

**Independent Auditor's Report on Audited Standalone Quarterly Financial Results and year end results of the Company, pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**TO THE BOARD OF DIRECTORS OF GMR POCHANPALLI EXPRESSWAYS LIMITED**

**Opinion**

We have audited the Standalone Quarterly Financial Results of **GMR Pochanpalli Expressways Limited** ("the Company") included in the accompanying "Statement of Audited Standalone Financial Results for the quarter and year ended March 31, 2022" (refer 'Other Matters' section below), ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement together with the notes thereon:

- i. are presented in accordance with the requirements of Regulation 52 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the quarter and year ended March 31, 2022.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in Auditor's Responsibilities for audit of the Annual Standalone Financial Results section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results for the year ended March 31, 2022 under the provisions of the Act and the Rules 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

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### **Emphasis of Matter**

- a) We draw attention to Note no. 5 to the statement, with regard to non-giving effect to the order of the Honourable High Court of Delhi dated April 06, 2022 by upholding Company's contentions, with regard to applicability of overlay work only on increase in roughness index of roads, pending finality. The management is of the opinion that National Highways Authority of India (NHAI) has time to challenge the order in the appellate Court, hence Company has not given financial effect to the impact of the order.
- b) We draw attention to Note no. 4 to the statement, with regard to contingent consideration receivable of Rs.1,456.00 Lakhs (net of fair valuation loss of Rs.1,239.45 Lakhs) towards sale of investment in compulsorily convertible debentures (CCD's). The recoverability of such contingent consideration is dependent on recoverability of consideration post achievement of the milestones as detailed in the aforementioned note, the achievement of which in their inherent nature are uncertain.

Our opinion is not modified in respect of above matters.

### **Management's Responsibility for the Statement**

This Statement, which includes the Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Statement has been compiled from the related audited standalone financial statement for the year ended March 31, 2022. This responsibility includes the preparation and presentation of the Statement that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. 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 the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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### **Auditor's Responsibility for the Statement**

Our objectives are to obtain reasonable assurance about whether the Statement 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 the Statement.

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

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 Statement 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 Statement, including the disclosures, and whether the Statement 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.

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### Other Matters

The Statement include the results for the quarter ended 31 March 2022 and those of corresponding quarter ended 31 March 2021 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the second quarter of the relevant financial year which were subject to limited review by us.

Our opinion is not modified in respect of above matters.

**for CHATURVEDI & SHAH LLP**  
Chartered Accountants  
Firm Registration Number: 101720W / W100355

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**Lalit R Mhalsekar**

Partner

Membership Number: 103418

**UDIN: 22103418AIBXPD7147**

Place: Mumbai

Date: April 29, 2022

**GMR POCHANPALLI EXPRESSWAYS LIMITED**

CIN - U45200KA2005PLC049327

**[Format prescribed in Regulation 52 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 as amended]**

Rupees in Lakhs

**Statement of financial results for the quarter and year ended March 31, 2022**

Sl. No.	Particulars	Quarter ended			Year ended	
		31-Mar-22	31-Dec-21	31-Mar-21	31-Mar-22	31-Mar-21
		Refer note 1	Unaudited	Refer note 1	Audited	Audited
1	<b>Income</b>					
	Income from operations	1,247.90	1,202.72	1,581.81	6,305.89	7,866.67
	Other income	1,281.66	859.25	636.02	4,069.95	3,173.39
	<b>Total income</b>	<b>2,529.56</b>	<b>2,061.97</b>	<b>2,217.83</b>	<b>10,375.84</b>	<b>11,040.06</b>
2	<b>Expenses</b>					
	(a) Operating expenses	202.52	138.99	471.41	1,947.01	2,797.74
	(b) Employee benefits expense	183.78	185.70	78.87	687.82	670.71
	(c) Finance costs	996.18	1,338.25	1,515.11	4,153.50	4,857.05
	(d) Depreciation and amortisation expenses	32.73	32.21	88.41	128.32	358.55
	(e) Other expenses	993.05	186.26	647.48	1,487.18	1,260.45
	<b>Total expenses</b>	<b>2,408.26</b>	<b>1,881.41</b>	<b>2,801.28</b>	<b>8,403.83</b>	<b>9,944.50</b>
3	<b>Profit/(loss) before tax expense and before exceptional item (1-2)</b>	<b>121.30</b>	<b>180.56</b>	<b>(583.45)</b>	<b>1,972.01</b>	<b>1,095.56</b>
4	Exceptional items	-	-	-	-	-
5	<b>Profit/(loss) before tax expense and after exceptional item (3 ± 4)</b>	<b>121.30</b>	<b>180.56</b>	<b>(583.45)</b>	<b>1,972.01</b>	<b>1,095.56</b>
6	<b>Tax expenses</b>					
	(a) Current tax	22.45	30.22	(71.47)	343.81	296.64
	(b) Deferred tax	-	-	-	-	-
7	<b>Net Profit/ ( Loss) for the period/year after tax (5 ± 6)</b>	<b>98.85</b>	<b>150.34</b>	<b>(511.98)</b>	<b>1,628.20</b>	<b>798.92</b>
8	<b>Other Comprehensive Income</b>					
	(A) (i) Items that will not be reclassified to profit or loss	7.19	(7.60)	26.48	(4.23)	1.70
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
	(B) (i) Items that will be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	<b>Total other comprehensive income, net of tax 8(A)+(B) for the period/year</b>	<b>7.19</b>	<b>(7.60)</b>	<b>26.48</b>	<b>(4.23)</b>	<b>1.70</b>
9	<b>Total Comprehensive Income for the period (Comprising Profit/ (Loss) for the period/year (after tax) and Other Comprehensive Income (after tax) (7 ± 8)</b>	<b>106.04</b>	<b>142.74</b>	<b>(485.50)</b>	<b>1,623.97</b>	<b>800.62</b>
10	Paid-up equity share capital (Face Value of Rs. 10 each )	13,800.00	13,800.00	13,800.00	13,800.00	13,800.00
11	Other Equity (excluding revaluation reserve) (as per latest audited financials)				11,647.75	10,023.78
12	Earnings Per Share (EPS) (of Rs.10 each) (not annualised for quarters/half years)					
	i) Basic	0.07	0.11	(0.37)	1.18	0.58
	ii) Diluted	0.07	0.11	(0.37)	1.18	0.58

Refer note nos. 1 to 16 forming part of financial results in terms of SEBI Regulation 52.

For and on behalf of the Board of Directors of  
**GMR POCHANPALLI EXPRESSWAYS LIMITED**

**GRANDHI**  
**RAGINI**

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**Grandhi Ragini**

Whole Time Director  
DIN: 00582227  
Date : April 29, 2022  
Place : New Delhi

**AMIT**  
**KUMAR**

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**Amit Kumar**  
Chief Financial Officer  
Membership no. 500164

# GMR POCHANPALLI EXPRESSWAYS LIMITED

CIN - U45200KA2005PLC049327

[Regulation 52(2)(f) of the Listing Regulations]

## Statement of assets and liabilities

Rupees in Lakhs

Particulars	As at 31-Mar-22 Audited	As at 31-Mar-21 Audited
<b>1 ASSETS</b>		
<b>a) Non-current assets</b>		
Property, plant and equipment	67.48	43.10
Other intangible assets	12.37	-
Right of use Assets	116.07	696.44
Financial Assets		
Investments	-	-
Loans	2,510.00	-
Other financial assets	8,855.05	13,703.14
Other non-current assets	3,323.84	1,536.20
Income tax assets (net)	139.10	139.10
	<b>15,023.91</b>	<b>16,117.98</b>
<b>b) Current assets</b>		
Inventories	39.71	22.10
Financial Assets		
Investments	-	3,341.10
Cash and cash equivalents	4,122.47	5,545.73
Bank balances other than above	1,941.50	734.98
Loans	24,595.47	26,274.69
Other financial assets	14,439.78	11,343.78
Other current assets	7,879.47	9,391.84
	<b>53,018.40</b>	<b>56,654.22</b>
<b>TOTAL ASSETS (a+b)</b>	<b>68,042.31</b>	<b>72,772.20</b>
<b>2 EQUITY AND LIABILITIES</b>		
<b>a) Equity</b>		
Equity share capital	13,800.00	13,800.00
Other equity	11,647.75	10,023.78
<b>Total equity</b>	<b>25,447.75</b>	<b>23,823.78</b>
<b>b) Non-current liabilities</b>		
Financial Liabilities		
Borrowings	22,155.73	26,210.75
Lease Liability	-	419.12
Provisions	3,474.35	1,595.84
Other non-current liabilities	295.94	139.65
Deferred tax liabilities (net)	-	-
	<b>25,926.02</b>	<b>28,365.36</b>
<b>c) Current liabilities</b>		
Financial Liabilities		
Borrowings	4,325.79	4,769.21
Trade payables		
a) Total outstanding dues of micro enterprises and small enterprises	156.03	22.89
b) Total outstanding dues of creditors other than (a) above	1,845.05	2,423.71
Lease Liability	437.73	726.70
Other financial liabilities	1,023.61	1,230.15
Other current liabilities	600.64	2,038.90
Provisions	7,542.31	8,825.34
Current tax liabilities (net)	737.38	546.16
	<b>16,668.54</b>	<b>20,583.06</b>
<b>TOTAL EQUITY AND LIABILITIES (a+b+c)</b>	<b>68,042.31</b>	<b>72,772.20</b>

Refer note nos. 1 to 16 forming part of financial results in terms of SEBI Regulation 52.

For and on behalf of the Board of Directors of  
**GMR POCHANPALLI EXPRESSWAYS LIMITED**

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**Grandhi Ragini**  
Whole Time Director  
DIN: 00582227  
Date : April 29, 2022  
Place : New Delhi

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**Amit Kumar**  
Chief Financial Officer  
Membership no. 500164

**GMR POCHANPALLI EXPRESSWAYS LIMITED**

CIN - U45200KA2005PLC049327

**Statement of cash flows for the year ended March 31, 2022**

Rupees in Lakhs

Particulars	March 31, 2022 Audited	March 31, 2021 Audited
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Profit before tax</b>	<b>1,972.01</b>	<b>1,095.56</b>
<b>Adjustments For :</b>		
Depreciation and amortisation	128.32	358.55
Interest and finance charges	4,153.50	4,857.05
Major maintenance expenses	1,562.85	1,396.55
Profit on sale of Investment	(0.14)	(19.79)
Fixed assets written off	-	-
Reameasurements of defined benefit plans	(4.23)	1.70
Interest income on bank deposit and others	(3,250.15)	(3,136.80)
Reversal of modification loss on Loan to related parties	(366.95)	-
Modification gain on right of use assets	(45.04)	-
Fair value gain/(loss) on financial instruments at fair value through profit or loss	817.01	423.36
	<b>4,967.18</b>	<b>4,976.18</b>
<b>Adjustments for Movement in Working Capital:</b>		
Decrease / (increase) in non-current/current financial and other assets	-	-
Decrease / (increase) in financial assets	169.62	(208.02)
Decrease / (increase) in other current/non-current assets	53.40	(22.06)
Decrease / (increase) in Inventories	(17.61)	(1.82)
Increase / (decrease) in trade payables	(445.52)	1,122.36
Increase / (decrease) in other current/non-current liabilities	(277.73)	171.23
Increase / (decrease) in Provision	(1,258.93)	(2,100.29)
<b>Cash From/(used In) Operating activities</b>	<b>3,190.41</b>	<b>3,937.58</b>
Tax (paid)/refund	(152.59)	17.09
<b>Net Cash From/(used In) Operating activities</b>	<b>3,037.82</b>	<b>3,954.67</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(49.01)	(0.34)
Decrease/(increase) in current Investments in mutual funds	34.11	1,605.82
Sale/(Investments) in compulsorily convertible debentures with related party	-	(3,729.57)
Advance received against sale of current investments	-	1,034.12
Interest Income on bank deposit and others	830.38	3,282.02
Decrease/(increase) in Loan to Related Parties	(542.93)	2,752.53
Decrease/(increase) in Other Bank Balance	(1,206.52)	639.48
Annuity received (net of payment) under service concession agreement	4,116.44	3,756.24
<b>Cash From/(used In) Investing Activities</b>	<b>3,182.47</b>	<b>9,340.30</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Repayment of debentures	(4,784.00)	(4,725.00)
Payment of Lease Liability	(220.62)	(0.03)
Interest and finance charges paid	(2,638.93)	(3,351.59)
<b>Cash From/(used In) Financing Activities</b>	<b>(7,643.55)</b>	<b>(8,076.62)</b>
<b>D Net Increase / decrease in Cash and Cash Equivalents [A+B+C]</b>	<b>(1,423.26)</b>	<b>5,218.35</b>
Cash and Cash Equivalents as at beginning of the year	5,545.73	327.38
<b>Cash and Cash Equivalents as at end of the year</b>	<b>4,122.47</b>	<b>5,545.73</b>

Notes :

1 The above statement of cash flows has been prepared under the 'Indirect Method' as set out in the Ind AS-7 on Statement of Cash Flows as referred to in Section 133 of the Companies Act, 2013.

2 The previous period/year figures have been regrouped and rearranged wherever necessary.

As per our report of even date attached

For and on behalf of the Board of Directors of

**GMR POCHANPALLI EXPRESSWAYS LIMITED**

**GRANDHI**

**RAGINI**

**Grandhi Ragini**

Whole Time Director

DIN: 00582227

Date : April 29, 2022

Place : New Delhi

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**AMIT  
KUMAR**

**Amit Kumar**

Chief Financial Officer

Membership no. 500164

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## GMR POCHANPALLI EXPRESSWAYS LIMITED

CIN - U45200KA2005PLC049327

### Notes to the financial information for the quarter and year ended March 31, 2022

- 1 Figures for the quarter ended March 31, 2022 and the corresponding quarter ended March 31, 2021, represent the difference between the audited figures in respect of the full financial years and the unaudited figures for the nine months period ended December 31, 2021 and December 31, 2020 respectively.
- 2 The financial results for the quarter and year ended March 31, 2022 has been reviewed and approved by the Audit Committee and approved by the Board of Directors at their meeting conducted on April 29, 2022.
- 3 The above financial results have been prepared as per format prescribed in Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.
- 4 GMR Power and Urban Infra Limited<sup>^</sup> (GPUIL/holding Company) [erstwhile holding Company GMR Infrastructure Ltd (GIL)] had divested during the previous year its entire 51% equity stake along with its subsidiaries held in Kakinada SEZ Ltd (KSEZ) to Aurobindo Realty & Infrastructure Pvt Ltd (ARIPL). In terms of the divestment plan, GIL (now GPUIL<sup>^</sup>) along with KSEZ, GMR SEZ & Port Holdings Limited and Kakinada Gateway Port Limited had entered into Securities Sale and Purchase Agreement (SSPA) with ARIPL, on September 24, 2020, as amended on March 31, 2021. The Company along with GIL, KSEZ and other group companies had entered into a Memorandum of Understanding (MOU) on March 31, 2021 with ARIPL. In terms of this MOU and debenture subscription agreement entered with Kakinada SEZ Limited on March 31, 2021, the Company had converted a portion of existing loan amounting to Rs.3,729.57 Lakhs into 3,72,95,676, 12% Compulsorily Convertible Debentures (CCD's) of Rs.10 each for a period of 29 years.

The Company had further entered into Debenture Purchase Agreement (DPA) on March 31, 2021 with ARIPL and KSEZ. In terms of DPA, the company had agreed to sell 3,72,95,676 CCD's on closing date for a total consideration of Rs.4,181.97 Lakhs (including contingent consideration payable by ARIPL of Rs.3,147.85 Lakhs on achievement of milestones) subject to terms and conditions set out in DPA. Total consideration including additional payment of Rs.3,147.85 Lakhs payable over next 2 to 3 years as per Annexure I of DPA is based on achievement of certain agreed milestones primarily related to the sale of 2,500 acres of the land parcels at specified prices during the financial years ended March 31, 2022 and March 31, 2023. These milestones are market dependent and are not under management control. The receivable/investment on CCD's had been fair valued as on March 31, 2021 by the Company at Rs.3,307.12 Lakhs (including upfront consideration of Rs.1,034.12 Lakhs) from an expert valuer who had considered various assumptions and scenarios on achievement of milestones with probable outcomes which was significantly dependent on future development in KSEZ and Governments approvals.

The Company's investment in KSEZ CCD's was transferred in the name of ARIPL on August 20, 2021 against the consideration received of Rs.1,034.12 Lakhs and the balance amount receivable towards sale of investment in CCD's in KSEZ of Rs.1,456.00 Lakhs (net of fair valuation loss) being contingent consideration was classified as 'Other Current Financial Assets'.

During the year, the Company has fair valued the contingent consideration receivable through an expert valuer who had considered various assumptions and scenarios on achievement of milestones with probable outcomes which was significantly dependent on future development in KSEZ and Governments approvals and accounted for the fair value loss in excess of carrying value of the contingent consideration receivable amounting to Rs.1,239.45 Lakhs [March 31, 2021 : Rs.422.45 Lakhs].

The Company/Group expects in next 2-3 years there will be significant development in the Kakinada SEZ which includes the development of Bulk Drug Park, Commercial Sea port, establishment of various port based industries, manufacturing industries, development of new International Airport in Bhogapuram. Based on assessment of the achievement of the aforementioned milestones by an independent property consultancy agency, management of the company is confident of achieving the aforementioned milestones and is of the view that the carrying value of amount receivable towards sale of Investment in CCD's in KSEZ being fair valued contingent consideration as at March 31, 2022 is appropriate. The above sale transaction is subject to receipt of Regulatory and other Statutory Approvals.

<sup>^</sup> transactions with GMR Infrastructure Limited [GIL] is transferred in the name of GMR Power and Urban Infra Limited [GPUIL] w.e.f. January 01, 2022 in terms of the Composite Scheme of Arrangements approved by the National Company Law Tribunal (NCLT) vide its Order dated December 22, 2021.

- 5 The Company had received a penalty notice from National Highways Authority of India (NHAI) levying a penalty of Rs.1,031.00 Lakhs for delay in completion of First Periodic Maintenance of the Project which was subsequently enhanced by CAG to Rs.2,344.00 Lakhs. NHAI had subsequently deducted Rs.1,078.62 Lakhs as penalty and damages while releasing 18th Annuity in March 2018 and from 22nd Annuity an amount of Rs. 1,430.48 Lakhs with further deduction of an amount of Rs.197.90 Lakhs from 25th Annuity towards non-fulfilment of O&M Obligations and non-curing of deficiencies in the time specified in Service Concession Agreement (CA) which is considered recoverable in the opinion of the management.

The Company had invoked Arbitration proceedings against NHAI in respect of the dispute on applicability of carrying out periodic maintenance (overlay work) of the road project once in every five years in the Concession Agreement. On January 14, 2020, the Hon'ble Tribunal had pronounced the award wherein it had not agreed with the contention of the Company that overlay is to be carried out as and when the roughness index exceeds 2000 mm/km and had held that the Company has to carry out overlay irrespective of the condition of the road. In view of the finding, the Tribunal has directed the Company to commence second overlay work with effect from April 01, 2020 and complete by December 31, 2020 and also complete the third overlay work by April 01, 2025. The NHAI has challenged the award before the Hon'ble High Court of Delhi with regard to extending the timeline to commence and complete the second overlay work and third overlay work stating that such concession is not in accordance with Concession Agreement.

The Arbitral Tribunal had further directed NHAI to refund the amount of Rs.1,078.62 Lakhs which was wrongly deducted from the annuity along with interest @12% p.a. from the date of deduction. The Arbitral Tribunal has also directed NHAI to pay Rs.30.00 Lakhs towards costs of litigation and the entire amount of fee paid to the Arbitrators by the Company on behalf of NHAI. NHAI had challenged the award with regard to directions for refund of amount before the Hon'ble High Court of Delhi.

Aggrieved by the findings of the Tribunal, to the limited issue of requirement of overlay upon every 5 years, the Company has filed an application under Section 34 of the Arbitration and Conciliation Act, 1996 before Hon'ble High Court of Delhi by challenging the award to the extent of wrong interpretation of clause 4.3.1 of schedule "I" to CA and rejection of claims for reimbursement of cost of overlay incurred by the company which under given circumstance was not required pending disposal of appeal.



## GMR POCHANPALLI EXPRESSWAYS LIMITED

CIN - U45200KA2005PLC049327

### Notes to the financial information for the quarter and year ended March 31, 2022

The Honourable Delhi High Court vide its order dated April 06, 2022 had upheld the Company's contentions and held that the overlay is to be carried out as and when the roughness index exceeds 2000 mm/km and rejected the arbitration order which had held that the Company has to carry out overlay irrespective of the condition of the road every five years. It has further upheld the Company's claim in respect of the cost incurred on the first major maintenance and directed that the quantification of the claim to be done by the arbitrator appointed by it. The awards of tribunal on other matters favourable to the Company was further upheld by the High Court.

The Management of the Company has been further advised by its legal counsel that the order of the single bench of the Honourable High Court of Delhi would be challenged by NHAI before the Appellate Court and the matter has not yet attained finality. The Implication of the favourable order to the Company would have affected the carrying value of Service Concession Receivables by reduction of the outflows on overlay cost which would have resulted in significant modification gain to the Company on reversal of those provisions. Pending finality and clarity in the matters the Company under prudence has not affected the impact of the order in the financial asset pertaining to the service concession agreement and has carried the provision for overlay cost in the books considering that there would be outflows with regard to the second and third major maintenance (overlay work) for arriving at the financial income and modification gains and has not reversed the provisions done for overlay works. The modification gains to give effect to the order of the single bench of the Honourable High Court of Delhi would be given on the finality of legal proceedings.

6 There are numerous interpretative issues till now relating to the Hon'ble Supreme Court (SC) judgement on Provident Fund dated February 28, 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the SC order. The Company will update its provision, on receiving further clarity on the subject.

7 The Indian Parliament has approved the Code on Social Security, 2020 ('Code') which may impact the contribution by the Company towards Provident Fund and Gratuity. The effective date from which the Code and its provisions would be applicable is yet to be notified and the rules which would provide the details based on which financial impact can be determined are yet to be framed. The Company will complete its evaluation and will give appropriate impact, if any, in the financial results following the Code becoming effective and the related rules being framed and notified.

8 The Company is engaged primarily in the business of Construction, Operation & Maintenance of Highways and accordingly, there are no separate reportable segments as per Ind AS 108 dealing with Operating Segment.

9 The COVID-19 pandemic has impacted businesses globally and in India. The Company has continued its assessment of likely adverse impact on economic environment in general and financial risks on account of COVID-19. The Company, however, believes strongly that its offerings to the customer falls in essential services and would not significantly impact its revenue.

The Company is engaged in development of highways on build, operate and transfer model for which the consideration is received on fixed half-yearly annuity from NHAI. The management hence is of the opinion that there is no impact on the cash inflows and consequently on revenue recognition. The Company proposes to claim compensation if any, under Force Majeure to the extent it deems can be claimed once its impacts are ascertained.

The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. However, management does not anticipate significant negative impact on operational activities of the Company.

The Company on the basis of their assessment believes that the probability of the occurrence of their forecasted transactions is not much impacted by COVID-19 pandemic. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk.

However due to the nature of the pandemic and emerging multiple new variants of COVID 19 and treatment for its eradication, the Company will continue to be vigilant on various developments / impacts in the future so as to insulate itself from any material adverse impact.

10 The Company has created Debenture Redemption Reserve (DRR) more than 25% of outstanding non-convertible debentures out of the profits of the company available for payment of dividend for the purpose of redemption of debentures in accordance with the provisions of the Companies Act, 2013 and Companies (Specification of definitions details) Rules, 2014, as amended.

11 The Company's NCD Credit rating is CARE B- (Single B Minus ) as pre CARE Credit Rating Report dated 02.09.2021.

12 Asset cover available, in case of non-convertible debt securities: The listed, redeemable, non-convertible debentures are secured by way of first charge on all the assets of the Company both movable and immovable properties, both present and future (including future annuity receivable) but excluding project assets (unless permitted by National Highways Authority of India (NHAI) under the Concession agreement).

**GMR POCHANPALLI EXPRESSWAYS LIMITED**

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**Notes to the financial information for the quarter and year ended March 31, 2022**

**13 Additional information provided pursuant to Regulation 52(4) of Securities and Exchange Board of India [Listing Obligations and Disclosure requirements] Regulations 2015, amended for the quarter and year ended March 31, 2022**

Rupees in Lakhs

Sl. No.	Particulars	Quarter ended			Year ended	
		31-Mar-22	31-Dec-21	31-Mar-21	31-Mar-22	31-Mar-21
		Refer note 1	Unaudited	Refer note 1	Audited	Audited
1	Debt Equity Ratio (in times) <i>[(Debt / Equity Ratio) : ((Debt means secured debt + interest accrued on secured debt + liability portion of preference shares + lease liability) / (Equity Share Capital plus other equities including debenture redemption reserve and equity component of preference shares))]</i>	1.10	1.08	1.40	1.10	1.40
2	Debt Service Coverage Ratio (in times) * <i>[(Debt Service Coverage Ratio (DSCR) : (Earnings before Tax + Depreciation + Interest on secured debts + interest on lease liability) / (Interest on secured debts + interest on lease liability + equated redemption amount of NCDs and payment of Lease liability during the year))]</i>	0.40	0.44	0.10	0.61	0.56
3	Interest Service Coverage Ratio (in times) * <i>[(Interest Service Coverage Ratio (ISCR) : (Earnings before Tax + Depreciation + Interest on secured debt + interest on lease liability) / (Interest on secured debts + interest on lease liability))]</i>	1.28	1.37	0.29	1.89	1.46
4	Unlisted Outstanding Redeemable Preference Shares [[Rupees Lakhs]  (44,50,000 8% Redeemable, Non-cumulative and Non-Convertible preference shares of Rs.100 each) <i>[(Unlisted Outstanding Redeemable Preference Shares are disclosed only to the extent of liability portion of outstanding preference shares as per Ind AS Financial statements)]</i>	2,805.51	2,736.17	2,534.74	2,805.51	2,534.74
5	Capital Redemption Reserve [Rupees Lakhs]	-	-	-	-	-
6	Debenture redemption reserve [Rupees Lakhs]	9,259.44	9,259.44	9,259.44	9,259.44	9,259.44
7	Net-worth [Rupees Lakhs] <i>[(Net worth represents Equity Share Capital plus other equities less Debenture Redemption Reserve)]</i>	16,188.31	16,082.27	14,564.34	16,188.31	14,564.34
8	Net profit/(loss) after tax	98.85	150.34	(511.98)	1,628.20	798.92
9	Earnings Per Share (EPS) (of Rs.10 each)					
	i) Basic	0.07	0.11	(0.37)	1.18	0.58
	ii) Diluted	0.07	0.11	(0.37)	1.18	0.58
10	Current ratio (in times) <i>[(Current assets/Current liabilities)]</i>	3.18	2.88	2.75	3.18	2.75
11	Long term debt to working capital (in times) <i>[(Long term debt including current maturities of loan term debt + liability portion of preference shares) / (Current assets-current liabilities+current maturities of loan term debt)]</i>	0.65	0.69	0.76	0.65	0.76
12	Bad debts to Account receivable ratio (%) [not annualised] <i>[(Bad debts / average of service concession assets receivables)]</i>	-	-	-	-	-
13	Current liability ratio (in times) <i>[(Current liability / Total liabilities)]</i>	0.39	0.42	0.42	0.39	0.42
14	Total debts to total assets (in times) <i>[(Long term debt including current maturities of loan term debt and interest accrued thereon + liability portion of preference shares + current and non current portion of lease liability)/Total assets]</i>	0.41	0.40	0.46	0.41	0.46
15	Debtors turnover (in times) [not annualised] <i>[(Revenue from operations / average of service concession assets receivables)]</i>	0.08	0.07	0.08	0.42	0.41
16	Inventory turnover (in times) [not annualised] <i>[(Revenue from operations / average inventory)]</i>	40.38	33.34	74.65	204.04	371.24
17	Operating margin (%) <i>[(Profit before tax + Finance Costs - Other income) / Revenue from operations]</i>	-13.16%	54.84%	18.69%	32.60%	35.33%
18	Net profit margin (%) <i>[(Profit after tax / Total Revenue)]</i>	3.91%	7.29%	-23.08%	15.69%	7.24%
19	Paid up Debt Capital/ Outstanding secured Debt (including interest accrued thereon) [Rupees Lakhs] <i>[(Paid-up debt capital represents outstanding non-convertible debentures (secured debt) including accrued interest thereon)]</i>	24,699.62	24,147.79	29,675.37	24,699.62	29,675.37

\* - For the purpose of debt coverage and interest service coverage ratio, IndAS adjustments like liability portion of preference shares and notional unwinding interest on liability portion of preference shares are not considered.

**GMR POCHANPALLI EXPRESSWAYS LIMITED**

CIN - U45200KA2005PLC049327

**Notes to the financial information for the quarter and year ended March 31, 2022**

14 Following information provided pursuant to Regulation 54(3) of Securities and Exchange Board of India [Listing Obligations and Disclosure requirements] Regulations 2015, amended for the quarter and year ended March 31, 2022

Rupees in Lakhs

Sl. No.	Particulars	Quarter ended			Year ended	
		31-Mar-22	31-Dec-21	31-Mar-21	31-Mar-22	31-Mar-21
		Refer note 1	Unaudited	Refer note 1	Audited	Audited
1	Asset cover available in case of secured non-convertible debentures <i>[Asset Coverage Ratio : [(PPE movable and immovable + loans and advances given net of provisions + investments + receivable including interest accrued on term loans and debt securities (if any) + cash and cash equivalents + other current and non-current assets excluding prepaid expenses)/(Debt means secured debt (+) IND - AS adjustment for effective Interest rate on secured Debt + interest accrued on secured debt)]</i>	2.74	2.84	2.42	2.74	2.43

15 Disclosure required under Regulation 52(7) and Regulation 52(7A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended for the quarter and year ended March 31, 2022.

a) The proceeds as received on issue of Non-Convertible Debentures in March 2010 have been fully utilized for the purpose for which these proceeds were raised.

b) There was no deviation in the use of proceeds of Non-Convertible Debentures as compared to the objects of the issue.

16 Figures relating to previous quarter / year have been regrouped and rearranged, wherever necessary.

For and on behalf of the Board of Directors of  
**GMR POCHANPALLI EXPRESSWAYS LIMITED**

**GRANDHI  
RAGINI**

Digitally signed by  
GRANDHI RAGINI  
Date: 2022.04.29  
16:46:00 +05'30'

**Grandhi Ragini**

Whole Time Director

DIN: 00582227

Date : April 29, 2022

Place : New Delhi

**AMIT  
KUMAR**

Digitally signed by AMIT KUMAR  
Date: 2022.04.29 16:47:48 +05'30'

**Amit Kumar**

Chief Financial Officer

Membership no. 500164