and credit risk. This note explains the source of risk which the entity is exposed to and how the entity is manage the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Aging analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Market risk — interest rate	Long-term borrowings at variable Rates	Sensitivity analysis	Actively Managed
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Company`s risk management is carried out by a project finance team and central treasury team (group treasury) under policies approved by board of directors. Group treasury identifies, evaluates and hedges financial risk in close co-operation with the group`s operating units. The Management of the company provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk and credit risk, use of derivative financial instrument and non-derivative financial instrument, and investments of excess liquidity.

Commodity risk:

The Company requires for implementation (construction, operation and maintenance) of the projects, such as cement, bitumen, steel and other construction materials. For which, the company entered into fixed price contract with the EPC contractor and O&M Contractor so as to manage our exposure to price increases in raw materials. Hence, the sensitivity analysis is not required

Market risk — interest rate risk

The Bank loans follows floating rates with resets defined under agreements. While interest rate fluctuations carry a risk on financials, The Company earn toll income which is linked to WPI thus providing a natural hedge to the interest rate risk.

a) Interest rate risk exposure ₹ Millions

Particulars	As at 31st March, 2021	As at 31st March, 2020
Variable Rate Borrowings	**3,538.57**	3,538.37
Fixed Rate Borrowings	-	-
Total	**3,538.57**	3,538.37

b) Sensitivity analysis

Profit or loss is sensitive to higher/lower interest income from borrowings as a result of changes in interest rates.

Impact on profit/loss after tax	As at 31st March, 2021	As at 31st March, 2020
Interest rates (increase) by 100 basis points	**(27.95)**	(27.95)
Interest rates decrease by 100 basis points	**27.95**	27.95

Liquidity risk - Table

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including debt from banks at an optimized cost. The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 30 to 60 days. The carrying amounts are assumed to be a reasonable approximation of fair value. The following table analyses financial liabilities by remaining contractual maturities.

The table below analyses the group's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

₹ Millions

As at 31st March, 2021	Upto One Year	More than One Year	Total
Non-derivatives			
Borrowings	3,538.73	-	3,538.73
Trade and other payables	40.23	-	40.23
Other financial liabilities	266.14	-	266.14
Total non-derivatives	3,845.10	-	3,845.10

As at March 31, 2020	Upto One Year	More than One Year	Total
Non-derivatives			
Borrowings	2,867.13	671.60	3,538.73
Trade and other payables	27.81	-	27.81
Other financial liabilities	300.09	-	300.09
Total non-derivatives	3,195.03	671.60	3,866.63

Note 24 - Capital risk management

The Company objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Company capital management, capital includes issued equity capital, share premium, sub-debts and all other equity reserves attributable to the equity holders of the parent. The primary objective of The Company capital management is to maximize 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 interest free sub-ordinate debt. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company policy is to keep optimum gearing ratio. The Company includes within net debt, interest bearing loans and borrowings, trade payables, less cash and cash equivalents.

In order to achieve this overall objective, The Company 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. No changes were made in the objectives, policies or processes for managing capital for year ended March 31, 2021, and March 31, 2020.

Consistent with others in the industry, the group monitors capital on the basis of the following gearing ratio:

Net debt including total borrowings (net of cash and cash equivalents)

divided by

Total 'equity' (as shown in the balance sheet).

₹ Millions

Particulars	As at 31st March, 2021	As at 31st March, 2020
Net debt (a)	**3,534.14**	3,539.89
Equity (b)	**874.04**	1,455.49
Net debt to equity ratio (a) / (b)	**4.04**	2.43

₹ Millions

Particulars	As at 31st March, 2021	As at 31st March, 2020
Net debt (a)	**3,534.14**	3,539.89
Equity (b)	**874.04**	1,455.49
Nebt debt plus Equity (c = a+b)	**4,408.18**	4,995.38
Gearing ratio (a) / c	**0.80**	0.71

Note 25 - Earning Per Share

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit / Loss attributable to equity shareholders (Rs Millions) (A)	**(582.03)**	(216.60)
Weighted average number of equity shares for basic and diluted earnings per share (B)	**19,61,100**	19,61,100
Earnings / (Loss) per share (Basic and diluted) (Rupees) (A/B)	**(296.79)**	(110.45)
Nominal value of equity shares (Rupees)	**10.00**	10.00

GF Toll Road Pvt Limited
Notes to Financial Statements as of and for the year ended March 31, 2021

Note 26 - Related Party Transactions

As per Ind AS-24 " Related Party Disclosure" the Company's related parties and trasnsactions with them in the ordinary course of business are disclosed below :

Party where control exists
Reliance Infrastructure Limited

Details of transactions and closing balance : ₹ Millions

Particulars	Mar 31, 2021	Mar 31, 2020
Transactions during the year :		
Reimbursement of expenditure paid by		
Reliance Infrastructure Limited	-	0.13
Inter-corporate deposit		
Reliance Infrastructure Limited	-	**15.00**
Balances at the year end		
Retention Money		
Reliance Infrastructure Limited	**245.83**	261.50
Other current liabilities		
Reliance Infrastructure Limited	-	3.66
Inter Corporate Deposit		
Reliance Infrastructure Limited	**15.00**	15.00
Sub-debts (in nature of equity)		
Reliance Infrastructure Limited	**2,726.83**	2,726.83
Equity share capital (excluding premium)		
Reliance Infrastructure Limited	**19.61**	19.61

Note 27- Gratuity and other post-employment benefit plans ₹ Millions

a) Defined contribution plan

The following amount recognized as an expense in Statement of profit and loss on account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

Particulars	As at 31st March, 2021	As at 31st March, 2020
Contribution to provident fund and other funds	0.41	0.48
Total	0.41	0.48

a) Defined benefit plan

The Company has a defined benefit plan (Gratuity) for its employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act,
employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary
at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each
completed year of service as per the provision of the Payment of Gratuity Act, 1972 with total ceiling on gratuity of Rs.1,000,000/-. The said gratuity plan is funded.

The following tables summaries the The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	As at 31st March, 2021	As at 31st March, 2020
Opening defined benefit liability / (assets)	3.35	0.65
Net employee benefit expense recognised in the employee cost		
Current service cost	0.28	0.09
Past service cost	-	-
Interest cost on benefit obligation	0.19	0.05
(Gain) / losses on settlement	-	-
Net benefit expense	0.47	0.14
Amount recorded in Other Comprehensive Income (OCI)		
Measurement during the period due to :		
Return on plan assets, excluding amounts included in interest expense/(income)	-	-
Actuarial loss / (gain) arising from change in financial assumptions	0.10	0.07
Actuarial loss / (gain) arising on account of experience changes	(0.68)	2.49
Experience (gains)/losses	-	-
Amount recognized in OCI	(0.58)	2.56
Benefit Paid	(1.54)	-
Closing net defined benefit liability / (asset)	1.71	3.35

	As at 31st March, 2021	As at 31st March, 2020
Opening fair value of plan assets	0.94	0.90
Net employee benefit expense recognised in the employee cost		
Interest cost on benefit obligation	0.05	0.07
(Gain) / losses on settlement	-	-
Net benefit expense	0.05	0.07
Amount recorded in Other Comprehensive Income (OCI)		
Measurement during the period due to :		
Return on plan assets, excluding amounts included in interest expense/(income)	0.01	(0.03)
Actuarial loss / (gain) arising from change in financial assumptions	-	-
Actuarial loss / (gain) arising on account of experience changes	-	-
Experience (gains)/losses	-	-
Asset ceiling not recognised as an asset		
Amount recognized in OCI	0.01	(0.03)
Employer contributions/premiums paid	-	-
Benefits Paid	-	-
Closing fair value of plan assets	1.01	0.94

Note 27- Gratuity and other post-employment benefit plans ₹ Millions

The net liability disclosed above relates to funded plan is as follows:

	As at 31st March, 2021	As at 31st March, 2020
Present value of funded obligations	1.71	3.35
Fair value of plan assets	1.01	0.94
Amount not recognised as an asset (asset ceiling)	-	-
	0.70	2.41
Net liability is bifurcated as follows :		
Current	0.27	0.40
Non-current	0.43	2.01
Total	0.70	2.41

	As at 31st March, 2021	As at 31st March, 2020
Discount rate	5.58%	5.76%
Expected rate of return on plan assets (p.a.)		
Salary escalation rate (p.a.)	5.00%	3.00%
Mortality pre-retirement	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

A quantitative analysis for significant assumption is as shown below:

	As at 31st March, 2021	As at 31st March, 2020
Assumptions -Discount rate		
Sensitivity Level	100 bp	50 bp
Impact on defined benefit obligation -in % increase	-2.80%	-2.44%
Impact on defined benefit obligation -in % decrease	2.99%	2.59%
Assumptions -Future salary increases		
Sensitivity Level	100 bp	50 bp
Impact on defined benefit obligation -in % increase	2.97%	2.64%
Impact on defined benefit obligation -in % decrease	-2.84%	-2.64%

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

	As at 31st March, 2021	As at 31st March, 2020
Within the next 12 months (next annual reporting period)	0.35	0.73
Between 2 and 5 years	1.10	2.43
Between 6 and 10 years	0.50	0.60
For and Beyond 11 years	0.10	0.19
Total expected payments	2.05	3.94
The average duration of the defined benefit plan obligation at the end of the reporting period	4 years	4 years

Plan Assets Composition

	As at 31st March, 2021	As at 31st March, 2020
Non Quoted		
Insurer Managed Funds	1.01	0.94
	1.01	0.94

GF Toll Road Pvt Limited
Notes to Financial Statements as of and for the year ended March 31, 2021

Note 28: Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are: ₹ Millions

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
Current			
Financial assets			
First charge			
Cash and cash equivalents	5a	**19.44**	13.49
Other Financial Assets	5b	**71.72**	89.03
Non-financial assets			
First charge			
Other Currnet Assets	6	**11.67**	17.53
Total current assets pledged as security		**102.83**	120.05
Non-current			
First charge			
Intangible assets	4	**5,021.88**	5,574.52
Total non-current assets pledged as security		**5,021.88**	5,574.52
Total assets pledged as security		**5,124.71**	5,694.56

Note 29: Disclosure pursuant to para 44 A to 44 E of Ind AS 7 - Statement of cash flows

		March 31, 2021	March 31, 2020
Long term Borrowings			
Opening Balance		**3,538.37**	3,611.89
Loan availed during the year		-	-
Changes in Fair Value			
- Impact of Effective Rate of Interest		**0.20**	1.48
Repaid During the year		-	(75.00)
Closing Balance		**3,538.57**	3,538.37
Interest Expenses			
Interest Charge as per Statement Profit & Loss		**384.06**	420.28
Changes in Fair Value			
- Impact of Effective Rate of Interest		**(0.20)**	(1.48)
- Unwinding of Discount on provisions		-	(31.46)
- Other		**16.81**	-
Interest paid to Lenders		**(400.68)**	(370.53)
Closing Balance		-	16.81

GF Toll Road Pvt Limited

Notes to Financial Statements as of and for the year ended March 31, 2021

Note 30 - Taxation

30(a) Income tax expense

₹ Millions

		March 31, 2021	March 31, 2020
(a) Income tax expense			
Current tax			
Current tax on profits for the year		-	-
Adjustments for current tax of prior periods		-	-
Total current tax expense	(A)	-	-
Deferred tax			
Decrease/(increase) in deferred tax assets		-	-
(Decrease)/increase in deferred tax liabilities		-	-
Total deferred tax expense/(benefit)	(B)	-	-
Income tax expense	(A + B)	-	-

Note : - 30(b) - Deffered Tax Assets/ Liability not provided in books due to reasonable uncertainty in reliastionn of future profit.

Note 31 - Auditor Remuneration ₹ Millions

Sr No.	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
1	Audit Fees	0.24	0.24
2	Certification Fees	0.01	-
3	Out Of Pocket Expenses	-	0.03
		0.24	0.27

Note 32 - Contingent liabilities ₹ Millions

Sr No.	Particulars	Year ended March 31, 2021	As at 31st March, 2020
1. Other Claims			
a)	Differences in balances as per bank loan confirmations and books of accounts mainly on account of interest rate resetting are under reconciliation with the bankers. The company expect to settle these soon and do not anticipate any further liability on account of interest.	12.53	18.75

Note 33 - The outbreak of COVID-19 globally and in India, the Company is sensitive about the impact of the Pandemic, not only on the human life but on businesses and industrial activity across the globe. The Company has been monitoring the situation closely and has taken proactive measures to comply with various directions / regulations / guidelines issued by Government and local bodies to ensure safety of workforce across all its sites and offices. The Company has made its assessment of the likely adverse impact on economic environment in general and operational and financial risks on account of COVID-19.

The toll collection was stopped vide notification of NHAI with effect from March 25, 2020 and it was resumed in April 20, 2020. Post the resumption, it took some time to reach the pre- covid level of average daily collection. By Sept/Oct 2020 the average daily collection reached pre covid level. Though, there was financial impact, it did not effect the Company in long term prespective. The company took mitigating steps whereever necessary and availed the Covid reliefs as appliacle from time to time.

Further, the Reserve Bank of India has granted relief to borrowers by way of moratorium of interest and principal installments falling due to Indian banks and financial institutions till Aug 2020. However, the same is not applicable as company has been classified as NPA by the Consortium lenders.

Note 34 - Arbitration Claims by the company

EPC Contractor had raised claims against the company under the provisions of the EPC Agreement which primarily arose due to events attributed to NHAI. The claims were scrutinized by the company and after due deliberations, it is agreed between the company and the EPC Contractor that the claims which arose due to events attributed to HPWD shall be referred to HPWD for consideration.

Accordingly the Company along with its claims, submitted the claims of the EPC Contractor to HPWD for consideration. The claims went through the Dispute Resolution procedures of the Concession Agreement including the amicable settlement between the two Chairmen of HPWD and the commpany. However no settlement could be arrived between HPWD and the Company within the stipulated time. The Company has referred the claims to arbitration. The EPC Contractor has agreed to await the conclusion of process of Arbitration between the Company and HPWD before pursuing further action on the matter. It is agreed between the Company and the EPC Contractor that till such time as the Arbitration between Company and HPWD is concluded, no rights of the EPC Contractor with regard to Limitation on the claims will be affected. The Company will update the EPC Contractor with regard to the status of the Arbitration process with HPWD.

The Claims referred to Arbitration by the Company amounts to Rs. 4238. 46 Million which also includes the claims of the EPC Contractor amounting to Rs. 1513.25 Million.

The Company has also sought for compensation for the delay in reimbursement of such claims by way of interest at the rate of SBI PLR plus 2% on the claim amount.

HPWD in the same Arbitration proceedings have filed counter claims amounting to Rs. 2179.59 Million.

Note 35 - Consequent upon the de-monetisation of currency notes by Central government, toll collection had been suspended for 12 days between November 9, 2016 to December 2, 2016 for which the company has raised claims on HPWD for reimbursement of the expenses incurred during this period as per the provisions of the Concession Agreement entered into between the company and HPWD read along with NHAI circular dated November 29,2016 and December 6, 2016 in this regard. Amount of ₹ 24.61 million claimed, being contractually enforceable and certain of recovery, has been recognised as Income. As at March 31, 2021, ₹ 24.61 millions was receivable and disclosed under Other Financials Assets – Current.

Note 36- The Company is engaged in "Road Infrastructure Projects" which in the context of Ind AS 108 "Operating Segment" is considered as the only segment. The Company's activities are restricted within India and hence, no separate geographical segment disclosure is considered necessary.

Note 37 - Events after reporting year

There are no subsequent event after the reporting year which required adjustments to the Financial Statements.

Note 38 - Foreign currency Exposure

The Company does not have any exposure in the foreign currency

GF Toll Road Pvt Limited

Notes to Financial Statements as of and for the year ended March 31, 2021

Note 39 - Previous year figures have been regrouped and re-arranged wherever necessary to make them comparable to those for current year.

As per our attached report of even date

For Subhash Mittal & Associates
Chartered Accountants
Firm's Regn. No. 009976N

Deepak Bansal
Partner
Membership No. : 089135
UDIN: 21089135AAAABY7367
Date: May 12, 2021
Place: New Delhi

For and on behalf of the Board

Rajesh Das
Director
DIN:08717511

Arup Gupta
Director
DIN:07406556

Date: May 12, 2021
Place: Mumbai