



## **GREWAL & SINGH**

**Chartered Accountants**

B-26, L.G.F., Lajpat Nagar-III, New Delhi - 110 024  
Tel. : 011-41104791, 41104793, 41554922  
E-mail : mail@cagrewalsingh.com

### **Independent Auditor's Report**

To the Members of **Gwalior Jhansi Expressways Limited**

#### **Qualified Opinion**

We have audited the accompanying standalone financial statements of **Gwalior Jhansi Expressways Limited** ('the Company'), which comprise the Balance Sheet as at 31st March, 2024, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the basis of qualified opinion section of our report, 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, 2024, the loss and its cash flows for the year ended on that date.

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

- i. We draw attention to Note 16 stating that NHAI had issued intention to termination notice under clause 32.1.2 of the Concession Agreement to Company. The said action was challenged by the Company before the Hon'ble Court of Delhi and the said Court vide order dated 12.03.2014 had stayed the operation of said notice.
- ii. We draw attention to note no. 17 stating that due to the inability of the Company to repay the overdue Installments, the principal amount of term loan aggregating to ₹384.91 crores (Previous year ₹444.25 crores) upto 31st March, 2024, Rupee Term Loan has been classified as 'Non-Performing Asset' by the consortium Lender Banks and Financial Institutions. Further, the balances are subject to reconciliation and confirmation from Banks and Financial Institutions.
- iii. The company has stopped providing the interest on accrual basis of accounting aggregating ₹2002.22 Crore for the period 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2024 and accordingly, capital work in progress and the current liabilities on account of loan from Banks has been understated to this extent.

#### **Emphasis of Matter**

- i) We draw attention to Note No. 15 stating that the liabilities in respect of bills raised by EPC Contractor etc. aggregating ₹324.48 Crore has not been accounted in books, as in the opinion of the management, these liabilities are not due and payable till the final settlement with NHAI.
- ii) We draw attention to Note No. 26 stating that the debit and credit balances of assets and liabilities are under confirmation from respective parties.



**DELHI BRANCH OFFICE :**  
A-17, L.G.F., Lajpat Nagar-III,  
New Delhi - 110024  
Tel.: +011-41104792, 41104794

**CHANDIGARH BRANCH OFFICE :**  
Office No. B-10, Plot No. D-223, Phase VIII-B,  
Industrial Area, Mohali, Punjab-160062  
Tel.: +91-99157 03165

**YAMUNA NAGAR BRANCH OFFICE :**  
S.C.O, 1/3, First Floor, Near District Library,  
Civil Line, Jagadhri, Haryana - 135003  
Tel.: 01732-242 893, 98950 44812

**OVERSEAS BRANCH OFFICE :**  
207-19, Woodbine Downs BLVD  
Toronto, M9W6N5  
Tel.: +1 (647) 895-3191



- iii) We draw attention to Note No. 25 stating that company has six (06) bank accounts which are Non operative accounts in respect of which Bank Statements have not been provided and the balance in such accounts as at 31st March, 2024 are subject to confirmation.

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

#### **Responsibility of Management and those charged with Governance for the standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the 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 and financial performance, of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

#### **Auditor's Responsibility for the Audit of the Financial Statements**

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





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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.



## Other Matters

In our opinion and to the best of our knowledge and belief, the following matters also need attention:

We draw attention to Note 16 in the financial statements which states that the Company has claimed Compensation amounting to approximately ₹900 crores from NHAI on account of losses suffered by the Company due to material delays and default by NHAI, for not handing over the land and non issuance of Annuity payments due to the Company and the case has been placed before the Arbitral Tribunal appointed by the Hon'able High Court.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) except the effect of matters as mentioned in the qualified opinion in the preceding paragraph and, for the matters stated in the paragraph 2(h)(vii) below, on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 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) except the audit matters, mentioned hereinabove, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the companies Act 2013.
  - (e) on the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) the modifications relating to the maintenance of accounts and other matters connected there with are as stated in the paragraph 2(b) above on reporting under section 143(3)(b) of the Act and paragraph 2(h)(vii) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - (g) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us
  - i. The Company has pending litigations which would impact its financial position, as mentioned in note no. B-15, 16 and 17 to the notes on accounts.






- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. During the year, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (i) The management has represented that, to the best of it's knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(ii) The management has represented, that, to the best of it's knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and  
  
(iii) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.
- v. According to the information and explanations and based on our examination of the records of the Company, the company did not declare or paid any dividend during the year, hence the provisions with respect to section 123 of the Companies Act, 2013 are not applicable to the company.
- vi. No managerial remuneration was paid by the company during the year under consideration, hence we have not commented upon the compliance of the provision of section 197 read with the Schedule V of the Companies Act 2013. The Ministry of Corporate Affairs has not prescribed other details under the said section on which we are required to comment.



- vii. Based on our examination which included test checks and information given to us, the Company has used accounting software for maintaining its books of account, which did not have a feature of recording audit trail (edit log) facility throughout the year for all transactions recorded in the software, hence we are unable to comment on audit trail feature of the said software.

For Grewal & Singh  
Chartered Accountants  
Firm Registration No.: 012322N

  
Jaspal Singh Sahni  
Partner

M. No. 501501

UDIN: 24501501BKFFHP4723

Place: New Delhi  
Date: 26-08-2024





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

**Re: Gwalior Jhansi Expressways Limited (the company)**

1. (a)(A) According to the information and explanations provided to us and on the basis of the examination of the records of the company, the company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment.  
  
(B) According to the information and explanations provided to us and on the basis of the examination of the records of the company, the company does not hold any intangible assets. Accordingly, clause (i)(a)(B) of the Order is not applicable to the company.  
  
(b) The company has a regular system of verification of these property, plant and equipment, according to which these property, plant and equipment were verified by the company at a periodical interval. In accordance with this system, we have verified the property, plant and equipment whereby we are of the opinion that the periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.  
  
(c) According to the information and explanation provide to us, the company does not hold any immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee).  
  
(d) According to the information and explanations provided to us and on the basis of the examination of the records of the company, the company has not revalued its property, plant and equipment during the year.  
  
(e) According to the information and explanations provided to us and on the basis of the examination of the records of the company, no proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
2. (a) In our opinion and according to the information provided to us, the inventory has been physically verified by the management at reasonable intervals and the coverage and procedure of such verification by the management is appropriate. No such discrepancies were noticed on the verification of physical inventory with the book records that were 10% or more in the aggregate for each class of inventory.  
  
(b) As per the information and explanations given to us, during any point of time of the year, the company has not been sanctioned working capital limits from banks or financial institutions on the basis of security of current assets; and accordingly, the company is not required of filing the quarterly returns or statements with such banks or financial institutions.
3. (a) According to the information provided to us and on the basis of our examination, during the year the company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured



unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the clause (iii)(a) of Para 3 of CARO is not applicable to the company.

(b) According to the information provided to us and on the basis of our examination, the company during the year did not make any investments in, provided guarantees, given security, and granted loans and advances in the nature of loans. Accordingly, the clause (iii)(b) of Para 3 of CARO is not applicable to the company.

(c) According to the information provided to us and on the basis of our examination, the company did not granted any loans and advances in the nature of loans. Accordingly, the clause (iii)(c) of Para 3 of CARO is not applicable to the company.

(d) According to the information provided to us and on the basis of our examination, the company did not granted any loans and advances in the nature of loans. Accordingly, the clause (iii)(d) of Para 3 of CARO is not applicable to the company.

(e) According to the information provided to us and on the basis of our examination, the company did not granted any loans and advances in the nature of loans. Accordingly, the clause (iii)(e) of Para 3 of CARO is not applicable to the company.

(f) According to the information provided to us and on the basis of our examination, the company during the year did not granted any loans and advances in the nature of loans. Accordingly, the clause (iii)(f) of Para 3 of CARO is not applicable to the company.

4. As per the information and explanations given to us, the company has not made any loans, investments, guarantees and security covered under the provisions of Section 185 and 186 of the Companies Act, 2013, hence this clause is not applicable to the company.
5. According to the information and explanations given to us, we are of opinion that the company has not accepted any deposit or amounts which are deemed to be deposits in pursuance of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
6. The company is not liable to maintain cost records in pursuance to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act 2013.
7. (a) According to the information and explanations given to us and books and records as produced and examined by us are in accordance with generally accepted auditing practices in India and also based on management representation, the company is regular in depositing undisputed statutory dues including provident fund, income-tax, goods and service tax and any other statutory dues with the appropriate authorities. Further, we report that no undisputed amount payable in respect to income tax, goods and service tax and any other statutory dues were outstanding as at March 31, 2024 for a period of more than six months from the date they became payable.





(b) We draw attention to Note 15 stating that the company has filed appeals before the appropriate authorities in respect of value added tax/entry tax demands aggregating ₹8.38 crores.

Name of the statute	Nature of dues	Amount(₹)	Period to which the amount relates	Forum where dispute is pending	Remarks if any,
Sales tax	VAT	1.49 crores	2008-09	Trade tax tribunal, Bhopal	No remarks
	VAT	5.85 crores	2011-12	Commercial tax department, Gwalior	No remarks
	Entry tax	1.04 crores	2011-12	Commercial tax department, Gwalior	No remarks

8. There are no unrecorded Income transactions during the year which have been surrendered or disclosed before the concerned Tax Authorities.

9. (a) Based on the examination of the records of the company and on the information and explanations provided to us, the company has defaulted in repayment of dues to the banks/financial institutions aggregating to ₹384.91 crores (Previous year ₹444.25 crores), the principal amount upto 31<sup>st</sup> March, 2024 (Refer note no.17, to the notes to accounts).

However, due to the inability of the company to repay the installments of the said term loan on due dates, the same has been classified as 'Non-Performing Asset' by the Banks and Financial Institutions, the company has stopped providing the interest on accrual basis of accounting aggregating ₹2002.22 Crore for the period 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2024. Accordingly, capital work in progress and the current liabilities on account of loan from Banks has been understated to this extent.

(b) According to the information and explanations given to us, the company has not been declared as wilful defaulter by any bank or financial institution or other lender except as mentioned in para 9 (a) above of this CARO report.

(c) According to the information and explanations given to us, the company has not obtained any term loans during the year. Accordingly, the clause (ix)(c) of Para 3 of CARO is not applicable to the company.



- (d) According to the information and explanations given to us, the company did not raised any funds on short term basis. Accordingly, the clause (ix)(d) of Para 3 of CARO is not applicable to the company.
- (e) According to the information and explanations given to us, the company does not have any subsidiaries, associates or joint ventures. Accordingly, the clause (ix)(e) of Para 3 of CARO is not applicable to the company.
- (f) According to the information and explanations given to us, the company does not have any subsidiaries, associates or joint ventures. Accordingly, the clause (ix)(f) of Para 3 of CARO is not applicable to the company.
10. (a) According to the information and explanations given to us, no money has been raised by way of initial public offer or further public offer (including debt instrument) during the year.
- (b) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
11. (a) According to the information and explanations given to us, no fraud by or on the company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no any report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information and explanations given to us, the auditor has not received any whistle-blower complaints during the year from the company.
12. In our opinion, the Company is not a Chit Fund or a Nidhi Company. Therefore, this clause is not applicable to the company.
13. The company transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statement as required by the accounting standard and Companies Act, 2013.
14. (a) According to the Information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business;
- (b) The company is not required to get its accounts audited for the period under audit by the Internal Auditors in pursuance of section 138 of the Companies Act, 2014 read with Rule 13 of the Companies (Accounts) Rules 2014 (amended). Accordingly, paragraph 3 (xiv)(b) of the Order is not applicable to the company.
15. **Non cash transactions**  
According to the Information and explanations given to us and based on our examination of the records of the Company, there are no non cash transactions undertaken by the company with their directors or other persons connected to the directors.





16. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) According to the Information and explanations given to us during the course of the audit, the Group does not have any CIC as part of the Group. Accordingly, the requirements of clause 3(xvi)(d) of the Order is not applicable to the Company. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

17. **Cash Losses**

The company has not incurred cash losses amounting to ₹91.29 lakhs during the financial year ending 31<sup>st</sup> March, 2024 and ₹4.74 crores during the financial year ending 31<sup>st</sup> March, 2023.

18. **Resignation of Statutory Auditors**

During the year, there was no resignation from the Statutory Auditors of the company.

19. **Material Uncertainty**

According to the Information and explanations given to us, and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and also on the basis of our examination of supportive evidence of assumptions, we are of the opinion that no material uncertainty exist as on the date of the audit report that the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. However, our reporting is not an assurance to the future viability of the company. Further we state that our reporting is based on the facts as up to the date of audit report and accordingly it is not a guarantee and assurance that all liabilities falling within a period of one year from the date of balance sheet will get discharged by the company as and when they fall due.

20. **Transfer to Fund specified under Schedule VII of the companies Act, 2013**

According to the information and explanations provided to us, the provisions of Section 135 of the Companies Act, 2013 for the Corporate Social Responsibility are not applicable to the company. Hence; paragraph (xx) of the Order are not applicable to the company



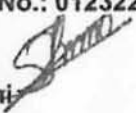
21. **Qualifications or adverse auditors remarks in other group companies**

Name of company  
Included in the  
Consolidated Financial  
Statements

Paragraph no. of respective CARO Report

i) ----- NOT APPLICABLE -----

**For Grewal & Singh**  
**Chartered Accountants**  
**Firm Registration No.: 012322N**

  
**Jaspal Singh Sahni**  
**Partner**  
**M. No. 501501**  
**UDIN: 24501501BKFFHP4723**

**Place: New Delhi**  
**Date: 26-08-2024**





## **Annexure - B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of **Gwalior Jhansi Expressways Limited** ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

### **Auditors' Responsibility**

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

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

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



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

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

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Grewal & Singh**  
**Chartered Accountants**  
**Firm Registration No.: 012322N**



**Jaspal Singh Sahni**  
**Partner**

**M. No. 501501**

**UDIN: 24501501BKFFHP4723**

**Place: New Delhi**  
**Date: 26-08-2024**





(INR'00)

Particulars	Note No.	As at March 31, 2024		As at March 31, 2023	
		Rupees	Rupees	Rupees	Rupees
<b>I. EQUITY AND LIABILITIES</b>					
(1) Shareholders' Funds					
(a) Share capital	B1	1,72,41,400.00		1,72,41,400.00	
(b) Reserve & Surplus	B2	(10,18,540.88)		(9,03,976.49)	
			1,62,22,859.12		1,63,37,423.51
(2) Non-current liabilities					
(b) Other Long term liabilities	B3			45,558.50	
	B4				45,558.50
(3) Current liabilities					
(a) Trade payables	B5	1,53,95,192.86		75,86,859.69	
(b) Other current liabilities	B6	7,53,05,707.66		8,10,80,715.20	
			9,07,00,900.53		8,86,67,574.89
<b>Total</b>			<b>10,69,23,759.65</b>		<b>10,50,50,556.90</b>
<b>II. ASSETS</b>					
(1) Non-current assets					
(a) Property, Plant & Equipment					
(i) Tangible assets	B7	82,752.17		1,04,561.52	
(ii) Capital work-in-progress	B8	10,33,73,023.74		10,33,73,023.74	
			10,34,55,775.92		10,34,77,585.27
(b) Deferred Tax Assets			14,345.47		14,735.49
(2) Current Assets					
(a) Inventory	B9		18,95,087.79		
(b) Cash and cash equivalents	B10		18,175.63		18,175.63
(c) Short-term loans and advances	B11		15,40,374.85		15,40,060.52
<b>Total</b>			<b>10,69,23,759.65</b>		<b>10,50,50,556.90</b>
Significant accounting policies and notes to financial statements A1 to A12 and B1 to B28					

In terms of our separate report of even date

For Grewal & Singh  
Chartered Accountants  
Firm's Regn. No. 012322N

(Jaspal Singh Sahni)  
Partner  
UDIN: 24501501BKFFHP4723

Date: 26.08.2024  
Place: New Delhi



For and on behalf of Board of Directors

(N. S. Narula)  
Managing Director  
DIN: 00113749

(Naginder Singh)  
Director  
DIN: 06818916

(Dinesh Kumar Sharma)  
C.F.O.

Gwalior Jhansi Expressways Limited  
CIN : U45203DL2006PLC150616  
Profit and Loss Account as at 31st March, 2024

PARTICULARS	Note No.	For the year ended on 31.03.24	For the year ended on 31.03.23
I) Revenue from Operations	B12	-	-
II) Other Income		0.30	5.62
III) Total Revenue (I + II)		0.30	5.62
IV) Expenses			
Cost of Materials Consumed		-	-
Other Direct Expenses		-	-
Changes in Inventories of Finished Goods, Work In Progress and Stock-in-Trade		-	-
Employee Benefit Expense	B13	57,007.11	49,174.98
Finance Costs	B14	-	46,620.55
Depreciation & Amortization Expense,	B7	22,883.74	30,948.48
Other Expense	B15	34,283.81	3,78,342.81
Total Expenses		1,14,174.66	5,05,086.83
V) Profit Before Exceptional and Extraordinary Items and Tax (III-IV)		(1,14,174.36)	(5,05,081.15)
VI) Exceptional Items			
VII) Profit Before Extraordinary Items and Tax (V-VI)		(1,14,174.36)	(5,05,081.15)
VIII) Extraordinary Items		-	-
IX) Profit before tax (VII-VIII)		(1,14,174.36)	(5,05,081.15)
X) Tax Expenses			
(1) Current tax		-	-
(2) Minimum Alternate Tax		-	-
(3) Deferred tax(Liability/(Asset))			
XI) Profit/(Loss) for the period from Continuing Operations (IX - X)		390.02	(1,574.53)
XII) Profit/(Loss) for the period from Discontinuing Operations		(1,14,564.38)	(5,03,506.62)
XIII) Tax expense of Discontinuing Operations		-	-
XIV) Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)		-	-
XV) Profit/(Loss) for the period (XI + XIV)		-	-
XVI) Earnings per Equity Share:			
(1) Basic		(0.07)	(0.29)
(2) Diluted		(0.07)	(0.29)
The Notes form an integral part of these Financial Statements.			

In terms of our separate report of even date

For and on behalf of Board of Directors

For Grewal & Singh  
Chartered Accountants  
Firm's Regn. No. 012322N

Partner  
(Jaspal Singh Sahni)  
UDIN: 245015010K5TH04723  
Date: 26.08.2024  
Place: New Delhi

(N. S. Narula)  
Managing Director  
DIN: 00113749

(Naginder Singh)  
Director  
DIN: 06618916

(Dinesh Kumar Sharma)  
C.F.O.






Gwalior Jhansi Expressways Limited  
CIN : U45203DL2006PLC150616  
Cash Flow Statement for the year ended March 31, 2024

(INR'00)

	Particulars		For the year ended on 31.03.24	For the year ended on 31.03.23
A.	<b>Cash Flow from/ (used in) Operating Activities</b>			
	Net profit/ (Loss) Before tax and extraordinary items		(1,14,174.36)	(5,05,081.15)
	<b>Adjustments for:</b>			
	Interest Paid		-	-
	Depreciation and amortization expenses		22,883.74	30,948.48
	Extraordinary items - Deferred revenue Expenditure & Pre-Operative Expenses W/off		-	-
	<b>Operating Profit before Working Capital Changes</b>		(91,290.62)	(4,74,132.66)
	<b>Working Capital Changes:</b>			
	(Increase)/Decrease in Current Assets		(18,95,402.12)	(6,072.24)
	Increase/(Decrease) in Current Liabilities		20,33,325.64	23,59,008.95
	<b>NET CASH FROM OPERATIONS</b>	A	46,632.90	18,78,804.05
B.	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
	Fixed Deposit		-	-
	(Increase)/decrease in Fixed Assets		(1,074.39)	(12,323.57)
	Increase/ (Decrease) in CWIP		-	(19,10,236.18)
	<b>Net Cash from/ (used in) Investing Activities</b>	[B]	(1,074.39)	(19,22,559.75)
C.	<b>Cash flow from/ (used in) Financing Activities</b>			
	Share Application Money received/ repaid		-	-
	Proceeds from issue of Share Capital		-	-
	Secured Loans received during the year (net of repayment)		(45,558.50)	43,888.86
	<b>Net Cash from (used in) Financing Activities</b>	[C]	(45,558.50)	43,888.86
	<b>Net (Decrease)/ Increase in Cash and Cash equivalents</b>	[A+B+C]	(0.00)	133.16
	Cash and Cash equivalents as at the commencement of the year (Opening Balance)		18,175.63	18,042.47
	Cash and Cash equivalents as at the end of the year (Closing Balance)		18,175.63	18,175.63
	<b>Net (Decrease)/ Increase in Cash and Cash equivalents</b>		-	133.16

NOTE: The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3

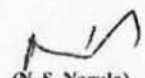
In terms of our separate report of even date.  
for GREWAL & SINGH  
Chartered Accountants  
Firm Regn. No. 012322N

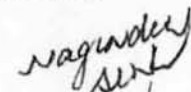
  
Jaspal Singh Sahni  
Partner  
Membership no. 501501  
UDIN: 24501501BKFFHP4723


New Delhi  
Dated : 26.08.2024



For and on behalf of Board of Directors

  
(N. S. Narula)  
Managing Director  
DIN: 00113749

  
(Naginder Singh)  
Director  
DIN: 06818916

  
(Dinesh Kumar Sharma)  
C.F.O.

Note B1 (i) Share Capital	
Authorized Equity Shares Rs. 10 par value 22,00,00,000 (Previous Year 22,00,00,000) Equity Shares of Rs. 10/- each	As at March 31, 2024
	As at March 31, 2023
Issued, Subscribed and Paidup Equity Shares Rs. 10 par value 17,24,14,000 (Previous Year 17,24,14,000) Equity Shares of Rs. 10/- each, fully paid up in cash	As at March 31, 2024
	As at March 31, 2023
(ii) Reconciliation of shares Outstanding at the beginning and at the end of reporting period	As at March 31, 2024
	As at March 31, 2023
Particulars	As at March 31, 2024
	As at March 31, 2023
No. of shares outstanding at the beginning of the year	17,24,14,000
Add : Shares issued during the year	17,24,14,000
No. of Shares outstanding at the end of the year	17,24,14,000
(iii) Rights, Preferences and Restrictions -	
The Company has only one class of shares referred to as Equity Shares having a Par Value of Rs. 10/-. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.	
(iv) Shares held by Holding Company	
Apollo Enterprises Limited	As at March 31, 2024
	As at March 31, 2023
No. of Shares	No. of Shares
Ruppes	Ruppes
89,03,179.20	89,03,179.20
8,90,31,792	8,90,31,792
(v) List of Shareholders holding more than 5% of shares :	
Apollo Enterprises Limited	As at March 31, 2024
	As at March 31, 2023
Name of Shareholders	No. of Shares
	%
	No. of Shares
	%
Arc Infrastructure Limited	51.64
	8,90,31,792
DSC Limited	34.53
	6,96,27,908
	2,38,51,300
	13.83
Surplus in the Statement of Profit & Loss	
Balance at the beginning of the year	As at March 31, 2024
	As at March 31, 2023
Less : (Loss)/Profit for the period	(9,03,976.49)
Less : Transfer to General Reserves	(1,14,664.38)
Less : Appropriation to Debenture Redemption Reserve	-
Closing Balance	(10,18,540.88)





(INR'00)

	As at March 31, 2024		As at March 31, 2023	
	Rupees		Rupees	
Note B3 Long Term Borrowings				
Secured Loans				
Term Loan				45,558.50
- Banks	-			
- Financial Institutions	-		45,558.50	
Secured By :				
Term Loan is covered by following security				
The Loan from Banks and Financial Institutions is secured by hypothecation of movable properties and/or assets, book-debts, receivables both present and future. The amount is further secured by way of pledge of 51% of the equity shares held by the promoters in the Company.				
Terms of Repayment				
1 In terms of Restructuring of Loan in March 2012, the loan has to be repaid in 19 half yearly installments and first installment commenced from December 2012. Further interest has to be paid on the last day of each month. As on 29th March, 2012 the loan was restructured and repayment schedule was revised. Therefore First installment for principal repayment shall commence from 31st December 2012 and principal is payable in Nineteen (19) half yearly installments.				
Default in repayment of Principal and Interest				
1 Interest	Amount	Period	Amount	
	62,20,689.02	June'2012 to March'2015	62,20,689.02	June'2012 to March'2015
2 Principal	3,84,91,222.47	Dec' 2012 to Mar'2022	4,44,25,022.47	Dec' 2012 to Mar'2022
	TOTAL		4,47,11,911.49	5,06,45,711.49
Note B4 Other Long Term Liabilities				
Retention Money				
	TOTAL			
Note B5 Trade Payables				
Sundry Creditors			1,53,95,192.86	75,86,859.69
	TOTAL		1,53,95,192.86	75,86,859.69
Note B6 Other current Liabilities				
Statutory obligations		1,65,031.39		5,790.80
Current Maturities of Long Term Debt		3,84,91,222.47		4,44,25,022.47
- Banks	2,92,06,840.23		3,51,40,640.23	
- Financial Institutions	92,84,382.24		92,84,382.24	
Interest Accrued & Due		62,20,689.02		62,20,689.02
- Banks	49,85,946.03		49,85,946.03	
- Financial Institutions	12,34,742.99		12,34,742.99	
Interest Accrued but not due		3,04,18,872.00		3,04,18,872.00
Other Payables		9,892.78		10,340.91
- Audit Fees	600.00		590.00	
- Lenders Engineer's Fees	1,240.88		1,240.88	
- Expenses Payable	7,171.89		6,982.03	
- Other Sundry Creditors	880.01		1,528.00	
	TOTAL	7,53,05,707.66		8,10,80,715.20



Gwalior Jhansi Expresways Limited

CIN : U45203DL2006PLC150616

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

Note B7 Property, Plant & Equipment

(INR'00)

Particulars	Gross Block				Depreciation				Net Block	
	As at April 1, 2023	Additions during the year	Disposal during the year	As at March 31, 2024	As at April 1, 2023	Additions during the period	On Disposal during the year	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Plant & Machinery	11,14,657.99	-	-	11,14,657.99	10,41,544.95	14,661.14	-	10,56,206.09	58,451.90	73,113.04
Vehicle	57,421.22	-	-	57,421.22	26,562.08	7,971.27	-	34,533.35	22,887.87	30,859.14
Computers & Mobiles	739.01	1,074.39	-	1,813.40	149.66	251.33	-	400.99	1,412.41	589.35
<b>Total Tangible Assets</b>	<b>11,72,818.22</b>	<b>1,074.39</b>	<b>-</b>	<b>11,73,892.61</b>	<b>10,68,256.70</b>	<b>22,883.74</b>	<b>-</b>	<b>10,91,140.44</b>	<b>82,752.17</b>	<b>1,04,561.52</b>
<b>Previous Year</b>	<b>11,60,494.65</b>	<b>12,323.57</b>	<b>-</b>	<b>11,72,818.22</b>	<b>10,37,308.21</b>	<b>30,948.48</b>	<b>-</b>	<b>10,68,256.70</b>	<b>1,04,561.52</b>	





		As at March 31, 2024	As at March 31, 2023
		Rupees	Rupees
<b>Note B8 Capital work in progress</b>			
<b>A) EPC Work-in-Progress (As certified by the Management)</b>			
Add: Work done of earlier years now accounted for			
		4,94,45,008.00	4,79,20,903.71
		15,24,104.29	
		<b>4,94,45,008.00</b>	<b>4,94,45,008.00</b>
<b>B) Pre-Operative Project Expenses (Pending Allocation)</b>			
Balance Brought Forward from Previous Year			
		5,39,28,015.74	5,35,41,853.85
		3,86,131.89	
		<b>5,39,28,015.74</b>	<b>5,39,28,015.74</b>
		<b>Sub - Total B</b>	<b>10,33,73,023.74</b>
		<b>Grand Total (A+B)</b>	<b>10,33,73,023.74</b>
<b>Note B9 Inventory</b>			
Work in progress			
		18,95,087.79	
		<b>18,95,087.79</b>	
<b>Note B10 Cash and Cash Equivalents</b>			
(a) Cash and Cash Equivalents			
		17,968.58	17,968.58
		2,963.58	
		<b>15,005.00</b>	<b>15,005.00</b>
(b) Other Bank Balances			
		7.05	7.05
		200.00	200.00
		<b>18,175.63</b>	<b>18,175.63</b>
<b>Note B11 Short Term Loans and Advances</b>			
Unsecured Considered Good			
		14,40,090.21	14,43,901.39
		Others:-	
		5,607.48	5,607.46
		57,889.05	57,889.05
		32,547.58	32,547.58
		4,162.53	27.03
		88.00	68.00
		<b>15,40,374.85</b>	<b>15,40,060.52</b>
<b>TOTAL</b>			



Note B 12 : Other Income

Particulars	Year Ended 31.03.2024	Year Ended 31.03.2023
- Other Income	0.30	5.68
- Interest on Income Tax Refund	0.30	5.68

Note B 13 : Employee Benefit Expense

Particulars	Year Ended 31.03.2024	Year Ended 31.03.2023
- Salaries, Wages & Bonus	53,434.16	46,921.56
- Staff Welfare Expenses	3,572.93	2,253.42

Note B 14 : Finance Costs

Particulars	Year Ended 31.03.2024	Year Ended 31.03.2023
Interest Expense	-	28,000.00
- Loan processing Fees	-	18,620.55
- Other Interest	-	46,620.55

Note B 14 : Other Expenses

Particulars	Year Ended 31.03.2024	Year Ended 31.03.2023
Insurance	585.89	1,779.90
Travelling and Conveyance	63.00	435.00
Rates & Taxes	23,192.50	4,197.00
Professional Charges	9.00	0.50
Interest on TDS	-	15.14
Bank Charges	39.23	62.00
Courier Charges	-	-
Hire Charges	-	-
Labour Charges	-	22,749.05
Documentation Expenses	1,081.98	-
Misc. Expenses	2.76	-
General Expenses	1,454.83	475.95
Electricity & Water Charges	6,829.72	7,570.17
Printing & Stationery Expenses	136.06	152.92
Telephone Expenses	288.84	151.52
Repairs and Maintenance	-	3,37,327.72
Audit fee	600.00	708.00
	34,283.81	3,78,342.81





Gwalior Jhansi Expressways Limited  
CIN : U45203DL2006PLC150616

Annexure-1

Disclosure related analytical ratios

(INR'00)

S.No.	Analytical ratios	Numerator	Current Period	Previous Period	Denominator	Current Period	Previous Period	Ratio			
								Current Period	Previous Period	% Variance	Reasons
a.	Current Ratio,	Current Assets	15,58,550	15,58,236	Current Liabilities	9,07,00,901	8,86,67,575	0.02	0.02	(2.22)	-
b.	Debt-Equity Ratio	Total debt	3,84,91,222	4,44,70,581	Shareholder's Equity	1,62,22,859	1,63,37,424	2.37	2.72	(12.83)	-
c.	Debt Service Coverage Ratio	Earning for Debt Service	-	-	Debt Service	-	-	-	-	NA	-
d.	Return on Equity Ratio	Net Profits after taxes – Preference Dividend	(1,14,564)	(5,03,507)	Shareholder's Equity	1,62,22,859	1,63,37,424	(0.01)	(0.03)	(77.09)	(1)
e.	Inventory turnover Ratio	Cost of goods sold	-	-	Average Inventory	-	-	-	-	NA	-
f.	Trade Receivables Turnover Ratio	Net Credit Sales	-	-	Average Accounts Receivable	-	-	-	-	NA	-
g.	Trade Payables Turnover Ratio	Net Credit Purchases	-	-	Average Trade Payables	-	-	-	-	NA	-
h.	Net Capital Turnover Ratio	Net Sales	-	-	Working Capital	-	-	-	-	NA	-
i.	Net Profit Ratio	Net Profit	-	-	Net Sales	-	-	-	-	NA	-
j.	Return on Capital Employed	Earning before interest and taxes	(1,14,564)	(5,03,507)	Capital Employed	1,62,22,859	1,63,37,424	(0.01)	(0.03)	(77.09)	(2)
k.	Return on Investment	Income generated from Investments	(1,14,564)	(5,03,507)	Time Weighted average investments	1,72,41,400	1,72,41,400	(0.01)	(0.03)	(77.25)	(3)

Comments:-

- (1) Variance in return on equity ratio due to increase in expenditure.
- (2) Variance in return on capital employed due to increase in expenditure.
- (3) Variance in return on investment due to increase in expenditure.



**Annexure-2**  
**Other disclosures**

- (a) The immovable property-Plant & Machinery is held by the Company
- (b) There are no proceedings which have been initiated or are pending against the Company under the Benami Transactions (Prohibition) Act, 1988 and the Rules made thereunder.
- (c) The Company is not a wilful defaulter as declared by any bank or financial institution or any other lender.
- (d) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or under section 560 of the Companies Act, 1956.
- (e) There are no charges or satisfaction yet to be registered with the Registrar of Companies beyond the statutory period.
- (f) The Company has not traded or invested in any crypto currency or any virtual currency during the Year.
- (g) The Company has not granted loans or advances in the nature of loans to its promoters, directors, KMPs or the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that are repayable on demand, or without specifying any terms or period of repayment.
- (h) There are no transactions that have not been recorded in the books of accounts and that have been surrendered or disclosed as income during the year in the tax assessments under the applicable provisions of the Income Tax Act, 1961.
- (i) The Company has not availed any Bank Overdraft Facility with Bank during the year ended 31.03.2024.
- (j) The Company is not required to comply with the number of layers prescribed under section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017 for the Year ended 31.03.2024.
- (k) The Company hasn't revalued any of its assets during the year.
- (l) The Company has capital work in progress.
- (m) The Company is not under any scheme of arrangements as per sections 230 to 237 of the Companies Act, 2013.





**GWALIOR JHANSI EXPRESWAYS LIMITED**

**FORMING PART OF THE FINANCIAL STATEMENTS**

**A. SIGNIFICANT ACCOUNTING POLICIES**

**1. PREPARATION OF FINANCIAL STATEMENTS**

- a) The financial statements have been prepared to comply in all material respects with the mandatory accounting standard as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the Provisions of the Act (to the extent notified) to comply in all material respects.
- b) The financial statements have been prepared under the historical cost basis.
- c) Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles.

**2. BASIS OF ACCOUNTING**

The Company follows mercantile system of accounting and recognizes items of income and expenditures on accrual basis.

**3. USE OF ESTIMATES**

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements, the reported income and expenses during the reporting period and disclosure of contingent liabilities. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates.

**4. FIXED ASSETS**

- a) Fixed Assets other than project assets (Gwalior Jhansi Road Project) are reported at acquisition cost, with deductions for accumulated depreciation and impairment loss, if any.

The acquisition cost includes the purchase price (excluding refundable taxes) and expenses directly attributable to bring the asset to the site and in the working condition for its intended use, such as, duties, taxes, delivery and handling costs, financing cost and other incidental expenses.

- b) All expenses incurred during the construction period were transferred to the Capital Work in Progress and capitalized on completion of the Project.

**5. DEPRECIATION**

Depreciation has been provided on fixed assets of the Company, as per the rates prescribed in Schedule II of the Companies Act, 2013 following the written down value method.



6. **EMPLOYEE BENEFITS**

Company's contributions to provident fund are charged to Profit & Loss Account. Gratuity and Leave Encashment Benefit are charged to Profit & Loss Account on the basis of actuarial valuation as at the date of Balance Sheet

7. **BORROWING COST**

Borrowing Cost that is directly attributable to the acquisition or construction of Fixed Assets has been capitalized. Other borrowing costs are recognized as an expense in the year they are incurred.

8. **REVENUE RECOGNITION**

The Company follows the mercantile system of accounting, recognizing Income and Expenditure on the accrual basis.

9. **EARNING PER SHARE**

Basic Earnings per Share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average numbers of equity shares outstanding during the year are adjusted for events of bonus issue; share split; and consolidation of shares.

10. **IMPAIRMENT OF ASSETS**

The carrying values of assets of the Company are reviewed for impairment annually more often if there is an indication of decline in value. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognized, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate discount factor.

11. **PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reasonable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the notes to the financial statement. A contingent asset is neither recognized nor disclosed.

12. **Current/Non Current Assets and Liabilities:**

Assets are classified as current when it satisfies any of the following criteria:

- 1) It is expected to be realised within 12 months after reporting date,
- 2) It is held for trading purpose.

All other assets are classified as Non-Current.

Liabilities are classified as current when it satisfies any of the following criteria:

- 1) It is expected to be settled within 12 months after reporting date,
- 2) It is held for trading purpose.

All other liabilities are classified as Non-Current.





**B. NOTES FORMING PART OF ACCOUNTS**

**15. Contingent Liability not provided for:**

A) (i) The Assessing Officer, Commercial Tax Department, MP vide assessment order dated 26<sup>th</sup> June, 2012 relating to Assessment Year 2008-09 has raised a demand under the MP Value Added Tax Act on the company for Rs. 2,06,65,247/- for Works Contract Tax and penalty thereon. On appeal, the appellate authority has reduced the said demand to Rs. 1,48,85,608/- which was further challenged by the company before the Hon'ble Trade Tax Tribunal, Bhopal and at present, the matter is pending for final adjudication. Meanwhile, the Hon'ble Tribunal has stayed the recovery of said amount till 27<sup>th</sup> January, 2014 or final disposal of the appeal I (whichever is earlier). As required by law, the Company has deposited Rs. 57, 88,905/- with Sales Tax Authorities as pre-condition for hearing of appeal. Pending final adjudication by the Hon'ble Tribunal, the deposit has been treated in the books of accounts as recoverable under the head "Short term loans and advances".

(ii) Commercial Tax Department, Gwalior vide assessment order dated 30<sup>th</sup> June, 2014 relating to AY 2011-12 has raised a demand of Rs.5,84,74,000 for Value added Tax, and Rs.1,03,64,000 for Entry tax. The matter is sub-judice.

B) EPC contractor has raised the following claims (inclusive of interest thereon uptill 31.03.22) upon the company on account of delay in execution of work due to events beyond the control of EPC contractor.

1) EPC contractor's Prolongation claim	Rs. 79.73 cr
2) EPC contractor's Escalation Claim	Rs.101.25 cr
3) Plant & Equipment cost for extended period	Rs. 92.11 cr
4) Additional cost incurred in the Road Maintenance beyond SPCD	Rs. 50.72 cr

Pending resolution of the same with NHAI, the Company has not accounted the same under CWIP, the Company however agreed that they shall endeavor and put the claims on NHAI. The Company will consider the above only after resolving the same with NHAI.

C) Consultancy bills were raised by the independent consultant & lender's Engineer of Rs.50,02,111 & Rs.16,85,400 respectively for the year 2012-13 but the same has not been accounted as in the opinion of the management, the liabilities on this account are not due and payable by the company as at 31<sup>st</sup> March, 2024, the same will be accounted upon settlement of actual amount payable.

16. The Company is implementing the road project to design, construct, develop, finance, operate, maintain, rehabilitate and upgrade the existing two lane road to 4/6 lane from km 16.00 (Gwalior) to km 96.127 (Jhansi) on NH-75 situated in the States of Madhya Pradesh and Uttar Pradesh.

Further, the project could not be completed by Company due to inordinate delay in handing over of land by NHAI and other reasons i.e. utility shifting which are out of control of the Company.





On 07.03.2014, NHAI had issued intention of termination notice under clause 32.1.2 of the Concession Agreement to Company. The said action was challenged by the Company before the Hon,ble High Court of Delhi and the said Court vide order dated 12.03.2014 had stayed the operation of said notice.

Consequently, the Company issued a notice to NHAI invoking dispute resolution by Arbitration in terms of the Concession Agreement and Arbitral Tribunal was constituted. The Company had filed Claims on NHAI and NHAI filed Counter Claims on the Company and the matter is sub judice.

During the year 2012-13, National Highway Authority of India ("NHAI") has encashed the Bank Guarantee of Rs. 1,812 lacs (Previous Year Rs. 1,812 lacs) provided by DSC Limited at the instance of the Company for performance under Concession Agreement. Accordingly, credit for the said amount in the books of accounts of the company has been given to DSC Limited.

The Company has also contested the encashment of Bank Guarantee by NHAI in the Arbitration proceedings. Pending outcome of the challenge, the amount of Rs. 1,812 lacs has been shown in the books as recoverable from NHAI.

17. The Banks namely Punjab National Bank, Canara Bank, India Infrastructure Finance Co. Ltd, Punjab and Sind Bank, UCO Bank, Vijaya Bank and Phoenix ARC Private Limited /their Assignees (collectively referred to as 'the Lenders') have filed an Original Application being OA No. 399/2014 and OA 772/2016 before the Debts Recovery Tribunal-II, Delhi in 2015 and 2016 for recovery of their alleged outstanding dues from the Company and the matter is sub judice. The Company had filed Written Statement and disputed the said liability on various grounds including but not limited to not exercising of Substitution Right. Thus Notwithstanding disclosure in Note B2 & B5 inter alia of Financial Statements, the Company disputes the Claim/alleged liability of the Banks.

Due to non payment of Instalments of term loan aggregating Rs.384,91,22,248/- (Previous year Rs.444,25,02,248/-) upto 31<sup>st</sup> March,2024, Rupee Term Loan has been classified as 'Non-Performing Asset' by the consortium Lender Banks and Financial Institutions. Since, the Company had disputed the liability of banks on various grounds including but not limited to not exercising of Substitution Right ,the company has stopped providing the interest amount on accrual basis of accounting with effect from 31.03.2016 and the same shall be accounted upon settlement of the same with the consortium Lender Banks and Financial Institutions.

Further the balances are subject to reconciliation and confirmation from Banks and Financial Institutions. (Refer Note-B3)

18. The Company had issued Notice for Payment of Compensation to NHAI for approximately Rs.900 crores on account of losses to the Company due to material delays and default by NHAI, for not handing over the land and non issuance of Annuity payments due to the Company. NHAI denied the said claims of the company and further





confirmed that the disputes/claims raised by the company could not be resolved by the mechanism of conciliation in terms of the Concession Agreement.

Consequently, the Company issued a notice to NHAI invoking dispute resolution by Arbitration in terms of the Concession Agreement whereby the company as well as NHAI had appointed their respective nominee Arbitrators. Left with no other option, the Company has filed an application u/s 11 of the Arbitration. The Hon'ble High Court of Delhi vide its order dated 23.02.2015 had appointed Justice K.S.P. Radhakrishnan, Former Judge, Supreme Court of India as the Presiding Arbitrator. The said matter is now presently sub-judice before the Hon'ble Arbitral Tribunal.

19. Accounting Standard - 15 on Employees Benefits is not applicable to the Company, hence no provision is required to be made by the Company.
20. The Company is a single location, single product Company. Hence the requirement of AS-17 on 'Segment Reporting' is not applicable.
21. As per Accounting Standard 18 (AS -18) 'Related Party Disclosures', the name of the Related parties and the transactions with them as defined in AS -18 are given below:

i) Name of the related party and nature of relationship where control exists:

A) Holding Company - Apollo Enterprises Limited

B) Key Management Personnel

Sr.No.	Name of the Related Party	Relationship
1.	Mr. M.S. Narula	Director

C) Relatives of Key Managerial Personnel

- a) Mr. Balbir Singh Narula f/o Mr. M. S. Narula
- b) Mrs. Gurvinder Kaur Narula w/o Mr. M. S. Narula

D) Enterprise over which Key Management Personnel having Control or significant influence.

S. No.	Name
1	DSC Limited
2	DS Capital & Finance Limited
3	DS Promoters and Developers Pvt. Limited

ii) Transactions during the year with related parties for the year ending 31st March, 2024.

Nature of Transactions	DSC Limited		D S Promoters & Developers Ltd.	
	2023-24	2022-23	2023-24	2022-23
Payment of expenses incurred	-	-	-	-
Receivable/ (Payable)	(5,16,63)	(5,16,63)	(15)	(15)



	DSC Engineering Pvt Ltd.			
Payment of expenses incurred	(7,85,492)	(3,91,440)		
Receivable/ (Payable)	(14,87,142)	(70,16,50)		

22. No Impairment loss has been recognized as at the date of Balance sheet as required under Accounting Standard 28. (Refer Note B-7)

23. Payment to Auditors as under:

(INR'000)

Particulars	2023-24	2022-23
Audit Fee	60	60
Certification	-	-
GST		11
<b>Total</b>	<b>60</b>	<b>71</b>

24. The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Act'2006 and hence disclosure if any relating to amount unpaid as at the year-end together with interest paid /payable as required under the said Act have not been given.

25. 6 nos of escrow bank accounts have not been in operation and considered as non operative.

26. The debit and credit balances are subject to reconciliation and confirmation.

27. The current assets and current liabilities have been stated at the values not lower than their realizable or payable values respectively at the end of the year.

28. Notes A1 to A12 and B15 to B28 form an integral part of the Balance Sheet and have been duly authenticated.

In terms of our separate report of even date.

for Grewal & Singh

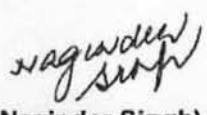
Chartered Accountants

Firm Registration No.: 012322N

For and on behalf of Board of Directors

  
Jaspal Singh Sahni  
Partner  
M. No. 501501


  
(N. S. Narula)  
Managing Director  
DIN:00113749

  
(Naginder Singh)  
Director  
DIN:06818916

UDIN: 24501501BKFFHP4723.

Place: New Delhi  
Date: 26.08.2024



  
(Dinesh Kumar Sharma)  
C.F.O.