



# VARANASI SANGAM EXPRESSWAY PRIVATE LIMITED

## DIRECTORS' REPORT

To  
The Members,  
Varanasi Sangam Expressway Private Limited

Your Directors have pleasure in presenting the 4<sup>th</sup> (Fourth) Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended 31<sup>st</sup> March 2021.

### FINANCIAL HIGHLIGHTS

The financial highlights of the Company for the year ended 31<sup>st</sup> March 2021 are as under:

(Amount Rs. in Lakhs)

Particulars	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
Revenue from Operations	38791.25	80459.05
Other Income	106.13	366.44
<b>Total Income</b>	<b>38897.38</b>	<b>80825.49</b>
Less: Expenses	29204.04	81599.32
<b>Profit/(Loss) before tax</b>	<b>9693.34</b>	<b>(773.83)</b>
Less: Tax Expense	3391.77	(225.35)
<b>Profit/(Loss) after tax</b>	<b>6301.57</b>	<b>(548.48)</b>

### STATE OF THE COMPANY'S AFFAIRS

During the year under review, the Company has reported Revenue from Operations of Rs. 38791.25 Lakhs as compared to Rs. 80459.05 Lakhs in financial year 2019-20.

Profit after Tax for the year ended 31<sup>st</sup> March 2021 is Rs. 6301.57 Lakhs as against Loss after Tax of Rs. 548.48 Lakhs for the year ended 31<sup>st</sup> March 2020.

### CHANGE IN NATURE OF BUSINESS

There was no change in the nature of Company's business during the Financial Year 2020-2021.

### CHANGES IN CAPITAL STRUCTURE

During the year under review, there is no change in the capital structure of the Company. The Authorised Capital was Rs. 38,90,00,000 consisting of 3,89,00,000 Equity shares of Rs.10/- each and Issued, Subscribed and Paid up Capital of the Company was Rs. 38,89,00,000 consisting of 3,88,90,000 Equity shares of Rs.10/- each. The Company has not issued any equity shares with differential rights, sweat equity shares or bonus shares.

### DIVIDEND

Considering the requirement of the funds for business operations of the Company, your directors think it prudent not to recommend dividend for the financial year ended 31<sup>st</sup> March 2021.

### TRANSFER TO RESERVE

Your Directors do not propose to transfer any amount to the Reserves of the Company.

#### Registered Office :

GR House, Hiran Magri, Sector-11, Udaipur-313 002 (Raj.)

Ph.: +91-294-2487370, 2483033, Fax : +91-294-2487749

E-mail : hava@grinfra.com

CIN : U45500RJ2017PTC057753



**SUBSIDIARY, ASSOCIATE OR JOINT VENTURES.**

During the Financial Year under review, the Company does not have any Subsidiary, Associate or Joint Venture Company.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS**

During the year under review, there were no significant and material orders passed by any regulators or courts or tribunals impacting the going concern status and company's operations in future.

**MATERIAL CHANGES AND COMMITMENTS**

There have been no material changes and / or commitments affecting the financial position of your company which has occurred from the end of the financial year upto the date of signing of this Report.

**AUDITORS AND AUDITOR'S REPORT****Statutory Auditors**

M/s JLN US & Co., Chartered Accountants (FRN: 101543W) were appointed by the Shareholders at Annual General Meeting of the Company held on 27<sup>th</sup> August 2018 as the Statutory Auditors for a period of five years to hold office upto the conclusion of the 6<sup>th</sup> Annual General Meeting. They have audited the financial statements of the Company for the Financial Year under review. The observations of Statutory Auditors in their Report read with relevant Notes to Accounts are self-explanatory and therefore, do not require further explanation. The Auditors' Report does not contain any qualification, reservation or adverse remark. Further, there was no incidence of frauds reported by the Statutory Auditors.

**SECRETARIAL AUDITOR**

Pursuant to Section 204 of the Companies Act, 2013, the Company had appointed M/s. Bharat Choudhary & Associates, Company Secretaries in Practice, as its Secretarial Auditors to conduct the secretarial audit of the Company for the FY 2020-21. The Report of Secretarial Auditors for the FY 2020-21 is annexed to this report as **Annexure - I**. The report does not contain any qualification, reservation or adverse remark.

**COST AUDITORS**

M/s Rajendra Singh Bhati & Co., Cost Accountants, were appointed as Cost Auditor for financial year 2020-21. They have audited the Cost Records of the Company for the Financial Year under review. The Cost Auditors' Report does not contain any qualification, reservation or adverse remark.

Further the Board has approved the re-appointment of M/s Rajendra Singh Bhati & Co., Cost Accountants as Cost Auditors for the financial year 2021-22. The remuneration payable to the Cost Auditors is required to be ratified by the members, the Board recommends the same for approval by members at the ensuing Annual General Meeting.

**INTERNAL AUDITOR**

In accordance with the provisions of Section 138 of the Companies Act, 2013 Mr. Yogendra Singh Gour, Chartered Accountant, was appointed as an Internal Auditor of the Company w.e.f. 23<sup>rd</sup> June, 2020, however he resigned from the office of Internal Auditor with effect from 01<sup>st</sup> January 2021 and consequently the Board has appointed Mr. Nayan Jain, Chartered Accountant (M. No. 445570) as an internal auditor w.e.f. 20<sup>th</sup> February, 2021.



### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of the Companies Act, 2013, Mr. Vikas Agarwal (DIN: 03113689), Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The Board of Directors recommends his re-appointment.

During the Financial Year under review Mr. Chirag Gandhi was appointed as Company Secretary of the Company w.e.f. 1st April 2020, Ms. Suhani Jain (DIN: 08559224) ceased to be Director of the Company w.e.f. 1st April 2020 and Ms. Riya Parakh (DIN: 08769864) appointed as Additional Directors of the Company w.e.f. 23<sup>rd</sup> June 2020, further the Members of the Company at Annual General Meeting held on 30<sup>th</sup> September 2020 have appointed Ms. Riya Parakh (DIN: 08769864) as Director of the Company.

Mr. Ajendra Kumar Agarwal (DIN: 01147897) and Mr. Anand Rathi (DIN: 02791023) were ceased to be the Director of the Company w.e.f. 1<sup>st</sup> March 2021. Thereafter Mr. Varun Bhasin (DIN: 03262761) was appointed as Additional Director of the Company w.e.f. 1<sup>st</sup> March 2021.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to Directors Responsibility Statement, your Directors hereby confirm that:

- a) In preparation of Annual Accounts for the Financial Year 2020-2021, the applicable accounting standards have been followed and there are no material departures;
- b) They have selected such Accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of financial year and of the **Profit** of the Company for the financial year;
- c) They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) They have prepared annual accounts on a going concern basis.
- e) The Company being unlisted sub clause (e) of Section 134(3) is not applicable.
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **DECLARATION FROM INDEPENDENT DIRECTORS**

As the Company is not required to have an Independent Director. Thus, the requirement to obtain declaration from Independent Director is not applicable on the Company.

### **THE CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The provisions of section 134(3)(m) of the Act regarding conservation of Energy and Technology Absorption are not applicable to the Company. Further there was no foreign exchange Inflow or Outflow during the year under review.

### **CORPORATE SOCIAL RESPONSIBILITY**

The CSR initiatives undertaken by your Company, alongwith other details for Financial Year 2020-2021 forms part of Annual Report on Corporate Social Responsibility as Annexure - II to



this Directors Report. One meeting of the CSR Committee was held on 02<sup>nd</sup> September, 2020 during the year under review, details of which is as under:

S. No.	Name of Member	Designation	Meetings to attend	eligible	Meetings attended
1	Mr. Ajendra Kumar Agarwal*	Chairman	1		1
2	Mr. Vikas Agarwal	Member	1		1

\* Mr. Ajendra Kumar Agarwal ceased to be the Chairman & member of CSR Committee w.e.f 1<sup>st</sup> March 2021.

#### DEPOSITS

During the year under review, the Company has not accepted any deposits in terms of Chapter V of the Companies Act, 2013 and rules made thereunder.

#### CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

During the Financial Year 2020-2021, all contracts/arrangements/transactions entered by your Company with related parties under Section 188(1) of the Act were in the ordinary course of business and on an arm's length basis, hence disclosure in Form AOC-2 is not applicable.

#### PARTICULARS OF EMPLOYEES

During the Financial year under review, there was no employee drawing remuneration in excess of limits prescribed by provision of Section 197(12) read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of the Act.

Further, disclosures pertaining to remuneration and other details as required under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given below:

Name	Designation	Qualification	Work Experience	Age	Date of Commencement of Employment	Remuneration paid in FY 2020-21	Previous Employment
Mr. Chirag Gandhi	Company Secretary	CS, B.com	3 Years	27 Years	01.04.2020	Rs. 4.80 Lakhs	G R Infraprojects Limited

None of the employee of the Company holds any equity share of the Company nor is relative of any Director or KMP of the Company.

#### VIGIL MECHANISM

Your Company is committed to highest standards of ethical, moral, and legal business conduct. Accordingly, the Board of Directors has formulated Vigil Mechanism which provides a robust framework for dealing with genuine concerns & grievances. Specifically, employees can raise concerns regarding any discrimination, harassment, victimization, any other unfair practice being adopted against them or any instances of fraud by or against your Company. During Financial Year under review, no complaint was received by the Company.

#### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Your company has neither made any loan or Investment, nor any guarantee has been given. Your Company falls within scope of the definition "Infrastructure Company" as provided by the





Companies Act, 2013. Accordingly, the Company is exempt from the provisions of Section 186 of the Act with regards to loans, Guarantees and Investments.

#### **ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEES, AND INDIVIDUAL DIRECTORS**

A formal evaluation of the performance of the Board and the individual Directors was carried out for Financial Year 2020-2021. Led by the Board of Directors, the evaluation was carried out using individual questionnaires covering, amongst others, composition of Board, conduct as per Company values & beliefs, contribution towards development of the strategy & business plan, risk management, receipt of regular inputs and information, codes & policies for strengthening governance, functioning, performance & structure of Board, skill set, knowledge & expertise of Directors, preparation & contribution at Board meetings, leadership, etc.

#### **MEETINGS OF BOARD OF DIRECTORS**

During the Financial Year 2020-2021, Four Board Meetings were held details of the same along with attendance of directors therein are as under:

S. No.	Date of Meeting	Mr. Ajendra Kumar Agarwal*	Mr. Anand Rathi*	Mr. Vikas Agarwal	Ms. Riya Parakh	Mr. Varun Bhasin
1.	23.06.2020	Yes	No	Yes	N.A.	N.A.
2.	03.09.2020	Yes	Yes	Yes	No	N.A.
3.	15.12.2020	Yes	Yes	Yes	No	N.A.
4.	20.02.2021	Yes	Yes	Yes	No	N.A.
<b>Meetings eligible to attend</b>		<b>4</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>Nil</b>
<b>Meetings attended</b>		<b>4</b>	<b>3</b>	<b>4</b>	<b>0</b>	<b>Nil</b>

\*Mr. Ajendra kumar Agarwal and Mr. Anand Rathi had resigned from Directorship w.e.f. 1<sup>st</sup> March 2021. Whereas Ms. Riya Parakh and Mr. Varun Bhasin were appointed Directors with effect from 23<sup>rd</sup> June 2020 and 1<sup>st</sup> March 2021 respectively.

The intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013.

#### **AUDIT COMMITTEE**

The provisions of Section 177 relating to constitution of Audit Committee are not applicable on the Company.

#### **NOMINATION & REMUNERATION COMMITTEE**

The provisions of Section 178 relating to constitution of Nomination and Remuneration Committee are not applicable on the Company.

#### **INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY**

Your Company has a strong and well embedded system of internal controls. This ensures that all assets are safeguarded and protected against loss from unauthorized use or disposition and all transactions are authorized, recorded and reported correctly. The internal control system has been designed to ensure that financial and other records are reliable for preparing financial and other statements and for maintaining accountability of assets. During the year, such



controls were tested and no reportable material weaknesses in the design or operation were observed.

#### **PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

The provisions of Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are not applicable on the Company.

#### **RISK MANAGEMENT SYSTEM**

Your company regularly reviews the risk management system and major risks associated with business activities of the company. Further, the Board of Directors takes appropriate measures, reviews the major risks associated with the Company and takes all requisite measures to minimize them.

#### **COMPLIANCE WITH SECRETARIAL STANDARDS**

Your Company has complied with applicable Secretarial Standards (SS) issued by Institute of Companies Secretaries of India i.e. SS-1 & SS-2 on meetings of the Board of Directors and General Meetings, respectively.

#### **ANNUAL RETURN**

Since the Company does not have any website, hence the provision of disclosure of web-link of annual return in Board's report is not applicable.

#### **ACKNOWLEDGEMENTS**

Your Board acknowledges the support and co-operation received from all its stakeholders including our dear shareholders as well as regulatory authorities of the Central Government and all State Governments in India as they endeavor to create an enabling environment for industry and commerce to prosper.

Your Directors also take this opportunity to express their gratitude for the valuable assistance and the trust placed by the National Highways Authority of India, bankers, vendors, customers, advisors and the general public towards the Company.

**For and on behalf of the Board of Directors,**



*Varun Bhasin*

**Varun Bhasin**  
**Additional Director**  
**DIN:03262761**

*Vikas Agarwal*

**Vikas Agarwal**  
**Director**  
**DIN: 03113689**

Date: 10.06.2021

Place: Gurugram



**Bharat Choudhary & Associates**  
*COMPANY SECRETARIES*

**Form No MR-3**  
**Secretarial Audit Report**  
**(For the Financial Year ended on 31.03.2021)**  
**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the**  
**Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

**TO,**  
**THE MEMBERS,**  
**VARANASI SANGAM EXPRESSWAY PRIVATE LIMITED,**  
**GR HOUSE, HIRAN MAGRI, SECTOR NO. 11,**  
**UDAIPUR-313002, RAJASTHAN**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Varanasi Sangam Expressway Private Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of **Varanasi Sangam Expressway Private Limited** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period **April 01, 2020 to March 31, 2021**, complied with the statutory provisions listed here under to this Report and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Varanasi Sangam Expressway Private Limited** (the Company) for the financial year ended on March 31, 2021 according to the provisions of;

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under-**Not Applicable during the Audit period;**
3. The Depositories Act, 1996 and the Regulations and Bye-law framed hereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under-**Not Applicable during the Audit period;**
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 1992 ('SEBI Act') :- **Company has not listed its securities, hence provisions of The Securities and Exchange Board of India are not applicable to the company during the audit period;**
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;





- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October 2014);
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
6. I have also examined compliance with Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- During the period under review, following changes took place in the composition of the Board of Directors:
  - **Mr. Vikas Agarwal (DIN: 03113689)** Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.
  - **Mr. Varun Bhasin (DIN: 03262761)** has been appointed as Additional Director on 01<sup>st</sup> Day of March, 2021.







# Bharat Choudhary & Associates


COMPANY SECRETARIES

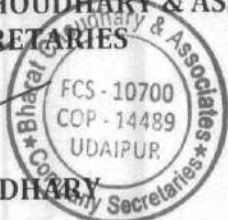
- **Ms. Riya Parakh (DIN: 08769864)** has been appointed as an Additional Director with effect from 23<sup>rd</sup> Day of June, 2020. Further, the Members of the Company at Annual General Meeting held on 30<sup>th</sup> Day of September 2020 have appointed her as Director of the Company.
  - **Ms. Suhani Jain (DIN: 08559224)** ceased to be the Director of the Company with effect from 1<sup>st</sup> Day of April, 2020.
  - **Mr. Ajendra Kumar Agarwal (DIN: 01147897)** ceased to be the Director of the Company with effect from 1<sup>st</sup> Day of March 2021.
  - **Mr. Anand Rathi (DIN: 02791023)** ceased to be the Director of the Company with effect from 1<sup>st</sup> Day of March 2021.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.
- All decision at Board Meetings and Committee Meetings are carried unanimously as recorded in the minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes commensurate with its size and operations of the Company to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

I further report that during the review period, Company has not taken any major action having a bearing on the Company's affairs in pursuance of the above referred laws, rule, regulations, guidelines, standards, etc.

**For BHARAT CHOUDHARY & ASSOCIATES  
COMPANY SECRETARIES**

  
**BHARAT CHOUDHARY**  
**PROPRIETOR**  
**M. No.: F10700**  
**CoP: 14489**



**Place: Udaipur**  
**Date: 10/06/2021**  
**UDIN: F010700C000453340**

Note: This report is to be read with our letter of even date which is annexed as "ANNEXURE-1" and forms an integral part of this report.





**"ANNEXURE-1"**

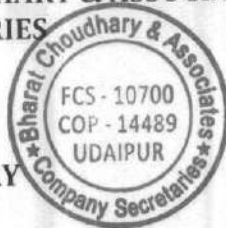
TO,  
THE MEMBERS,  
VARANASI SANGAM EXPRESSWAY PRIVATE LIMITED,  
GR HOUSE, HIRAN MAGRI, SECTOR NO. 11,  
UDAIPUR-313002, RAJASTHAN

My report of even date is to be read along with this letter.

- A. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
- B. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
- C. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- D. Where ever required, I have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
- E. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
- F. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

For BHARAT CHOUDHARY & ASSOCIATES  
COMPANY SECRETARIES

*Bharat*  
BHARAT CHOUDHARY  
PROPRIETOR  
M. No.: F10700  
CoP: 14489



Place: Udaipur  
Date: 10/06/2021

# ANNEXURE-II

## ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR FINANCIAL YEAR 2020-21

1. Brief outline on CSR Policy of the company: Varanasi Sangam Expressway Private Limited as a responsible corporate entity commits to undertake appropriate CSR measures having positive economic, social, and environmental impact to transform lives and to help build more capable and vibrant communities by integrating its business values and strengths.  
In its continuous efforts to positively impact the society and to target the inclusive growth of all the stakeholders, the Company has formulated a guiding policy concentrating mainly on promoting education, environment sustainability, economic empowerment, rural development, health care and sanitation.

### 2. Composition of CSR Committee:

S. No.	Name of director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Ajendra Kumar Agarwal*	Chairman	1	1
2	Mr. Vikas Agarwal	Member	1	1

\* Mr. Ajendra Kumar Agarwal ceased to be the Chairman & member of CSR Committee w.e.f 1<sup>st</sup> March 2021.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. Company is not having website and hence Not Applicable
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). Not Applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

S. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs. Lakhs)	Amount required to be setoff for the financial year, if any (in Rs. Lakhs)
		NIL	

6. Average net profit of the company as per section 135(5): Net Loss of Rs. 2430.34 Lakhs

7.	(a) Two percent of average net profit of the company as per section 135(5):	Net Loss of Rs. 2430.34 Lakhs
	(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	-
	(c) Amount required to be set off for the financial year, if any.	-
	(d) Total CSR obligation for the financial year (7a + 7b + 7c)	-

8. (a) CSR amount spent or unspent for the financial year:

Total Amount	Amount Unspent
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Spent for the Financial Year (in Rs. Lakhs)	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount (in Rs. Lakhs)	Date of transfer	Name of Fund	Amount (in Rs. Lakhs)	Date of transfer
Not Applicable					

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
S. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in Rs. Lakhs)	Amount spent in the current financial Year (in Rs. Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs. Lakhs)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
Not Applicable												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes /No)	Location of the project		Amount spent for the project (in Rs. Lakhs)	Mode of Implementation - Direct (Yes/No )	Mode of implementation - Through implementing Agency	
				State	District			Name	CSR registration number.
Not Applicable									

(d) Amount spent in Administrative Overheads	-
(e) Amount spent on Impact Assessment, if applicable	-
(f) Total amount spent for Financial Year (8b+8c+8d+8e)	-

(g) Excess amount for set off, if any.

S. No.	Particular	Amount (in Rs. Lakhs)
i.	Two percent of average net profit of the company as per section 135(5)	(2430.34)
ii.	Total amount spent for the Financial Year	Nil
iii.	Excess amount spent for the financial year [(ii)-(i)]	Nil
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9 (a) Details of Unspent CSR amount for the preceding three financial years:

S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under	Amount spent in the reporting	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.	Amount remaining to be spent in succeeding financial years. (in Rs. Lakhs)
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		section 135 (6) (in Rs. Lakhs)	Financial Year (in Rs. Lakhs)	Name of the Fund	Amount (in Rs Lakhs).	Date of transfer	
Not applicable							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
S. No	Project ID	Name of the Project.	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs. Lakhs)	Amount spent on the project in the reporting Financial Year (in Rs. Lakhs)	Cumulative amount spent at the end of reporting Financial Year (in Rs. Lakhs)	Status of the project - Completed /Ongoing.
Not applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset - wise details)

(a) Date of creation or acquisition of the capital asset(s).	Not Applicable
(b) Amount of CSR spent for creation or acquisition of capital asset.	Not Applicable
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not Applicable
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). Not Applicable

For and on behalf of Board,

*Varun Bhasin*

Varun Bhasin  
Additional Director  
DIN:03262761

*Vikas Agarwal*

Vikas Agarwal  
Chairman (CSR Committee)  
DIN: 03113689





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

4/5, First Floor, Vishwakarma Complex  
Near Paragon Mobile, Inside Udiapole  
Udaipur 313001, Rajasthan, India  
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jlnusudaipur@gmail.com  
Web : www.jlnus.com

**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 2021, 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.

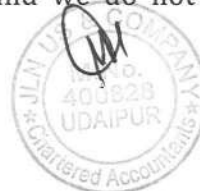
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, 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 there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

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





# VARANASI SANGAM EXPRESSWAY PRIVATE LIMITED

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

We have determined the matters described below to be the key audit matters to be communicated in our report:

Key audit matters	How our audit addressed the key audit matter
<b>Recognition of contract revenue and construction cost:</b>	
<p>The Company's business involves entering into contractual relationships with customers to provide a range of services with a significant proportion of the Company's revenues and profits derived from long term contracts. Revenue on individual contracts is recognized in accordance with Ind AS 115, <i>Revenue from Contracts with Customers</i>, based on the extent of progress towards completion.</p> <p>Due to the contracting nature of the business, revenue recognition involves a significant degree of judgment and estimates including:</p> <ul style="list-style-type: none"> <li>• estimate the total contract costs;</li> <li>• estimate the stage of completion of the contract;</li> <li>• estimate the total revenue and total costs to complete contracts;</li> <li>• estimate impact of variables such as scope modifications; and</li> <li>• appropriately provide for loss making contracts.</li> </ul>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> <li>• evaluating the design, implementation and operating effectiveness of relevant internal controls over the contract revenue recognition and cost estimation process;</li> <li>• inspection of contract agreements with customer and subcontractor, to identify key terms and conditions, including the contract period, contract sum, the scope of work, the methodology for calculating liquidated and ascertained damages, and evaluating whether these key terms and conditions had been appropriately reflected in the total revenue and costs to complete in the forecast of the outcome of the contract;</li> <li>• comparing the percent of contract revenue recognized for all contracts during the year with certification from an independent engineer of the ultimate customer;</li> <li>• inquiring the management and project directors the status of contract in progress as at year end, including milestones if any overdue, and reviewed the key estimates and assumptions adopted in the forecast of contract revenue and contract costs, including estimated costs to completion, recognition of variation in scope of work, adequacy of contingency provisions, and assessing information in connection the assumptions adopted.</li> </ul>



# VARANASI SANGAM EXPRESSWAY PRIVATE LIMITED

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

Related party transactions	
<p>The Company has significant transactions with related parties during the year. The related party balances as at 31 March 2021 and related party transactions during the year are disclosed in the Standalone Financial Statements. Given the volume of related party transactions, we have considered this to be a key audit matter.</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"><li>• evaluation of the appropriateness of the management's process for identifying, recording and disclosing related parties and related party transactions;</li><li>• understanding the nature of related party transactions through discussions with management and verification of underlying agreements;</li><li>• verifying if transactions with related parties had actually occurred through audit procedures including confirmation, visiting a sample of project sites selected on a random basis, review of monthly progress reports submitted by Independent engineer of ultimate customer;</li><li>• obtaining and inspecting the report of Independent engineers to assess reasonableness of the amounts being charged by the lender.</li></ul>

### 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 consolidated 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.

Materiality is the magnitude of the misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("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.





**VARANASI SANGAM EXPRESSWAY PRIVATE LIMITED**

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

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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure II.
- (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.
  - iv) The disclosure in the Financial Statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2021.

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



**CA Mahesh Menaria**  
**Partner**  
**M No. 400828**  
**UDIN: 21400828AAAAFF8116**



**Udaipur, May 26, 2021**



# 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, 2021

- 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, 2021 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no applicable statutory dues which have not been deposited on account of any dispute.
- viii) 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



**VARANASI SANGAM EXPRESSWAY PRIVATE LIMITED**

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

defaulted in repayment of dues to banks / Financial Institutions. The company does not have any borrowings from government or Debenture Holders.

- ix) 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.
- x) 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.
- xi) According to the information and explanations given to us, the company has not paid any managerial remuneration during the year and hence the reporting requirements under clause (xi) of paragraph 3 of the order are not applicable.
- xii) The company is not a Nidhi Company and hence the reporting requirements under clause (xii) of paragraph 3 of the order are not applicable.
- xiii) The Company being an unlisted company and wholly owned subsidiary of a public company, provisions of Section 177 are not applicable to the Company. However, all transactions with the related parties are in compliance with sections 188 of the Companies Act, 2013 in so far as our examinations of the proceedings of the meetings of the Board of Directors are concerned. The details of related party transactions have been disclosed in the Ind AS Financial Statements as required by the applicable Indian Accounting Standard.
- xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit.
- xv) 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.
- xvi) 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.

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

  
**CA Mahesh Menaria**  
**Partner**  
**M No. 400828**  
**UDIN: 21400828AAAAFF8116**



**Udaipur, May 26, 2021**

# **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, 2021**

### **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, 2021 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For JLN US & Company  
Chartered Accountants  
FRN 101543W

CA Mahesh Menaria  
Partner  
M No. 400828  
UDIN: 21400828AAAAFF8116



Udaipur, May 26, 2021

# Varanasi Sangam Expressway Private Limited

## Balance Sheet

as at 31 March 2021

(Currency: Indian Rupees in lakhs)

Particulars	Note	31 March 2021	31 March 2020
<b>Assets</b>			
<b>Non-current assets</b>			
(a) Financial assets			
(i) Other financial assets	4	1,15,394.18	-
(b) Other assets	5	11,683.86	85,628.36
(c) Current tax assets (net)	6	133.72	1,297.75
		<u>1,27,211.76</u>	<u>86,926.11</u>
<b>Current assets</b>			
(a) Financial assets			
(i) Trade receivables	7	610.70	386.83
(ii) Cash and cash equivalents	8	1,302.30	1,105.13
(iii) Other bank balances	9	2,112.97	-
(iv) Loans	10	71.38	-
(v) Other financial assets	4	9,385.75	-
(b) Other current assets	5	2,051.45	14,837.84
		<u>15,534.55</u>	<u>16,329.80</u>
<b>Total assets</b>		<u>1,42,746.31</u>	<u>1,03,255.91</u>
<b>Equity and liabilities</b>			
(a) Equity share capital	11	3,889.00	3,889.00
(b) Other equity	12	9,628.51	3,326.95
		<u>13,517.51</u>	<u>7,215.95</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	1,16,077.07	92,777.32
(b) Deferred tax liabilities	23	3,613.87	222.10
		<u>1,19,690.94</u>	<u>92,999.42</u>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables - total outstanding dues of	14	-	-
(a) micro enterprises and small enterprises		-	-
(b) creditors other than micro enterprises and small enterprises		3,860.15	2,259.07
(ii) Other financial liabilities	15	5,520.13	329.95
(b) Other current liabilities	16	157.58	451.52
		<u>9,537.86</u>	<u>3,040.54</u>
		<u>1,29,228.80</u>	<u>96,039.96</u>
<b>Total equity and liabilities</b>		<u>1,42,746.31</u>	<u>1,03,255.91</u>

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

As per our report of even date attached

For JLN US AND COMPANY

Chartered Accountants

Firm's Reg. No. 101543W

CA Mahesh Menaria

Partner

M. No. 400828



For and on behalf of the Board of Directors

Varanasi Sangam Expressway Private Limited

CIN U45500RJ2017PTC057753

Vikas Agarwal

Director

DIN : 03113689

Place: Gurugram

Varun Bhasin

Additional Director

DIN : 03262761

Place: Gurugram

Ajendra Kumar Agarwal

Chief Executive Officer

Place: Gurugram

Chirag Gandhi

Company Secretary

ICSI Memb. No. A55452

Place: Gurugram

Karan Agarwal

Chief Finance Officer

ICAI Memb. No.522930

Place: Gurugram

Date : 26th May 2021

Place : Udaipur

Date : 26th May 2021





# Varanasi Sangam Expressway Private Limited

## Statement of Profit and Loss for the year ended 31 March 2021

(Currency: Indian Rupees in lakhs)

Particulars	Note	31 March 2021	31 March 2020
<b>Income</b>			
Revenue from operations	17	38,791.25	80,459.05
Other income	18	106.13	366.44
<b>Total income</b>		<b>38,897.38</b>	<b>80,825.49</b>
<b>Expenses</b>			
Civil construction costs	19	19,138.04	75,372.56
Employee benefits expense	20	4.90	3.23
Finance costs	21	9,470.47	5,978.62
Other expenses	22	590.63	244.91
<b>Total expenses</b>		<b>29,204.04</b>	<b>81,599.32</b>
<b>Profit before tax</b>		<b>9,693.34</b>	<b>(773.83)</b>
<b>Tax expense:</b>			
Current tax	23	-	-
Deferred tax charge / (credit)	23	3,391.77	(225.35)
		<b>3,391.77</b>	<b>(225.35)</b>
<b>Profit for the year</b>		<b>6,301.57</b>	<b>(548.48)</b>
<b>Total comprehensive income for the year</b>		<b>6,301.57</b>	<b>(548.48)</b>
<b>Earnings per share</b>			
(Nominal value of share Rs.10 each)			
Basic (Rs.)	30	16.20	(1.41)
Diluted (Rs.)	30	16.20	(1.41)

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

As per our report of even date attached

For JLN US AND COMPANY

Chartered Accountants

Firm's Reg. No. 101543W

CA Mahesh Menaria

Partner

M. No. 400828



For and on behalf of the Board of Directors  
Varanasi Sangam Expressway Private Limited  
CIN U45500RJ2017PTC057753

*Vikas Agarwal Varun Bhasin*

Vikas Agarwal

Director

DIN : 03113689

Place: Gurugram

Varun Bhasin

Additional Director

DIN : 03262761

Place: Gurugram

*Ajendra Kumar Agarwal*

Ajendra Kumar Agarwal

Chief Executive Officer

Place: Gurugram

*Chirag Gandhi*

Chirag Gandhi

Company Secretary

ICSI Memb. No. A55452

Place: Gurugram

*Karan Agarwal*

Karan Agarwal

Chief Finance Officer

ICAI Memb. No. 522930

Place: Gurugram

Date : 26th May 2021

Place : Udaipur

Date : 26th May 2021



# Varanasi Sangam Expressway Private Limited

## Statement of Changes in Equity for the year ended 31 March 2021

(Currency: Indian Rupees in lakhs)

### A. Equity Share Capital

Particulars	Note	Number of shares	Amount
Balance as at 1 April 2019	11	3,88,90,000	3,889.00
Changes in equity share capital during the year		-	-
Balance as at 31 March 2020	11	3,88,90,000	3,889.00
Changes in equity share capital during the year		-	-
Balance as at 31 March 2021		3,88,90,000	3,889.00

### B. Other Equity

Particulars	Retained Earnings	Total
Balance as at 1 April 2019	3,875.43	3,875.43
Profit for the year	(548.48)	(548.48)
Balance as at 31 March 2020	3,326.95	3,326.95
Profit for the year	6,301.57	6,301.57
Balance as at 31 March 2021	9,628.52	9,628.52

As per our report of as on date attached

For JLN US AND COMPANY

Chartered Accountants

Firm's Regn No. 101543W

CA Mahesh Menaria

Partner

M. No. 400828



For and on behalf of the Board of Directors

Varanasi Sangam Expressway Private Limited

CIN U45500RJ2017PTC057753

Vikas Agarwal Varun Bhasin

Vikas Agarwal

Director

DIN : 03113689

Place: Gurugram

Varun Bhasin

Additional Director

DIN : 03262761

Place: Gurugram

Ajendra Kumar Agarwal

Chief Executive Officer

Place: Gurugram

Chirag Gandhi

Company Secretary

ICSI Memb. No. A55452

Place: Gurugram

Karan Agarwal

Chief Finance Officer

ICAI Memb. No.522930

Place: Gurugram

Date : 26th May 2021

Place : Udaipur

Date : 26th May 2021



# Varanasi Sangam Expressway Private Limited

## Statement of Cash Flows

for the year ended 31 March 2021

(Currency: Indian Rupees in lakhs)

Particulars	31 March 2021	31 March 2020
<b>Cash flows from operating activities</b>		
Profit before tax	9,693.34	(773.83)
Adjustments for:		
Interest income	(75.98)	(346.22)
Finance costs	9,470.47	5,978.62
	19,087.83	4,858.57
Working capital adjustments :		
(Increase) in financial and non-financial assets	(38,120.42)	(38,578.80)
Decrease / (increase) in trade receivables	(223.87)	(343.71)
Increase in trade payables	1,601.08	(3,580.84)
Increase in provisions, financial and non-financial liabilities	(293.54)	(7,369.96)
<b>Cash (used in) operating activities</b>	(17,948.92)	(45,014.73)
Income tax paid (net)	1,164.03	(772.43)
<b>Net cash (used in) operating activities (A)</b>	(16,784.89)	(45,787.16)
<b>Cash flows from investing activities</b>		
Interest received	75.98	346.22
Payments for purchase of term deposits (net)	(2,112.97)	-
<b>Net cash (used in) / generated from investing activities (B)</b>	(2,036.99)	346.22
<b>Cash flows from financing activities</b>		
Interest paid	(7,697.86)	(4,634.93)
Proceeds/(Repayment) of borrowings (net)	26,716.92	51,047.65
<b>Net cash generated from financing activities (C)</b>	19,019.06	46,412.72
<b>Net increase in cash and cash equivalents (A+B+C)</b>	197.18	971.78
Balance Cash and cash equivalents	1,105.13	133.35
<b>Balance of cash and cash equivalents as at 31 March 2021</b>	<b>1,302.30</b>	<b>1,105.13</b>

### Notes:

- 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".

	As at 31 March 2021	As at 31 March 2020
2. Cash and cash equivalents comprises of :		
Balances with banks:		
- Current accounts	1,302.30	1,105.13
<b>Cash and cash equivalents (refer note 8)</b>	<b>1,302.30</b>	<b>1,105.13</b>
<b>Cash and cash equivalents in statement of cash flow</b>	<b>1,302.30</b>	<b>1,105.13</b>

- The Company has undrawn borrowing facilities (excluding non-fund based facilities) aggregating to Rs 4489 Lakh (PY Rs. 23,658.00 lakh) towards future projects to be executed by the Company.



# Varanasi Sangam Expressway Private Limited

Statement of Cash Flows  
for the year ended 31 March 2021

(Currency: Indian Rupees in lakhs)

## 4. Reconciliation of movements of cash flows arising from financing activities

	Liabilities			
	Customer advances	Non-current borrowings	Share Capital	Total
Balance as at the beginning of the year	7,152.07	40,950.74	3,889.00	51,991.81
<b>Cash Flow from Financing Activities</b>				
Proceeds from borrowing	-	51,047.65	-	51,047.65
Other borrowing costs paid*	-	(9.05)	-	(9.05)
Interest paid	-	(4,625.88)	-	(4,625.88)
<b>Total cash flow from financing activities</b>	-	46,412.72	-	46,412.72
Liability related other changes	(7,386.88)	-	-	(7,386.88)
Other borrowing costs*	-	6.35	-	6.35
Interest expense	234.81	9,229.31	-	9,464.12
<b>Balance as at 31 March 2020</b>	-	93,107.27	3,889.00	96,996.27
<b>Balance as at 1st April 2020</b>	-	93,107.27	3,889.00	96,996.27
<b>Cash Flow from Financing Activities</b>				
Proceeds from borrowing	-	28,750.05	-	28,750.05
Repayment of borrowings	-	(2,033.12)	-	(2,033.12)
Other borrowing costs paid*	-	(6.35)	-	(6.35)
Interest paid	-	(7,691.51)	-	(7,691.51)
<b>Total cash flow from financing activities</b>	-	19,019.06	-	19,019.06
Liability related other changes	-	-	-	-
Other borrowing costs*	-	6.35	-	6.35
Interest expense	-	9,464.12	-	9,464.12
<b>Balance as at 31 March 2021</b>	-	1,21,596.80	3,889.00	1,25,485.80

\* includes other borrowing costs for non-funded credit limits.

As per our report of even date attached

For JLN US AND COMPANY

Chartered Accountants  
Firm's Reg. No. 101543W

CA Mahesh Menaria  
Partner  
M. No. 400828  
Place : Udaipur



For and on behalf of the Board of Directors  
Varanasi Sangam Expressway Private Limited  
CIN U45500RJ2017PTC057753

Vikas Agarwal  
Director  
DIN : 03113689  
Place: Gurugram

Varun Bhasin  
Additional Director  
DIN : 03262761  
Place: Gurugram

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Chief Executive Officer  
Place: Gurugram

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Company Secretary  
ICSI Memb. No. A55452  
Place: Gurugram

Karan Agarwal  
Chief Finance Officer  
ICAI Memb. No.522930  
Place: Gurugram  
Date : 26th May 2021

Place : Udaipur  
Date : 26th May 2021





# Varanasi Sangam Expressway Private Limited

## Notes to the financial statements

for the period ended 31 March 2021

### 1. Reporting entity

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

The Company is formed as a special purpose vehicle (SPV) to design, build, operate and transfer and maintain (the "DBOT") 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 annuity payments and Operation & Maintenance (O&M) Payment to be made by the Authority, in accordance with the terms and conditions set forth in this Concession Agreement entered into.

~~These financial statements are first financial statements of the Company for the period from 17 April 2017 to 31 March 2018.~~

### 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') and other relevant provisions of the Act (as amended from time to time).

The financial statements were authorised for issue by the Company's Board of Directors on dated **26<sup>th</sup> May, 2021**

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.Lakhs), 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.



# Varanasi Sangam Expressway Private Limited

## Notes to the financial statements(continued)

for the year period ended 31 March 2021

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

### 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.

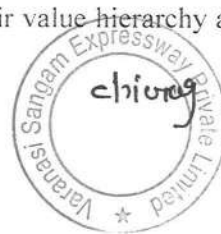
**Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.

**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.



# Varanasi Sangam Expressway Private Limited

## Notes to the financial statements(*continued*)

for the year period ended 31 March 2021

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

- Financial instruments

### 3. Significant accounting policies

#### 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 Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

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

###### 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.

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



# Varanasi Sangam Expressway Private Limited

## Notes to the financial statements(*continued*)

*for the year period ended 31 March 2021*

- 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.

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.

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: 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





# Varanasi Sangam Expressway Private Limited

## Notes to the financial statements(continued)

for the year period ended 31 March 2021

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

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

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 paramount, 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.



# Varanasi Sangam Expressway Private Limited

## Notes to the financial statements(*continued*)

for the *year period ended 31 March 2021*

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.
-----------------------------	--

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 profit or 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 profit or loss. Any gain or loss on derecognition is also recognised in profit or 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.

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*



# Varanasi Sangam Expressway Private Limited

## Notes to the financial statements(*continued*)

for the year period ended 31 March 2021

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.

### *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 profit or 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.

### *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.



# Varanasi Sangam Expressway Private Limited

## Notes to the financial statements(continued)

for the year period ended 31 March 2021

### 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.

### 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 first-in first-out ("FIFO") formula, 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 and excise duty. Cost is determined on FIFO basis. Trading goods are valued at lower of cost and net realizable value. Cost is determined on FIFO basis.

### g. Impairment

#### i Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost; and
- financial assets measured at FVOCI- 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.





# Varanasi Sangam Expressway Private Limited

## Notes to the financial statements(*continued*)

for the year period ended 31 March 2021

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).

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



# Varanasi Sangam Expressway Private Limited

## Notes to the financial statements(continued)

for the year period ended 31 March 2021

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.

### 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.

#### Contingencies

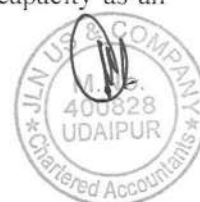
Disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a 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

#### Service Concession Arrangement

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.



# Varanasi Sangam Expressway Private Limited

## Notes to the financial statements(*continued*)

for the year period ended 31 March 2021

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 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 related to construction services provided under a service concession arrangement is recognised based on the stage of completion of the work performed. The stage of completion is assessed by reference to input method i.e. costs incurred till the date in proportion to total estimated cost to complete the work.

Revenue from operation and maintenance activities are recognised at an amount for which it has right to consideration (i.e. right to invoice) from customer that corresponds directly with the value of the performance completed to the date.

### 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.

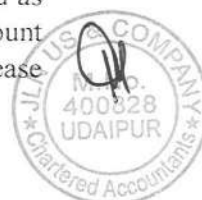
#### Others

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

### k. Leases

#### i Assets held under lease

Leases of property, plant and equipment that transfer substantially all the risks and rewards of ownership are classified as finance leases. All the other leases are classified as operating leases. For finance leased, the leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease



# Varanasi Sangam Expressway Private Limited

## Notes to the financial statements(continued)

for the year period ended 31 March 2021

payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under operating leases are neither recognised in (in case the Company is lessee) nor derecognized (in case the Company is lessor) from the Company's Balance Sheet.

### ii Lease payments

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

### iii Assets given on lease

In respect of assets provided on finance leases, amounts due from lessees are recorded as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases. In respect of assets given on operating lease, lease rentals are accounted on accrual basis in accordance with the respective lease agreements.

## 1. Recognition of interest income or expense

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.

## 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 other comprehensive income.

### 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.



# Varanasi Sangam Expressway Private Limited

## Notes to the financial statements(*continued*)

for the year period ended 31 March 2021

### **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.

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.





# Varanasi Sangam Expressway Private Limited

## Notes to the financial statements(continued)

for the year period ended 31 March 2021

### **n. 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.

### **o. 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.

### **p. Cash and cash equivalents**

Cash and Cash equivalents for the purpose of Statement of cash flows comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

In line with the amendments to Ind AS 7 Statement of Cash flows (effective from April 1, 2017), the Company has provided disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The adoption of amendment did not have any material impact on the financial statements.

### **q. Earnings per Share**

Basic EPS is computed by dividing net profit after taxes for the year by weighted average number of equity shares outstanding during the financial year, adjusted for bonus share elements in equity shares issued during the year and excluding treasury shares, if any.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### **r. Dividends**

The Company recognises a liability for dividends to equity holders of the Company when the dividend is authorized and the dividend is no longer at the discretion of the Company. As per the corporate laws in India, a dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Event Occurring after Reporting Date



# Varanasi Sangam Expressway Private Limited

## Notes to the financial statements(*continued*)

for the year period ended 31 March 2021

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Material non adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the Directors' Report.



# Varanasi Sangam Expressway Private Limited

Notes to the financial statements (continued)  
for the year ended 31 March 2021

(Currency: Indian Rupees in lakhs)

## 4 Other financial assets

Particulars	31 March 2021	31 March 2020
<b>Non-current</b>		
Financial assets receivable	1,15,394.18	-
	1,15,394.18	-
<b>Current</b>		
Financial assets receivable	9,385.75	-
	9,385.75	-
<b>Total</b>	<b>1,24,779.93</b>	<b>-</b>

## 5 Other current assets

Particulars	31 March 2021	31 March 2020
<b>Non-current</b>		
Construction assets receivable	-	85,628.36
GST input credit	11,683.86	-
	11,683.86	85,628.36
<b>Current</b>		
Construction assets receivable	-	3,284.02
Prepaid expenses	129.84	5.07
<b>Balance with government authorities</b>		
TDS -GST	1,921.61	1,828.16
GST input credit	-	9,720.59
	2,051.45	14,837.84
<b>Total</b>	<b>13,735.31</b>	<b>1,00,466.20</b>

## 6 Current tax assets (net)

Particulars	31 March 2021	31 March 2020
<b>Non-current</b>		
Advance tax (net of Income tax provision)	133.72	1,297.75
<b>Total</b>	<b>133.72</b>	<b>1,297.75</b>

## 7 Trade Receivables

Particulars	31 March 2021	31 March 2020
<b>Current</b>		
considered good - secured	-	-
considered good - unsecured	610.70	386.83
which have significant increase in credit risk	-	-
credit impaired	-	-
<b>Total</b>	<b>610.70</b>	<b>386.83</b>

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

Particulars	31 March 2021	31 March 2020
Retention money	520.82	-
<b>Total</b>	<b>520.82</b>	<b>-</b>

## 8 Cash and cash equivalents

Particulars	31 March 2021	31 March 2020
<b>Balance with banks</b>		
in current accounts	1,302.30	1,105.13
<b>Total</b>	<b>1,302.30</b>	<b>1,105.13</b>

## 9 Other bank balances

Particulars	31 March 2021	31 March 2020
Deposits with original maturity of less than three months	-	-
Deposits with original maturity over 3 months but less than 12 months	2,112.97	-
<b>Total</b>	<b>2,112.97</b>	<b>-</b>

## 10 Loans

(Unsecured considered good unless otherwise stated)

Particulars	31 March 2021	31 March 2020
<b>Current</b>		
Security and other deposits	71.38	-
	71.38	-



# Varanasi Sangam Expressway Private Limited

Notes to the financial statements (continued)  
for the year ended 31 March 2021

(Currency: Indian Rupees in lakhs)

## 11 Equity Share capital

Authorised	31 March 2021	31 March 2020
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	31 March 2021		31 March 2020	
	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 2021		31 March 2020	
	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

### 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.

## 12 Other equity

Particulars	Retained Earnings	Total
Balance as at 1 April 2019	3,875.43	3,875.43
Profit for the year	(548.48)	(548.48)
<b>Balance as at 31 March 2020</b>	<b>3,326.94</b>	<b>3,326.94</b>
Profit for the year	6,301.57	6,301.57
<b>Balance as at 31 March 2021</b>	<b>9,628.51</b>	<b>9,628.51</b>



## Varanasi Sangam Expressway Private Limited

Notes to the financial statements (continued)  
for the year ended 31 March 2021

(Currency: Indian Rupees in lakhs)

### 13 Non current Liabilities

Particulars	31 March 2021	31 March 2020
<b>Secured Loans - From Banks</b>		
HDFC Bank Limited	21,379.96	17,156.47
Punjab National Bank	38,028.48	31,585.18
Syndicate Bank	13,869.69	11,476.66
Allahabad Bank	19,543.06	15,030.20
<b>Unsecured Loans</b>		
Loan from G R Infraprojects Limited (Parent Company)	28,775.61	17,858.76
<b>Total</b>	<b>1,21,596.80</b>	<b>93,107.27</b>
Non-Current	1,16,077.07	92,777.32
Current	5,519.73	329.95
	<b>1,21,596.80</b>	<b>93,107.27</b>





# Varanasi Sangam Expressway Private Limited

Notes to the financial statements (continued)  
for the year ended 31 March 2021

(Currency: Indian Rupees in lakhs)

## 14 Trade payables

Particulars	31 March 2021	31 March 2020
<b>Total outstanding dues of</b>		
Micro enterprises and small enterprises (refer note below)	-	-
Creditors other than micro enterprises and small enterprises	3,860.15	2,259.07
<b>Total</b>	<b>3,860.15</b>	<b>2,259.07</b>

### Details of Dues to Micro, Small & Medium Enterprises as defined under MSMED Act, 2006

Particulars	31 March 2021	31 March 2020
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 Financial statement as at 31 March 2021 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. Auditors have relied upon the information provided by the Company.

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 27

Of the above, trade payables to related parties are as below:

Particulars	31 March 2021	31 March 2020
Total trade payables to related parties	3,733.29	2,226.32
	3,733.29	2,226.32

## 15 Other financial liabilities

Particulars	31 March 2021	31 March 2020
Current maturities of long-term borrowings	5,519.73	329.95
Employee related liabilities	0.40	-
<b>Total</b>	<b>5,520.13</b>	<b>329.95</b>

## 16 Other current liabilities

Particulars	31 March 2021	31 March 2020
<b>Statutory liability</b>		
TDS payable	157.58	451.52
<b>Total</b>	<b>157.58</b>	<b>451.52</b>



# Varanasi Sangam Expressway Private Limited

Notes to the financial statements (continued)  
for the year ended 31 March 2021

(Currency: Indian Rupees in lakhs)

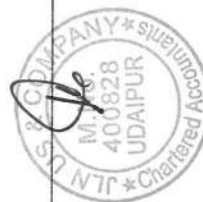
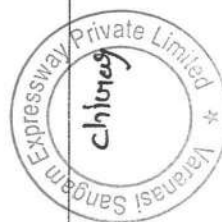
## 13.1 Borrowings (continued)

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

Sr No	Particulars	31 March 2021		31 March 2020		Security	Repayment terms
		Total	Non-Current	Current	Total	Non-Current	Current
(A)	Secured loans from banks						
(i)	HDFC Bank Limited	21,379.96	20,045.56	1,334.40	17,156.47	17,022.72	133.75
							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
(ii)	Punjab National Bank	38,028.48	35,923.52	2,104.96	31,585.18	31,585.18	-
							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
(iii)	Canara Bank (erstwhile Syndicate Bank)	13,869.69	13,006.94	862.75	11,476.66	11,391.03	85.63
							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
(iv)	Indian Bank (erstwhile Allahabad Bank)	19,543.06	18,325.45	1,217.61	15,030.20	14,919.63	110.57
							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
(B)	Unsecured loans from other	92,821.19	87,401.46	5,419.73	75,248.51	74,918.56	329.95
(i)	Loan from G R Infraprojects Limited (Parent Company)	28,775.61	28,775.61	-	17,858.76	17,858.76	-
							Rate of Interest : 9.00 % for the year 2020-21, the same shall be determined on a yearly basis as per the cost of funds of the Parent Company
		28,775.61	28,775.61	-	17,858.76	17,858.76	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 Fee/Fee Agreement
		1,21,596.80	1,16,077.07	5,419.73	93,107.27	92,777.32	329.95

Rate of Interest : 9.00 % for the year 2020-21, 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 Form Agreement



## Varanasi Sangam Expressway Private Limited

Notes to the financial statements (continued)  
for the year ended 31 March 2021

(Currency: Indian Rupees in lakhs)

### 17 Revenue from operations

Particulars	31 March 2021	31 March 2020
Revenue from contracts with customers	19,075.75	73,906.69
Revenue from contracts with customers (Utility income)	474.23	211.75
Revenue from contracts with customers (COS)	159.79	194.88
Revenue from contracts with customers (GST claim)	-	1,316.44
Interest income on service concession arrangement	19,081.48	4,829.29
Total	38,791.25	80,459.05

### 18 Other income

Particulars	31 March 2021	31 March 2020
Interest income		
- on other	75.98	-
- on Mobilisation advances to parent company	-	346.22
Claim Income	30.15	-
Liabilities no longer payable written back	-	20.22
Total	106.13	366.44

### 19 Civil construction costs

Particulars	31 March 2021	31 March 2020
Civil sub-contract charges	17,999.16	73,202.91
Civil sub-contract charges (COS)	601.90	193.18
Civil sub-contract charges (Utility expenses)	469.49	209.44
Civil sub-contract charges (GST Claim)	-	1,316.44
Labour Cess	67.49	450.59
Total	19,138.04	75,372.56

### 20 Employee benefits expense

Particulars	31 March 2021	31 March 2020
Salaries, wages and bonus	4.90	3.23
Total	4.90	3.23

### 21 Finance costs

Particulars	31 March 2021	31 March 2020
Interest on Borrowing		
- To Banks	7,547.79	4,502.67
- To others	1,916.33	1,466.90
Other Borrowing Cost	6.35	9.05
Total	9,470.47	5,978.62

### 22 Other expenses

Particulars	31 March 2021	31 March 2020
Insurance expenses	261.68	82.83
Claim expenses	26.92	-
Payment to auditors (refer note (i) below)	1.10	0.25
Legal and professional charges	22.41	20.12
Tour & Travelling Exp.	-	0.20
Independent engineers fees	126.12	140.62
Bank charges	0.05	-
Electricity Connection Charges	150.65	-
Misc. expenses	0.89	0.14
Annual custody fee	0.81	0.75
Total	590.63	244.91

#### (i) Payment to auditors

Particulars	31 March 2021	31 March 2020
Payment to auditors (exclusive of GST)		
- as auditor		
- Statutory audit	0.30	0.25
- Other services	0.80	-
- Reimbursement of expenses	-	-
Total	1.10	0.25



# Varanasi Sangam Expressway Private Limited

Notes to the financial statements (continued)  
for the year ended 31 March 2021

(Currency: Indian Rupees in lakhs)

## 23 Tax expense

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

Particulars	31 March 2021	31 March 2020
Current tax		
Deferred tax		
Attributable to-		
Origination and reversal of temporary differences (refer note D)	3,391.77	(225.35)
Income tax expense reported in statement of profit and loss	3,391.77	(225.35)

### B. Reconciliation of effective tax rate

Particulars	31 March 2021	31 March 2020
Profit before tax	9,693.34	(773.83)
Tax using the Company's statutory tax rate	2,439.62	(225.34)
Effect of:		
Impact of tax ordinance	973.40	
Changes in estimates	(21.25)	-
Tax expense	3,391.77	(225.34)

### C. Recognised deferred tax assets and liabilities

#### Movement in temporary differences As on 31 March 2021

Particulars	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)
Net deferred tax (assets) / liabilities	(4,371.05)	7,984.92	3,613.87

#### As on 31 March 2020

Particulars	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	-	206.06	206.06
Service Concession Income	-	3,500.74	3,500.74
Unused Tax Losses	(2,323.58)	-	(2,323.58)
MAT Credit entitlement	(1,161.12)	-	(1,161.12)
Net deferred tax (assets) / liabilities	(3,484.70)	3,706.80	222.10

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

#### Movement in temporary differences As on 31 March 2021

Particulars	Balance as at commencement of the year	Recognised in profit or loss during the year	Recognised in OCI during 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	-	-
	222.10	3,391.77	-	3,613.87

#### As on 31 March 2020

Particulars	Balance as at commencement of the year	Recognised in profit or loss during the year	Recognised in OCI during year	Balance as at 31 March 2020
Difference in carrying value and tax base in measurement of financial instrument at amortised cost	206.06	-	-	206.06
Service Concession Income	2,094.45	1,406.29	-	3,500.74
Unused Tax Losses	(691.95)	(1,631.63)	-	(2,323.58)
MAT Credit entitlement	(1,161.12)	-	-	(1,161.12)
	447.44	(225.34)	-	222.10



## Varanasi Sangam Expressway Private Limited

Notes to the financial statements (continued)  
for the year ended 31 March 2021

(Currency: Indian Rupees in lakhs)

### E. MAT credit

Particulars	Balance as at 31 March 2021		Balance as at 31 March 2020	
	MAT credit available	Expiry assessment year	MAT credit available	Expiry assessment year
AY 2019-20	-	2034-35	123.27	2034-35
AY 2020-21	-	2035-36	1,037.85	2035-36
<b>Total</b>	-		1,161.12	
<b>MAT credit recognised</b>	-		1,161.12	

MAT credit has been recognised as there is a reasonable certainty that MAT credit will be utilised against future taxable profit.

### F. Unused Tax Losses

Particulars	Balance as at 31 March 2021		Balance as at 31 March 2020	
	Carry Forward Losses	Expiry assessment year	Carry Forward Losses	Expiry assessment year
AY 2019-20	2,376.20	2027-28	2,376.20	2027-28
AY 2020-21	5,603.14	2028-29	5,603.14	2028-29
AY 2021-22	9,388.16	2029-30	-	-
<b>Total</b>	17,367.50		7,979.34	
<b>Unused Tax Losses recognised</b>	17,367.50		7,979.34	

On 20 September 2019, the Government of India had brought in the Taxation Laws (Amendment) Ordinance 2019 to make certain amendments in the Income Tax Act, 1961 ('the Act') and the Finance (No.2) Act, 2019. The ordinance was promulgated by the President of India to effect tax reforms announced by the Government. Key amendments are summarized as follows:

"Tax concession for domestic companies ('New Tax Regime'): A new section 115BAA was introduced w.e.f. Financial Year (FY) 2019-20 (Assessment Year (AY) 2020-21 to provide an option for concessional tax at the rate of 25.17% (inclusive of surcharge and cess) in case of a domestic company."

The amendment to the Income Tax Act states that the option to adopt the New Tax Regime is to be exercised by the person in the prescribed manner on or before the due date specified under sub-section (1) of section 139 for furnishing the returns of income for any previous year relevant to the assessment year commencing on or after the 1st day of April 2020 and such option once exercised shall apply to all subsequent assessment years.

The Company had created provision for income tax under the Old Tax Regime at the time of finalizing the financial statements for the year ended 31 March 2020 since the management of the company was of the view that this option was more beneficial.

At the time of finalization of the Tax Audit Report for FY 2019-20 and filing of the Income tax return for the said year, the company observed that the tax liability under the Old Tax Regime may be higher as compared to the New Tax Regime and therefore, decided to file the Income Tax Return for the financial year 2019-20 under the New Tax Regime.

The effect of this change in accounting estimate has resulted in reversal of net deferred tax assets of Rs 973.40 Lakhs for the financial year 2019-20. This has been recorded in the year ended 31 March 2021.





# Varanasi Sangam Expressway Private Limited

Notes to the financial statements (continued)  
for the year ended 31 March 2021

(Currency: Indian Rupees in lakhs)

## 24 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 - CEO (Resignation from Director w.e.f 1st March 2021)

Mr. Anand Rathi - Director-Resignation w.e.f 1st March 2021

Mr. Vikas Agarwal - Director

Mr. Karan Agarwal - Chief Finance Officer

Ms. Riya Parakh - Director (w.e.f. 23 June 2020)

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

Mr. Varun Bhasin Additional Director w.e.f 1st March 2021

### 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	
	31 March 2021	31 March 2020
(a) Loan Received		
(i) G R Infraprojects Limited	11,177.37	6,149.45
(b) Loan Repaid		
(i) G R Infraprojects Limited	2,033.12	-
(c) Sub Contract		
(i) G R Infraprojects Limited	19,097.47	74,921.97
(d) Interest received on Mobilisation Advances		
(i) G R Infraprojects Limited	-	346.22
(e) Interest Paid on unsecured loan		
(i) G R Infraprojects Limited	1,916.33	1,232.09
(f) Mobilisation advances Received/ Recovered		
(i) G R Infraprojects Limited	-	(5,184.00)
(g) Remuneration		
(i) Sugandha Goyal	-	2.83
(ii) Riti	-	0.40
(iii) Chirag Gandhi	4.90	-

Particulars	Balance outstanding receivable/(payable)	
	31 March 2021	31 March 2020
(a) Loan payable		
(i) G R Infraprojects Limited	28,775.61	17,858.76
(b) Trade payables		
(i) G R Infraprojects Limited	3,733.29	2,226.32
(c) Balance outstanding (payable)		
(i) Chirag Gandhi	0.40	-



## Varanasi Sangam Expressway Private Limited

Notes to the financial statements (continued)  
for the year ended 31 March 2021

(Currency: Indian Rupees in lakhs)

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

Name of entity	Description of the arrangement	Significant terms of the arrangement	Financial Asset
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	31 March 2021 1,24,779.93
			31 March 2020 88,912.38



## Varanasi Sangam Expressway Private Limited

Notes to the financial statements (continued)  
for the year ended 31 March 2021

(Currency: Indian Rupees in lakhs)

### 26 Fair Value Measurements

#### A. Accounting classification and fair values

As at 31 March 2021

Particulars	FVTPL	FVOCI	Amortised cost	Total	Level 1 - Quoted price in active markets	Fair Value Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Trade receivables	-	-	610.70	610.70				
Cash and cash equivalents	-	-	3,415.27	3,415.27				
Other financial assets	-	-	1,24,779.93	1,24,779.93				
<b>Total Financial assets</b>	-	-	<b>1,28,805.90</b>	<b>1,28,805.90</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>	-	-	-	-

As at 31 March 2020

Particulars	FVTPL	FVOCI	Amortised cost	Total	Level 1 - Quoted price in active	Fair Value Level 2 - Significant observable	Level 3 - Significant unobservable inputs	Total
Trade receivables	-	-	386.83	386.83				
Cash and cash equivalents	-	-	1,105.13	1,105.13				
<b>Total Financial assets</b>	-	-	<b>1,491.96</b>	<b>1,491.96</b>	-	-	-	-
Borrowings	-	-	93,107.27	93,107.27				
Trade payable	-	-	2,259.07	2,259.07				
Other financial liabilities	-	-	-	-				
<b>Total Financial liabilities</b>	-	-	<b>95,366.34</b>	<b>95,366.34</b>	-	-	-	-

Note :

- i) The carrying amounts of financial assets and liabilities are considered to be the same as their fair values due to the current and short term nature of such balances and no material differences in the values.

#### B. Measurement of fair values

##### Levels 1, 2 and 3

**Level 1 :** It includes Investment in equity shares and mutual fund that has a quoted price and which are actively traded on the stock exchanges. It is been valued using the closing price as at the reporting period on the stock exchanges.

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

**Level 3 :** These instruments are valued based on significant unobservable inputs whereby future cash flows are discounted using appropriate discount rate.

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.



# Varanasi Sangam Expressway Private Limited

## Notes to the financial statements (continued)

for the year ended 31 March 2021

(Currency: Indian Rupees in lakhs)

### 27 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.

#### (i) 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 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. Credit risk arising from these construction assets is limited and there is no collateral held against these because the counterparties are NHAI.

#### (ii) 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.

31 March 2021	Carrying amount	Total	Contractual cash flows		
			Less than 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Borrowings	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	-	-
Total	1,25,457.35	1,25,457.35	9,380.28	24,190.92	91,886.15

31 March 2020	Carrying amount	Total	Contractual cash flows		
			Less than 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Borrowings	93,107.27	93,107.27	-	21,835.60	71,271.67
Trade payables	2,259.07	2,259.07	2,259.07	-	-
Other current financial liabilities	-	-	-	-	-
Total	95,366.34	95,366.34	2,259.07	21,835.60	71,271.67

#### (iii) 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 including foreign currency receivables and payables. The Company is exposed to market risk primarily related to foreign exchange rate risks. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in foreign currency revenues and costs.

#### a) Currency risk

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



# Varanasi Sangam Expressway Private Limited

Notes to the financial statements (continued)  
for the year ended 31 March 2021

(Currency: Indian Rupees in lakhs)

## 27 Financial instruments risk management objectives and policies (continued)

### b) Price risk

#### a) 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 interest rate risk

The interest rate profile of the Company's interest-bearing financial instrument as reported to management is as follows:

	31 March 2021	31 March 2020
<b>Fixed-rate instruments</b>		
Financial assets	2,112.97	-
Financial liabilities	-	-
<b>Variable-rate instruments</b>		
Financial assets	1,24,779.93	-
Financial liabilities	1,21,596.80	93,107.27

#### 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

Particulars	Impact on profit before tax 31 March 2021	Impact on profit before tax 31 March 2020
Interest rate		
- increase by 100 basis points	31.83	-931.07
- decrease by 100 basis points	-31.83	931.07

## 28 Capital management

The Company's policy is to maintain strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Company manages the capital structure by balanced mix of debt and equity. The Company's capital structure is influenced by the changes in regulatory framework, government policies, available options of financing and the impact of the same on the liquidity position.

Particulars	31 March 2021	31 March 2020
Total borrowings	1,16,077.07	92,777.32
Less: cash and cash equivalents	3,415.27	1,105.13
<b>Adjusted net debt</b>	<b>1,12,661.80</b>	<b>91,672.19</b>
Equity share capital	3,889.00	3,889.00
Other equity	9,628.51	3,326.94
<b>Total equity</b>	<b>13,517.51</b>	<b>7,215.94</b>

<b>Adjusted net debt to equity ratio</b>	<b>8.33</b>	<b>12.70</b>
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## 29 Contingent liabilities and commitments

Particulars	31 March 2021	31 March 2020
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### a) Commitments

#### (i) Capital Commitments

626.95 16,724.35





# Varanasi Sangam Expressway Private Limited

Notes to the financial statements (continued)  
for the year ended 31 March 2021

(Currency: Indian Rupees in lakhs)

## 30 Earnings per share

Particulars	31 March 2021	31 March 2020
Face value per equity share (in Rs.)	10.00	10.00
(a) Profit for the year attributable to equity shareholders	6,301.57	(548.48)
(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)	16.20	(1.41)
- Diluted earning per share (a/f)	16.20	(1.41)

### 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

### 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 38791.25 lakhs are derived from single customer (NHAI) which amounts to 10% or more of the Company's revenue.

## 32 The SARS CoV-2 virus responsible for COVID-19 continues to spread across the globe and India. In order to contain the spread of COVID 19, the Central Government of India and various State Governments imposed a complete lockdown including curbs on international and domestic travel.

The Company (the "Concessionaire") is formed as a Special Purpose Vehicle to design, build, operate and transfer (the "DBOT annuity" or "Hybrid annuity") the project relating to Six Lining 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 "Project"), which shall be partly financed by the Concessionaire who shall recover its investment and costs through annuity payments and Operation & Maintenance (O&M) Payment to be made by National Highway Authority of India (the "Authority"), in accordance with the terms and conditions set forth in this Concession Agreement entered into with the Authority. The Company is executing the Project through an EPC agreement with G R Infraprojects Limited (the "Contractor" or "Holding Company") to design, build and maintain the Project.

The progress of the Project was temporarily impacted, due to shutdown of project site following the nation-wide lockdown. The Company and its Contractor resumed their operations in a phased manner in line with directives from authorities and relaxations provided by Ministry of Home Affairs on 16 April 2020. Based on the management's initial assessment of the impact of this pandemic on the Company's business operations, capital and financial resources, liquidity, internal financial reporting and its overall financial position while considering the current economic conditions, and the project execution plan, the impact of this pandemic on the Company and its project is not expected to be significant. 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.

Additionally, the Government on 13 May 2020 has announced measures for all Central Agencies (like Ministry of Railways, Ministry of Road, Transport and Highways, Central Public Works Department, etc.) to provide an extension of up to 6 months (without costs) to contractors. This extension will cover the obligations like completion of work, compliance with intermediate milestones and extension of concession period in PPP contracts.

The Company has considered internal and certain external sources of information including economic forecasts and industry reports up to the date of approval of the financial statements in determining the impact on various elements of its financial statements. The Company has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates, the Company expects to recover the carrying amount of trade receivables including unbilled receivables, investments and other assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements. The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and the Company will continue to monitor this on an ongoing basis.

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

### For JLN US AND COMPANY

Chartered Accountants  
Firm's Reg No. 101543W

CA Mahesh Menaria  
Partner  
M. No. 400828



*Ajendra Kumar Agarwal*  
Ajendra Kumar Agarwal  
Chief Executive Officer  
Place: Gurugram

Place : Udaipur  
Date : 26th May 2021

Varanasi Sangam Expressway Private Limited  
CIN U45500RJ2017PTC057753

*Vikas Agarwal*  
Vikas Agarwal  
Director  
DIN : 03113689  
Place: Gurugram

*Varun Bhasin*  
Varun Bhasin  
Additional Director  
DIN : 03262761  
Place: Gurugram

*Chirag Gandhi*  
Chirag Gandhi  
Company Secretary  
ICSI Memb. No. A55452  
Place: Gurugram

*Karan Agarwal*  
Karan Agarwal  
Chief Finance Officer  
ICAI Memb. No.522930  
Place: Gurugram

Date : 26th May 2021

