



## **JLN US & CO.** **Chartered Accountants**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VARANASI SANGAM EXPRESSWAY PRIVATE LIMITED**

#### **Report on the Audit of the Standalone Financial Statements**

##### **Opinion**

We have audited the accompanying Standalone Financial Statements of VARANASI SANGAM EXPRESSWAY PRIVATE LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2022, the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the 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, 2022, its profit, changes in equity and its cash flows for the year ended on that date.

##### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI and specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone 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 Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.



## VARANASI SANGAM EXPRESSWAY PRIVATE LIMITED

### Independent Auditors' Report on standalone financial statements *(Continued)*

#### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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.



## VARANASI SANGAM EXPRESSWAY PRIVATE LIMITED

### Independent Auditors' Report on standalone financial statements (*Continued*)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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**

As required by the Companies (Auditor's Report) Order, 2020("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in Annexure - I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- (d) In our opinion, the aforesaid Standalone Financial Statements comply, in material respect, with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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 II.



VARANASI SANGAM EXPRESSWAY PRIVATE LIMITED

**Independent Auditors' Report on standalone financial statements (Continued)**

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

- i) The Company does not have any pending litigations which would have a material impact its financial position;
- ii) Based on the assessment made by the company, there are no material foreseeable losses on its long term contracts that may require any provisioning
- iii) In view of there being no amounts required to be transferred to the Investor Education and Protection Fund for the year under audit, the reporting under this clause is not applicable.

**For JLN US & Company  
Chartered Accountants  
FRN 101543W**

  
**CA Mahesh Menaria  
Partner  
M No. 400828  
UDIN: 22400828AJLROQ4899**



**Udaipur, May 19, 2022**

VARANASI SANGAM EXPRESSWAY PRIVATE LIMITED

Independent Auditors' Report on standalone financial statements *(Continued)*

**Annexure - I to the Independent Auditors Report**

**Referred to in our report of even date, to the members of VARANASI SANGAM EXPRESSWAY PRIVATE LIMITED for the year ended March 31, 2022**

- i) (a) According to the information and explanations provided to us, there are no fixed assets in existence with company.
- (b) According to the information and explanations provided to us, there are no immovable properties included in the fixed assets of the company and accordingly the reporting requirements under sub clause (c) of clause (i) of paragraph 3 of the order are not applicable.
- ii) In our opinion, and according to the information and explanations given to us, the company has sub-contracted the entire construction / operation related activities and therefore does not carry any inventories. Hence, the reporting requirements under clause (ii) of paragraph 3 of the order are not applicable.
- iii) In our opinion and according to the information and explanation given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the reporting requirements under sub-clause (a), (b) and (c) of Clause (iii) of paragraph 3 of the order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence the reporting requirements under clause (iv) of paragraph 3 of the order are not applicable.
- v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits during the period under audit. Consequently, the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 of the Act and the rules framed thereunder are 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 based on the records of the company examined by us, the company is generally regular in depositing the undisputed statutory dues including income-tax, goods and service tax, duty of customs, cess and any other material statutory dues, as applicable, with the appropriate authorities in India.

According to the information and explanations given to us, there are no undisputed amounts in respect of the aforesaid statutory dues which in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.



VARANASI SANGAM EXPRESSWAY PRIVATE LIMITED

**Independent Auditors' Report on standalone financial statements (Continued)**

- (b) According to the information and explanations given to us, there are no applicable statutory dues which have not been deposited on account of any dispute.
- viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- ix) Based upon the audit procedures carried out by us and on the basis of information and explanations provided by the management we are of the opinion that the company has not defaulted in repayment of dues to banks / Financial Institutions. The company does not have any borrowings from government or Debenture Holders.
- x) In our opinion and according to the information and explanations given to us, the term loans taken by the company have been ultimately utilised for the purpose for which they were taken.
- xi) (a) Based on our audit procedures and according to the information given by the management, the money raised by way of listed debt instruments and has been applied for the purpose for which they were obtained.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has made preferential allotment or private placement of non convertible debentures during the year under review and the requirement of section 42 and 62 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised.
- xii) Based on the audit procedures performed by us for the purpose of reporting the true and fair view of the Standalone Financial Statements and as per the information and explanations given to us by the management, we report that we have neither come across any instance of fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- xiii) The company is not a Nidhi Company and hence the reporting requirements under clause (xii) of paragraph 3 of the order are not applicable.
- xiv) According to the information and explanations given to us, all transactions entered into by the company with related parties are in compliance with section 177 and 188 of the Act where applicable and the details thereof have been disclosed in the financial statements as required by the applicable accounting standards.
- xv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.



VARANASI SANGAM EXPRESSWAY PRIVATE LIMITED

**Independent Auditors' Report on standalone financial statements (Continued)**

- xvi) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- xvii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xviii) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xix) As per the information and explanations provided to us, the company has not entered into any non-cash transactions with directors or persons connected with them.
- xx) In our opinion and according to the information and explanations given to us, the company is not required to be registered under Section 45 - IA of the Reserve Bank of India, 1934.
- xxi) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**For JLN US & Company**  
**Chartered Accountants**  
FRN 101543W

**CA Mahesh Menaria**  
**Partner**  
**M No. 400828**  
**UDIN: 22400828AJLROQ4899**



Udaipur, May 19, 2022

VARANASI SANGAM EXPRESSWAY PRIVATE LIMITED

**Independent Auditors' Report on standalone financial statements (Continued)**

**Annexure - II to the Independent Auditors Report**

**Referred to in our report of even date, to the members of VARANASI SANGAM EXPRESSWAY PRIVATE LIMITED for the year ended March 31, 2022**

**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 VARANASI SANGAM EXPRESSWAY PRIVATE LIMITED ("the Company") as of March 31, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The 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 judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.





VARANASI SANGAM EXPRESSWAY PRIVATE LIMITED

**Independent Auditors' Report on standalone financial statements (Continued)**

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 Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

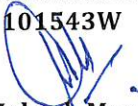
**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, 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 JLN US & Company**  
**Chartered Accountants**  
**FRN 101543W**

  
**CA Mahesh Menaria**  
**Partner**  
**M No. 400828**  
**UDIN: 22400828AJLROQ4899**



**Udaipur, May 19, 2022**

# Varanasi Sangam Expressway Private Limited

CIN U45500RJ2017PTC057753

Balance Sheet

as at 31 March 2022

₹ in Lakhs

Particulars	Ref Note No.	As at 31 March 2022	As at 31 March 2021
<b>Assets</b>			
<b>Non-current assets</b>			
(a) Financial assets			
(i) Other financial assets	4	1,10,570.69	1,15,394.18
(b) Other non-current assets	5	7,560.74	11,683.86
(c) Tax assets	6	1,569.70	133.72
<b>Total non-current assets</b>		<b>1,19,701.13</b>	<b>1,27,211.76</b>
<b>Current assets</b>			
(a) Financial assets			
(i) Trade receivables	7	282.49	610.70
(ii) Cash and cash equivalents	8	9,131.22	1,302.30
(iii) Other bank balances	9	410.00	2,112.97
(iv) Other financial assets	4	6,925.47	9,457.13
(b) Other current assets	5	4,390.26	2,051.45
<b>Total current assets</b>		<b>21,139.44</b>	<b>15,534.55</b>
<b>Total assets</b>		<b>1,40,840.57</b>	<b>1,42,746.31</b>
<b>Equity and liabilities</b>			
(a) Equity share capital	10	3,889.00	3,889.00
(b) Other equity	11	11,376.30	9,628.51
<b>Total equity</b>		<b>15,265.30</b>	<b>13,517.51</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	12	1,13,183.77	1,16,077.07
(b) Deferred tax liabilities (net)	22	4,203.62	3,613.87
<b>Total non-current liabilities</b>		<b>1,17,387.39</b>	<b>1,19,690.94</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	12	7,684.76	5,519.73
(ii) Trade payables - total outstanding dues of	13		
(a) micro enterprises and small enterprises		-	-
(b) creditors other than micro enterprises and small enterprises		360.76	3,860.15
(iii) Other financial liabilities	14	0.50	0.40
(b) Other current liabilities	15	141.86	157.58
<b>Total current liabilities</b>		<b>8,187.88</b>	<b>9,537.86</b>
<b>Total liabilities</b>		<b>1,25,575.27</b>	<b>1,29,228.80</b>
<b>Total equity and liabilities</b>		<b>1,40,840.57</b>	<b>1,42,746.31</b>

Basis of preparation, measurement and significant accounting policies

2 - 3

Notes on financial statements

4 - 34

The notes referred above are an integral part of these financial statements.

For and on behalf of the Board of Directors

As per our report of even date

For JLN US AND COMPANY

Chartered Accountants

Firm's Reg. No. 101543W

CA Mahesh Menaria  
Partner

Membership No: 400828

Place: Udaipur

Date: 19 May 2022



Place: Gurugram

Date: 19 May 2022



*Ajendra Kumar Agarwal*  
Ajendra Kumar Agarwal  
Chief Executive Officer

Ajendra Kumar Agarwal  
Chief Executive Officer

Vikas Agarwal  
Director

DIN : 03113689

Place: Gurugram

Date: 19 May 2022

*Chirag Gandhi*  
Chirag Gandhi

Company Secretary

ICSI Memb. No.: A55452

Place: Gurugram

Date: 19 May 2022

*Varun Bhasin*  
Varun Bhasin

Varun Bhasin  
Director

DIN : 03262761

Place: Gurugram

Date: 19 May 2022

*Namita Somani*  
Namita Somani

Chief Financial Officer

Place: Udaipur

Date: 19 May 2022

# Varanasi Sangam Expressway Private Limited

CIN U45500RJ2017PTC057753

Statement of Profit and Loss  
for the year ended 31 March 2022

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Income</b>			
Revenue from operations	16	13,170.20	38,791.25
Other income	17	327.70	106.13
<b>Total income</b>		<b>13,497.90</b>	<b>38,897.38</b>
<b>Expenses</b>			
Construction costs	18	749.00	19,138.04
Employee benefits expense	19	6.00	4.90
Finance costs	20	9,704.24	9,470.47
Other expenses	21	701.13	590.63
<b>Total expenses</b>		<b>11,160.37</b>	<b>29,204.04</b>
<b>Profit before tax</b>		<b>2,337.53</b>	<b>9,693.34</b>
<b>Tax expense:</b>			
Current tax	22	-	-
Deferred tax charge	22	589.74	3,391.77
<b>Total tax expenses</b>		<b>589.74</b>	<b>3,391.77</b>
<b>Profit for the year</b>		<b>1,747.79</b>	<b>6,301.57</b>
<b>Total comprehensive income for the year</b>		<b>1,747.79</b>	<b>6,301.57</b>
<b>Earnings per share</b> (Nominal value of share Rs.10 each)			
Basic (Rs.)	30	4.49	16.20
Diluted (Rs.)	30	4.49	16.20
Basis of preparation, measurement and significant accounting policies	2 - 3		
Notes on financial statements	4 - 34		

The notes referred above are an integral part of these financial statements

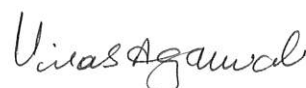
For and on behalf of the Board of Directors


As per our report of even date attached


For JLN US AND COMPANY  
Chartered Accountants  
Firm's Reg. No. 101543W

  
Ajendra Kumar Agarwal  
Chief Executive Officer

Place: Gurugram  
Date : 19 May 2022

  
Vikas Agarwal  
Director  
DIN : 03113689  
Place: Gurugram  
Date : 19 May 2022

  
Varun Bhasin  
Director  
DIN : 03262761  
Place: Gurugram  
Date : 19 May 2022

  
CA Mahesh Menaria  
Partner  
Membership No: 400828  
Place: Udaipur  
Date : 19 May 2022



  
Chirag Gandhi  
Company Secretary  
ICSI Memb. No.: A55452  
Place: Gurugram  
Date : 19 May 2022

  
Namita Somani  
Chief Financial Officer  
Place: Udaipur  
Date : 19 May 2022



# Varanasi Sangam Expressway Private Limited

CIN U45500RJ2017PTC057753

Statement of Cash Flows  
for the year ended 31 March 2022

₹ in Lakhs

Particulars	Ref Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Cash flows from operating activities</b>			
Profit before tax		2,337.53	9,693.34
Adjustments for:			
Interest income		(327.70)	(75.98)
Finance costs		9,704.24	9,470.47
		11,714.07	19,087.83
Working capital adjustments :			
Decrease / (increase) in financial and non-financial assets		9,139.47	(38,120.42)
Decrease / (increase) in trade receivables		328.21	(223.87)
(Decrease)/ increase in trade payables		(3,499.39)	1,601.08
(Decrease) in provisions, financial and non-financial liabilities		(15.62)	(293.54)
Cash generated / (used in) from operating activities		17,666.74	(17,948.92)
Income tax paid (net)		(1,435.98)	1,164.03
<b>Net cash generated/ (used in) from operating activities (A)</b>		<b>16,230.76</b>	<b>(16,784.89)</b>
<b>Cash flows from investing activities</b>			
Interest received		327.70	75.98
(Investments)/ Redemptions of bank deposits (net)		1,702.97	(2,112.97)
<b>Net cash generated/ (used in) from investing activities (B)</b>		<b>2,030.67</b>	<b>(2,036.99)</b>
<b>Cash flows from financing activities</b>			
Interest paid		(8,664.76)	(7,697.86)
Repayment of non-current borrowings		(23,756.75)	-
Proceeds from non-current borrowings		21,989.00	26,716.92
<b>Net cash (used in) / generated from financing activities (C)</b>		<b>(10,432.51)</b>	<b>19,019.06</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>		<b>7,828.92</b>	<b>197.18</b>
Cash and cash equivalents at 1 April		1,302.30	1,105.13
<b>Cash and cash equivalents at 31 March</b>		<b>9,131.22</b>	<b>1,302.30</b>

## Notes:

- 1 Cash and cash equivalents comprises of (refer note 8)

	Ref Note No.	₹ in Lakhs	
		As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents			
Balances with banks:			
- Current accounts		9,131.22	1,302.30
<b>Cash and cash equivalents</b>		<b>9,131.22</b>	<b>1,302.30</b>
<b>Cash and cash equivalents in statement of cash flow</b>		<b>9,131.22</b>	<b>1,302.30</b>

- 2 The above Statement of Cash Flow has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) - 7 "Statement of Cash Flows".



# Varanasi Sangam Expressway Private Limited

CIN U45500RJ2017PTC057753

Statement of Changes in Equity

for the year ended 31 March 2022

## A. Equity Share Capital

₹ in Lakhs

Particulars	Number of shares	Amount
Balance as at 1 April 2020	3,88,90,000	3,889.00
Changes in Equity Share Capital due to prior period errors	-	-
Changes in equity share capital during the year	-	-
Balance as at 31 March 2021	3,88,90,000	3,889.00
Changes in Equity Share Capital due to prior period errors	-	-
Changes in equity share capital during the year	-	-
Balance as at 31 March 2022	3,88,90,000	3,889.00

## B. Other Equity

₹ in Lakhs

Particulars	Retained Earnings	Debenture redemption reserve	Total
Balance as at commencement of year	3,326.94		3,326.94
Total comprehensive income for the year ended 31 Mar 2021			
Profit for the year	6,301.57		6,301.57
Balance as at 31 March 2021	9,628.51	-	9,628.51
Total comprehensive income for the year ended 31 Mar 2022			
Profit for the year	1,747.79		1,747.79
Items of other comprehensive income for the year, net of taxes			
Transfer to debenture redemption reserve	(7,630.25)	7,630.25	
Total comprehensive income for the year	(5,882.46)	7,630.25	1,747.79
Balance as at 31 March 2022	3,746.05	7,630.25	11,376.30

Basis of preparation, measurement and significant accounting policies

2 - 3

Notes on financial statements

4 - 34

The notes referred above are an integral part of these financial statements

For and on behalf of the Board of Directors

As per our report of even date attached

For JLN US AND COMPANY  
Chartered Accountants  
Firm's Reg. No. 101543W

*Ajendra Chohan*  
Ajendra Kumar Agarwal  
Chief Executive Officer

Place: Gurugram  
Date: 19 May 2022

*Mahesh Menaria*



CA Mahesh Menaria  
Partner  
Membership No: 400828  
Place: Udaipur  
Date: 19 May 2022

*Vikas Agarwal* *Varun Bhasin*

Vikas Agarwal  
Director  
DIN : 03113689  
Place: Gurugram  
Date: 19 May 2022

Varun Bhasin  
Director  
DIN : 03262761  
Place: Gurugram  
Date: 19 May 2022

*Chirag Gandhi*  
Chirag Gandhi  
Company Secretary  
ICSI Memb. No.: A55452  
Place: Gurugram  
Date: 19 May 2022

*Namita Somani*  
Namita Somani  
Chief Financial Officer  
Place: Udaipur  
Date: 19 May 2022



# Varanasi Sangam Expressway Private Limited

## Notes to the financial statements

for the year ended 31 March 2022

### 1. Reporting entity

Varanasi Sangam Expressway Private Limited ('the Company') having Registered office at GR House, Hiran Magri, Sector 11, Udaipur, Rajasthan, 313002 was incorporated in Udaipur Rajasthan, India on April 17, 2017 as a Private limited company under the Companies Act, 2013 (the 'Act') as a subsidiary of G R Infraprojects Limited.

The Company is formed as a special purpose vehicle (SPV) to design, build, operate and transfer basis, ("DBOT Annuity" or "Hybrid Annuity") the project relating to Six Laning of Handia Varanasi Section of NH -2 from km 713.146 to km 785.544 (Approx.72.398 km) in the State of Uttar Pradesh under NHDP Phase -V on Hybrid annuity mode. The company has entered into concession agreement with the National Highway Authority of India ("NHAI") dated 21st August, 2018.

The Financial Statements were approved for issue in accordance with a resolution of the board of directors on May 19, 2022.

### 2. Basis of preparation

#### a. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act'), Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act.

Details of the Company's accounting policies are included in Note 3.

#### b. Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

#### c. Basis of measurement

The financial statements have been prepared on the historical cost using accrual basis of accounting except certain financial instruments measured at fair values.

#### d. Use of estimates and judgments

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

#### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Recognition of Current / Deferred tax expense
- Revenue recognition under service concession arrangement
- Provision for doubtful debts



# Varanasi Sangam Expressway Private Limited

## Notes to the financial statements (continued)

for the year ended 31 March 2022

### e. Measurement of fair values

Some of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a financial reporting team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The financial reporting team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as pricing services, is used to measure fair values, then the financial reporting team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

**Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

**Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Investments
- Financial instruments



# Varanasi Sangam Expressway Private Limited

## Notes to the financial statements (continued)

for the year ended 31 March 2022

### 3. Significant accounting polices

#### a. Foreign currency transaction

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the date of the transaction or at an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss.

#### b. Financial instruments

##### i Initial recognition and measurement

All financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instruments. A financial asset and financial liability is initially measured at fair value except Trade receivable which is measured at transaction price in accordance with Ind AS 115. Transaction price that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction price directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the Statement of Profit and Loss.

Financial assets and financial liabilities are offset when the Group has a legally enforceable right (not contingent on future events) to off-set the recognised amounts either to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

##### ii Classification and subsequent measurement

For purposes of subsequent measurement, financial assets are classified based on assessment of business model and contractual cashflows in which they are held.

##### Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.





# Varanasi Sangam Expressway Private Limited

## Notes to the financial statements (continued)

for the year ended 31 March 2022

### At amortized cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### At fair value through Other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At present, the Company does not have investments in any debt securities classified as FVOCI.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment by investment basis.

### At fair Value through Profit and Loss (FVTPL)

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

### Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.



# Varanasi Sangam Expressway Private Limited

## Notes to the financial statements (continued)

for the year ended 31 March 2022

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

### *Assessment whether contractual cash flows are solely payments of principal and interest*

Further, management also evaluates whether the contractual cash flows are solely payment of principal and interest considering the contractual terms of the instrument.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

### *Financial assets: Subsequent measurement and gains and losses*

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.



# Varanasi Sangam Expressway Private Limited

## Notes to the financial statements (continued)

for the year ended 31 March 2022

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit and loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

Fees paid on the establishment of loan facilities are recognised as transaction costs of loan to the extent it is probable that some or all of the loan facility will be drawn down. The facility fee and related payments are accounted for as a transaction cost under Ind AS 109. The said facility fee is deferred and treated as a transaction cost when draw-down occurs; it is not amortised prior to the draw-down.

### iii. Derecognition

#### *Financial assets*

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. Further, the contractual terms of the existing financial assets are substantially modified, such modification is treated as the derecognition of original financial asset and the recognition of a new financial asset. Such newly recognized financial asset is measured at fair value on initial recognition. The difference in respective carrying amount, if any, is recognized in the Statement of Profit and Loss. If the modification of a financial asset does not result in its derecognition, then the gross carrying amount of the financial asset is recalculated at original effective interest rate and the resulting gain or loss is recognized in the Statement of Profit and Loss.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

#### *Financial liabilities*

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

### iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### c. Operating cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Operating cycle is the time from start of the project to their realization in cash or cash equivalents.



# Varanasi Sangam Expressway Private Limited

## Notes to the financial statements (continued)

for the year ended 31 March 2022

### d. Property, plant and equipment

#### i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.

#### ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

#### iii. Derecognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The consequential gain or loss is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss.

#### iv. Depreciation

Depreciation on property, plant and equipment is calculated on straight line basis over the estimated useful lives as prescribed under schedule II of the Act.

### e. Intangible assets

#### i. Recognition and measurement

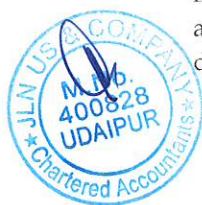
Intangible assets including those acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

#### ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

#### iii. Derecognition

The carrying amount of an intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognised in the Statement of Profit and Loss when the asset is derecognised.



# Varanasi Sangam Expressway Private Limited

## Notes to the financial statements (continued)

for the year ended 31 March 2022

### iv. Amortisation

Amortisation is calculated to write off the cost of the intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation in financial statement.

### f. Inventories

Inventories are measured at the lower of cost and net realisable value. However, materials and other items held for use in civil construction work and / or production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The cost of inventories is based on the weighted average cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

In the case of manufactured inventories and work-in-progress, cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on weighted average cost method. Trading goods are valued at lower of cost and net realizable value. Cost is determined on weighted average cost method basis.

### g. Impairment

#### i Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost;
- contract assets recognised under contract with customers; and
- financial assets measured at FVOCI including debt investments.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
  - a breach of contract such as a default or being past due for 90 days or more;
  - the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
  - it is probable that the borrower will enter bankruptcy or other financial reorganisation;
- or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as 12 month expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Twelve months expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).



# Varanasi Sangam Expressway Private Limited

## Notes to the financial statements (continued)

for the year ended 31 March 2022

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

### Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

### Presentation of allowance for expected credit losses in the balance sheet.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

## ii Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.



# Varanasi Sangam Expressway Private Limited

## Notes to the financial statements (continued)

for the year ended 31 March 2022

### **h. Employee benefits**

#### *Short-term employee benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g. Under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

### **i. Provisions and contingencies (other than for employee benefits)**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed."

"Provisions are not recognised for future operating losses."

#### *Contingencies*

Disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

### **j. Revenue from contracts with customer**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

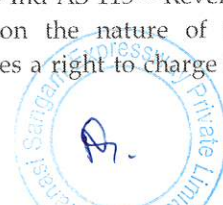
Revenue is measured based on the transaction price as specified in the contract with the customer. It excludes taxes or other amounts collected from customers in its capacity as an agent.

#### *Service Concession Arrangement*

Service concession arrangements (SCA) refers to the arrangement between the grantor (a public sector entity) and the operator (a private sector entity) to provide service that give the public access to major economic and social facilities utilising private sector funds and expertise.

With respect to the SCA, revenue and cost are allocated between those relating to the construction services and those related to the operation and maintenance services, and accounted for separately.

The Company constructs the infrastructure (road) used to provide a public service and operates and maintains that infrastructure for a specified period of time. Under Appendix D to Ind AS 115 - Revenue from Contracts with Customers, this arrangement is accounted for based on the nature of the consideration. The intangible asset is used to the extent that the Company receives a right to charge the



# Varanasi Sangam Expressway Private Limited

## Notes to the financial statements (continued)

for the year ended 31 March 2022

users of the public service. The financial asset is used when the Company has an unconditional right to receive cash or another financial asset from or at the direction of the grantor for the construction services.

Design-Build-Operate-Transfer (DBOT) contracts on hybrid annuity basis contain three streams of revenue- Construction revenue, Financing income and Operations and maintenance (O&M) income. The construction stream of DBOT revenues are accounted for in the construction phase of DBOT, O&M income is recognised in the operating phase of the DBOT, while finance income is recognised over a concession period based on the imputed interest method.

Revenue from construction of contracts is recognised by applying percentage of completion method after providing for foreseeable losses, if any. percentage of completion method is determined as a proportion of the cost incurred up to the reporting date to the total estimated cost to complete. Foreseeable losses, if any on the contracts is recognised as expense in the period in which it is foreseen, irrespective of the stage of completion of the contract. While determining the amount of foreseeable loss, all elements of cost and related incidental income not included in contract revenue is taken into consideration. Contract is reflected at cost that are expected to be recoverable till such time the outcome of the contract cannot be ascertained reliably and at realisable value thereafter.

### Contract balances

#### Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer e.g. unbilled revenue. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset i.e. unbilled revenue is recognised for the earned consideration that is conditional. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to the Customer.

#### Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due.

#### Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Company performs under the contract.

#### Others

Interest income is recognised using effective interest rate (EIR) method.

### k. Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset.

#### a) As a lessee

Lease term is a non-cancellable period together with periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. The Company uses judgement in assessing the lease term (including anticipated renewals/termination options).

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs





# Varanasi Sangam Expressway Private Limited

## Notes to the financial statements (continued)

for the year ended 31 March 2022

incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease or, if that rate cannot be readily determined. After the commencement date, lease liability is increased to reflect the accretion of interest and reduced for the lease payment made.

Lease payments included in the measurement of the lease liability comprises of fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. Modifications to a lease agreement beyond the original terms and conditions are generally accounted for as a re-measurement of the lease liability with a corresponding adjustment to the ROU asset. Any gain or loss on modification is recognized in the Statement of Profit & Loss. However, the modifications that increase the scope of the lease by adding the right to use one or more underlying assets at a price commensurate with the stand-alone selling price are accounted for as a separate new lease. In case of lease modifications, discounting rates used for measurement of lease liability and ROU assets is also suitably adjusted.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right of use assets and lease liabilities for short term leases of all the assets that have a lease term of twelve months or less with no purchase option and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

### b) As a lessor

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

### 1. Recognition of interest income or expense, Insurance claim received

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.
- Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that there is no uncertainty in receiving the claims.



# Varanasi Sangam Expressway Private Limited

## Notes to the financial statements (continued)

for the year ended 31 March 2022

### m. Income tax

Income tax comprises of current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to an item recognised directly in equity or in OCI.

#### i Current tax

Current tax comprises of the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### ii Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets –unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Any tax credit available is recognised as deferred tax to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilized. The said asset is created by way of credit to the Statement of Profit and loss and shown under the head of deferred tax.

#### Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.



# Varanasi Sangam Expressway Private Limited

## Notes to the financial statements (continued)

for the year ended 31 March 2022

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

### 11. Borrowing cost

Borrowing costs are interest and other incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

### 10. Earnings per Share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

In a capitalisation or bonus issue or a share split, ordinary shares are issued to existing shareholders for no additional consideration. The number of ordinary shares outstanding before the event is adjusted for the proportionate change in the number of ordinary shares outstanding as if the event had occurred at the beginning of the earliest period presented

### 12. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

### 13. Cash and cash equivalents

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash, drafts and cheques in hand, bank balances, unencumbered demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalent for the purpose of Cash Flow Statement.

"Cash flows are reported using the indirect method, whereby net profits / (Loss) before tax is adjusted for effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated."



# Varanasi Sangam Expressway Private Limited

## Notes to the financial statements (continued)

for the year ended 31 March 2022

### r. Standards notified but not yet effective

Following are the amendments to existing standards (as notified by Ministry of Corporate Affairs (MCA) on 23rd March, 2022) which are effective for annual periods beginning after 1st April 2022. The Company intends to adopt these standards or amendments from the effective date, as applicable and relevant. These amendments are not expected to have a significant impact on the Company's financial statements. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Company when it will adopt the respective standards.

- Ind AS 16 Property, Plant and Equipment – For items produced during testing/trail phase, clarification added that revenue generated out of the same shall not be recognised in Statement of Profit and Loss and considered as part of cost of PPE.
- Ind AS 37 Provisions, Contingent Liabilities & Contingent Assets – Provisions on what constitutes cost of fulfilling contracts (to determine whether the contract is onerous or not) is included.
- Ind AS 41 Agriculture – This aligns the fair value measurement in Ind AS 41 with the requirements of Ind AS 113 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.
- Ind AS 101 – First time Adoption of Ind AS – Measurement of Foreign Currency Translation Difference in case of subsidiary/associate/ JV's date of transition to Ind AS is subsequent to that of Parent.
- Ind AS 103 – Business Combination – Reference to revised Conceptual Framework is included. For contingent liabilities / levies, clarification is added on how to apply the principles for recognition of contingent liabilities from Ind AS 37. Recognition of contingent assets is not allowed.
- Ind AS 109 Financial Instruments – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.



Notes: (continued)

3. Changes in liabilities arising from financing activities in terms of Ind AS 7:

₹ in Lakhs

	As at 1 April 2021	Net cash flow	Others	As at 31 March 2022
Non-current borrowings	1,16,077.07	(9,393.03)	6,499.73	1,13,183.77
Current borrowings	5,519.73	-	2,165.03	7,684.76
<b>Total</b>	<b>1,21,596.80</b>	<b>(9,393.03)</b>	<b>8,664.76</b>	<b>1,20,868.53</b>

	As at 1 April 2020	Net cash flow	Others	As at 31 March 2021
Non-current borrowings	92,777.32	19,019.06	4,280.69	1,16,077.07
Current borrowings	329.95	-	5,189.78	5,519.73
<b>Total</b>	<b>93,107.27</b>	<b>19,019.06</b>	<b>9,470.47</b>	<b>1,21,596.80</b>

4 Figures in brackets represent outflows.

Basis of preparation, measurement and significant accounting policies	2 - 3
Notes on financial statements	4 - 34

The notes referred above are an integral part of these financial statements

For and on behalf of the Board of Directors

As per our report of even date attached

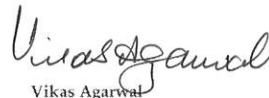
For JLN US AND COMPANY  
Chartered Accountants  
Firm's Reg. No. 101543W




CA Mahesh Menaria  
Partner  
Membership No: 400828  
Place: Udaipur  
Date : 19 May 2022

  
Ajendra Kumar Agarwal  
Chief Executive Officer

Place: Gurugram  
Date : 19 May 2022



Vikas Agarwal  
Director  
DIN : 03113689  
Place: Gurugram  
Date : 19 May 2022

  
Chirag Gandhi  
Company Secretary  
ICSI Memb. No.: A55452  
Place: Gurugram  
Date : 19 May 2022



Varun Bhasin  
Director  
DIN : 03262761  
Place: Gurugram  
Date : 19 May 2022

  
Namita Somani  
Chief Financial Officer

Place: Udaipur  
Date : 19 May 2022



# Varanasi Sangam Expressway Private Limited

Notes to the financial statements  
for the year ended 31 March 2022

## 4 Other financial assets (Unsecured considered good)

Particulars	Ref Note No.	₹ in Lakhs	
		As at 31 March 2022	As at 31 March 2021
<b>Non-current</b>			
Right to receive annuity from concession grantor	28	1,10,570.69	1,15,394.18
		<u>1,10,570.69</u>	<u>1,15,394.18</u>
<b>Current</b>			
Right to receive annuity from concession grantor	28	6,854.09	9,385.75
Security and other deposits		71.38	71.38
		<u>6,925.47</u>	<u>9,457.13</u>
		<u>1,17,496.16</u>	<u>1,24,851.31</u>

## 5 Other assets (Unsecured, Considered Good)

Particulars	Ref Note No.	₹ in Lakhs	
		As at 31 March 2022	As at 31 March 2021
<b>Non-current</b>			
Balance with government authorities			
GST input receivable		7,560.74	11,683.86
		<u>7,560.74</u>	<u>11,683.86</u>
<b>Current</b>			
Advance to suppliers for goods and services		0.02	-
Prepaid expenses		132.59	129.84
Balance with government authorities			
TDS -GST		2,358.14	1,921.61
GST input receivable		1,899.51	-
		<u>4,390.26</u>	<u>2,051.45</u>
		<u>11,951.00</u>	<u>13,735.31</u>

## 6 Tax assets

Particulars	Ref Note No.	₹ in Lakhs	
		As at 31 March 2022	As at 31 March 2021
<b>Non-current</b>			
Advance tax (net of provision for tax)		1,569.70	133.72
		<u>1,569.70</u>	<u>133.72</u>



# Varanasi Sangam Expressway Private Limited

Notes to the financial statements  
for the year ended 31 March 2022

## 7 Trade Receivables

Particulars	Ref Note No.	₹ in Lakhs	
		As at 31 March 2022	As at 31 March 2021
<b>Current</b>			
Trade receivables		282.49	610.70
Less: expected credit loss / allowance for doubtful debts		-	-
		<u>282.49</u>	<u>610.70</u>
<b>Break-up of Security details</b>			
Unsecured, considered good		282.49	610.70
Trade Receivables - credit impaired		-	-
		<u>282.49</u>	<u>610.70</u>
<b>Impairment Allowance (allowance for bad and doubtful debts)</b>			
Balance as at begning of the year		-	-
Add; Allowance for the year		-	-
Less: Adjustment during the year		-	-
Balance as at end of the year		<u>-</u>	<u>-</u>

Below is Trade receivables ageing schedule based on outstanding from due date of payment

Current but not due	Outstanding for following periods from due date of payment					Total	
	Less than 6 month	6 months - 1 year	1-2 years	2-3 years	More than 3 years		
<b>31 March 2022</b>							
Undisputed Trade Receivables – considered good	-	106.29	-	89.36	43.72	43.12	282.49
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	-	<u>106.29</u>	-	<u>89.36</u>	<u>43.72</u>	<u>43.12</u>	<u>282.49</u>
<b>31 March 2021</b>							
Undisputed Trade Receivables – considered good	-	67.99	455.88	43.72	43.12	-	610.70
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	-	<u>67.99</u>	<u>455.88</u>	<u>43.72</u>	<u>43.12</u>	-	<u>610.70</u>

### Notes:-

- Trade Receivables are non interest bearing.
- No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Retention money relating to construction contracts are included in above trade receivables as they are recoverable within the operating cycle of the Company.

Particulars	Ref Note No.	₹ in Lakhs	
		As at 31 March 2022	As at 31 March 2021
Retention money		180.51	520.82
		<u>180.51</u>	<u>520.82</u>

## 8 Cash and cash equivalents

Particulars	Ref Note No.	₹ in Lakhs	
		As at 31 March 2022	As at 31 March 2021
Balance with banks			
in current accounts		633.80	1,302.30
Deposits with original maturity of less than three months *		8,497.42	-
		<u>9,131.22</u>	<u>1,302.30</u>
* Deposits lien with banks/ lenders against Debt Service Reserve Account (DSRA) and Major Maintenance Reserve Account (MMRA).		7,005.00	-

## 9 Other bank balances

Particulars	Ref Note No.	₹ in Lakhs	
		As at 31 March 2022	As at 31 March 2021
Deposits with remaining maturity less than 12 months #		410.00	2,112.97
		<u>410.00</u>	<u>2,112.97</u>
# Deposits lien with banks/ lenders against Debt Service Reserve Account (DSRA) and Major Maintenance Reserve Account (MMRA).		410.00	-



# Varanasi Sangam Expressway Private Limited

Notes to the financial statements (continued)

for the year ended 31 March 2022

## 10 Equity Share capital

Particulars	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
<b>Authorised</b>		
3,89,00,000 equity shares of Rs. 10 each	3,890.00	3,890.00
	3,890.00	3,890.00
<b>Issued, subscribed and paid up</b>		
3,89,00,000 equity shares of Rs. 10 each	3,889.00	3,889.00
	3,889.00	3,889.00

### Reconciliation of equity share outstanding at the beginning and at the end of the year.

Particulars	₹ in Lakhs			
	31 March 2022		31 March 2021	
	Numbers	Amount	Numbers	Amount
At the commencement of the year	3,88,90,000	3,889.00	3,88,90,000	3,889.00
Add: Issued during the year	-	-	-	-
At the end of the year	3,88,90,000	3,889.00	3,88,90,000	3,889.00

### Particulars of shareholders holding more than 5% equity shares in the Company

Particulars	31 March 2022		31 March 2021	
	Numbers	% of total share in class	Numbers	% of total share in class
Equity share of Rs. 10 each fully paid-up held				
- G R Infraprojects Limited (Parent Company)	3,88,90,000	100.00	3,88,90,000	100.00

### Particulars of Shares held by promoters at the end of the year

Promoter name	As at Mach 31, 2022			As at Mach 31, 2021		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
G R Infraprojects Limited	3,88,90,000	100	-	3,88,90,000	100	-

### Terms & Rights attached to equity shares:

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

## 11 Other equity

Particulars	₹ in Lakhs		
	Retained Earnings	Debenture redemption reserve	Total
Balance as at 1 April 2020	3,326.94	-	3,326.94
Profit for the year	6,301.57	-	6,301.57
Total comprehensive income for the year	-	-	-
<b>Balance as at 31 March 2021</b>	<b>9,628.51</b>	<b>-</b>	<b>9,628.51</b>
Profit for the year	1,747.79	-	1,747.79
Transfer to debenture redemption reserve	(7,630.25)	7,630.25	-
Total comprehensive income for the year	-	-	-
<b>Balance as at 31 March 2022</b>	<b>3,746.05</b>	<b>7,630.25</b>	<b>11,376.30</b>

### Debenture redemption reserve ('DRR')

The reserve is created for redemption of non-convertible debentures in accordance with the sub-section (4) of section 71 of the Companies Act, 2013 out of profits of the Company available for dividend distribution. Pursuant to Companies (Share Capital and Debentures) Amendment Rules, 2019 dated 16 August 2019, the requirement for creation of DRR for listed company is done away with. Accordingly, the Company has transferred the accumulated DRR balance to Retained Earnings.





## Varanasi Sangam Expressway Private Limited

Notes to the financial statements (continued)  
for the year ended 31 March 2022

### 12 Non current borrowings

Particulars	Ref Note No.	₹ in Lakhs	
		As at 31 March 2022	As at 31 March 2021
<b>Secured Loans - From Banks</b>			
HDFC Bank Limited		33,303.05	21,379.96
Punjab National Bank		-	38,028.48
Syndicate Bank		-	13,869.69
Allahabad Bank		-	19,543.06
		<u>33,303.05</u>	<u>92,821.19</u>
<b>Debentures - Secured</b>			
Secured, rated, freely transferrable, listed, redeemable, non convertible debentures		77,097.19	-
		<u>77,097.19</u>	<u>-</u>
<b>Unsecured Loans</b>			
Loan from G R Infraprojects Limited (Parent Company)		10,468.29	28,775.61
		<u>10,468.29</u>	<u>28,775.61</u>
<b>Total</b>		<u>1,20,868.53</u>	<u>1,21,596.80</u>
Non-Current portion of long term borrowings		1,13,183.77	1,16,077.07
Current maturities of long term borrowings		7,684.76	5,519.73
		<u>1,20,868.53</u>	<u>1,21,596.80</u>

#### Notes:

- Debt Covenants:  
Non-current borrowings contains debt covenants relating to debt-equity ratio, debt coverage ratio, interest coverage ratio and total debts to net worth ratio. The Company has satisfied all the debts covenants prescribed in the terms of respective loan/debenture agreement as at reporting date.
- Undrawn borrowing facility  
Disclosure of undrawn borrowing facilities (excluding non-fund based facilities) towards future projects to be executed by the Company is Rs Nil (31 March 2021 Rs 4,489 lakhs)



## Varanasi Sangam Expressway Private Limited

Notes to the financial statements (continued)  
for the year ended 31 March 2022

### 12.1 Borrowings (continued)

Note : Nature of security, interest rate, repayment terms and other information for borrowings.

Sr No	Particulars	31 March 2022		31 March 2021		Total	Current	Non-Current	Current	Security	Repayment terms
		Total	Non-Current	Current	Non-Current						
(A)	Secured loans from banks										
(i)	HDFC Bank Limited	39,303.05	31,218.03	2,085.02	20,045.56	21,379.06	1,334.40	20,045.56	1,334.40	First charges by way of hypothecation of all the fixed assets / Movable assets projects book, debts-operating cash flow, receivable, revenue whatever nature, uncalled capital, Projects bank account and Assignment of all the Varanasi Sangam Expressway Private Limited's right, insurance policies and interest under all the agreement related to the projects and guarantee or performance bond provided by any party for any contract related to the projects in favor of the borrower, pledge of 51% share of equity share	Repayment in 27 half-yearly installment for existing loan refinanced and 28 half-yearly installment for the top up loan repayment ranging from 2.50% to 13.50% of loan taken, along with monthly interest rate from 6.95% p.a.
(ii)	Punjab National Bank	-	-	-	35,923.52	38,028.48	2,104.96	35,923.52	2,104.96	First charges by way of hypothecation of all the fixed assets / Movable assets projects book, debts-operating cash flow, receivable, revenue whatever nature, uncalled capital, Projects bank account and Assignment of all the Varanasi Sangam Expressway Private Limited's right, insurance policies and interest under all the agreement related to the projects and guarantee or performance bond provided by any party for any contract related to the projects in favor of the borrower, pledge of 51% share of equity share	Repayment in 27 half-yearly installment commencing post completion of moratorium period post COD for the repayment ranging from 2.50% to 4.50% of loan taken, along with monthly interest rate from 8.65% p.a.
(iii)	Canara Bank (erstwhile Syndicate Bank)	-	-	-	13,006.94	13,869.69	862.75	13,006.94	862.75	First charges by way of hypothecation of all the fixed assets / Movable assets projects book, debts-operating cash flow, receivable, revenue whatever nature, uncalled capital, Projects bank account and Assignment of all the Varanasi Sangam Expressway Private Limited's right, insurance policies and interest under all the agreement related to the projects and guarantee or performance bond provided by any party for any contract related to the projects in favor of the borrower, pledge of 51% share of equity share	Repayment in 27 half-yearly installment commencing post completion of moratorium period post COD for the repayment ranging from 2.50% to 4.50% of loan taken, along with monthly interest rate from 8.65% p.a.
(iv)	Indian Bank (erstwhile Allahabad Bank)	-	-	-	18,325.45	19,543.06	1,217.61	18,325.45	1,217.61	First charges by way of hypothecation of all the fixed assets / Movable assets projects book, debts-operating cash flow, receivable, revenue whatever nature, uncalled capital, Projects bank account and Assignment of all the Varanasi Sangam Expressway Private Limited's right, insurance policies and interest under all the agreement related to the projects and guarantee or performance bond provided by any party for any contract related to the projects in favor of the borrower, pledge of 51% share of equity share	Repayment in 27 half-yearly installment commencing post completion of moratorium period post COD for the repayment ranging from 2.50% to 4.50% of loan taken, along with monthly interest rate from 8.65% p.a.
(v)	Secured, rated, freely transferable, listed, redeemable, non convertible Debentures	77,097.19	71,497.45	5,599.74	-	-	-	-	-	First charges by way of hypothecation of all the fixed assets / Movable assets projects book, debts-operating cash flow, receivable, revenue whatever nature, uncalled capital, Projects bank account and Assignment of all the Varanasi Sangam Expressway Private Limited's right, insurance policies and interest under all the agreement related to the projects and guarantee or performance bond provided by any party for any contract related to the projects in favor of the borrower, pledge of 51% share of equity share	Repayment in 27 half-yearly installment for existing loan refinanced and 28 half-yearly installment for the top up loan repayment ranging from 2.50% to 13.50% of loan taken, along with half-yearly interest rate from 6.89% p.a.
		<b>1,10,400.24</b>	<b>1,02,715.48</b>	<b>7,684.76</b>	<b>87,301.46</b>	<b>92,821.19</b>	<b>5,519.73</b>	<b>87,301.46</b>	<b>5,519.73</b>		
(B)	Unsecured loans from other										
(i)	Loans from G R Infra projects Limited (Parent Company)	10,468.29	10,468.29	-	28,775.61	28,775.61	-	28,775.61	-	Unsecured	Rate of interest : 9.00 % for the year 2021-22, the same shall be determined on a yearly basis as per the cost of funds of the Parent Company. Terms and Source of repayment : Repayable from the cash flows available after meeting the senior debt obligation, in line with the waterfall mechanism as per described under the Concession Agreement / Common Loan Agreement and Escrow Agreement.
		<b>10,468.29</b>	<b>10,468.29</b>	<b>-</b>	<b>28,775.61</b>	<b>28,775.61</b>	<b>-</b>	<b>28,775.61</b>	<b>-</b>		
		<b>1,20,868.53</b>	<b>1,13,183.77</b>	<b>7,684.76</b>	<b>1,16,077.07</b>	<b>1,21,596.80</b>	<b>5,519.73</b>	<b>1,16,077.07</b>	<b>5,519.73</b>		



## Varanasi Sangam Expressway Private Limited

Notes to the financial statements (continued)  
for the year ended 31 March 2022

### 13 Trade payables

Particulars	Ref Note No.	₹ in Lakhs	
		As at 31 March 2022	As at 31 March 2021
<b>Total outstanding dues of</b>			
Micro enterprises and small enterprises (refer note below)		-	-
Creditors other than micro enterprises and small enterprises		360.76	3,860.15
		<u>360.76</u>	<u>3,860.15</u>

#### Ageing for trade payables from due date

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at 31 March 2022</b>					
Undisputed creditors other than micro enterprises and small enterprises	360.76	-	-	-	360.76
Disputed creditors other than micro enterprises and small enterprises	-	-	-	-	-
Undisputed Micro enterprises and small enterprises	-	-	-	-	-
Disputed Micro enterprises and small enterprises	-	-	-	-	-
<b>Total</b>	<b>360.76</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>360.76</b>

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at 31 March 2021</b>					
Undisputed creditors other than micro enterprises and small enterprises	3,860.15	-	-	-	3,860.15
Disputed creditors other than micro enterprises and small enterprises	-	-	-	-	-
Undisputed Micro enterprises and small enterprises	-	-	-	-	-
Disputed Micro enterprises and small enterprises	-	-	-	-	-
<b>Total</b>	<b>3,860.15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,860.15</b>

#### Notes:-

- a) Trade payable are non interest bearing and generally have credit period of 30-90 days.  
b) For terms and conditions relating to related party receivables, refer Note 23  
c) Total outstanding dues of Micro and small enterprises

	₹ in Lakhs	
	As at 31 March 2022	As at 31 March 2021
Trade payables	-	-
Payable to related parties	-	-
	<u>-</u>	<u>-</u>

- d) Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	31 March 2022	31 March 2021
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006,	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

The disclosure in respect of the amount payable to enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been made in the standalone financial statements as at the reporting date based on the information received and available with the Company. On the basis of such information, no interest is payable to any micro, small and medium enterprises.

### 14 Other financial liabilities

Particulars	Ref Note No.	₹ in Lakhs	
		As at 31 March 2022	As at 31 March 2021
Employee related liabilities		0.50	0.40
		<u>0.50</u>	<u>0.40</u>

### 15 Other current liabilities

Particulars	Ref Note No.	₹ in Lakhs	
		As at 31 March 2022	As at 31 March 2021
Statutory liabilities			
TDS payable		141.86	157.58
		<u>141.86</u>	<u>157.58</u>



## Varanasi Sangam Expressway Private Limited

Notes to the financial statements (continued)  
for the year ended 31 March 2022

### 16 Revenue from operations

Particulars	Ref Note No.	₹ in Lakhs	
		For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from contracts with customers		1,977.87	19,075.75
Revenue from contracts with customers (Utility)		95.24	474.23
Revenue from contracts with customers (COS)		46.93	159.79
Revenue from contracts with customers (Claim)		9.49	-
Finance income		11,040.67	19,081.48
		13,170.20	38,791.25

### 17 Other income

Particulars	Ref Note No.	₹ in Lakhs	
		For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income			
- on other		14.52	75.98
- on deposits with banks		313.18	-
Claim Income		-	30.15
		327.70	106.13

### 18 Construction costs

Particulars	Ref Note No.	₹ in Lakhs	
		For the year ended 31 March 2022	For the year ended 31 March 2021
Civil sub-contract charges		-	17,999.16
Civil sub-contract charges (COS)		46.45	601.90
Civil sub-contract charges (Utility)		94.29	469.49
Civil sub-contract charges (Claim)		9.38	-
Civil sub-contract charges(O&M)		500.00	-
Labour cess		98.88	67.49
		749.00	19,138.04

### 19 Employee benefits expense

Particulars	Ref Note No.	₹ in Lakhs	
		For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus		6.00	4.90
		6.00	4.90

### 20 Finance costs

Particulars	Ref Note No.	₹ in Lakhs	
		For the year ended 31 March 2022	For the year ended 31 March 2021
Interest on Borrowing			
- banks		6,376.29	7,547.79
- others		1,374.96	1,916.33
- debenture		1,279.60	-
Other borrowing cost		673.39	6.35
		9,704.24	9,470.47

### 21 Other expenses

Particulars	Ref Note No.	₹ in Lakhs	
		For the year ended 31 March 2022	For the year ended 31 March 2021
Insurance expenses		217.64	261.68
Claim expenses		-	26.92
Payment to auditors (refer note (i) below)		0.60	1.10
Legal and professional charges		111.87	22.41
Independent engineers fees		40.03	126.12
Bank charges		-	0.05
Electricity expenses		324.56	150.65
Misc. expenses		5.66	0.89
Annual custody fee		0.77	0.81
		701.13	590.63

#### (i) Payment to auditors

Particulars	Ref Note No.	₹ in Lakhs	
		For the year ended 31 March 2022	For the year ended 31 March 2021
Payment to auditors (exclusive of GST)			
- as auditor			
- Statutory audit		0.60	0.30
- Other services		-	0.80
		0.60	1.10



## Varanasi Sangam Expressway Private Limited

Notes to the financial statements (continued)  
for the year ended 31 March 2022

### 22 Tax expense

#### A. Income tax (income) / expense recognised in the Statement of Profit and Loss

Particulars	₹ in Lakhs	
	31 March 2022	31 March 2021
Current tax	-	-
Deferred tax	-	-
Attributable to-		
Origination and reversal of temporary differences (refer note D)	589.74	3,391.77
<b>Income tax expense reported in statement of profit and loss</b>	<b>589.74</b>	<b>3,391.77</b>

#### B. Reconciliation of effective tax rate

Particulars	₹ in Lakhs	
	31 March 2022	31 March 2021
Profit before tax	2,337.53	9,693.34
Tax using the Company's statutory tax rate	588.31	2,439.62
Effect of:		
Impact of tax ordinance	-	973.40
Changes in estimates	-	(21.25)
Others	1.44	-
<b>Tax expense</b>	<b>589.75</b>	<b>3,391.77</b>

#### C. Recognised deferred tax assets and liabilities

##### Movement in temporary differences

As on 31 March 2022

Particulars	₹ in Lakhs		
	Deferred tax (assets)	Deferred tax liabilities	Net deferred tax (assets) / liabilities
Difference in carrying value and tax base in measurement of financial instrument at amortised cost	-	148.76	148.76
Service concession income	-	6,342.01	6,342.01
Unused tax losses	(2,287.15)	-	(2,287.15)
<b>Net deferred tax (assets) / liabilities</b>	<b>(2,287.15)</b>	<b>6,490.77</b>	<b>4,203.62</b>

As on 31 March 2021

Particulars	₹ in Lakhs		
	Deferred tax (assets)	Deferred tax liabilities	Net deferred tax (assets) / liabilities
Difference in carrying value and tax base in measurement of financial instrument at amortised cost	-	156.85	156.85
Service concession income	-	7,828.07	7,828.07
Unused tax losses	(4,371.05)	-	(4,371.05)
<b>Net deferred tax (assets) / liabilities</b>	<b>(4,371.05)</b>	<b>7,984.92</b>	<b>3,613.87</b>

#### D. Recognised deferred tax (assets) and liabilities

##### Movement in temporary differences

As on 31 March 2022

Particulars	₹ in Lakhs		
	Balance as at 1 April 2021	Recognised in profit or loss during the year	Balance as at 31 March 2022
Difference in carrying value and tax base in measurement of financial instrument at amortised cost	156.85	(8.09)	148.76
Service concession income	7,828.07	(1,486.06)	6,342.01
Unused tax losses	(4,371.05)	2,083.90	(2,287.15)
	<b>3,613.87</b>	<b>589.75</b>	<b>4,203.62</b>

As on 31 March 2021

Particulars	₹ in Lakhs		
	Balance as at 1 April 2020	Recognised in profit or loss during the year	Balance as at 31 March 2021
Difference in carrying value and tax base in measurement of financial instrument at amortised cost	206.06	(49.21)	156.85
Service concession income	3,500.74	4,327.33	7,828.07
Unused tax losses	(2,323.58)	(2,047.47)	(4,371.05)
MAT credit entitlement	(1,161.12)	1,161.12	-
	<b>222.10</b>	<b>3,391.77</b>	<b>3,613.87</b>

#### E. Unused tax losses

Particulars	₹ in Lakhs			
	Balance as at 31 March 2022		Balance as at 31 March 2021	
	Carry Forward Losses	Expiry assessment year	Carry Forward Losses	Expiry assessment year
AY 2019-20	-	2027-28	2,376.20	2027-28
AY 2020-21	-	2028-29	5,603.14	2028-29
AY 2021-22	9,087.56	2029-30	9,388.16	2029-30
<b>Total</b>	<b>9,087.56</b>		<b>17,367.50</b>	
<b>Unused tax losses recognised</b>	<b>9,087.56</b>		<b>17,367.50</b>	



# Varanasi Sangam Expressway Private Limited

Notes to the financial statements (continued)  
for the year ended 31 March 2022

## 23 Related party disclosure

### A. Related parties with whom the company had transactions during the year

#### (a) Parent Company:

G R Infraprojects Limited

#### (b) Key Management Personnel ("KMP"):

Mr. Ajendra Kumar Agarwal - Director (resigned w.e.f 1 March 2021)

Mr. Anand Rathi - Director (resigned w.e.f 1 March 2021)

Mr. Vikas Agarwal - Director

Mr. Karan Agarwal - CFO (resigned w.e.f 28 March 2022)

Ms. Suhani Jain - Director (appointed w.e.f. 16 November, 2021)

Ms. Riya Parakh - Director (resigned w.e.f. 2 November 2021)

Mr. Chirag Gandhi - Company Secretary (appointed w.e.f. 1 April 2020)

Mr. Varun Bhasin - Director

Mr. Ajendra Kumar Agarwal - CEO

Ms. Namita Somani - CFO (appointed w.e.f 29 March 2022)

### B. Related party transactions with Parent Company and its closing balances

The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or those which might reasonably be expected to be available, in respect of similar transactions with non-key management personnel related entities on an arm's length basis.

The aggregate value of the Company's transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence is as follows:

Nature of transaction	Transaction value	
	₹ in Lakhs	
	31 March 2022	31 March 2021
(a) Loan received		
(i) G R Infraprojects Limited	2,100.22	11,177.37
(b) Loan repaid		
(i) G R Infraprojects Limited	21,645.00	2,033.12
(c) Construction costs		
(i) G R Infraprojects Limited	650.12	19,097.47
(d) Interest Paid on unsecured loan		
(i) G R Infraprojects Limited	1,374.96	1,916.33
(e) Remuneration		
(i) Chirag Gandhi	6.00	4.90
<b>Particulars</b>	<b>Balance outstanding receivable/(payable)</b>	
	<b>31 March 2022</b>	<b>31 March 2021</b>
(a) Loan payable		
(i) G R Infraprojects Limited	10,468.29	28,775.61
(b) Trade payables		
(i) G R Infraprojects Limited	338.29	3,733.29
(c) Balance outstanding (payable)		
(i) Chirag Gandhi	0.50	0.40



## Varanasi Sangam Expressway Private Limited

Notes to the financial statements (continued)

for the year ended 31 March 2022

### 24 Fair Value Measurements

#### A. Accounting classification and fair values

As at 31 March 2022

₹ in Lakhs

Particulars	FVTPL*	FVOCI**	Amortised cost	Total	Fair Value			Total
					Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
Trade receivables	-	-	282.49	282.49				
Cash and cash equivalents	-	-	9,131.22	9,131.22				
Other bank balance	-	-	410.00	410.00				
Other financial assets	-	-	1,17,496.16	1,17,496.16				
<b>Total Financial assets</b>	-	-	<b>1,27,319.87</b>	<b>1,27,319.87</b>	-	-	-	-
Borrowings	-	-	1,20,868.53	1,20,868.53				
Trade payable	-	-	360.76	360.76				
Other financial liabilities	-	-	0.50	0.50				
<b>Total Financial liabilities</b>	-	-	<b>1,21,229.79</b>	<b>1,21,229.79</b>	-	-	-	-

As at 31 March 2021

₹ in Lakhs

Particulars	FVTPL*	FVOCI**	Amortised cost	Total	Fair Value			Total
					Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
Trade receivables	-	-	610.70	610.70				
Cash and cash equivalents	-	-	1,302.30	1,302.30				
Other bank balance	-	-	2,112.97	2,112.97				
Other financial assets	-	-	1,24,851.31	1,24,851.31				
<b>Total Financial assets</b>	-	-	<b>1,28,877.28</b>	<b>1,28,877.28</b>	-	-	-	-
Borrowings	-	-	1,21,596.80	1,21,596.80				
Trade payable	-	-	3,860.15	3,860.15				
Other financial liabilities	-	-	0.40	0.40				
<b>Total Financial liabilities</b>	-	-	<b>1,25,457.35</b>	<b>1,25,457.35</b>	-	-	-	-

\*FVTPL = Fair value through profit and loss

\*\*FVOCI = Fair value through other comprehensive income

The fair values of the financial assets and financial liabilities included in the level 2 category above has been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

There have been no transfers between level 1 and level 2 during the years.

Valuation technique used to determine fair value:

- Inputs included in Level 1 of Fair Value Hierarchy are based on prices quoted in stock exchange and/or NAV declared by the Funds.
- Inputs included in Level 2 of Fair Value Hierarchy have been valued based on inputs from banks and other recognised institutions such as FIMMDA/FEDAI.
- Inputs included in Level 3 of Fair Value Hierarchy have been valued using acceptable valuation techniques such as Net Asset Value and/or Discounted Cash Flow Method.

Note: All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy described as above, based on the lowest level input that is significant to the fair value measurement as a whole.

### 25 Financial instruments risk management objectives and policies

The Company's financial liabilities comprise mainly of borrowings, trade and other payables. The Company's financial assets comprise mainly of cash and cash equivalents and other receivables.

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk primarily trade receivables and other financial assets including deposits with banks. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties.

#### A. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments.



# Varanasi Sangam Expressway Private Limited

Notes to the financial statements (continued)

for the year ended 31 March 2022

## B. Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk primarily trade receivables and other financial assets including deposits with banks. The company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties.

The carrying amount of following financial assets represents the maximum credit exposure:

### Other financial assets

This comprises mainly of construction asset receivable - Right for Annuity receivable from NHAI, deposits with banks. Credit risk arising from these construction assets is limited and there is no collateral held against these because the counterparties are NHAI.

## C. Currency risk

The functional currency of the Company is Indian Rupees ("Rs."). The Company is not exposed to foreign currency risk.

## D. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk resulting from fluctuations in interest rates. Company's borrowing includes unsecured loan taken from banks & the Parent Company. Summary of financial assets and financial liabilities has been provided below:

### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

	₹ in Lakhs	
	31 March 2022	31 March 2021
<b>Fixed-rate instruments</b>		
Financial assets	8,907.42	2,112.97
Financial liabilities	-	-
<b>Variable-rate instruments</b>		
Financial assets	1,17,496.16	1,24,851.31
Financial liabilities	1,20,868.53	1,21,596.80

### Interest rate sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. The following table demonstrates the sensitivity of floating rate financial instruments to a reasonably possible change in interest rates. The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the period.

### Sensitivity analysis

	₹ in Lakhs	
	Impact on profit before tax	
	31 March 2022	31 March 2021
Interest rate		
- increase by 100 basis points	(33.72)	32.55
- decrease by 100 basis points	33.72	(32.55)

## E. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company invest in liquid mutual funds to meet the immediate obligations.

### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

	Carrying amount	Contractual cash flows			
		Total	Less than 1 year	1-5 years	More than 5 years
<b>as at 31 March 2022</b>					
Borrowings (incl. current maturities)	1,20,868.53	1,20,868.53	7,684.76	28,582.95	84,600.82
Trade payables	360.76	360.76	360.76	-	-
Other current financial liabilities	0.50	0.50	0.50	-	-
<b>Total</b>	<b>1,21,229.79</b>	<b>1,21,229.79</b>	<b>8,046.02</b>	<b>28,582.95</b>	<b>84,600.82</b>
<b>as at 31 March 2021</b>					
Borrowings (incl. current maturities)	1,21,596.80	1,21,596.80	5,519.73	24,190.92	91,886.15
Trade payables	3,860.15	3,860.15	3,860.15	-	-
Other current financial liabilities	0.40	0.40	0.40	-	-
<b>Total</b>	<b>1,25,457.35</b>	<b>1,25,457.35</b>	<b>9,380.28</b>	<b>24,190.92</b>	<b>91,886.15</b>





# Varanasi Sangam Expressway Private Limited

Notes to the financial statements (continued)

for the year ended 31 March 2022

## 26 Capital management

For the purpose of the Company's capital management, capital includes paid-up equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, to equity share holders.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the requirements of the financial covenants. Breaches in meeting the financial covenants would permit the lenders to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest bearing loans and borrowing during the year. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using Debt-Equity ratio, which is net debt divided by total equity. The Company's policy is to keep the net debt to equity ratio below 3. The Company includes within net debt, interest bearing loans and borrowings, less cash and short-term deposits.

Particulars	₹ in Lakhs	
	31 March 2022	31 March 2021
Total borrowings	1,20,868.53	1,21,596.80
Less: cash and cash equivalents	9,131.22	1,302.30
<b>Adjusted net debt</b>	<b>1,11,737.31</b>	<b>1,20,294.50</b>
Equity share capital	3,889.00	3,889.00
Other equity	11,376.30	9,628.51
<b>Total equity</b>	<b>15,265.30</b>	<b>13,517.51</b>
<b>Adjusted net debt to equity ratio</b>	<b>7.32</b>	<b>8.90</b>

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2022 and 31 March 2021.

## 27 Ratio

	31 March 2022	31 March 2021
<b>Current Ratio (in times)</b> (Current assets/ Current liabilities)	2.58	1.63
<b>Debt Equity Ratio (in times)</b> ( Total Debt / Total Equity ) (Total Debt = Debt comprises of current borrowings( including current maturities of long term borrowings), non current borrowings and interest accrued on borrowings and excludes the unsecured borrowing taken and outstanding from the holding company (G R Infraprojects Limited). Total Equity (net worth) = Equity share capital+Other equity + unsecured borrowing taken from the holding company)	4.29	2.19
<b>Debt Service Coverage Ratio (in times)</b> ( (Earning before interest and tax and depreciation)/(principal repayment of non-current borrowings (excluding repayment of unsecured borrowing taken from the holding company) made during the period and finance costs) )	0.95	2.02
<b>Return on equity ratio (%)</b> (Profit for the period or year / Net worth)	6.79%	14.90%
<b>Inventory turnover ratio ( in times)</b> ( Revenue from operation ( annualised) / Average Inventory)	NA	NA
<b>Trade receivables turnover ratio (in times)</b> ( Revenue from operation ( annualised) / Average account receivable) (Average account receivable = Average trade receivables + average unbilled revenue)	0.12	0.38
<b>Trade payables turnover ratio (in times)</b> ( Purchases made during the year ( annualised) / Average account payable)	0.31	6.23
<b>Net capital turnover ratio (in times)</b> ( Revenue from operation ( annualised) /working capital) (Working capital = Current assets - Current liabilities)	1.02	6.47
<b>Net profit ratio (%)</b> (Profit/(loss) for the period/Total Income)	12.95%	16.20%
<b>Return on capital employed (%)</b> (Profit before intrest and taxes for the period or year / Capital employed) (Capital employed = Total assets - Current liabilities)	9.08%	14.39%
<b>Return on Investment (%)</b> (Profit for the year/ Total assets)	1.24%	4.41%



# Varanasi Sangam Expressway Private Limited

Notes to the financial statements (continued)

for the year ended 31 March 2022

28 Disclosure pursuant to Para 6 of Ind AS 115 for Service Concession Arrangements

₹ in Lakhs

Name of entity	Description of the arrangement	Significant terms of the arrangement	Annuity receivable from concession grantor (including Contract assets receivables)
Varanasi Sangam Expressway Private Limited	The Company is formed as a special purpose vehicle (SPV) to design, build, operate and transfer basis, ("DBOT Annuity" or " Hybrid Annuity ") the project relating to Six Laning of Handia Varanasi Section of NH -2 from km 713.146 to km 785.544 (Approx.72.398 km) in the State of Uttar Pradesh under NHDP Phase -V, which shall be partly financed by the Concessionaire who shall recover its investment and costs through payment made by the authority, in accordance with the terms and condition set in concession agreement entered into.	Period of concession: 2017-2035 Remuneration : 40% during construction period and balance 60% in half yearly annuity in 15 years as per concession agreement Investment grant from concession grantor : No Infrastructure return at the end of concession period : Yes Investment and renewal obligations : Nil Re-pricing dates : No Basis upon which re-pricing or re-negotiation is determined : NA Premium payable to grantor : Nil PCOD Date : 02-11-2020	31 March 2022  1,17,424.78
			31 March 2021  1,24,779.93



# Varanasi Sangam Expressway Private Limited

Notes to the financial statements (continued)  
for the year ended 31 March 2022

## 29 Disclosures pursuant to Indian Accounting standard (Ind AS) 115, Revenue from Contracts with Customers

	₹ in Lakhs	
	Year ended 31 March 2022	Year ended 31 March 2021
<b>A. Disaggregated revenue information</b>		
i) Type of service rendered		
Sale of services	13,170.20	38,791.25
Total	13,170.20	38,791.25
ii) Revenue from contracts with customers disaggregated based on geography		
India	13,170.20	38,791.25
Outside India	-	-
Total	13,170.20	38,791.25
iii) Timing of Revenue recognition		
Revenue from Goods and Services transferred to customers at a point in time	-	-
Revenue from Goods and Services transferred to customers over time	13,170.20	38,791.25
Total	13,170.20	38,791.25

### B. Contract balances:

The following table provides information about receivables, contract assets and contract liabilities from the contracts with customers.

	₹ in Lakhs	
	Year ended 31 March 2022	Year ended 31 March 2021
<b>Trade receivables</b>		
Opening balance	610.70	386.83
Closing balance	282.49	610.70
The increase / decrease in trade receivables is mainly due to increase / decrease in sales.		
<b>Annuity receivable from concession grantor (including Contract assets receivables)</b>		
Opening balance	1,24,779.93	88,912.38
Closing balance	1,17,424.78	1,24,779.93
Contract assets / financial assets (annuity receivable from concession grantor) are recognised as per Appendix D to Ind AS 115, when the Company has an unconditional right to receive cash or another financial asset from or at the direction of the grantor for the construction services.		
<b>Contract liabilities</b>		
Opening balance	-	-
Closing balance	-	-
Contract liabilities include advance from customers and transaction price allocated to unexpired service obligations.		

### C. The amount of revenue recognized from

	₹ in Lakhs	
	Year ended 31 March 2022	Year ended 31 March 2021
- Performance obligations satisfied in previous years	-	-
- Amounts included in contract liabilities at the beginning of the year	-	-

### D. Performance obligation

#### i) Sales of Services:

The performance obligation is satisfied over time as the assets is under control of customer and they simultaneously receives and consumes the benefits provided by the Company. The Company received progressive payment toward provision of services.

### E. Reconciliation of the amount for revenue recognised in the Consolidated Statement of Profit and Loss with the contracted price:

	₹ in Lakhs	
	Year ended 31 March 2022	Year ended 31 March 2021
Revenue as per contracted price	11,627.21	38,791.25
<b>Adjustments</b>		
Claims	-	-
Variable consideration - Performance bonus	1,542.99	-
Revenue from contract with customers	13,170.20	38,791.25



30 Earnings per share

Particulars	Ref Note No.	₹ in Lakhs	
		31 March 2022	31 March 2021
Face value per equity share (in Rs.)		10.00	10.00
(a) Profit for the year attributable to equity shareholders		1,747.79	6,301.57
(b) Number of equity shares at the beginning of the year		3,88,90,000	3,88,90,000
(c) Equity shares issued during the year		-	-
(d) Number of equity shares at the end of the year		3,88,90,000	3,88,90,000
(e) Weighted average number of equity shares for calculating basic EPS		3,88,90,000	3,88,90,000
(f) Weighted average number of equity shares for calculating diluted EPS		3,88,90,000	3,88,90,000
Earnings Per Share (in Rs.):			
- Basic earning per share (a/e)		4.49	16.20
- Diluted earning per share (a/f)		4.49	16.20

Note :

Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

31 Segment reporting

Basis for segmentation

In accordance with the requirements of Ind AS 108 - "Segment Reporting", the Company is primarily engaged in a business of civil construction and has no other primary reportable segments. The Managing Director of the Company allocate the resources and assess the performance of the Company, thus he is the Chief Operating Decision Maker (CODM). The CODM monitors the operating results of the business as a single segment, hence no separate segment needs to be disclosed.

Information about geographical areas

As the Company operates in India only, hence no separate geographical segment is disclosed.

Information about major customers

Revenue of Rs 13170.2 lakhs are derived from single customer (NHAI) which amounts to 10% or more of the Company's revenue.

32 Contingent liabilities and commitments

	₹ in Lakhs	
	31 March 2022	31 March 2021
<b>A Contingent liabilities (to the extent not provided for)</b>		
(a) Claims against the Company not acknowledged as debts		
(i) Indirect tax matters	-	-
(ii) Direct tax matters	-	-
(iii) Civil matters	-	-
(b) Guarantees excluding financial guarantees :		
Guarantees given to third parties	-	-
<b>Total</b>		
<b>B Commitments</b>	626.95	626.95
(a) Other Commitments		



33 The Company has assessed the possible impact of COVID-19 pandemic on its business operations, liquidity position and recoverability of its asset balances as at March 31, 2022 based on the internal and external sources of information upto the date of approval of these audited standalone financial statement. Also, the management does not see any risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due. The Company has adequate funds and/or unutilized fund-based credit facilities available, to take care of any urgent requirement of funds. Accordingly, the Company believes that there is no material impact of Covid 19 on these audited standalone financial statement. The final impact of COVID-19 may be different from that estimated as at the date of approval of these audited standalone financial statement and hence management will continue to monitor any material changes to the future economic conditions.

34 Previous year figures have been regrouped / reclassified wherever consider necessary.

As per our report of even date

For JLN US AND COMPANY  
Chartered Accountants  
Firm's Reg No. 101543W

CA Mahesh Menaria  
Partner  
Membership No: 400828  
Place: Udaipur  
Date : 19 May 2022

Ajendra Kumar Agarwal  
Chief Executive Officer




Place: Gurugram  
Date : 19 May 2022

For and on behalf of the Board of Directors

Vikas Agarwal  
Director  
DIN : 03113689  
Place: Gurugram  
Date : 19 May 2022



Varun Bhasin  
Director  
DIN : 03262761  
Place: Gurugram  
Date : 19 May 2022



Chirag Gandhi  
Company Secretary  
ICSI Memb. No.: A55452  
Place: Gurugram  
Date : 19 May 2022



Namita Somani  
Chief Financial Officer  
Place: Udaipur  
Date : 19 May 2022

