

ANNUAL AUDIT REPORT

GF TOLL ROAD PRIVATE LIMITED

FINANCIAL STATEMENTS

Period: April'23- March'2024

Audited by:



Subhash Mittal & Associates

Chartered Accountants

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Independent Auditor's Report

To the Members of GF Toll Road Private Limited

Opinion

We have audited the accompanying Ind AS financial statements of **GF Toll Road Private Limited** ('the Company'), which comprise the Balance Sheet as at **31st March, 2024**, the Statement of Profit and Loss, the Statement of Cash Flow and the 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 Ind AS financial statements give the information required by the Companies Act 2013, as amended ('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, 2024, and its loss, its cash flows and the Statement of changes in equity for the year ended on that date.

Basis of Opinion

We have conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 Act and the Rules there under, 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 on these statements.

Uncertainty related to Going concern

We draw attention to note No. 9 of the financial statements which indicate that the company has overdue obligation to the lenders of Rs 3538.67 Million up to 31st March, 2024 (PY: Rs 3538.67 Million) which has been classified as NPA. This indicates uncertainty exists that may cast significant doubt on the company's ability to continue as going concern. However, the Company has proposed a One Time Settlement (OTS) proposal to consortium lenders and they will review the proposal. The Company is regular in making interest payments to

the lenders and has also made cash profit for the year. In arbitration proceedings filed by the company, against Haryana Public Works Department, it has been awarded a favorable arbitral award of a total of Rs 4399.4 Million. In view of the same, the financial statements of the Company have been prepared on going concern basis.

Our opinion is not modified in relation to this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS Financial Statements for the financial year ended on 31 March 2024. 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. In addition to the matter described in the section on *Uncertainty Related to Going Concern*, we have determined the matters described below to be the key audit matters to be communicated in our report.

The Key Audit Matters	How the matter was addressed in our audit
<p>a) Overdue amount of term loan: The Company to repay the overdue amount of term loan instalments aggregating a sum of Rs 3538.67 Million up to 31st March, 2024 (PY: Rs 3538.67 Million), Bank of India, the lead Lending Institution and the other Consortium Member Banks, have classified the Company as 'Non-Performing Asset' (NPA) since the financial year 2018-2019. Further, in spite of the Loan Account being classified as NPA by the consortium member banks, and legal action taken by some of the bankers for recovery of their dues, the management of the company continues to prepare the financial statements on <i>Going Concern</i> basis.</p>	<p>We have considered management explanation under Note 9(x) regarding preparing Financial Statements, on Going Concern basis, that it has received a favorable award under its Arbitration proceedings. Further it has repaid its interest liability for the year and continues to make cash profits. In view thereof, the management has prepared its financial statements on Going concern basis.</p>
<p>b) Interest: Consortium lenders have stopped charging monthly interest on accrual basis.</p>	<p>Since bankers are not raising demand for interest, exact interest chargeable by the bankers cannot be ascertained. However, the company is repaying interest in accordance with the loan agreements.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to communicate the matter to those charged with governance. We have nothing to report in this regard at this stage.

Responsibilities of Management and those charged with governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these 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, cash flows and of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and the 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 Ind AS 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 is 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 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.

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of 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. (A) 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 Ind AS financial statements, comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 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" to this report; and
 - (g) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act, as amended, we report that no remuneration has been paid by the company to its directors during the year. Hence the requirement of the company for compliance under this section is not applicable.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014

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, 2024 on its financial position in its financial statements – refer Note 33 to the Ind AS financial statements on Arbitration claims and Note 9 (viii) on inability of the Company to repay the overdue amount of term loan installments aggregating a sum of Rs. 3538.73 Million as at 31st March, 2024 (PY: Rs. 3538.73 Million), resulting in the Company being classified as a ‘Non-Performing Asset’ (NPA) by the Consortium Member Banks.
- 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.
- iv. (a) The management has represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented to us that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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

- v. The Company has not declared or paid any dividend during the year.
- vi. Based on our examination which included test check, the company has used accounting software for maintaining its books of accounts which has a feature of maintaining audit trail facility, which has been operating thereafter. Further, during the course of our audit, we did not come across any cases where the audit trail maintained has been tampered with.

For **Subhash Mittal & Associates**

Chartered Accountants

Firm's Registration No: 009976N

S. Mittal

Partner

Membership No: 083619

UDIN: 24083619BKDHDY6653

Date: 10th May 2024

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)

i)

- a) (A) During the year, the Company does not have any assets in the nature of Property, plant & equipment in its financial statements.
(B) The company has maintained proper records showing full particulars of Intangible assets.
- b) In view of there being no property, plant and equipment, the reporting requirements under this sub-clause is not applicable.
- c) There are no immovable properties disclosed in the accompanying financial statements and hence the reporting requirements under sub-clause (c) of clause (i) of paragraph 3 of the order are not applicable.
- d) As explained to us, the company has not revalued any of its Intangible assets (including Right-of-Use assets) during the year.
- e) According to the information and explanations provided to us and on the basis of our examination of the records of the company, we report that no proceedings have been initiated during the year or are pending against the company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii)

- a) In our opinion, and according to the information and explanations given to us, the company does not have any inventories. Hence, the reporting requirements under sub-clause (a) of clause (ii) of paragraph 3 of the order are not applicable).
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any sanctioned working capital limit which is in excess of Rupees five crores.

iii)

As per the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not made investments, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the reporting requirement of clause 3(iii)(a), (b), (c), (d), (e) & (f) of the Order are not applicable.

iv)

In our opinion and according to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013.

- v) 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 there under. Accordingly, clause 3(v) of the Order is not applicable.
- vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Act for the company. We have broadly reviewed such records and are of the opinion that prima-facie, the prescribed records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii) (a) According to the information and explanations given to us and books and records as produced and examined by us 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, 2024 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, on account of dispute, except as disclosed below:

S. No.	Nature of statute	Nature of Dues	Period for which the amount related	Forum where dispute is pending	Amount involved (in Rs.)
1	Service Tax	CENVAT Credit	Oct'10 – Mar'12	Mumbai High Court	3,10,66,741/-

- viii) According to the information and explanations and representation given to us, there are no transactions relating to previously unrecorded income that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.).

- ix) a) In our opinion and according to the information and explanations given and books of accounts and records examined by us, the Company has defaulted in repayment of loans or other borrowings. Due to the inability of the Company to repay the overdue amount of term loan installments aggregating a sum of Rs.3538.67 Million (PY: Rs.3538.67 Million), Bank of India, the lead Lending Institution and the other Consortium Member Banks, have classified the Company as a 'Non-Performing Asset' (NPA) since the financial year 2018-2019.

- b) In our opinion, and according to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 - c) In our opinion and according to the information and explanations given to us, no fresh term loans have been taken during the year.
 - d) According to the management representation and an overall examination of the balance sheet of the Company, we report that no funds have been raised on short-term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.
 - e) The company does not have any subsidiary, joint venture or associate and hence the reporting requirements under sub-clause (e & f) of clause (ix) of paragraph 3 of the order are not applicable
- x)**
- a) In our opinion and according to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instrument) during the current financial year. Accordingly, clause 3(x)(a) of the Order is not applicable.
 - b) The company has not made any preferential allotment/private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- xi)**
- a) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
 - b) According to the information and explanations given to us, during the year, no report under sub-section 12 of section 143 of the Companies Act, 2013 has been filed by cost auditor/Secretarial auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii)** In our opinion, the Company is not a chit fund or a Nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.
- xiii)** In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with section 188 of the Act and

their details have been disclosed in the financial statements etc., as required by the applicable accounting standards. As per information and explanation given to us, section 177 of the act is not applicable to the Company.

- xiv)** a) In our opinion, and according to the information and explanations given to us, the company has internal audit system which it needs to enhance considering the size and nature of business.
- b) We have considered the internal audit reports of the Company issued till date, for the period under audit for the purpose of planning our audit procedures.
- xv)** According to the information and explanations provided by the management, the Company has not entered into any non-cash transaction with directors or persons connected with him as referred to in Section 192 of the Act.
- xvi)**
- a) To the best of our knowledge and as explained, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- b) In our opinion, and according to the information and explanations provided to us and on the basis of our audit procedures, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year as per the Reserve bank of India Act 1934.
- c) In our opinion, and according to the information and explanations provided to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- d) As represented by the management, the group does not have more than one core investment company (CIC) as part of the group as per the definition of group contained in Core Investment Companies (Reserved Bank) Directions, 2016.
- xvii)** According to the information and explanations given to us, and overall financial statements of the company examined by us, the company does not have cash losses during the financial year and the immediately preceding financial year.
- xviii)** There has been no resignation of the statutory auditors during the year, therefore the provisions of Clause 3 (xviii) of said Order are not applicable to the company.
- xix)** According to the information and explanations given to us by the management and the records of the Company examined by us, on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities and other information accompanying the financial statements, there is possible material uncertainty as to the company's ability to meet its liabilities existing at the balance sheet date as and when they fall due within a period of one year from the balance sheet date. As already stated in the main audit report, that in

case the full loan liability crystallises, company may not be able to discharge its full liabilities.

- xx)** According to the records of the Company examined by us and the information and explanations given to us, the provision of Clause 3(xx) of said Order is not applicable to the company, as the Company is not eligible to contribute under section 135 of the Companies Act 2013.
- xxi)** As the company does not have any subsidiary or Associate companies, this clause is not applicable.

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

Date: 10th May 2024
Place: New Delhi

S. Mittal
Partner
Membership No: 083619
UDIN: 24083619BKDHDY6653

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 2024 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 2024, 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

S. Mittal

Partner

Membership No: 083619

UDIN: 24083619BKDHDY6653

Date: 10th May 2024

Place: New Delhi

GF TOLL ROAD PRIVATE LIMITED
CIN : U74990MH2008PTC189112
Balance Sheet as at March 31, 2024

₹ Millions

Particulars	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
(a) Intangible assets	4	2,499.79	3,445.32
Current assets			
(a) Financial Assets			
(i) Cash and cash equivalents	5a	330.56	304.10
(ii) Other financial asset	5b	84.15	67.57
(b) Current Tax Assets (Net)		0.91	0.76
(c) Other current assets	6	14.60	16.57
Total Assets		2,930.01	3,834.32
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	(4,029.44)	(3,205.24)
Total Equity		(1,283.00)	(458.80)
LIABILITIES			
Non-current liabilities			
(a) Provisions	12b	257.49	157.41
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	9	3,553.67	3,553.67
(ia) Trade payables - Micro and Small Enterprises			
(ib) Trade payables - Other than Micro and Small Enterprises	10	91.27	75.73
(ii) Other financial liabilities	11	308.87	281.71
(b) Other current liabilities	13	1.14	2.19
(c) Provisions	12a	0.57	222.41
Total Current Liabilities		2,930.01	3,834.32
Total Equity and Liabilities		2,930.01	3,834.32

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

For and on behalf of the Board

S Mittal
Partner
Membership No. : 083619
UDIN : **24083619BKDHDY6653**
Place: New Delhi
Date: 10.05.2024

Arup Gupta
Director
DIN:07406556

Prashant Kumar
Director
DIN:10211283

Place: Mumbai
Date: 10.05.2024

GF TOLL ROAD PRIVATE LIMITED
CIN : U74990MH2008PTC189112
Statement of Profit and Loss for year ended March 31, 2024

₹ Millions

Particulars	Note	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from Operations	14	831.32	836.06
Other Income	15	0.84	2.26
Total Income		832.16	838.32
Expenses			
Toll Operation and Maintenance expenses	16	268.70	213.63
Employee benefits expense	17	25.52	20.39
Finance costs	18	401.63	394.30
Depreciation and amortization expense	4	945.55	851.01
Other expenses	19	17.45	48.04
Total expenses		1,658.85	1,527.37
Profit / (Loss) before tax		(826.69)	(689.05)
Tax expense			
Current tax		-	-
Profit/(Loss) After Tax		(826.69)	(689.05)
Other Comprehensive Income/ (Loss)			
- Items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit plans		2.49	(4.66)
- Income tax relating to above		-	-
Other Comprehensive Income/ (Loss)		2.49	(4.66)
(a) Provisions		(824.20)	(693.71)
Earning/ (loss) per equity share (Face Value per share ₹10 each)			
Basic & Diluted	25	(421.54)	(351.36)

The accompanying notes are an integral part of the Financial Statements

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

For and on behalf of the Board

S Mittal
Partner
Membership No. : 083619
UDIN : 24083619BKDHDY6653
Place: New Delhi
Date: 10.05.2024

Arup Gupta
Director
DIN:07406556

Prashant Kumar
Director
DIN:10211283

Place: Mumbai
Date: 10.05.2024

GF TOLL ROAD PRIVATE LIMITED

CIN : U74990MH2008PTC189112

Cash flow Statement for year ended March 31 ,2024

	Year ended March 31, 2024	₹ Millions Year ended March 31, 2023
A CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / (Loss) before tax	(826.69)	(689.05)
Adjustments for:		
Depreciation and amortisation expenses	945.55	851.01
Provision for Gratuity and Leave Encashment	56.90	50.80
Provision for resurfacing expenses	401.63	394.30
Interest expense	577.39	607.06
Cash Generated from Operations before working capital changes	577.39	607.06
(Increase)/decrease in financial assets except for investments	(16.58)	4.81
(Increase)/decrease in other current assets	1.97	(3.84)
Increase/(decrease) in trade payables	15.53	21.74
Increase/(decrease) in other financial liabilities	27.88	11.12
Increase/(decrease) in provisions	(194.45)	(80.42)
Increase/(decrease) in other current liabilities	(1.05)	(1.11)
Cash generated from operations	(166.69)	(47.70)
Taxes (paid) net of refunds	410.70	559.36
Net cash generated from operating activities - [A]	(0.91)	(0.76)
	409.79	558.60
B CASH FLOW FROM INVESTING ACTIVITIES:		
Net Cash (used in) / generated from investing activities - [B]	-	-
C CASH FLOW FROM FINANCING ACTIVITIES:		
Interest paid	(383.34)	(383.42)
Net cash used in financing activities - [C]	(383.34)	(383.42)
Net increase/(decrease) in cash and cash equivalents - [A+B+C]	26.46	175.18
Add: Cash and cash equivalents at the beginning of the year	304.10	128.92
Cash and cash equivalents at the end of the period	330.56	304.10
Components of Cash and cash equivalents		
Balances with banks - in Current accounts	327.17	300.40
Deposits with maturity of less than three months	0.00	0.00
Cash on hand	3.39	3.70
Total Cash and cash equivalents (Refer Note 5a)	330.56	304.10

The balance in current account with banks of Rs.327.17 million (Rs.300.40 million) lying in Escrow account with bank held as security against borrowings.

As per our attached report of even date.

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

For and on behalf of the Board

S Mittal
Partner
Membership No. : 083619
UDIN : 24083619BKDH0Y6553
Place: New Delhi
Date: 10.05.2024

Arup Gupta
Director
DIN:07406556
Place: Mumbai
Date: 10.05.2024

Prashant Kumar
Director
DIN:10211283

GF Toll Road Private Limited
Statement of Changes in Equity

A. EQUITY SHARE CAPITAL (Refer Note 7)

₹ 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, 2023	19.61	-	19.61
For the year ended March 31, 2024	19.61	-	19.61

B. OTHER EQUITY (Refer Note 8)

₹ Millions

Particulars	Reserves and Surplus		Sub Total
	Securities Premium Account	Retained Earnings	
Balance at April 01, 2022	1,931.59	(4,443.12)	(2,511.53)
Profit for the year		(689.05)	(689.05)
Other comprehensive income for the year		(4.66)	(4.66)
Total comprehensive income for the year	-	(693.71)	(693.71)
Balance at 31st March 2023	1,931.59	(5,136.83)	(3,205.24)
Balance at April 01, 2023	1,931.59	(5,136.83)	(3,205.24)
Profit for the Year		(826.69)	(826.69)
Other comprehensive income for the year		2.49	2.49
Total comprehensive income for the year	-	(824.20)	(824.20)
Balance as at 31st March 2024	1,931.59	(5,961.03)	(4,029.44)

As per our attached report of even date.

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

For and on behalf of the Board

S Mittal

Partner

Membership No. : 083679

UDIN : 24083619BKDHDY6653

Place: New Delhi

Date: 10.05.2024

Arup Gupta

Director

DIN:07406556

Place: Mumbai

Date: 10.05.2024

Prashant Kumar

Director

DIN:10211283

GF Toll Road Private Limited

Notes to Financial Statements as of and of the year ended March 31, 2024

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 Material 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

GF Toll Road Private Limited

Notes to Financial Statements as of and of the year ended March 31, 2024

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.

GF Toll Road Private Limited

Notes to Financial Statements as of and of the year ended March 31, 2024

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: -

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

GF TOLL ROAD PRIVATE LIMITED

Notes to the Financial Statements as of and for the year ended March 31, 2024

Note 4 - Intangible assets

Particulars	Intangible Assets
	Toll Collection Right
Year ended March 2023	
Opening gross carrying amount	7,712.20
Additions	-
Capitalised/ Adjusted/Disposal	-
Closing gross carrying amount	7,712.20
Accumulated amortization and impairment	
Opening accumulated amortization and impairment	3,415.87
Amortization charge for the year	851.01
Capitalised/ Adjusted/Disposal	
Closing accumulated amortization and impairment	4,266.87
Net carrying amount as at March 31, 2023	3,445.32
Year ended Mar 31, 2024	
Opening gross carrying amount	7,712.20
Additions	-
Capitalised/ Adjusted/Disposal	-
Closing gross carrying amount	7,712.20
Accumulated amortization and impairment	
Opening accumulated amortization and impairment	4,266.87
Amortization charge for the FY ended	945.55
Capitalised	
Closing accumulated amortization and impairment	5,212.42
Net carrying amount as at March 31, 2024	2,499.79

Note:

1. The above Intangible Asset are other than internally generated.
2. The above Intangible Asset are pledged as security with lenders.

GF TOLL ROAD PRIVATE LIMITED

Notes to the Financial Statements as of and for the year ended March 31, 2024

Note 5 - Financial Assets - Current

Particulars	₹ Millions	
	As at March 31, 2024	As at March 31, 2023
Note 5 (a) - Cash and Cash equivalents		
Cash and cash equivalents		
Balances with banks		
- in Escrow / Current accounts	327.17	300.40
Cash on hand	3.39	3.70
	<u>330.56</u>	<u>304.10</u>
Note 5 (b) - Other financial assets - current		
Security deposits	2.59	3.09
Others Receivable	7.08	3.92
Claims Receivable From HPWD	74.48	60.56
	<u>84.15</u>	<u>67.57</u>
Note 6 - Other current assets		
Advance to vendors	0.36	0.37
Advance to employees	0.98	1.19
Prepaid Expenses	9.14	9.29
Duties and taxes receivable	4.12	5.72
	<u>14.60</u>	<u>16.57</u>

Note 7 - Share Capital and Other equity

Note 7a - Authorised Share Capital

₹ Millions

Particulars	Nos of Shares	As at March 31, 2024	As at March 31, 2023
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 hok share is entitled 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 March 31, 2024	As at March 31, 2023
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
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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%

Note 7g - Details of Shares Pledged/safekeep & unpledged by the Promoters :-

Particulars	March 31, 2024	March 31, 2023
Pledged Shares	5,88,330	5,88,330
Safekeep	3,72,609	3,72,609
Unpledged	10,00,160	10,00,160
Total	19,61,099	19,61,099

Particulars	As at March 31, 2024	As at March 31, 2023
-------------	-------------------------	-------------------------

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.

GF Toll Road Private Limited

Notes to the Financial Statements as of and for the year ended March 31, 2024

₹ Millions

Particulars	As at March 31, 2024	As at March 31, 2023
Note 8b - Retained Earnings		
At the beginning of the year	(5,136.83)	(4,443.12)
Net Profit for the year	(826.69)	(689.05)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment obligations (net of tax)	2.49	(4.66)
At the end of the year	(5,961.03)	(5,136.83)
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.

Financial Liabilities

Note 9 Borrowings - Current

Particulars	₹ Millions	
	As at March 31, 2024	As at March 31, 2023
Unsecured (unsecured, repayable on demand and interest free)		
Loan from related parties	15.00	15.00
Secured - Term loans		
Current Maturities of long term debt	3,538.67	3,538.67
Total	3,553.67	3,553.67

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 immovable 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 was to 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:

Particulars	₹ Millions	
	Rupee Loan from Banks	
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 - due but not paid	408.74	
Total	3,538.67	

(viii) Due to the inability of the Company to repay the overdue amount of Rupee Term Loan instalments aggregating to Rs. 3538.73 Million (previous year Rs.3538.73 Million) upto 31st March,2024, Rupee Term Loan has been classified as a 'Non-Performing Asset'(NPA) by the Consortium Lenders.

(ix) Some of 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.

(x) The Company has proposed a One Time Settlement (OTS) proposal to consortium lenders. The Consortium Lenders will review the proposal.

Further the Company had invoked arbitration against HPWD on account of claims towards prolongation, delay damages etc. The award has been pronounced in October, 2022. HPWD has been directed to pay GFTRPL a sum of Rs 149.56 crore (principal amount) and pre-award and post-award interest. Pursuant to an application by the company, seeking additional award on account of revision of toll fee from the due dates along with correction of typographical and clerical errors in the Award, the arbitral tribunal in January, 2023 awarded an additional sum of Rs 15.14 crore in favour of the Company. Total amended award amount is Rs. 164.81 cr, which will further improve the financial position of the Company.

HPWD has filed an application for setting aside the Award. The Company has also filed petition for execution of award. The proceedings are pending before the Hon'ble District and Sessions Court, Chandigarh

The amount recoverable under award including interest stands at Rs 439.94 crore as on March 31, 2024.

In view of the above, in spite of the Loan account being classified as NPA by the lenders, 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 annum over and above the applicable interest rate for the period of default. the Company, in the ongoing OTS proposal a complete waiver of the same.

Note 10 - Trade Payables

Particulars	₹ Millions	
	As at March 31, 2024	As at March 31, 2023
Total outstanding due to Micro and Small Enterprises	-	-
Total outstanding due to others -	91.27	75.73
	<u>91.27</u>	<u>75.73</u>

a) Trade Payables ageing schedule

Total outstanding due to others -

Particulars	As at March 31, 2024	As at March 31, 2023
Outstanding for below periods from date of transaction		
Less than 1 Year	64.41	56.12
1-2 Years	9.20	5.55
2-3 Years	6.72	1.98
More than 3 Years	10.94	12.08
Total	<u>91.27</u>	<u>75.73</u>

(b) 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.

Note 11 - Other financial liabilities - current

Particulars	₹ Millions	
	As at March 31, 2024	As at March 31, 2023
Security Deposits	0.15	4.34
Employee benefits payable	10.54	7.13
Retention Money Payable	298.17	270.24
Total	<u>308.87</u>	<u>281.71</u>

Note 12 (a) - Provisions - Current

Provision for employee benefits		
- Gratuity	0.57	0.69
- Leave encashment	0.00	0.14
Others		
- Resurfacing expenses	-	221.58
	<u>0.57</u>	<u>222.41</u>

Note 12 (b) - Provisions - Non Current

Provision for employee benefits		
- Gratuity	2.89	5.39
- Leave encashment	0.03	0.11
Others		
- Resurfacing expenses	254.57	151.91
	<u>257.49</u>	<u>157.41</u>

Movement in Provisions

Resurfacing provisions		
At the beginning of the year	373.50	392.58
Charged / (credited) to profit or loss		
Provision made during the year	56.90	50.80
unused amount reversed		
unwinding of discount	18.29	10.89
MMR Expenses incurred during the Quarter	(194.11)	(80.77)
At the end of the Quarter	<u>254.57</u>	<u>373.50</u>

Resurfacing provisions - significant estimates

As per the service concession arrangement with NHAI, the Company is obligated to carry out resurfacing of the roads under concession. The Company accrues the provision required towards resurfacing cost in statement of profit & loss in accordance with Ind AS 37 ' Provisions, Contingent Liabilities and Contingent Assets. Refer Note no. 3.5 maintenance obligations. These provisions are made based on the best estimate of the management which are reviewed periodically and necessary effect for the changes, if any, are taken in the financials on prospective basis.

Note 13 - Other current liabilities

Duties and taxes payable	1.14	2.19
	<u>1.14</u>	<u>2.19</u>

GF TOLL ROAD PRIVATE LIMITED

Notes to the Financial Statements as of and for the year ended March 31, 2024

Particulars	₹ Millions	
	Year ended March 31, 2024	Year ended March 31, 2023
Note 14 - Revenue		
Operating income		
Income from toll collections	829.32	828.56
Other Operating income	2.00	7.50
	<u>831.32</u>	<u>836.06</u>
Note 15 - Other income		
Interest income - Others	0.03	-
Excess provision for Leave Encashment written back	-	0.11
Insurance claim received	0.81	0.46
Miscellaneous income	-	1.80
	<u>0.84</u>	<u>2.26</u>
Note 16 - Toll Operation and Maintenance expenses		
Subcontracting expenses	106.51	102.98
Maintenance of Roads	152.26	100.70
Electricity expenses	4.64	4.53
Handling Charges	2.13	1.50
Site and other direct expenses	3.16	3.92
	<u>268.70</u>	<u>213.63</u>
Note 17 - Employee benefits expenses		
Salaries wages and bonus	22.65	18.83
Contribution to provident funds and other funds	1.14	0.77
Gratuity	0.92	0.24
Leave encashment	0.02	0.40
Staff welfare expenses	0.79	0.15
	<u>25.52</u>	<u>20.39</u>
Note 18 - Finance Costs		
Interest on loan	383.19	382.91
Unwinding of discount on provisions	18.29	10.89
Other finance charges	0.15	0.51
	<u>401.63</u>	<u>394.30</u>
Note 19 - Other expenses		
Rent	0.85	1.65
Rates & taxes	0.03	0.32
Insurance	9.26	8.51
Legal and Professional Charges	3.71	7.65
Auditors Remuneration	0.27	0.28
Travelling and Conveyance	0.81	0.99
Expected Credit Loss	-	24.61
Other miscellaneous expenses	2.54	4.03
	<u>17.45</u>	<u>48.04</u>

GF TOLL ROAD PRIVATE LIMITED

Notes to the Financial Statements as of and for the year ended March 31, 2024

Note 20 - Fair value measurements

Financial Instruments by category

Significance of financial instruments

₹ Millions

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets		
At amortised Cost		
Security Deposits	2.59	3.09
Other Claim receivables	7.08	3.92
Cash and Cash equivalent	330.56	304.10
Claims receivable from HPWD	74.48	60.56
Total financial assets	414.71	371.67
Financial liabilities		
At amortised Cost		
Floating Rate Borrowings	3538.67	3538.67
Inter corporate Deposit	15.00	15.00
Trade Payables	91.27	75.73
Retention money payable	298.17	270.24
Security Deposits	0.15	4.34
Employee Benefits Payable	10.54	7.13
Total financial liabilities	3953.80	3911.11

GF Toll Road Private Limited
Notes to the Financial Statements as of and for the year ended March 31, 2024

Note 21 - Fair value Hierarchy

(a) Fair value hierarchy - Recurring fair value measurements ₹ Millions

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

Financial assets

Financial liabilities

Level 3

Floating Rate Borrowings

Inter corporate Deposit

Retention money payable

Total financial liabilities

As at March 31, 2024	As at March 31, 2023
3,538.67	3,538.67
15.00	15.00
298.17	270.24
3851.84	3823.91

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, Retention 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 March 31, 2024	As at March 31, 2023
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 borrowings	3,538.67	3,538.67
Inter corporate Deposit	15.00	15.00
Retention money	298.17	270.24
	3,851.84	3,823.91
Fair value of financial liabilities carried at amortised cost		
Floating rate borrowings	3,538.67	3,538.67
Inter corporate Deposit	15.00	15.00
Retention money	298.17	270.24
	3,851.84	3,823.91

The carrying value amounts of fixed deposits, interest accrued on deposits, retention money receivable, insurance claim receivable, 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.

GF Toll Road Private Limited

Notes to the Financial Statements as of and for the year ended March 31, 2024

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 Ballabgarh Sohna Road.	Period of concession: 2009 - 2026 Remuneration : Toll Investment grant from concession grantor : Negative grant Infrastructure return at the end of concession period : Yes 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	March 31, 2024	March 31, 2024	March 31, 2024
			7,712.20	2,499.79	-
			March 31, 2023	March 31, 2023	March 31, 2023
			7,712.20	3,445.32	-

GF TOLL ROAD PRIVATE LIMITED
Notes to the Financial Statements as of and for the year ended March 31, 2024

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	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 March 31, 2024	As at March 31, 2023
Variable Rate Borrowings	3,538.67	3,538.67
Total	3,538.67	3,538.67

b) Sensitivity analysis

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

Impact on profit/loss after tax

Interest rates (increase) by 100 basis points	(29.87)	(29.87)
Interest rates decrease by 100 basis points	29.87	(29.87)

GF Toll Road Private Limited

Notes to the Financial Statements as of and for the year ended March 31, 2024

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 March 31, 2024	Upto One Year	More than One Year	Total
Non-derivatives			
Borrowings	3,538.67	-	3,538.67
Trade and other payables	91.27	-	91.27
Other financial liabilities	308.87	-	308.87
Total non-derivatives	3,938.81	-	3,938.81
<hr/>			
As at March 31, 2023	Upto One Year	More than One Year	Total
Non-derivatives			
Borrowings	3,538.67	-	3,538.67
Trade and other payables	75.73	-	75.73
Other financial liabilities	281.71	-	281.71
Total non-derivatives	3,896.12	-	3,896.12

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 the year ended March 31, 2024 and March 31, 2023. 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).

Particulars	₹ Millions	
	As at March 31, 2024	As at 31st March, 2023
Net debt (a)	3,223.12	3,249.58
Equity (b)	(1,283.00)	(458.80)
Net debt to equity ratio (a) / (b)	(2.51)	(7.08)
Particulars	As at March 31, 2024	As at 31st March, 2023
Net debt (a)	3,223.12	3,249.58
Equity (b)	(1,283.00)	(458.80)
Net debt plus Equity (c = a+b)	1,940.12	2,790.77
Gearing ratio (a) / (c)	1.66	1.16

GF TOLL ROAD PRIVATE LIMITED

Notes to the Financial Statements as of and for the year ended March 31, 2024

Note - 25 Earning per share

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Profit / (Loss) attributable to equity shareholders (Rs Millions) (A)	(826.69)	(689.05)
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)	(421.54)	(351.36)
Nominal value of equity shares (Rupees)	10.00	10.00

GF TOLL ROAD PRIVATE LIMITED

Notes to the Financial Statements as of and for the year ended March 31, 2024

Note 26 - Related Party Transactions

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

- (i) **Party where control exists**
Reliance Infrastructure Limited
- (ii) **Key Management Personnel**
Sandeep Joshi - Director - resigned (w.e.f. 23rd June'2023)
Arup Ashok Gupta - Director
Prashant Kumar -Director (w.e.f. 23rd June'2023)

Particulars	₹ Millions	
	March 31, 2024	March 31, 2023
Transactions during the year :	Nil	Nil
Balances at the year end		
Retention Money		
Reliance Infrastructure Limited	245.83	245.83
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	Year ended March 31, 2024	Year ended March 31, 2023
Contribution to provident fund and other funds	1.14	0.77
Total	1.14	0.77

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:

	Year ended March 31, 2024	Year ended March 31, 2023
Opening defined benefit liability / (assets)	7.15	2.22
Net employee benefit expense recognised in the employee cost		
Current service cost	0.47	0.18
Past service cost	(1.04)	-
Interest cost on benefit obligation	0.52	0.13
Net benefit expense	(0.05)	0.30
Amount recorded in Other Comprehensive Income (OCI)		
Measurement during the period due to :		
Actuarial loss / (gain) arising from change in demographic assumptions	0.03	0.06
Actuarial loss / (gain) arising from change in financial assumptions	0.08	(0.35)
Actuarial loss / (gain) arising on account of experience changes	(2.60)	4.92
Amount recognized in OCI	(2.48)	4.64
Benefit Paid	-	-
Closing net defined benefit liability / (asset)	4.62	7.15
Opening fair value of plan assets	1.08	1.04
Net employee benefit expense recognised in the employee cost		
Interest cost on benefit obligation	0.08	0.06
Net benefit expense	0.08	0.06
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)
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	1.16	1.08

Note 27- Gratuity and other post-employment benefit plans

₹ Millions

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

	Year ended March 31, 2024	Year ended March 31, 2023
Present value of funded obligations	4.62	7.15
Fair value of plan assets	1.16	1.08
Amount not recognised as an asset (asset ceiling)	-	-
	<u>3.46</u>	<u>6.08</u>
Net liability is bifurcated as follows :		
Current	0.69	0.27
Non-current	2.77	5.82
Total	<u>3.46</u>	<u>6.09</u>

Discount rate
Expected rate of return on plan assets (p.a.)
Salary escalation rate (p.a.)
Mortality pre-retirement

	Year ended March 31, 2024	Year ended March 31, 2023
Discount rate	7.18%	7.29%
Expected rate of return on plan assets (p.a.)	7.18%	7.29%
Salary escalation rate (p.a.)	8.40%	8.00%
Mortality pre-retirement	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)

A quantitative analysis for significant assumption is as shown below:

	Year ended March 31, 2024	Year ended March 31, 2023
Assumptions -Discount rate		
Sensitivity Level	100 bp	100 bp
Impact on defined benefit obligation -in % increase	-3.53%	-2.74%
Impact on defined benefit obligation -in % decrease	3.79%	2.93%
Assumptions -Future salary increases		
Sensitivity Level	100 bp	100 bp
Impact on defined benefit obligation -in % increase	3.72%	2.88%
Impact on defined benefit obligation -in % decrease	-3.52%	-2.75%

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:

	Year ended March 31, 2024	Year ended March 31, 2023
Within the next 12 months (next annual reporting period)	0.68	1.92
Between 2 and 5 years	2.50	3.61
Between 6 and 10 years	2.44	2.99
For and Beyond 11 years	0.64	0.56
Total expected payments	<u>6.25</u>	<u>9.08</u>
The average duration of the defined benefit plan obligation at the end of the reporting period	<u>3 years</u>	<u>4 years</u>

Plan Assets Composition

Non Quoted
Insurer Managed Funds

	Year ended March 31, 2024	Year ended March 31, 2023
Insurer Managed Funds	1.16	1.08
	<u>1.16</u>	<u>1.08</u>

GF Toll Road Pvt Limited
Notes to the Financial Statements as of and for the year ended March 31, 2024

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, 2024	As at March 31, 2023
Current			
Financial assets			
<i>First charge</i>			
Cash and cash equivalents	5a	330.56	304.10
Other Financial Assets	5b	84.15	67.57
Non-financial assets			
<i>First charge</i>			
Other Current Assets	6	14.60	16.57
Total current assets pledged as security		429.31	388.24
Non-current			
<i>First charge</i>			
Intangible assets	4	2,499.79	3,445.32
Total non-current assets pledged as security		2,499.79	3,445.32
Total assets pledged as security		2,929.10	3,833.56

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

	March 31, 2024	March 31, 2023
Long term Borrowings		
Opening Balance	3,538.57	3,538.57
Loan availed during the year	-	-
Repaid During the year	-	-
Closing Balance	3,538.57	3,538.57
Interest Expenses		
Interest Charge as per Statement Profit & Loss	401.63	394.30
Changes in Fair Value		
- Unwinding of Discount on provisions	(18.29)	(10.89)
Interest paid to Lenders	(383.34)	(383.42)
Closing Balance	-	-

GF Toll Road Pvt Limited

Notes to the Financial Statements as of and for the year ended March 31, 2024

Note 30 - Taxation

30(a) Income tax expense

₹ Millions

		March 31, 2024	March 31, 2023
(a) Income tax expense			
<i>Current tax</i>			
Current tax on profits for the year		-	-
Adjustments for current tax of prior periods		-	-
Total current tax expense	(A)	-	-
<i>Deferred tax</i>			
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) - Deferred 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, 2024	Year ended March 31, 2023
1	Audit Fees	0.24	0.24
2	Certification Fees	0.03	0.01
		0.27	0.28

Note 32 - Contingent liabilities

₹ Millions

Sr No.	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
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.	122.57	251.36

b) Independent Engineer/ HPWD have issued various communication to the company purportedly towards default in meeting the maintenance obligation of the company and consequential penalty on account of the same. The company has contested the same and hence no effect of the same is considered necessary in the financial statements.

c) The indirect tax authorities during an investigation in Financial Year 2016 stated that the Company was not eligible to avail CENVAT credit as there was no output service liable to tax. The department issued an order in April 2016 demanding interest on the CENVAT credit availed for period October 2010 to March 2012 and penalty on account of wilful suppression of facts. The Company has appealed against such order before the Tax Appellate Tribunal. The tribunal has set aside the said adjudication order vide final order no. A/85578-85584 / 2020 dated March 13, 2020, against which department has now gone in appeal before the Hon'ble High Court of Mumbai.

Note 33 - Arbitration Claims by the company

The Company had invoked arbitration against HPWD on account of claims towards prolongation, delay damages etc. The award has been pronounced in October, 2022. HPWD has been directed to pay the Company a sum of Rs 149.56 crore (principal amount) and pre-award and post-award interest. Pursuant to an application by the company, seeking additional award on account of revision of toll fee from the due dates along with correction of typographical and clerical errors in the Award, the arbitral tribunal in January, 2023 awarded an additional sum of Rs 15.14 crore in favour of the Company. Total amended award amount is Rs. 164.81 cr.

HPWD has filed an application for setting aside the Award. The Company has also filed petition for execution of award. The proceedings are pending before the Hon'ble District and Sessions Court, Chandigarh.

The amount recoverable under award including interest stands at Rs 439.94 crore as on March 31, 2024.

Note 34- 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 35 Ratio Analysis

₹ Millions

Particulars	Mar-24	Mar-23
1) Current ratio (a/b)	1.03	0.65
Current Assets (a)	430.22	389.00
Current Liability (b)	416.85	597.04
2) Debt Equity ratio (c/d)	(2.76)	(7.71)
Debt (c)	3,538.67	3,538.67
Equity (d)	(1,283.00)	(458.80)
3) Debt Service Coverage ratio (e/f)	1.36	1.45
EBITDA (e)	520.48	556.25
Interest on Term Loan (i)	383.19	382.91
Principal Repayment (ii)	-	-
Total Interest & Principal Repayment (f) = (i+ii)	383.19	382.91
4) Return on Equity ratio (g/h)	0.95	6.16
Profit after Tax (g)	(826.69)	(689.05)
Average Shareholder's Equity (h)	(870.90)	(111.95)
5) Trade Payable Turnover ratio (i/j)	3.43	4.03
Net Credit Purchases (i)	286.16	261.67
Average Trade Payable (j)	83.50	64.86
6) Net Capital Turnover ratio (k/n)	62.17	(4.02)
Total Sales (k)	831.32	836.06
Current Assets (l)	430.22	389.00
Current Liabilities (m)	416.85	597.04
Working Capital (n) {l-m}	13.37	(208.05)
7) Net Profit ratio	(0.99)	(0.82)
Profit after Tax (m)	(826.69)	(689.05)
Total Sales (n)	831.32	836.06
8) Return on Capital Employed (o/r)	0.20	0.16
EBITDA (o)	520.48	556.25
Net Worth (p)	(870.90)	(111.95)
Total Debt (q)	3,538.67	3,538.67
Total Capital Employed (r) {p+q}	2,667.77	3,426.73
9) Return on Investment (s/t)	(0.60)	(4.97)
EBITDA (s)	520.48	556.25
Net Worth (t)	(870.90)	(111.95)
10) Inventory Turnover Ratio	NA	NA
11) Trade Receivable Turnover Ratio	NA	NA

GF Toll Road Pvt Limited

Notes to the Financial Statements as of and for the year ended March 31, 2024

Note 36 - Events after reporting year

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

Note 37 - Foreign currency Exposure

The Company does not have any exposure in the foreign currency.

Note 38 - 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

For and on behalf of the Board

S Mittal

Partner

Membership No. 083619
UDIN: 24083619BKDHDY6653

Place: New Delhi

Date: 10.05.2024

Arup Gupta

Director

DIN:07406556

Place: Mumbai

Date: 10.05.2024

Prashant Kumar

Director

DIN:10211283