



**INDEPENDENT AUDITOR'S REPORT**

To  
The Members of  
Ahmedabad Ring Road Infrastructure Limited

**Report on audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **Ahmedabad Ring Road Infrastructure Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2024, the Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity for the year ended on that date, and a summary of the material 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, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

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

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

S G D G & Associates LLP, a Limited Liability Partnership with LLP Identity No. AA-2248

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's management is responsible for the matters stated in Section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility also includes 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 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 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.

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

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

Our objectives are to obtain reasonable assurance about whether the 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.

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As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We are 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit 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.

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- (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 except for the matters stated in the paragraph (vi) below on reporting under Rule 11 (g).
- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the statement of Cash Flow and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure – A". Our report expresses a qualified opinion on the operating effectiveness of the Company's internal financial controls with reference to financial statements.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that the Company has not paid remuneration to directors during the year.
- (h) The reservation relating to the maintenance of accounts and other matters connected herewith are as stated in paragraph (b) above on reporting under section 143(3)(b) and paragraph (vi) below on reporting under Rule 11(g).
- (i) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer note no. 41 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or

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share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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;

(c) Based on the 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), as provided under (a) and (b) above, contain any material misstatement.

- v. The Company has not declared or paid any dividend in the year under audit and hence reporting requirement for compliance with section 123 of the Act is not applicable.
  
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. However, the audit trail feature is not enabled for certain direct changes to data when using certain access rights and at the database level for the accounting software, as described in Note no. 45 to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.



2. As required by the Companies (Auditor's Report) Order, 2020 ("the order") issued by the central government in terms of Section 143(11) of the Act, we give in "Annexure-B" a statement on matters specified in paragraphs 3 and 4 in order.

**Place: Ahmedabad**  
**Date: May 19, 2024**



**For S G D G & Associates LP**  
**Chartered Accountants**  
**Firm's Registration No. W100188**

*Mittali*

**(Mittali Dakwala)**  
**Membership No. 143236**  
**UDIN: 24143236BKJMW1100**

**Annexure 'A' to the Independent Auditor's Report of Even Date on the Financial Statements of Ahmedabad Ring Road Infrastructure Limited**

(Referred to in paragraph 1(g) under "Report on Other legal and Regulatory Requirements" section of our report the member of Ahmedabad Ring Road Infrastructure Limited of even date)

**Report on the Internal Financial Controls with reference to financial statements under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")**

We have audited the internal financial controls with reference to financial statements of **Ahmedabad Ring Road Infrastructure Limited** ("the Company") as of March 31, 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' Responsibilities**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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, 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 ICAI. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls

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with reference to financial statements, 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 with reference to financial statements.

#### **Meaning of Internal Financial Controls with reference to Financial Statements**

A Company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weakness have been identified in the operating effectiveness of the Company's internal financial controls with reference to financial statements as at March 31, 2024:

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- In our opinion, the Company's system for processing of journal entries into accounting software does not have maker checker system which could result into possible effect to the processing of transactions and its consequential effect on balances.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to the financial statements, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim standalone financial statements will not be prevented or detected on a timely basis.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company for the year ended on March 31, 2024, and these material weaknesses have not affected our opinion on the financial statements of the Company.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements as at March 31, 2024, based on the internal control with reference to the financial statements considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting issued by the ICAI and except for the effects/possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to financial statements were operating effectively as at March 31, 2024.

Place: Ahmedabad  
Date: May 19, 2024



**For S G D G & Associates LP**  
**Chartered Accountants**  
**Firm's Registration No. W100188**

*Mittali*

**(Mittali Dakwala)**  
**Membership No. 143236**  
**UDIN: 24143236BKJMW1100**

**ANNEXURE – B**

**TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our report the members Ahmedabad Ring Road Infrastructure Limited of even date)

**Report on the Companies (Auditor' Report) Order, 2020, issued in terms of section 143 (11) of the Companies Act, 2013('the Act') of Ahmedabad Ring Road Infrastructure Limited ('the Company')**

To the best of our information and according to information and explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (i) (a) (I) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipment.
- (II) The Company has maintained proper records showing full particulars of Intangible Asset.
- (b) The property, plant & equipment have been physically verified during the year by the management, which in our opinion, is reasonable having regard to size of the Company and nature of property, plant & equipment. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties disclosed in the financial statements included in investment property are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Company does not have any inventory and hence the reporting requirements of paragraph 3(ii)(a) of the Order are not applicable.
- (b) During any point of time of the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks or financial institutions on the basis of security of current assets. Hence the reporting requirements of paragraph 3(ii)(b) of the Order is not applicable.
- (iii)
- (a) The Company has provided loans or advances in the nature of loans during the

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year and details of which are given below:

- (A) The Company does not have any subsidiary, joint venture and/or associate. Accordingly, reporting under clause 3(iii)(a)(A) of the order is not applicable to the Company.
- (B) Aggregate amount of loans provided during the year is Rs. 4,267.83 million and balance outstanding at the balance sheet date is Rs. 2,197.17 million.

(Rs. In Million)

Particulars	Loans
A. Aggregate amount granted/provided during the year:	
- Ultimate Holding Company	4,267.83
- Others	Nil
B. Balance outstanding as at balance sheet date in respect of above cases (including opening Balances)	
- Ultimate Holding Company	2,197.17
- Others	Nil

In our opinion and according to the information and explanations given to us, the Company has not provided any guarantee or security to any other entity during the year.

- (b) In our opinion, the terms and conditions of loans granted during the year are prejudicial to the interest of the Company on account of the fact that the loan that has been granted is interest-free.
- (c) In respect of loans granted by the Company, the terms of arrangement does not stipulate any repayment of principal. The loans are repayable on demand except for the interest free loan granted to ultimate holding Company of Rs. 1,500 million which is repayable on December 31, 2026.
- (d) In respect of loans granted by the Company, there is no overdue amount as on March 31, 2024.
- (e) In our opinion and according to the information and explanations given to us, neither loans or advances in nature of loans have been renewed or extended nor any fresh loans have been granted to settle the overdue of existing loans.

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- (f) The Company has granted Loans to Ultimate Holding Company aggregating to Rs. 697.17 million. i.e. 31.73% of the total loans granted amounting to Rs. 2,197.17 million as on March 31, 2024 which is repayable on demand.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act, with respect to the loans granted, investments made and guarantees and securities provided, as applicable.
- (v) The Company has not accepted any deposits or deemed deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of deposits) rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the order are not applicable and hence not commented upon.
- (vi) The Central Government has prescribed maintenance of cost records under section 148(1) of the Act. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the same.
- (vii) (a) The Company is generally regular in depositing the undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other material statutory dues, as applicable, with appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other material statutory dues were in arrears as at March 31, 2024, for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

Nature of Statue	Nature of Dues	Period to which the amount relates	Amount (Rs. in Million)	Forum where dispute is pending
Employee State Insurance Act, 1948	Employee State Insurance (ESI)	April 2012 to March 2013	3.78	Employee State Insurance Court (Ahmedabad)

- (viii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not surrendered or disclosed previously undisclosed transactions as income during the year in the

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tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, clause 3(viii) of the Order is not applicable to the Company.

- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or other lender.
- (c) The Company has not taken any term loans during the year. Hence the reporting requirement of paragraph 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company does not have subsidiaries, associates or joint ventures. Hence the reporting requirements of paragraph 3(ix)(e) & (f) of the Order are not applicable.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer during the year. Hence the reporting requirements of paragraph 3(x)(a) of the order are not applicable.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Hence the reporting requirements of paragraph 3(x)(b) of the order are not applicable.
- (xi)(a) Based on examination of the books and records of the Company and according to the information and explanations given to us, we report that no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company. Therefore, the reporting requirement of Clause 3(xii) of the Order is not applicable to the Company.
- (xiii) Transactions with related parties are in compliance with Sections 177 and 188 of the Act where applicable and also the details which have been disclosed in the Financial Statements are in accordance with the applicable Indian Accounting Standards.
- (xiv) The Company does not have an internal audit system and the same is not required to have internal audit system as per provisions of the Companies Act, 2013.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly reporting requirement of paragraph

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- 3(xv) of the Order are not applicable to the Company.
- (xvi) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, hence reporting requirement of paragraph 3(xvi) of the Order are not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the Financial Year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which cause us to believe that any material uncertainty exist as on the date of audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. However, we state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) There is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the order are not applicable.

Place: Ahmedabad  
Date: May 19, 2024



For S G D G & Associates LLP  
Chartered Accountants  
Firm's Registration No. W100188

*Mittali*

(Mittali Dakwala)  
(Partner)  
Membership No. 143236  
UDIN: 24143236BKJMWA1100

**Ahmedabad Ring Road Infrastructure Limited**  
CIN :: U45203GJ2006PLC048981  
Balance Sheet as at March 31, 2024

Particulars	Note No.	As at	As at
		March 31, 2024	March 31, 2023
		(INR in Million)	(INR in Million)
<b>ASSETS</b>			
<b>1 Non-Current Assets</b>			
a Property, Plant and Equipment	5	11.46	16.08
b Investment Property	6	2.15	2.15
c Intangible Assets	7	1,249.31	1,601.71
d Financial Assets			
(i) Investments	10	403.21	-
(ii) Loans	13	1,187.69	-
(iii) Other Financial Assets	8	1.40	0.03
e Other Non-Current Assets	9	-	0.45
<b>Total Non-Current Assets</b>		<b>2,855.22</b>	<b>1,620.42</b>
<b>2 Current Assets</b>			
a Financial Assets			
(i) Trade receivables	11	2.22	24.59
(ii) Cash and Cash Equivalents	12	51.21	66.99
(iv) Loans	13	697.17	331.23
(iii) Other Financial Assets	8	189.70	470.96
b Other Current Assets	9	884.68	282.19
<b>Total Current Assets</b>		<b>1,824.98</b>	<b>1,175.96</b>
<b>Total Assets</b>		<b>4,680.20</b>	<b>2,796.38</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
1 Equity Share Capital	14	104.60	104.60
2 Other Equity	15	2,407.14	1,719.10
<b>Total Equity</b>		<b>2,511.74</b>	<b>1,823.70</b>
<b>LIABILITIES</b>			
<b>1 Non-Current Liabilities</b>			
a Financial Liabilities			
(i) Borrowings	16	145.51	-
b Provisions	18	-	5.73
c Deferred Tax Liabilities (Net)	19	61.45	133.44
<b>Total Non-Current Liabilities</b>		<b>206.96</b>	<b>139.17</b>
<b>2 Current Liabilities</b>			
a Financial Liabilities			
(i) Borrowings	17	969.39	45.19
(ii) Trade Payables	20		
-Total outstanding dues of micro enterprises and small enterprises		-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises		35.44	63.06
(iii) Other Financial Liabilities	21	19.11	32.39
b Other Current Liabilities	22	44.35	47.65
c Provisions	18	626.84	492.46
d Current Tax Liabilities (Net)	23	266.37	152.76
<b>Total Current Liabilities</b>		<b>1,961.50</b>	<b>833.51</b>
<b>Total Equity and Liabilities</b>		<b>4,680.20</b>	<b>2,796.38</b>
<b>Material Accounting Policies</b>	3		

Accompanying notes are an integral part of the financial statements  
As per our report of even date

For S G D G & Associates LLP  
Chartered Accountants  
ICAI Firm Registration No. W100188

*Mittali*  
(Mittali Dakwala)  
Partner  
Membership No. 143236



For & on behalf of the Board of Directors of  
Ahmedabad Ring Road Infrastructure Limited

*Jatin Thakkar*  
(Jatin Thakkar) Managing Director  
DIN: 09312406

*Mahendrasinh Chavda*  
(Mahendrasinh Chavda) Director  
DIN: 02607067

*Hitesh Chelani*  
(Hitesh Chelani) Chief Financial Officer

*Sejal Desai*  
(Sejal Desai) Company Secretary



Place: Ahmedabad  
Date: May 19, 2024

Place: Ahmedabad  
Date: May 19, 2024

**Ahmedabad Ring Road Infrastructure Limited**  
**CIN :: U45203GJ2006PLC048981**  
**Statement of Profit and Loss for the year ended March 31, 2024**

Particulars	Note No.	For the year ended	For the year ended
		March 31, 2024	March 31, 2023
		(INR in Million)	(INR in Million)
<b>INCOME</b>			
I Revenue From Operations	24	2,348.31	1,876.93
II Other Income	25	96.69	1.30
III <b>Total Income (I+II)</b>		<b>2,445.00</b>	<b>1,878.23</b>
<b>EXPENSES</b>			
Operating Expenses	26	1,011.69	494.95
Employee Benefits Expenses	27	8.64	58.44
Finance Cost	28	255.19	51.78
Depreciation and Amortization Expenses	5&7	373.29	326.93
Other Expenses	29	49.67	40.59
IV <b>Total Expenses</b>		<b>1,698.48</b>	<b>972.69</b>
V <b>Profit before Exceptional Items and tax (III-IV)</b>		746.52	905.54
Exceptional Items		-	-
<b>Profit before tax (III-IV)</b>		746.52	905.54
<b>Tax Expenses</b>			
Current Tax Expense		130.43	158.22
Deferred Tax Expense/Credit		(71.98)	(61.34)
VI <b>Total Tax Expenses</b>		<b>58.45</b>	<b>96.88</b>
VII <b>Profit for the year (V-VI)</b>		<b>688.07</b>	<b>808.67</b>
<b>Other Comprehensive Income</b>			
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent period :-</b>			
Remeasurement (losses)/gain on defined benefit plan		-	0.44
VIII <b>Total Other Comprehensive Income for the year</b>		<b>688.07</b>	<b>809.11</b>
<b>Earning Per Share (EPS)</b> (Nominal Value of share INR 10/-)			
Basic & Diluted EPS	30	<b>65.78</b>	<b>77.31</b>
<b>Material Accounting Policies</b>	3		

Accompanying notes are an integral part of the financial statements  
As per our report of even date

For S G D G & Associates LLP  
Chartered Accountants  
ICAI Firm Registration No. W100188

*Mittali*  
(Mittali Dakwala)  
Partner  
Membership No. 143236



For & on behalf of the Board of Directors of  
Ahmedabad Ring Road Infrastructure Limited

*Jatin Thakkar*

(Jatin Thakkar)  
Managing Director  
DIN: 09312406

*Mahendrasinh Chavda*

(Mahendrasinh Chavda)  
Director  
DIN: 02607067

*Hitesh Chelani*

(Hitesh Chelani)  
Chief Financial Officer

*Sejal Desai*

(Sejal Desai)  
Company Secretary



Place: Ahmedabad  
Date: May 19, 2024

Place: Ahmedabad  
Date: May 19, 2024

Ahmedabad Ring Road Infrastructure Limited  
CIN :: U45203GJ2006PLC048981  
Statement of Changes in Equity for the year ended March 31, 2024

**A Equity Share Capital**

Equity shares of INR 10 each issued, subscribed and fully paid	No of Shares.	Amount (INR in Million)
Balance as at March 31, 2022	1 04 60 000	104.60
Balance as at March 31, 2023	1 04 60 000	104.60
Balance as at March 31, 2024	1 04 60 000	104.60

**B Other Equity**

Particulars	Reserves and Surplus			Total Other Equity attributable to Equity Holders of the Company (INR in Million)
	Retained Earning	Securities Premium Reserve	Other Comprehensive Income	
	(INR in Million)	(INR in Million)	(INR in Million)	
As at March 31, 2022	494.50	416.40	(0.90)	910.00
Profit for the year	808.67	-	-	808.67
Other comprehensive income for the year	-	-	0.44	0.44
As at March 31, 2023	1,303.13	416.40	(0.46)	1,719.10
Profit for the year	688.07	-	-	688.07
Other comprehensive income for the year	-	-	-	-
As at March 31, 2024	1,991.20	416.40	(0.46)	2,407.14

As per our report of even date  
For S G D G & Associates LLP  
Chartered Accountants  
ICAI Firm Registration No. W100188

*Mittali*

(Mittali Dakwala)  
Partner  
Membership No. 143236



For & on behalf of the Board of Directors of  
Ahmedabad Ring Road Infrastructure Limited

*Jatin Thakkar*

(Jatin Thakkar)  
Managing Director  
DIN: 09312406

*Mahendrasinh Chavda*

(Mahendrasinh Chavda)  
Director  
DIN: 02607067

*Hitesh Chelani*

(Hitesh Chelani)  
Chief Financial Officer

*Sejal Desai*

(Sejal Desai)  
Company Secretary

Place: Ahmedabad  
Date: May 19, 2024

Place: Ahmedabad  
Date: May 19, 2024



**Ahmedabad Ring Road Infrastructure Limited**  
**CIN :: U45203GJ2006PLC048981**  
**Statement of Cash Flows for the year ended March 31, 2024**

Particulars	As at	As at
	March 31, 2024	March 31, 2023
	(INR in Million)	(INR in Million)
<b>(A) Cash flows from Operating activities</b>		
Profit before Tax	746.52	905.54
Adjustments for:		
Depreciation and Amortisation	373.29	326.93
Finance Cost	155.00	17.83
Interest income	-	(0.32)
Major Maintenance Expense	64.68	339.54
Amortisation of Processing fees	-	4.40
Notional Interest on MMR	65.49	29.56
Other Comprehensive Income - Gratuity	-	0.44
Int on loan to SEL	(90.90)	-
<b>Operating profit before working capital adjustments</b>	<b>1,314.07</b>	<b>1,623.92</b>
Adjustments for:		
(Increase) in other financial assets	277.42	110.84
(Increase) in Trade Receivables	22.37	(15.08)
Decrease in Provisions	(1.52)	(212.43)
Decrease/(Increase) in other current assets	(602.49)	(254.50)
Decrease/(Increase) in Trade Payables	(27.63)	(516.06)
Increase in other current financial liabilities	(13.07)	(34.28)
Increase/(Decrease) in other current liabilities	(3.29)	35.92
Increase/(Decrease) in other Non - Current Assets	0.45	4.46
<b>Cash generated from Operations</b>	<b>966.31</b>	<b>742.79</b>
Direct Taxes Paid (net of Refund)	(16.84)	(5.34)
<b>Net cash flow from operating activities</b> (A)	<b>949.47</b>	<b>737.45</b>
<b>(B) Cash Flows from Investing activities</b>		
(Purchase)/Sale of Fixed assets (Net)	0.07	(6.26)
Addition in Intangible Assets	(16.34)	(31.60)
Loan given to Holding Company	(3,864.62)	(695.05)
Investment Component of Interest Free Loan Given to SEL	(403.21)	-
Loan Recovered from Holding Company	2,401.89	363.82
Redemption of Fixed Deposit	2.40	1.00
Investment in Fixed Deposit	-	(2.30)
Interest income	0.06	0.55
<b>Net cash generated from/ (used in) investing activities</b> (B)	<b>(1,879.75)</b>	<b>(369.84)</b>
<b>(C) Cash Flows from Financing activities</b>		
Repayment of Long-term Borrowings-RTL & Car loan	(44.44)	(308.82)
Long-term borrowings received	1,500.00	-
Repayment of Long-term Borrowings	(385.85)	-
Interest Paid	(155.21)	(10.65)
<b>Net cash used in financing activities</b> (C)	<b>914.50</b>	<b>(319.47)</b>
<b>Net (Decrease)/Increase in cash and cash equivalents</b> (A + B + C)	<b>(15.79)</b>	<b>48.12</b>
Cash and cash equivalents at beginning of the year	66.99	18.87
<b>Cash and cash equivalents at end of the year</b>	<b>51.21</b>	<b>66.99</b>





**Ahmedabad Ring Road Infrastructure Limited**  
**CIN :: U45203GJ2006PLC048981**  
**Statement of Cash Flows for the year ended March 31, 2024**

Notes:

(i) Components of cash and cash equivalents: (Refer Note 12)	As at March 31, 2024	As at March 31, 2023
	(INR in Million)	(INR in Million)
Cash on hand	4.40	3.36
Balances with banks in current accounts	46.81	63.63
<b>Cash and Cash Equivalents</b>	<b>51.21</b>	<b>66.99</b>

(ii) The cash flow statement has been prepared under indirect method as per Indian Accounting Standard -7 "Cash Flow Statement".

(INR in Million)					
(iii) Reconciliation of Liabilities & Financial Assets arising from financing activities	As at April 01, 2023	Cash Inflows/ (Outflows)	Non - Cash Adjustments	Finance Costs	As at March 31, 2024
<b>Liabilities</b>					
Long Term Borrowings	45.18	1,069.71	-	-	1,114.89
Interest accrued and due on borrowings	0.21	(155.21)	-	155.00	(0.00)

Reconciliation of Liabilities & Financial Assets arising from financing activities	As at April 01, 2022	Cash Inflows/ (Outflows)	Non - Cash Adjustments	Finance Costs	As at March 31, 2023
<b>Liabilities</b>					
Long Term Borrowings	349.60	(308.82)	4.40	-	45.18
Interest accrued and due on borrowings	1.47	(1.26)	-	-	0.21

(iv) Balance with banks includes balance of INR 10.66 Millions (March 31, 2023: INR 30.60 Millions) lying in the Escrow Accounts, as per terms of borrowings with the lenders.

(v) Figures in brackets represent outflows.

As per our report of even date  
For S G D G & Associates LLP  
Chartered Accountants  
ICAI Firm Registration No. W100188  
  
(Mittal Dakwala)  
Partner  
Membership No. 143236



For & on behalf of the Board of Directors of  
Ahmedabad Ring Road Infrastructure Limited

  
(Jatin Thakkar) (Mahendrasinh Chavda)  
Managing Director Director  
DIN: 09312406 DIN: 02607067  
  
(Hitesh Chelani) (Sejal Desai)  
Chief Financial Officer Company Secretary

Place: Ahmedabad  
Date: May 19, 2024

Place: Ahmedabad  
Date: May 19, 2024



**1. Company information:**

Ahmedabad Ring Road Infrastructure Limited ("the Company") is a private limited Company domiciled in India and is incorporated under the provisions of the Companies Act. It is wholly owned subsidiary of Sadbhav Infrastructure Project Limited which is listed on two stock exchanges in India. The registered office of the Company is located at Ellisbridge, Ahmedabad-380006.

The Company was incorporated as a Special Purpose Vehicle (SPV) in August, 2006, for the purpose of Improvement and widening to Four lane of 2 Lanes Sardar Patel Ring Road around Ahmedabad city 76 kms in the state of Gujarat on Built, Operate and Transfer (BOT) basis. The Concession period is of 20 years including construction period of 18 months. The Company obtained completion certificate on 30th June, 2018 from the AUDA. As per CA, the Company is entitled to charge users of the public service; hence the service arrangement has been classified as Intangible Asset.

The financial statements were authorized for issue in accordance with a resolution of the directors on May 19, 2024.

**2. Basis of preparation and presentation of financial statement:**

**(a.) Compliance with IND AS:**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and relevant amendment rules issued thereafter.

The Company has applied the applicable standards and/or amendments to existing standards effective from April 1, 2023 in the preparation and presentation of financial statements for the year ending on March 31, 2024.

Most of the amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

**(b.) Basis of Presentation:**

The Balance Sheet, the Statement of Profit and Loss and Statement of Changes in Equity are prepared and presented in the format prescribed in Schedule III to the Companies Act, 2013 ("the Act"). The Cash Flow Statement has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

The financial statements are presented in INR, which is the functional currency and all values are rounded to the nearest million (INR 000,000), except when otherwise indicated.

**(c.) Basis of Measurement:**

The financial statements have been prepared on historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).



**(d.) Use of estimates and judgements:**

The preparation of these financial statements is in conformity with IND AS which requires the management to make estimates and assumptions considered in the reported amounts of assets, liabilities (including contingent liabilities), income and expenses. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialize. Estimates include the useful lives of property plant and equipment and intangible fixed assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, provisions for major maintenance expenses, provision for incomplete work, fair value measurement etc. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

**3. Summary of material accounting policies**

The following are the material accounting policies applied by the Company in preparing its financial statements:

**3.1 Current versus non-current classification**

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

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

**Operating cycle**

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

**3.2 Service Concession Arrangements**

**Toll collection rights**

The Company builds infrastructure assets under public-to-private Concession Arrangements which it operates and maintains for periods specified in the Concession Arrangements.



Under the Concession Agreements, where the Company has received the right to charge users of the public service, such rights are recognised and classified as “Intangible Assets” in accordance with Appendix D to Ind AS 115. Such right is not an unconditional right to receive consideration because the amounts are contingent to the extent that the public uses the service and thus are recognised and classified as intangible assets. Such an intangible asset is recognised by the Company at cost (which is the fair value of the consideration received or receivable for the construction services delivered) and is capitalized when the project is complete in all respects and when the Company receives the completion certificate from the authority as specified in the Concession Agreement. The economics of the project is for the entire length of the road / infrastructure as per the bidding submitted.

#### **Amortization of Toll collection rights**

The intangible assets which are recognised in the form of Toll right to charge users of the infrastructure asset are amortized by taking proportionate of actual revenue received for the year over Total Projected Revenue from project to Cost of Intangible assets i.e. proportionate of actual revenue earned for the year over Total Projected Revenue from the Intangible assets expected to be earned over the balance concession period as estimated by the management.

As required, total Projected Revenue reviewed by the management at the end of each financial year and accordingly, the total projected revenue is adjusted to reflect any changes in the estimates which lead to the actual collection at the end of the concession period.

### **3.3 Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost comprises the purchase price, borrowing costs if the recognition criteria are met and directly attributable cost of bringing the assets to its working condition for its intended use. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

All other expenses on existing property plant and equipment, including day-to-day repair and maintenance expenditure are charged to the statement of profit and loss for the period during which such expenses are incurred.

#### **Derecognition**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

#### **Depreciation**

Depreciation on Property, Plant and Equipment is provided on the written down value method basis over useful lives of the assets as prescribed under Part C of Schedule II to the Companies Act, 2013. When parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items (Major Components) and are depreciated over their useful life or over the remaining useful life of the principal assets whichever is less.

Depreciation for assets purchased/sold during a period is proportionately charged for the period of use.





The estimated useful lives, residual values and depreciation method of property, plant and equipment are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

### 3.4 Intangible assets:

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss; when the asset is derecognised.

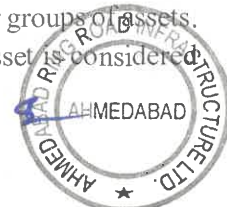
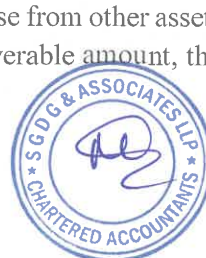
#### Amortization

The intangible assets which are recognised in the form of Toll right to charge users of the infrastructure asset are amortized by taking proportionate of actual revenue received for the year over Total Projected Revenue from project to Cost of Intangible assets i.e. proportionate of actual revenue earned for the year over Total Projected Revenue from the Intangible assets expected to be earned over the balance concession period as estimated by the management.

As required, total Projected Revenue is reviewed by the management at the end of the each financial year and accordingly, the total projected revenue is adjusted to reflect any changes in the estimates which lead to the actual collection at the end of the concession period.

### 3.5 Impairment – Non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered





impaired and is written down to its recoverable amount. The impairment loss is recognised in the statement of profit and loss.

In assessing value in use, the estimated future cash flows are 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 asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecasts calculation. These budgets and forecasts calculations generally covering a period of the concession agreements using long terms growth rates applied to future cash flows.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level, as appropriate and when circumstances indicate that the carrying value may be impaired.

### **3.6 Revenue from contract with customers**

Revenue from contract with customer is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The specific recognition criteria described below must also be met before revenue is recognized. The Company has concluded that it is principal in its revenue arrangements because its typically controls services before transferring them to the customer.

#### **i. Toll operation services**

Revenue from Toll operation services is recognised over a period as each toll road-user simultaneously receives and consumes the benefits provided by the Company. However, given the short time period over which the Company provides road operating services to each road user (i.e. the duration of the time it takes the road user to travel the length of the toll road), the Company recognises toll revenue when it collects the tolls as per rates notified by National Highways Authority of India.

#### **ii. Construction services**

Revenue from construction services is recognised over a period as the customer simultaneously receives and consumes the benefits provided by the Company and measure revenue based on input method i.e. revenue recognised on the basis of cost incurred to satisfaction of a performance obligation relative to the total expected cost to the satisfaction of that performance obligation. If the outcome of a performance obligation satisfied over time cannot be reasonably measured, revenue is calculated using the zero-profit method in the amount of the contract costs incurred and probably recoverable.

### **Contract Balances**

#### Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.



#### Contract Liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

### **3.7 Other Income**

#### **Interest**

For all debt instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liabilities. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

### **3.8 Investment Property**

Investment Property is measured initially at cost including related transaction costs. Such cost comprises the purchase price, borrowing cost if capitalization criteria are met. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. All day-to-day repair and maintenance expenditure are charged to the statement of profit and loss for the period during which such expenses are incurred.

An Investment property is derecognised either when it has been disposed of or when it has been permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property the Company considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Transfers are made to (or from) investment property only when there is a change in use.

### **3.9 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the year they occur. Borrowing cost consist of interest and other costs that Company incurs in connection with the borrowing of funds as defined in Indian Accounting Standard 23 – Borrowing Cost.

### **3.10 Financial Instruments**

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



a) **Financial assets**

i. **Initial recognition and measurement of financial assets**

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets that are not at fair value through profit or loss are added to the fair value on initial recognition. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date i.e. the date that the Company commits to purchase or sell the asset.

ii. **Subsequent measurement of financial assets**

For purposes of subsequent measurement, financial assets are classified in three categories:

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

• **Financial assets at amortized cost :**

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

• **Debt instruments at amortized cost**

A 'debt instrument' is measured at the amortized cost if both the above conditions mentioned in "Financial assets at amortized cost" are met. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

• **Financial assets at fair value through other comprehensive income:**

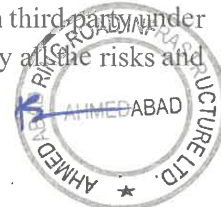
A financial asset is measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

• **Financial assets at fair value through profit or loss:**

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortized cost or as FVTOCI is classified as at FVTPL.

iii. **De-recognition of financial assets**

A financial asset is de-recognized when the contractual rights to the cash flows from the financial asset expire or the Company has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and



rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**iv. Impairment of financial assets**

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Other receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

**b) Financial Liabilities**

**i. Initial recognition and measurement of financial liabilities**

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

All financial liabilities are recognised initially at fair value. All financial liabilities are recognised initially at fair value and, in the case of loan and borrowings and payable, net of directly attributable transaction costs.

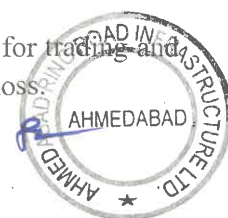
**ii. Subsequent measurement of financial liabilities**

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

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost

**• Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.





Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses on changes in fair value of such liability are recognized in the statement of profit or loss.

• **Financial Liabilities at amortised cost**

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

• **Equity component of Compound financial instruments**

The Company has borrowed subordinate debt in nature of Sponsors contribution in the project as per requirement of loan agreement, which the Company has classified in the other equity as the same is redeemable at the Company's option and without coupon as per terms of contract.

**iii. Derecognition of financial liabilities**

A financial liability (or a part of a financial liability) is derecognised from its balance sheet when the obligation specified in the contract is discharged or cancelled or expired.

When an existing financial liability is replaced by another liability from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amount is recognized in the statement of profit and loss.

**c) Offsetting of financial instruments**

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

**3.11 Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
  - In the absence of a principal market, in the most advantageous market for the asset or liability
- The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.





A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefit by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market price in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments

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

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

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

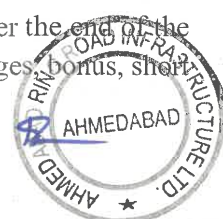
This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Significant accounting judgements, estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortized cost)

### **3.12 Employee Benefits**

#### **a) Short Term Employee Benefits**

All employee benefits payable are expected to be settled wholly within 12 months after the end of the reporting period are classified as short term benefits. Such benefits include salaries, wages, bonus, short



term compensation etc. and the same are recognized as an expense in the statement of profit and loss in the period in which the employee renders the related services.

**b) Post-Employment Benefits**

(i) Defined contribution plan

The Company's approved provident fund scheme is defined contribution plans. The Company has no obligation, other than the contribution paid/payable under such schemes. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

(ii) Defined benefit plan

The employee's gratuity fund scheme is Company's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on the net basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

**c) Other Employment benefits**

The employee's compensated absences, which is expected to be utilized or encashed within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as result of the unused entitlement that has accumulated at the reporting date. As per Company's policy, no leave are expected to be carried forward beyond 12 months from the reporting date.

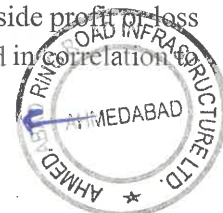
**3.13 Income tax**

Income tax expense comprises current tax and deferred tax.

**Current Tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income tax 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current income tax are recognised in correlation to



the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### Deferred Tax

Deferred tax is provided using the balance sheet approach. Deferred tax is recognized on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences except when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax losses and carry forward of unused tax credits to the extent that it is probable that taxable profit will be available against which those temporary differences, losses and tax credit can be utilized except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

As per provision of Income tax Act 1961, the Company is eligible for a tax holiday under section 80IA for a block of 10 consecutive assessment year out of 20 year beginning of toll operation. The current year is fifteen year of Company's operation and it has start claiming tax holiday from this financial year. No deferred tax (assets or liabilities) is recognized in respect of temporary difference which reverse during tax holiday period, to the extent such gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing difference which is reverse after the tax holiday period is recognised in the year in which the timing difference originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. For recognition of deferred tax, the timing difference which originates first are considered to reverse first.

The carrying amount of deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rules and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, where Company has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.



### **3.14 Provisions**

#### **General**

Provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provision is reviewed at each balance sheet and adjusted to reflect the current best estimates.

#### **Contractual obligation to restore the infrastructure to a specified level of serviceability**

The Company has contractual obligations to maintain the road to a specified level of serviceability or restore the road to a specified condition before it is handed over to the grantor of the Concession Agreements. Such obligations are measured at the best estimate of the expenditure that would be required to settle the obligation at the balance sheet date. The timing and amount of such cost are estimated and determined by estimated cash flows, expected to be incurred in the year of overlay. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to such obligation. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of such obligation are reviewed annually and adjusted as appropriate.

### **3.15 Contingent liabilities and assets**

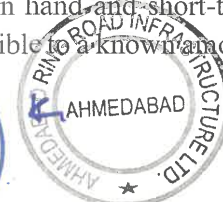
A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Claims against the Company not acknowledged as debts are disclosed under contingent liabilities. Claims made by the Company are recognised as and when the same is approved by the respective authorities with whom the claim is lodged.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. The Company does not recognize a contingent asset in the financial statements.

### **3.16 Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount





of cash and subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered as integral part of the Company's cash management.

### **3.17 Earnings per share**

Basic earnings per share is calculated by dividing the profit / loss for the year attributable to equity holders of the Company by the weighted average number of shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit / loss attributable to equity holders of the Company by the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### **3.18 Segment reporting**

Based on management approach as defined in Indian Accounting Standard 108 – Operating Segment, Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker for evaluation of Company's performance.

### **3.19 Events after reporting date**

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

## **4. A.) Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the accompanying disclosure, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### **(i) Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### **(ii) Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.





Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**(iii) Taxes**

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the credits can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**(iv) Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget generally covering a period of the concession agreements using long terms growth rates and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

**(v) Intangible Assets**

The intangible assets which are recognized in the form of toll right to charge users of the infrastructure asset are amortized by taking proportionate of actual revenue received for the year over Total Projected Revenue from project to Cost of Intangible assets. The estimation of total projection revenue requires significant assumption about expected growth rate and traffic projection for future. All assumptions are reviewed at each reporting date.

**(vi) Provision for periodical Major Maintenance**

Provision for periodical Major Maintenance obligations are measured at the best estimate of the expenditure that would be required to settle the obligation at the balance sheet date. The timing and amount of such cost are estimated and determined by estimated cash flows, expected to be incurred in the year of overlay. All assumptions are reviewed at each reporting date.

**(vii) Revenue from contract with customers**

The Company use the input method for recognizes construction revenue. Use of the input method requires the Company to estimate the efforts or costs expended to the date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion of performance obligation as there is a direct relationship between input and productivity. Provision for estimated losses, if any, on uncompleted performance obligation are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

**B.) Significant accounting judgments, estimates and assumptions**

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



**Ahmedabad Ring Road Infrastructure Limited**  
**Notes to Financial Statements for the year ended March 31, 2024**

**5 Property, Plant and Equipment**

(INR in Million)						
Particulars	Plant and Equipment	Computers	Furniture & Fixtures	Vehicles	Office Equipments	Total Tangible Assets
<b>Gross Carrying Amount</b>						
As at 01/04/2022	80.24	6.55	1.15	12.28	2.00	102.20
Addition	3.57	1.64	-	-	1.06	6.26
Disposal	(0.17)	-	-	(2.09)	-	(2.26)
As at 31/03/2023	83.64	8.19	1.15	10.19	3.06	106.20
Addition	-	-	-	-	-	-
Disposal	-	-	-	(1.43)	-	(1.43)
As at 31/03/2024	83.64	8.19	1.15	8.76	3.06	104.77
<b>Accumulated Depreciation</b>						
As at 01/04/2022	69.13	4.73	0.94	9.55	1.48	85.84
Charge for the year	4.00	1.04	0.01	0.61	0.76	6.43
Disposal	(0.16)	-	-	(1.99)	-	(2.15)
As at 31/03/2023	72.97	5.77	0.95	8.17	2.24	90.12
Charge for the year	2.70	1.01	0.00	0.39	0.44	4.55
Disposal	-	-	-	(1.37)	-	(1.37)
As at 31/03/2024	75.67	6.79	0.95	7.19	2.68	93.30
<b>Net Carrying Amount</b>						
As at 31/03/2023	10.67	2.41	0.20	2.01	0.82	16.08
As at 31/03/2024	7.97	1.40	0.20	1.56	0.38	11.46

- 1 The aggregate depreciation has been included under depreciation and amortisation expense in the Statement of Profit and Loss.
- 2 Property Plant and Equipments have been pledged against Secured borrowings in order to fulfill the collateral requirement for the Lenders. (Refer Note 16)

**6 Investment Property**

(INR in Million)		
Particulars	Land	Total
<b>Gross Carrying Amount</b>		
As at 01/04/2022	2.15	2.15
Addition	-	-
Adjustment during the year	-	-
As at 31/03/2023	2.15	2.15
Addition	-	-
Adjustment during the year	-	-
As at 31/03/2024	2.15	2.15
<b>Net Carrying Amount</b>		
As at 31/03/2023	2.15	2.15
As at 31/03/2024	2.15	2.15

**Note:**

- 1 There is no income arising from above investment properties. Further, the company has not incurred any expenditure for above properties.
- 2 The above lands are situated at (i) Kadi District, Gujarat & (ii) Chennai which are mortgaged against Secured borrowings.
- 3 The Company has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
- 4 Investment property has been mortgaged against Secured borrowings (refer note 16) in order to fulfill the collateral requirement of the Lenders.
- 5 The fair value disclosure for investment property is not presented as the property is specifically acquired for offering as security for borrowings and based on the information available with the management that there are no material development in the area where land is situated and accordingly, management believes that there is no material difference in fair value and carrying value of property.



**Ahmedabad Ring Road Infrastructure Limited**  
**Notes to Financial Statements for the year ended March 31, 2024**

**7 Intangible Assets**

(INR in Million)					
Particulars	Computer Software	Toll Plaza Booth Work	Four Lane	Two Lane	Total Intangible Assets
<b>Gross Carrying Amount</b>					
As at 01/04/2022	1.32	80.20	2,164.36	2,114.35	4,360.23
Addition	-	-	31.60	-	31.60
As at 31/03/2023	1.32	80.20	2,195.96	2,114.35	4,391.83
Addition	-	-	16.34	-	16.34
As at 31/03/2024	1.32	80.20	2,212.30	2,114.35	4,408.17
<b>Accumulated Amortisation</b>					
As at 01/04/2022	1.25	40.39	1,225.33	1,202.65	2,469.62
Charge for the year	-	6.76	158.45	155.28	320.49
Disposal	-	-	-	-	-
As at 31/03/2023	1.25	47.14	1,383.78	1,357.94	2,790.11
Charge for the year	-	7.56	188.31	172.87	368.74
Disposal	-	-	-	-	-
As at 31/03/2024	1.25	54.71	1,572.09	1,530.81	3,158.84
<b>Net Carrying Amount</b>					
As at 31/03/2023	0.07	33.06	812.18	756.41	1,601.73
As at 31/03/2024	0.07	25.49	640.21	583.54	1,249.32

**Note:**

- 1 Toll collection rights of four laning of Ahmedabad Ring Road Infrastructure Project Limited around the municipal limit of Ahmedabad City were capitalised when the project was complete in all respects and when the Company received the completion certificate from the authority as specified in the Concession Agreement and not on completion of component basis as the intended purpose of the project is to have the complete length of the road available for use.
- 2 The aggregate amortisation has been included under depreciation and amortisation expense in the Statement of Profit and Loss.
- 3 Toll collection right has been pledged against Non-current borrowings in order to fulfill the collateral requirement of the Lenders.
- 4 Refer Note 32 For Disclosure pursuant to Appendix - E to Ind AS 115 (Revenue from Contracts with Customer) - Service Concession Arrangements ('SCA').
- 5 The remaining amortisation period for the Toll collection rights at the end of the reporting period is 2.75 years (March 31, 2023: 3.75 years).



**Ahmedabad Ring Road Infrastructure Limited**  
Notes to Financial Statements for the year ended March 31, 2024

**8 Other Financial Assets**

**Non Current Financial Assets**

Particulars	March 31, 2024 (INR in Million)	March 31, 2023 (INR in Million)
Security Deposits	1.40	0.03
<b>Total</b>	<b>1.40</b>	<b>0.03</b>

**Current Financial Assets**

Particulars	March 31, 2024 (INR in Million)	March 31, 2023 (INR in Million)
Receivable from Auda - Toll Suspension	13.56	13.56
ETC Receivable	6.63	5.01
Fixed Deposit	-	2.40
Other Deposit (refer note 41)	23.21	-
Receivable from Auda - Car Exemption	145.95	449.50
Interest accrued on Fixed Deposit	-	0.06
Staff Advances	0.35	0.43
<b>Total</b>	<b>189.70</b>	<b>470.97</b>

**Note:**

1. Fair value disclosures for financial assets are given in Note 39.

2. Other Receivables from AUDA:

(i) Due to Demonetisation:

Pursuant to demonetisation, concessioning authorities had announced suspension of toll collection at all roads from November 09, 2016 until December 02, 2016. based on subsequent notification and provisions of concession agreement with the relevant authorities, the company had claimed and recognised revenue of Rs 41.01 million during the year 2016-17. In the previous year, the company has received the partial claim of Rs 27.45 million out of the total claim of Rs 41.01 towards demontisation.

**9 Other Assets**

**Non-Current Assets**

Particulars	March 31, 2024 (INR in Million)	March 31, 2023 (INR in Million)
Tax Credit Receivable (Net of tax)	-	0.45
<b>Total</b>	<b>-</b>	<b>0.45</b>

**Current Assets**

Particulars	March 31, 2024 (INR in Million)	March 31, 2023 (INR in Million)
Prepaid Expenses	5.46	4.52
Gratuity Fund Asset	0.04	-
Advances to Vendor	16.19	22.00
Advance to related parties (Refer Note 33)	862.99	255.68
<b>Total</b>	<b>884.68</b>	<b>282.19</b>

**10 Investments**

Particulars	March 31, 2024 (INR in Million)	March 31, 2023 (INR in Million)
Investment Component of Interest Free Loan Given (Refer Note 33)	403.21	-
<b>Total</b>	<b>403.21</b>	<b>-</b>

**11 Trade Receivables**

Particulars	March 31, 2024 (INR in Million)	March 31, 2023 (INR in Million)
Trade Receivables Considered Good - Unsecured	7.27	24.59
Less : Provision for Expected Credit Loss	(5.05)	-
<b>Total</b>	<b>2.22</b>	<b>24.59</b>



**Ahmedabad Ring Road Infrastructure Limited**  
Notes to Financial Statements for the year ended March 31, 2024

As at March 31, 2024

Particulars	Outstanding for following periods from due date of Payment						Total
	Not due	Less than 6 Months	6 Months- 1 year	1-2 years	2-3 Years	More than 3 years	
Undisputed Trade receivables – considered good	2.22	-	0.09	4.35	0.54	0.07	7.27
Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables – considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less : Provision for Expected Credit Loss	-	-	(0.09)	(4.35)	(0.54)	(0.07)	(5.05)
<b>Total</b>	<b>2.22</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.22</b>

As at March 31, 2023

Particulars	Outstanding for following periods from due date of Payment						Total
	Not due	Less than 6 Months	6 Months- 1 year	1-2 years	2-3 Years	More than 3 years	
Undisputed Trade receivables – considered good	7.08	12.54	4.36	0.54	0.07	-	24.59
Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables – considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>7.08</b>	<b>12.54</b>	<b>4.36</b>	<b>0.54</b>	<b>0.07</b>	<b>-</b>	<b>24.59</b>

**12 Cash and Cash Equivalents**

Particulars	March 31, 2024 (INR in Million)	March 31, 2023 (INR in Million)
Balances with Banks		
- Balances in Current Accounts	46.81	63.63
Cash on Hand	4.40	3.36
<b>Total</b>	<b>51.21</b>	<b>66.99</b>

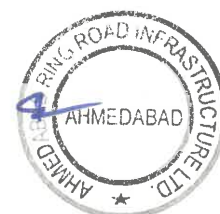
Note: Balance with banks includes balance of INR 10.66 Millions (March 31, 2023: INR 30.60 Millions) lying in the Escrow Accounts, as per terms of borrowings with the lenders.

**13 Loans & Advances**

**Loans to Related Parties**

Particulars	March 31, 2024 (INR in Million)	March 31, 2023 (INR in Million)
<b>Non-Current</b>		
Loans Receivables considered good - Unsecured (Refer Note below 33)*	1,187.69	331.23
<b>Current</b>		
Loans Receivables considered good - Unsecured (Refer Note below & 33)*	697.17	-
<b>Total</b>	<b>1,884.86</b>	<b>331.23</b>

\*Unsecured Long term Loan given to related party is Interest free and is recoverable on demand / call notice.





**Ahmedabad Ring Road Infrastructure Limited**  
Notes to Financial Statements for the year ended March 31, 2024

14 Equity Share Capital	March 31, 2024		March 31, 2023	
	No. of shares	(INR in Million)	No. of shares	(INR in Million)
<b>Authorized Share Capital</b>				
Equity Shares of INR 10 each	1,05,00,000	105.00	1,05,00,000.00	105.00
	<b>1,05,00,000</b>	<b>105.00</b>	<b>1,05,00,000</b>	<b>105.00</b>
<b>Issued, Subscribed and fully paid up</b>				
Equity Shares of INR 10 each	1,04,60,000	104.60	1,04,60,000.00	104.60
	<b>1,04,60,000</b>	<b>104.60</b>	<b>1,04,60,000</b>	<b>104.60</b>

(a) Reconciliation of shares outstanding at the beginning and at the end of the year

Particulars	March 31, 2024		March 31, 2023	
	No. of shares	(INR in Million)	No. of shares	(INR in Million)
At the beginning of the year	1,04,60,000	104.60	1,04,60,000	104.60
Change during the year	-	-	-	-
Outstanding at the end of the year	<b>1,04,60,000</b>	<b>104.60</b>	<b>1,04,60,000</b>	<b>104.60</b>

(b) Terms/Rights attached to the equity shares:

The Company has one class of shares referred to as equity shares having a par value of INR 10/- each. Each shareholder is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the residual assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Shares held by holding Company:

Out of issued, subscribed and paid up equity share capital, 1,04,60,000 Shares (March 31, 2023: 1,04,60,000 Shares) are held by Sadbhav Infrastructure Project Limited - Holding Company & its nominees.

(d) Number of Shares held by each shareholder holding more than 5% Shares in the company

Particulars	March 31, 2024		March 31, 2023	
	No. of shares	% of shareholding	No. of shares	% of
<b>Equity Shares of INR 10 each fully paid</b>				
Sadbhav Infrastructure Project Ltd and its nominees (SIPL) *	1,04,60,000	100	1,04,60,000	100
<b>Total</b>	<b>1,04,60,000</b>	<b>100</b>	<b>1,04,60,000</b>	<b>100</b>

\*As per the records of the company, including its registers of shareholders/member and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(e) Shareholding of Promoters

Name of Promoter	No of Shares	% of Total Share	% Change During Period
<b>As at March 31, 2024</b>			
Sadbhav Infrastructure Project Limited and its nominees	1,04,60,000	100	-
<b>Total</b>	<b>1,04,60,000</b>	<b>100</b>	<b>-</b>
<b>As at March 31, 2023</b>			
Sadbhav Infrastructure Project Limited and its nominees	1,04,60,000	100	-
<b>Total</b>	<b>1,04,60,000</b>	<b>100</b>	<b>-</b>

15 Other Equity

	March 31, 2024 (INR in Million)	March 31, 2023 (INR in Million)
<b>Securities Premium Reserve</b>		
Balance as per last financial statements	416.40	416.40
Change during the year	-	-
Balance at the end of the year	<b>416.40</b>	<b>416.40</b>
<b>Retained Earning*</b>		
Balance as per last financial statements	1,303.13	494.50
Add: Profit for the year	688.07	808.66
Add/(Less): OCI for the year	-	-
Balance at the end of the year	<b>1,991.20</b>	<b>1,303.13</b>
<b>Items of Other Comprehensive Income</b>		
Balance at the beginning of the year	(0.46)	(0.90)
Change during the year	-	0.44
Balance at the end of the year	<b>(0.46)</b>	<b>(0.46)</b>
<b>Total</b>	<b>2,407.14</b>	<b>1,719.10</b>

\* Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.





**Ahmedabad Ring Road Infrastructure Limited**  
Notes to Financial Statements for the year ended March 31, 2024

<b>18 Provisions</b>		<b>March 31, 2024</b>	<b>March 31, 2023</b>
		<b>(INR in Million)</b>	<b>(INR in Million)</b>
<b>Non-Current</b>			
For Employee Benefits			
- Provision for Gratuity (Refer Note 34)		-	5.73
<b>Total</b>		<b>-</b>	<b>5.73</b>
<b>Current</b>			
For Periodic Major Maintenance (Refer Note 31)		626.84	491.74
For Employee Benefits			
- Provision for Gratuity (Refer Note 34)		-	0.45
- Provision for Leave Encashment & Bonus		-	0.28
<b>Total</b>		<b>626.84</b>	<b>492.46</b>
<b>19 Deferred Tax Liabilities (Net)</b>			
Deferred tax liabilities		61.45	133.43
<b>Total</b>		<b>61.45</b>	<b>133.44</b>
<b>20 Trade Payables</b>			
Total outstanding dues of micro enterprises and small enterprises (Refer Note 38)		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer Note 33)		35.44	63.06
<b>Total</b>		<b>35.44</b>	<b>63.06</b>

As at March 31, 2024

Sr No	Particulars	Outstanding for following periods from due date of Payment					Total
		Not Due	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
1	MSME	-	-	-	-	-	-
2	Others	0.83	3.53	0.02	-	0.05	4.43
3	Others-Related Parties	-	31.01	-	-	-	31.01
4	Disputed dues - MSME	-	-	-	-	-	-
5	Disputed dues - Others	-	-	-	-	-	-
	<b>Total</b>	<b>0.83</b>	<b>34.54</b>	<b>0.02</b>	<b>-</b>	<b>0.05</b>	<b>35.44</b>

As at March 31, 2023

Sr No	Particulars	Outstanding for following periods from due date of Payment					Total
		Not Due	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
1	MSME	-	-	-	-	-	-
2	Others	50.04	4.26	4.84	3.92	-	63.06
3	Others-Related Parties	-	-	-	-	-	-
4	Disputed dues - MSME	-	-	-	-	-	-
5	Disputed dues - Others	-	-	-	-	-	-
	<b>Total</b>	<b>50.04</b>	<b>4.26</b>	<b>4.84</b>	<b>3.92</b>	<b>-</b>	<b>63.06</b>

<b>21 Other Current Financial Liabilities</b>		<b>March 31, 2024</b>	<b>March 31, 2023</b>
		<b>(INR in Million)</b>	<b>(INR in Million)</b>
Interest accrued and due on borrowings		-	0.21
Toll Levy Fees Payable - AUDA		4.47	10.00
Employee Emoluments Payable		6.30	8.93
Security & Other Deposits from Sub - Contractor & Others		8.33	13.25
<b>Total</b>		<b>19.10</b>	<b>32.39</b>

<b>22 Other Liabilities</b>		<b>March 31, 2024</b>	<b>March 31, 2023</b>
		<b>(INR in Million)</b>	<b>(INR in Million)</b>
<b>Current</b>			
Statutory dues		44.24	8.35
Unearned Revenue (Monthly Pass Income)		0.11	1.38
Advance Received from Customers		-	0.29
Security Deposit		-	37.62
<b>Total</b>		<b>44.35</b>	<b>47.65</b>

<b>23 Current Tax Liabilities (Net)</b>		<b>March 31, 2024</b>	<b>March 31, 2023</b>
		<b>(INR in Million)</b>	<b>(INR in Million)</b>
Provision for Income Tax (Net of Advance tax amounting to INR 20.14 million & 5.45 million for FY 2022-23)		266.37	152.76
<b>Total</b>		<b>266.37</b>	<b>152.76</b>



**Ahmedabad Ring Road Infrastructure Limited**  
**Notes to Financial Statements for the year ended March 31, 2024**

**24 Revenue From Operations**

Revenue from Toll Collection (Refer note below)  
Revenue from Toll Collection-Car Compensation  
Advertisement Income

	March 31, 2024 (INR in Million)	March 31, 2023 (INR in Million)
	1,602.41	1,128.84
	707.46	712.55
	38.43	35.54
<b>Total</b>	<b>2,348.31</b>	<b>1,876.93</b>

**Note:**

Ahmedabad Urban Development Authority (AUDA), has vide resolution passed by its board of directors in the meeting held on 9th October 2017, exempted Light Motor Vehicles (Four Wheelers) from payment of toll, w.e.f October 10, 2017. The AUDA has prepared the policy or modalities for reimbursement to the company on the basis of actual traffic surveyed by an independent engineer/technical firm appointed by AUDA. The Company has recognised revenue of toll collection of INR 707.46 Millions for the year ended March 31, 2024 (March 31, 2023 : INR 712.55 Millions) based on the actual average daily traffic of Light Motor Vehicles (Four Wheelers) during the said period.

**Disaggregation of Revenue**

Revenue from Operation & Maintenance Services  
Revenue from Advertisement Services

	March 31, 2024 INR in Million	March 31, 2023 INR in Million
	2,309.88	1,841.40
	38.43	35.54
<b>Total</b>	<b>2,348.31</b>	<b>1,876.93</b>

**24.1 Changes in amount of Contract Liabilities are as follows:**

Balance at the Beginning of the year  
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year  
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year  
Balance at the end of the year

	March 31, 2024 INR in Million	March 31, 2023 INR in Million
	1.38	0.48
	(1.38)	(0.48)
	0.11	1.38
<b>Total</b>	<b>0.11</b>	<b>1.38</b>

**24.2 Performance obligation:**

The Company's Performance is in prespect of providing Maintenance Services of project Highway.

**Operation & Maintenance Services**

The performance obligation is satisfied over time as each toll road-user simultaneously receives and consumes the benefits provided by the Company. However, given the short time period over which the company provides road operating services to each road user (i.e. the duration of the time it takes the road user to travel the length of the toll road), the Company recognises toll revenue when it collects the tolls.

24.3 Reconciliation of the amount of revenue recorded in statement of Profit & loss is not required as there are no adjustment to the contracted price.

**25 Other Income**

**Interest Income**

On Income Tax Refund  
On Financial Asset measured at amortised cost  
On Fixed Deposit

Profit on Sale of Assets  
Sale of Scrap  
Sundry Balances Written Back

	March 31, 2024 (INR in Million)	March 31, 2023 (INR in Million)
	-	0.22
	90.89	-
	-	0.10
	<b>90.89</b>	<b>0.32</b>
	-	0.22
	0.41	0.16
	5.38	0.60
<b>Total</b>	<b>96.69</b>	<b>1.30</b>



**Ahmedabad Ring Road Infrastructure Limited**  
**Notes to Financial Statements for the year ended March 31, 2024**

26 Operating Expenses	March 31, 2024 (INR in Million)	March 31, 2023 (INR in Million)
Toll Plaza & Road Operation - Maintenance Expenses (Refer Note 33)	857.33	38.44
Major Maintenance Expenses (Refer Note 31)	64.68	339.54
AUDA - Toll Collection levy Fees	26.15	18.41
Power and Fuel	7.01	8.01
Printing and Stationery	0.05	0.13
Manpower O&M	21.62	68.12
Advertisement Expenses	27.95	0.75
<b>Repairs and Maintenance</b>		
- Toll Plaza & Other Equipments	6.32	20.22
- Site Vehicles	0.59	1.34
<b>Total</b>	<b>1,011.70</b>	<b>494.96</b>

27 Employee Benefits Expenses	March 31, 2024 (INR in Million)	March 31, 2023 (INR in Million)
Salaries, Wages & Other Allowances	6.16	54.50
Contribution to Provident Fund and Other Fund	0.54	1.39
Gratuity Expenses	0.58	1.37
Staff Welfare Expenses	1.37	1.19
<b>Total</b>	<b>8.65</b>	<b>58.44</b>

28 Finance Cost	March 31, 2024 (INR in Million)	March 31, 2023 (INR in Million)
<b>Interest Expenses</b>		
- Term loans from Banks	149.84	13.64
- Interest on delayed payment of Statutory Dues*	34.71	0.00
	<b>184.55</b>	<b>13.63</b>
<b>Unwinding of Discount on Provision</b>		
- Notional Interest on Major Maintenance Reserve (Refer Note 31)	65.49	33.53
<b>Other Borrowing Costs</b>		
- Bank and Other Charges	5.16	0.22
- Amortisation of Processing Fees	-	4.40
	<b>5.16</b>	<b>4.62</b>
<b>Total</b>	<b>255.20</b>	<b>51.79</b>

\*Amount of INR 438 for the year ended March 31, 2023 is below rounding off norms adopted by the company.

29 Other Expenses	March 31, 2024 (INR in Million)	March 31, 2023 (INR in Million)
Rent (refer note 33)	0.11	0.14
Rates & Taxes	0.22	0.13
Insurance	5.25	5.74
Professional & Legal Fees	22.51	22.11
Telephone and Postage	1.08	1.16
Travelling and Conveyance	0.21	0.10
Printing and Stationery	0.10	0.22
Auditor's Remuneration (Refer Note 29.1 below)	0.48	0.42
Cash Collection Charges	1.24	1.84
Donation	1.20	0.01
Corporate Social Responsibility Expense (Refer Note 43)	9.92	6.94
Miscellaneous expenses	7.36	1.76
<b>Total</b>	<b>49.67</b>	<b>40.59</b>

29.1 Auditor's Remuneration	March 31, 2024 (INR in Million)	March 31, 2023 (INR in Million)
- Statutory Audit Fees	0.48	0.42
<b>Total</b>	<b>0.48</b>	<b>0.42</b>





**Ahmedabad Ring Road Infrastructure Limited**  
**Notes to Financial Statements for the year ended March 31, 2024**

**30 Earning Per Share (EPS):**

The following reflects the income and share data used in the basic and diluted EPS computations:

	Unit	March 31, 2024	March 31, 2023
Net Profit attributable to equity holders:	INR in Million	688.07	808.67
Total no. of equity shares at the end of the year	Nos.	1,04,60,000	1,04,60,000
Weighted average number of equity shares for basic and diluted EPS	Nos.	1,04,60,000	1,04,60,000
Nominal value of equity shares	INR	10	10
<b>Basic and Diluted earning per share</b>	INR	<b>65.78</b>	<b>77.31</b>

**31 Movement in Provisions:**

Major Maintenance Reserve (Refer Note 18, 26 & 28)	March 31, 2024 (INR in Million)	March 31, 2023 (INR in Million)
<b>Carrying amount as at 1.04.2023</b>	491.74	335.27
Add: Provision made during the year	69.62	346.48
Add: Increase during the year in the discounted amount due to passage of time	65.49	33.53
Less: Actual Major Maintenance Expenses	-	223.55
<b>Carrying amount as at 31.03.2024</b>	<b>626.84</b>	<b>491.74</b>
Expected time of outflow	April 1, 2024 to December 31, 2026	April 1, 2024 to December 31, 2026

**Nature of Provision:**

**Major Maintenance Provision**

The Company is required to operate and maintain the Project road during the entire concession period and hand over the project back to the Authority (AUDA) as per the maintenance standards prescribed in Concession agreement.

For this purpose, a regular maintenance along with periodic maintenance is required to be performed. Normally periodic maintenance includes resurface of pavements, repairs of structures, repairs and refurbishment of tolling system and other Equipments.

As per the industry practices and on the grounds of matching concept, based on estimates, a provision for major maintenance expenses is made in the books annually. The maintenance cost / bituminous overlay may vary based on the actual usage during maintenance period.

During the current year Company has provided INR 135.10 Millions (Previous Year : INR 380.01 Millions) for periodic Major Maintenance provision in respect of its resurfacing obligation, which includes finance cost component on Major Maintenance of INR 65.49 Millions (Previous Year : INR 33.53 Millions).



**Ahmedabad Ring Road Infrastructure Limited**  
**Notes to Financial Statements for the year ended March 31, 2024**

**32 Disclosure pursuant to Ind AS 115 - "Revenue from Contracts with Customer" :- Appendix - "E" - "Service Concession Arrangements (SCA) "**

**32.1 Description and classification of the arrangement**

The Company has entered into Concession Agreement ('CA') with Ahmedabad Urban Development Authority (AUDA) dated September 07, 2006 for the purpose of Improvement and widening to four Lane of two Lane Sardar Patel Ring Road (Project Road) around Ahmedabad city 76 Kms in the state of Gujarat on Built, Operate and Transfer (BOT) basis. The Concession Period is of 20 years including construction period of 18 months. The Company obtained completion certificate on 30th June 2008 from the AUDA. As per the CA, the company is entitled to charge users of the public service, hence the service arrangement has been classified as Intangible Asset.

**32.2 Significant Terms of the arrangements**

**32.2.1 Revision of Fees:**

Fees shall be revised annually from the "Commercial Operation Date" (COD) to the end of concession period as per the Revised Fee Notification issued by AUDA.

**32.2.2 Modification of Concession Period:**

The Concession period shall be modified:

AUDA shall issue to the Company a notice of change of scope under the clause 16.2(a) in relation to additional works and services referred to in clause 16.1 of the CA. AUDA shall pay to the company an amount equal to the costs or extend the concession period suitably on the basis of recommendation by the Independent Consultant to be reasonable with final adjustments to be made in accordance with the resolution of dispute under the Dispute Resolution Procedure.

If, due to change in the law, company suffers an increase in cost or reduction in net after-tax return or the other financial burden subject to the limits specified in the SCA, the SCA shall be modified in such a way that it nullifies such impact of cost increase, reduction in return or other financial burden. However if no such modification is done, Company may require by notice to the authority to pay an amount that would place the company in the same financial position that it would have enjoyed, had there been no such change in the law. Any dispute in the said procedure shall be settled in accordance with the Dispute Resolution Procedure. Opposite will be the case, in case of reduction in cost.

**32.3 Rights of the Company to use Project Road**

- a To demand, collect and appropriate, Fee from vehicles and Users liable for payment of Fee for using the Project Highway or any part thereof and refuse entry of any vehicle if the Fee due is not paid.
- b Right of Way, access and license to the Site.

**32.4 Obligation of the Company**

The Company shall not assign, transfer or sublet or create any lien or Encumbrance on the CA, or the Concession granted or on the whole or any part of the Project road nor transfer, lease or part possession thereof, save and except as expressly permitted by CA or the Substitution Agreement. The Project road means site comprising the existing road of 76 Kms and all Project asset, and its subsequent development and augmentation in accordance with the CA.

The Company is under obligation to carry out the routine and periodic maintenance of Project Road as per Schedule L of the CA.

**32.5 Details of any assets to be given or taken at the end of concession period**

At the end of the Concession period the company shall deliver the actual or constructive possession of the Project road, free and clear of all encumbrances.

**32.6 Details of Termination**

SCA can be terminated on account of default of the company or AUDA in the circumstances as specified under Schedule VII of the SCA.

**32.7** There has been no change in the concession arrangement during the year.



**Ahmedabad Ring Road Infrastructure Limited**  
**Notes to Financial Statements for the year ended March 31, 2024**

**33 Related Party Disclosures:**

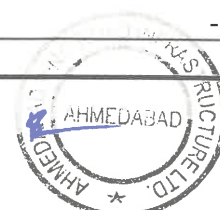
Related party disclosures as required under the Indian Accounting Standard (Ind AS) – 24 on “Related Party Disclosures” are given below:

**(I) Name of the related parties and description of relationship :**

Sr. No	Description of Relationship	Name of the Related Party
<b>(A)</b>	<b>Enterprises having control:</b> Ultimate Holding Company Holding Company	Sadbhav Engineering Limited (SEL) Sadbhav Infrastructure Project Limited (SIPL)
<b>(B)</b>	<b>Key Managerial Personnel</b>	Mr. Jatin Thakkar, Managing Director (w.e.f March 15, 2023) Mr. Mahendrasinh Chavada, Director (w.e.f March 21, 2023) Mr. Kalpesh Shah, Director (upto October 21, 2023) Mr. Jignasu Dixit, Additional Director (w.e.f October 21, 2023) Mr. Dwigesh Joshi, Additional Director (upto April 08, 2024) Mr. Arunbhai Patel, Independent Director Mr. Hitesh Chelani, Chief Financial Officer Ms. Sejal Desai, Company Secretary

**(II) Transactions with Related Parties during the year:**

No.	Particulars	March 31, 2024 (INR in Million)	March 31, 2023 (INR in Million)
<b>(i)</b>	Office Rent		
	- SEL	0.11	0.14
<b>(ii)</b>	Routine Road Maintenance Expenses		
	- SIPL	7.24	22.30
	- SEL	539.32	-
<b>(iii)</b>	Project Management Expense		
	- SEL	302.40	-
<b>(iv)</b>	Unsecured Loan Given		
	- SEL	3,864.62	695.05
<b>(v)</b>	Unsecured loan recovered		
	- SEL	2,401.89	363.82
<b>(vi)</b>	Investment Component of Interest Free Loan Given		
	- SEL	403.21	-
<b>(vii)</b>	Advertisement Hoarding Expenses		
	- SEL	27.75	-
<b>(viii)</b>	Other Advances given		
	- SIPL	862.99	255.68
<b>(ix)</b>	Remuneration		
	- Mr. Mahendrasinh Chavda	0.34	1.64
	- Mr. Shailesh Koshti	-	0.05
<b>(x)</b>	Reimbursement of Expenses Payable/(Receivable)		
	- SIPL	-	0.08
	- SEL	-	1.48
<b>(xi)</b>	Director Sitting Fees		
	-Arun Patel	0.05	-
	-Dwigesh Joshi	0.02	-
	-Jigyanshu Dixit	0.02	-
	-Kalpesh Shah	0.02	-



**Ahmedabad Ring Road Infrastructure Limited**  
**Notes to Financial Statements for the year ended March 31, 2024**

**(III) Balance outstanding as at the year end:**

No.	Particulars	March 31, 2024 (INR in Million)	March 31, 2023 (INR in Million)
(i)	Unsecured Loan recoverable		
	- SEL	1,884.86	331.23
(ii)	Payable/(Advance) towards Operation and Maintenance, Project Consultancy and reimbursement of Expense (including Retention		
	- SIPL	(862.99)	255.68
	- SEL	31.01	-
(iii)	Investment Component of Interest Free Loan Given		
	- SEL	403.21	-
(iv)	Remuneration payable		
	- Mr. Shailesh Koshti	-	0.05
	- Mr. Mahendrasinh Chavda	-	0.15
(v)	Director Sitting Fees Payable		
	-Arun Patel	0.01	-
	-Dwigesh Joshi	0.01	-
	-Jigyanshu Dixit	0.01	-

**(IV) Terms and conditions:**

(i.) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free except short term loan and settlement occurs in cash as per the terms of the agreement.

(ii.) The Company has not provided any commitment to the related party as at March 31, 2024 and March 31, 2023.



**Ahmedabad Ring Road Infrastructure Limited**  
**Notes to Financial Statements for the year ended March 31, 2024**

**34 Employee Benefits Disclosure:**

**A Defined Contribution Plans:**

Amount of INR 0.54 Millions (March 31, 2023: INR 1.39 Millions) is recognised as expenses and included in Note No. 27 "Employee Benefits Expenses."

	March 31, 2024 (INR in Million)	March 31, 2023 (INR in Million)
Contribution to Provident Funds	0.46	1.23
Contribution to ESIC	0.07	0.16
<b>Total</b>	<b>0.54</b>	<b>1.39</b>

**B Defined benefit plans - Gratuity benefit plan:**

The Company has a Gratuity benefit plan. Every employee who has completed five years or more of service gets a gratuity on the termination of his employment at 15 days salary (last draw salary) for each completed year of service. The scheme is unfunded.

The present value of obligation in respect of gratuity is determined based on actuarial valuation using the Project Unit Credit Method as prescribed by the Indian Accounting Standard - 19. Gratuity has been recognised in the financial statements as per details given below:

Features of the defined benefit plan	Remarks
Benefit offered	15 / 26 × Salary × Duration of Service
Salary definition	Basic Salary including Dearness Allowance (if any)
Benefit ceiling	Benefit ceiling of Rs. 20,00,000 was applied
Vesting conditions	5 years of continuous service ( Not applicable in case of death/disability )
Benefit eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement age	58 years or 31/12/2026 whichever is earlier

The company is responsible for the governance of the plan

**Changes in Inter-Valuation Period:**

The benefit scheme has changed since the last valuation. The benefit ceiling has changed from INR 10,00,000/- to 20,00,000/-. There are no special events such as benefit improvements or curtailments or settlements during the inter-valuation period.

**Risk to the Plan**

Following are the risk to which the plan exposes the entity :

**Actuarial Risk:**

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

**Adverse Salary Growth Experience:** Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

**Variability in mortality rates:** If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

**Investment Risk:**

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

**Liquidity Risk:**

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be strain on the cashflows.

**Market Risk:**

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

**Legislative Risk:**

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.





**Ahmedabad Ring Road Infrastructure Limited**  
**Notes to Financial Statements for the year ended March 31, 2024**

Particulars	March 31, 2024 (INR in Million)	March 31, 2023 (INR in Million)
<b>Defined benefit obligations as at beginning of the year - A</b>	<b>6.22</b>	<b>5.58</b>
<b>Cost charged to statement of profit and loss</b>		
Current service cost	0.85	1.06
Balance transferred to SEL	(6.98)	
Interest cost	-	0.36
<b>Sub-total included in statement of profit and loss - B</b>	<b>(6.13)</b>	<b>1.42</b>
<b>Remeasurement gains/(losses) in other comprehensive income</b>		
Actuarial Loss/(Gain) due to change in financial assumptions	-	(0.10)
Actuarial Loss/(Gain) due to change in demographic assumptions	-	-
Actuarial Loss/(Gain) due to experience	-	(0.36)
Benefits Paid	(0.09)	(0.32)
<b>Sub-total included in OCI - C</b>	<b>(0.09)</b>	<b>(0.78)</b>
<b>Defined benefit obligations as at end of the year (A+B+C)</b>	<b>-</b>	<b>6.22</b>

**Reconciliation of Plan Asset**

Particulars	March 31, 2024 (INR in Million)	March 31, 2023 (INR in Million)
Plan Asset as at beginning of the year	0.04	0.03
Interest Income	-	0.03
Return on plan assets excluding amounts included in interest income	-	(0.02)
Contribution by Employer	-	-
Benefits paid	-	-
<b>Plan Asset as at end of the year</b>	<b>0.04</b>	<b>0.04</b>

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

	March 31, 2024	March 31, 2023
Discount rate	NA	7.20%
Salary Growth Rate	NA	7.00%
Withdrawal rate	NA	15% at younger ages reducing to 3% at older ages

A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	Sensitivity level	March 31, 2024 (INR in Million)	March 31, 2023 (INR in Million)
Discount rate	0.50% increase	NA	(0.10)
	0.50% decrease	NA	0.10
Salary Growth Rate	0.50% increase	NA	0.08
	0.50% decrease	NA	(0.08)
Withdrawal rate	10% increase	NA	(0.03)
	10% decrease	NA	0.03

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of reporting period.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Since the obligation is unfunded, there is no Asset-Liability Matching strategy device for the plan. Accordingly, there is no expected contribution in the next annual reporting period.

**Maturity Profile of the Defined Benefit Obligation**

As at March 31, 2023	INR in Million	%
2024	0.81	8.20%
2025	0.34	4.60%
2026	0.54	7.20%
2027	4.77	63.20%
2028	1.27	16.80%
2028	-	0.00%

The average duration of the defined benefit plan obligation at the end of the reporting period is Not Applicable as all the employees are being transferred to holding company as on March 31, 2024. (March 31, 2023: 3.25 years).

**Other employee benefit:**

Salaries, Wages and Bonus include INR 0.61 million (Previous Year INR 1.48 million) towards provision made as per actual basis in respect of accumulated leave encashment/compensated absences, Bonus and leave travel allowance.



**Ahmedabad Ring Road Infrastructure Limited**  
**Notes to Financial Statements for the year ended March 31, 2024**

**35 Income Tax Expenses**

The major component of income tax expenses for the year ended March 31, 2024 and March 31, 2023 are as under:

**(A) Profit & Loss Section**

	March 31, 2024 INR in Million	March 31, 2023 INR in Million
<b>Current Tax</b>		
Current tax charges for the year	130.43	158.22
	<u>130.43</u>	<u>158.22</u>
<b>Deferred tax</b>		
Deferred tax charges for the year	(71.98)	(61.34)
	<u>(71.98)</u>	<u>(61.34)</u>
<b>Tax Expense reported in the Statement of Profit and Loss</b>	<u><u>58.45</u></u>	<u><u>96.88</u></u>

**(B) A Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:**

Particulars	March 31, 2024 INR in Million	March 31, 2023 INR in Million
<b>Book profit before tax</b>	746.52	905.54
Statutory Income Tax Rate (MAT Rate)	17.47%	17.47%
<b>Expected Income Tax Expenses</b>	<u>130.43</u>	<u>158.20</u>
<b>Tax Effect of adjustments to reconcile expected Income tax expenses to reported income tax expenses</b>		
Tax effect of losses for the earlier years	-	0.58
Tax effect of non deductible items	(22.53)	(23.70)
Tax effect of tangible assets	0.29	0.47
Tax effect of intangible assets	(49.75)	(38.68)
<b>Income tax expenses as per normal tax rate</b>	<u>58.45</u>	<u>96.88</u>
<b>Consequent to reconciliation items shown above, the effective tax rate</b>	<u>7.83%</u>	<u>10.70%</u>

**(C) Deferred tax**

Particulars	Balance sheet		Statement of Profit and Loss	
	March 31, 2024	March 31, 2023	2023-2024	2022-2023
Intangible Asset	(185.73)	(235.47)	(49.75)	(38.68)
Tangible Asset	2.46	2.75	0.29	0.31
Investment in mutual funds	-	-	-	0.16
Expenditure allowable on payment basis	109.52	87.00	(22.53)	(23.70)
Unused losses available for offsetting against future taxable income	12.29	12.29	-	0.58
<b>Deferred tax income</b>		-	<u>(71.98)</u>	<u>(61.34)</u>
<b>Net deferred tax liabilities recognised</b>	<u>(61.45)</u>	<u>(133.43)</u>		
<b>Net deferred tax assets/(liabilities) not recognised</b>	<u>-</u>	<u>-</u>		

**Note:**

1 The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

**36 Segment Reporting**

The operating segment of the company is identified to be "BOT (Toll Basis)", as the Chief Operating Decision Maker (CODM) reviews business performance at an overall company level as one segment and hence, does not have any additional disclosures to be made under Ind AS 108 Operating Segments. Further, the Company also primarily operates under one geographical segment namely India.

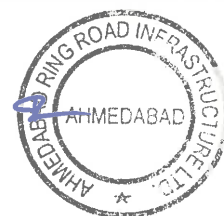
No customer individually accounted for more than 10% of the revenues in the year ended March 31, 2024 and March 31, 2023.

**37 Operating Lease:**

Office premises of the Company have been taken on operating lease basis. The lease rent during the year is INR 0.11 Million (March 31, 2023: INR 0.14 Million). These operating lease agreement are cancellable by giving short period notice by either of the parties to the agreement.

**38 Due to MSME:**

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days at the balance sheet date. This is based on the information available with the Company and the same is relied upon by the auditors.



**Ahmedabad Ring Road Infrastructure Limited**  
**Notes to Financial Statements for the year ended March 31, 2024**

**39 Disclosure of Financial Instruments by Category**

(INR in Million)

Financial instruments by categories	Note no.	31-Mar-24			31-Mar-23		
		FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
<b>Financial Asset</b>							
Receivable from Auda - Car Exemption	8	-	-	145.95	-	-	449.50
Receivable from AUDA - Toll Suspension	8	-	-	13.56	-	-	13.56
Fixed Deposit	8	-	-	-	-	-	2.40
ETC Receivable	8	-	-	6.63	-	-	5.01
Interest accrued on Fixed Deposit	8	-	-	-	-	-	0.06
Cash on Hand	12	-	-	4.40	-	-	3.36
Balance with Banks	12	-	-	46.81	-	-	63.63
Security Deposits	8	-	-	1.40	-	-	0.03
Trade Receivables	11	-	-	2.22	-	-	24.59
Investment Component of Interest Free Loan Given	10	-	-	403.21	-	-	-
Long term Loans	13	-	-	1,187.69	-	-	331.23
Short Term Loans	13	-	-	697.17	-	-	-
Other Deposits	8	-	-	23.21	-	-	-
Advance to Staff	8	-	-	0.35	-	-	0.43
<b>Total Financial Assets</b>		-	-	<b>2,532.59</b>	-	-	<b>562.57</b>
<b>Financial Liabilities</b>							
Long term Borrowings	16	-	-	145.51	-	-	45.19
Current Borrowings	17	-	-	969.39	-	-	-
Toll Levy Fees Payable - AUDA	21	-	-	4.47	-	-	10.00
Security & Other Deposits From	21	-	-	8.33	-	-	13.25
Trade Payables	20	-	-	35.44	-	-	63.06
Interest Accrued and Due / Accrued but not due	21	-	-	-	-	-	0.21
Employee Emoluments payable	21	-	-	6.30	-	-	8.93
<b>Total Financial Liabilities</b>		-	-	<b>1,169.45</b>	-	-	<b>140.64</b>

**39.1 Default and breaches**

- a) There are no defaults with respect to payment of principal interest, sinking fund or redemption terms and no breaches of the terms and conditions of the loan.
- b) There are no breaches during the year which permitted lender to demand accelerated payment.
- c) Long term borrowings contain debt covenants relating to debt-equity ratio and debt service coverage ratio. The Company has satisfied all debts covenants prescribed in the terms of respective loan agreement as at reporting date.

**39.2 Fair value disclosures for Financial Assets and Financial Liabilities**

- a) The management assessed that the fair values of cash and cash equivalents, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- b) The carrying value of Company's interest-bearing borrowings are reasonable approximations of fair values as the borrowing carry floating interest rate.
- c) The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**The following methods and assumptions were used to estimate the fair values:**

- a) Investments in units of Mutual Funds which are not traded in active market is determined using closing NAV.



**Ahmedabad Ring Road Infrastructure Limited**  
**Notes to Financial Statements for the year ended March 31, 2024**

**40 Financial Risk Management**

The Company's principal financial liabilities comprise Borrowings, Trade payables & other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include Investments, Loan to Related Party, Cash and Bank balance, Trade Receivables & Other receivables that derive directly from its operations.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Risk management systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Board of Directors oversee compliance with the Company's risk management policies and procedures, and reviews the risk management framework.

**(a) Market risk**

The market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Currency risk, Interest rate risk and Other price risk. Financial instruments affected by market risk include borrowings, Investments, other receivables and trade and other payables.

Within the various methodologies to analyse and manage risk, Company has implemented a system based on "sensitivity analysis" on symmetric basis. This tool enables the risk managers to identify the risk position of the entities. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions. The risk estimates provided here assume:

- a parallel shift of 25-basis points of the interest rate yield curves in all currencies

The potential economic impact, due to these assumptions, is based on the occurrence of adverse/inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of profit & loss may differ materially from these estimates due to actual developments in the global financial markets.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and provisions.

The following assumption has been made in calculating the sensitivity analyses:

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2024 and March 31, 2023.

**Interest rate risk**

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	(INR in Million)	
	31.03.2024	31.03.2023
Variable rate borrowings in INR	-	44.10

**Interest Rate Sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Interest Rate Risk Analysis	(INR in Million)	
	31.03.2024	31.03.2023
Interest rate increase by 25 basis point	-	(0.11)
Interest rate decrease by 25 basis point	-	0.11



**Ahmedabad Ring Road Infrastructure Limited**  
**Notes to Financial Statements for the year ended March 31, 2024**

**(b) Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is not exposed to credit risk from its operating activities as the Company is collecting toll in cash and does not have outstanding any receivables. However the Company is exposed to credit risk from its financing activities, including balance with bank and other financial instruments.

**(c) Liquidity risk**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys cash management system. It maintains adequate sources of financing including debt at an optimised cost.

The table below summarises the maturity profile of company's financial liabilities in contractual undiscounted payments

(INR in Million)

As at March 31, 2024	Total	On Demand	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
<b>Non Derivative Financial Liabilities</b>						
Long term Borrowings	1,114.90	-	969.39	145.51	-	-
Trade Payables	35.44	-	35.44	-	-	-
Other Financial Liabilities	19.10	-	19.10	-	-	-
	<b>1,169.45</b>	-	<b>1,023.94</b>	<b>145.51</b>	-	-

(INR in Million)

As at March 31, 2023	Total	On Demand	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
<b>Non Derivative Financial Liabilities</b>						
Long term Borrowings	45.19	-	45.19	-	-	-
Trade Payables	63.06	-	63.06	-	-	-
Other Financial Liabilities	32.39	-	32.39	-	-	-
	<b>140.64</b>	-	<b>140.64</b>	-	-	-

**(d) Collateral**

The Company's all financial & other assets has been pledged against Borrowings in order to fulfill the collateral requirement of the Lenders. The fair value of such financial & other assets is disclosed in note no 39.2.

**41 Contingent Liabilities and Commitments**

(i) Below is the list of contingent liabilities, pending litigations/claims against the company as on March 31, 2024.

**A. Claims against the company not acknowledged as debt: other than tax matter**

- Aaj Buildcon Private Limited has filed a suit under Insolvency and Bankruptcy Code, 2016 (IB Code, 2016) for recovery of Rs.19.09 Million (amount involved is INR 23.21 Million out of which already provided in books is INR 4.12 Million as on March 31, 2024) against the company. The Company has received services from AAJ Buildcon Private Limited, for which the latter claimed Rs 23.21 Million balance to be paid and filed NCLAT Appeal at Delhi. The Company has filed an application for stay of the Impugned Order. The NCLAT through its interim order, granted the stay pending the decision of the appeal and directed the Company to deposit 100% of the amount involved. The Company has deposit Rs. 23.21 Million (Refer Note 8). The matter is pending before the NCLAT-Delhi.
- The Company has filed an application under the Employee State Insurance Act against the Employee State Insurance (ESI) in Employee State Insurance Court, Ahmedabad for Adhoc Notice issued dated October 28, 2016 for the period April 2012 to March 2013 demanding the Net liability of INR 3.78 million. As mentioned in the Order issued by the ESI Court (Ahmedabad), no further recovery of any amount to be made from the company till further order.
- A previous employee of the Company has filed a case against the Company before Labour Court at Ahmedabad, was filed for compensation against the company. The labour court has directed to pay 20% back wages amounting to INR 0.40 Million as compensation from June 10, 2009 to till date of reterment of employee. The Company has Filled appeal before the honourable High court of Gujarat. The matter is currently pending.

(ii) There were no Commitments outstanding as on March 31, 2024.





**Ahmedabad Ring Road Infrastructure Limited**  
**Notes to Financial Statements for the year ended March 31, 2024**

**42 Capital Management**

For the purpose of the Company's capital management, Capital consist of share capital & Securities Premium.

The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The key performance ratios are as follows:

	March 31, 2024 (INR in Million)	March 31, 2023 (INR in Million)
Borrowings	1,114.90	45.19
<b>Total Debts - A</b>	<b>1,114.90</b>	<b>45.19</b>
Equity Share Capital (Refer note 14)	104.60	104.60
Other Equity	2,407.14	1,719.10
Security Premium (Refer note 15)	416.40	416.40
Grant from Authority*	360.00	360.00
<b>Total Equity - B</b>	<b>3,288.14</b>	<b>881.00</b>
<b>Debt equity ratio (A/B)</b>	<b>0.34</b>	<b>0.05</b>

\* As per Requirement of IndAS, the same is deducted from the carrying value of Intangible Assets

**43 Corporate Social Responsibility Expenditure**

- (i) Amount required to be spent by the Company during the year  
(ii) Amount of expenditure incurred  
(iii) Shortfall at the end of the year (Excess Spent)  
(iv) Total of previous years shortfall  
(v) Reason for shortfall

	March 31, 2024 (INR in Million)	March 31, 2023 (INR in Million)
	9.92	6.94
	9.92	6.94
	-	-
	-	-
	-	-

- (vi) Nature of CSR activities

Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

- (vii) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard

NA

- (viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately

NA

**44 Ratios**

Sr No.	Ratio	As at 31-Mar-2024	As at 31-Mar-2023	Deviation	Numerator	Denominator	Reason for Deviation if > 25%
1	Current Ratio	0.93	1.41	-34%	Current Assets	Current Liabilities	Increase in Borrowings leads to increase in current ratio
2	Debt – Equity Ratio	0.34	0.05	-100%	Total Debt	Shareholder's Equity	Increase in Borrowings leads to increase in debt equity ratio
3	Debt Service Coverage Ratio	2.03	3.70	-45%	Earnings available for debt service	Debt Service (Interest+Principal repayments)	Due to Increase in debt and Finance Cost
4	Return on Equity	0.32	0.57	-44%	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	Due to Decrease in Net Profit of the Company
5	Inventory Turnover Ratio	N.A	N.A	N.A	Cost of goods sold OR sales	Average Inventory	As the Company is in the service industry and having no inventory hence this ratio is not calculated.
6	Trade receivables turnover ratio	147.39	110.08	34%	Net Credit Sales	Avg. Accounts Receivable	Due to Decrease in Trade Receivables of the company
7	Trade payables turnover ratio	19.23	0.48	3873%	Net Credit Purchases	Average Trade Payables	Increase in Operating Expenses leads to increase in trade payable ratio
8	Net capital turnover ratio	22.81	(12.76)	-279%	Net Sales	Working Capital	Due to Increase in Current Assets & Current Liabilities
9	Net profit ratio	29.30%	43.08%	-32%	Net Profit	Total Income	Due to Decrease in Net Profit of the Company
10	Return on capital employed	0.26	0.48	-45%	Earning before interest and taxes	Tangible networth+Totaldebt+Deferr ed tax liabilities	Due to Increase in Net Profit of the Company
11	Return on investment	N.A	N.A	N.A	{MV(T1) – MV(T0) – Sum [C(t)]}	{MV(T0) + Sum [W(t) * C(t)]}	



**Ahmedabad Ring Road Infrastructure Limited**  
**Notes to Financial Statements for the year ended March 31, 2024**

- 45 The Company uses an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software. However, the audit trail feature is not available for certain direct changes to database for certain non editable fields/ tables of the accounting software . Further no instance of audit trail feature being tampered with was noted in respect of the accounting software.
- 46 **Other Regulatory Requirements:**
- (a) The Company does not hold any benami property as defined under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder. No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (b) The Company has not received disbursement of loan from financial institution and has availed term loan hence is not required to file quarterly statements to financial institution.
- (c) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 ( Such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (d) The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- (e) The Company does not have any charges or satisfaction, which is yet to be registered with ROC beyond the statutory period.
- (f) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) 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
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (g) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) 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
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (h) The Company has no transaction and or outstanding balance as at 31st March, 2024 and March 31,2023 with the Companies struck off under Companies Act, 2013.
- 47 All amounts in the financial statements are presented in Rupees Million except per share data and as otherwise stated.
- 48 Figures relating to the previous periods/year have been regrouped / rearranged, wherever necessary, to make them comparable with those of the current periods/year.

As per our report of even date  
For S G D G & Associates LLP  
Chartered Accountants  
ICAI Firm Registration No. W100188

  
(Mittali Dakwala)  
Partner  
Membership No. 143236



For & on behalf of the Board of Directors of  
Ahmedabad Ring Road Infrastructure Limited

  
(Jatin Thakkar)  
Managing Director  
DIN: 09312406

  
(Hitesh Chelani)  
Chief Financial Officer

  
(Mahendrasinh Chavda)  
Director  
DIN: 02607067

  
(Sejal Desai)  
Company Secretary

Place: Ahmedabad  
Date: May 19, 2024

Place: Ahmedabad  
Date: May 19, 2024

