



JLN US & CO.
Chartered Accountants

2-5, First Floor, Vishwakarma Complex
Near Hotel Anand Mahal, Inside Udiapole
Udaipur 313001, Rajasthan, India
Tel. +91-294-5102457
Mobile : +91-98280 58602
Email : maheshmenaria@rediffmail.com

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS GR PHAGWARA EXPRESSWAY LIMITED**

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of GR Phagwara Expressway Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

1. The Company's management and Board of Directors are responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS 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 specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.

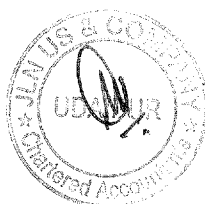
This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these Standalone Ind AS Financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



3. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.
4. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

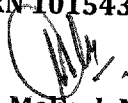
Report on Other Legal and Regulatory Requirements

6. As required by the Companies (Auditor's Report) Order 2016 ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in Annexure - "A" a statement on the matters specified in paragraphs 3 and 4 of the order.
7. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement 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 Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act
 - e. On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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, we give our separate report in "Annexure - B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company does not have any pending litigations which would have a material impact its financial position;
 - ii) Based upon the assessment made by the company, there are no material foreseeable losses on its long term contracts that may require any provisioning;
 - iii) In view of there being no amounts required to be transferred to the Investor Education and Protection Fund for the year under audit the reporting under this clause is not applicable;
 - iv) The company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation provided to us, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management;

For JLN US & Company
Chartered Accountants
FRN 101543W


CA Mahesh Menaria
Partner
M No. 400828



Udaipur, May 20, 2017

**Annexure - A to the Independent Auditors Report
Referred to in para 7 of our report of even date, to the members of GR Phagwara Expressway
Limited for the year ended March 31, 2017**

- i)
 - (a) The company is maintaining proper records showing full particulars, including quantitative details and situation with respect to its fixed assets
 - (b) The fixed assets of the company have been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
 - (c) According to the information and explanations provided to us, there are no immovable properties included in the fixed assets of the company and accordingly the reporting requirements under sub clause (c) of clause (i) of paragraph 3 of the order are not applicable.
- ii) In our opinion, and according to the information and explanations given to us, the company has sub-contracted the entire construction / operation related activities and therefore does not carry any inventories. Hence, the reporting requirements under clause (ii) of paragraph 3 of the order are not applicable.
- iii) In our opinion and according to the information and explanation given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the reporting requirements under sub-clause (a), (b) and (c) of Clause (iii) of paragraph 3 of the order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence the reporting requirements under clause (iv) of paragraph 3 of the order are not applicable.
- v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits during the period under audit. Consequently, the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 of the Act and the rules framed thereunder are not applicable.
- vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Act for the company. We have broadly reviewed such records and are of the opinion that prima-facie, the prescribed records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii)
 - (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable, with the appropriate authorities in India. According to the information and explanations given to us, there are no undisputed amounts in respect of the aforesaid statutory dues which in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, there are no applicable statutory dues which have not been deposited on account of any dispute.

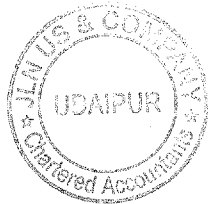


- viii) Based upon the audit procedures carried out by us and on the basis of information and explanations provided by the management we are of the opinion that the company has not defaulted in repayment of dues to banks / Financial Institutions or to its Debenture holders. The company does not have any borrowings from government.
- ix) In our opinion and according to the information and explanations given to us, the term loans taken by the company have been ultimately utilised for the purpose for which they were taken. Further, the company has not raised any funds by way of initial / further public offer.
- x) Based on the audit procedures performed by us for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us by the management, we report that we have neither come across any instance of fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- xi) According to the information and explanations given to us, the company has not paid any managerial remuneration during the year and hence the reporting requirements under clause (xi) of paragraph 3 of the order are not applicable.
- xii) The company is not a Nidhi Company and hence the reporting requirements under clause (xii) of paragraph 3 of the order are not applicable.
- xiii) According to the information and explanations given to us, all transactions entered into by the company with related parties are in compliance with section 177 and 178 of the Act where applicable and the details thereof have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit.
- xv) As per the information and explanations provided to us, the company has not entered into any non-cash transactions with directors or persons connected with them.
- xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under Section 45 - IA of the Reserve Bank of India, 1934.

For JLN US & Company
Chartered Accountants
FRN 101543W



CA Mahesh Menaria
Partner
M No. 400828



Udaipur, May 20, 2017

Annexure - B to the Independent Auditors Report
Referred to in para 8 of our report of even date, to the members of GR Phagwara Expressway Limited for the year ended March 31, 2017

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

We have audited the internal financial controls over financial reporting of GR Phagwara Expressway Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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



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


Inherent Limitations of Internal Financial Controls Over Financial Reporting

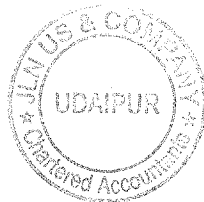
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For JLN US & Company
Chartered Accountants
FRN 101543W


CA Mahesh Menaria
Partner
M No. 400828



Udaipur, May 20, 2017

GR PHAGWARA EXPRESSWAY LIMITED

Balance Sheet

(All amounts are in INR lakhs, unless otherwise stated)

Particulars	Note reference	As at 31 March 2017
ASSETS		
Non-Current Assets		
Financial Assets		
Fixed deposits with bank	3	1.00
Other asset	4	420.84
Total		421.84
Current assets		
Financial assets		
Cash and cash equivalents	5	2.54
Total		2.54
TOTAL ASSETS		424.38
EQUITY & LIABILITIES		
Equity capital		
Equity Share Capital	6	5.00
Retained earnings		(0.31)
Total		4.69
LIABILITIES		
Non-current Liabilities		
Financial liabilities		
Borrowings	7	419.40
Total		419.40
Current Liabilities		
Other current liabilities	8	0.19
Provisions	9	0.10
Total		0.29
Total Equity and Liabilities		424.38

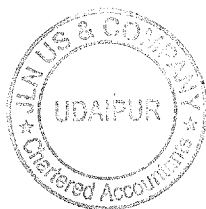
Summary of significant accounting policies
The accompanying notes form an integral part of the financial statements

2

As per our report of even date

For JLN US AND COMPANY
Chartered Accountant
Firm's Regn. No. 101543W

For and on behalf of the Board of Directors of
GR PHAGWARA EXPRESSWAY LIMITED
(CIN: U45400RJ2016PLC056040)

CA Mahesh Menaria
Partner
M. NO. 400828
Place : Udaipur
Date:20/05/2017



Vinod Kumar Agarwal
Director
DIN : 00182893
Place: Udaipur







Vikas Agarwal
Director
DIN : 03113689

GR PHAGWARA EXPRESSWAY LIMITED

Statement of Profit and Loss

(All amounts are in INR lakhs, unless otherwise stated)

Particulars	Note reference	For the year ending March 31, 2017
Income		
Revenue from operations		
Other income		
Total Income		-
Expenses		
Other expenses		0.31
Finance costs		-
Total expenses		0.31
Profit before exceptional and tax		(0.31)
Exceptional items		-
Profit before tax		(0.31)
Tax expense:		
Current tax		-
Tax adjustments relating to previous year		-
Deferred tax charge/ (credit)		-
Profit (Loss) for the period from continuing operations		(0.31)
Other Comprehensive Income		
A (i) Items that will not be reclassified to profit or loss		
Remeasurements - On post employment benefit plan - gratuity		-
(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		
Total Comprehensive Income for the period and Other Comprehensive Income		(0.31)
Earnings per equity share: [Nominal Value per share: Rs.10 (2014: Rs.10)]		
-Basic & Diluted		(0.62)
- Number of shares		50,000
Summary of significant accounting policies	2	
The notes are an integral part of these financial statements.		
As per our report of even date		
For JLN US AND COMPANY Chartered Accountant Firm's Regn. No. 101543W	For and on behalf of the Board of Directors of GR PHAGWARA EXPRESSWAY LIMITED (CIN: U45400RJ2016PLC056040)	
 CA Mahesh Menaria Partner M. NO. 400828 Place : Udaipur Date:20/05/2017		 Vinod Kumar Agarwal Director DIN : 00182893 Place: Udaipur
		 Vikas Agarwal Director DIN : 03113689

GR PHAGWARA EXPRESSWAY LIMITED
Statement of changes in equity for the year ended 31 March 2017
(All amounts are in INR lakhs, unless otherwise stated)

A. Equity Share Capital

Particulars	Number	Amount
Opening as at 01 April 2015	-	-
Movement during FY 2015-16	-	-
Closing as at 31 March 2016	-	-
Movement during FY 2016-17	50,000.00	5.00
Closing as at 31 March 2017	50,000.00	5.00

B. Other Equity

Particulars	Retained Earnings	Total (INR)
Profit for the FY 2016-17		
Total Comprehensive Income for the year FY 2016-17	(0.31)	(0.31)
Balance at the end of the reporting period 31 March 2017	(0.31)	(0.31)

As per our report of even date attached

For JLN US AND COMPANY
Chartered Accountant
Firm's Regn. No. 101543W

CA Mahesh Menaria
Partner
M. NO. 400828
Place : Udaipur
Date:20/05/2017



For and on behalf of the Board of Directors of
GR PHAGWARA EXPRESSWAY LIMITED
(CIN: U45400RJ2016PLC056040)

Vinod Kumar Agarwal, Vikas Agarwal

Vinod Kumar Agarwal
Director
DIN : 00182893
Place: Udaipur

Vikas Agarwal
Director
DIN : 03113689

GR PHAGWARA EXPRESSWAY LIMITED**Statement cash flows***(All amounts are in INR lakhs, unless otherwise stated)*

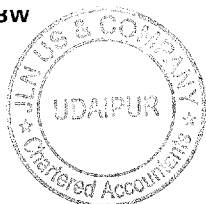
Particulars	For the year ended 31/03/2017
Cash flow from operating activities	
Loss before Tax	(0.31)
Adjustment for:	
Fair valuation gain on mutual fund	
Interest cost on borrowings	
Profit from sale of investment property	
Operating Profit Before Working Capital changes	(0.31)
Adjustment for:	
Decrease / (Increase) in other assets	(420.84)
(Decrease) / Increase in Trade Payables	0.29
Cash Generated from Operations	(420.86)
Direct Taxes paid	-
Net cash from operating activities (A)	(420.86)
Cash flow from investing activities	
Investment in fixed deposits	(1.00)
Net cash from / (in used) in investing activities (B)	(1.00)
Cash flow from financing activities	
Equity share capital	5.00
Changes in loan from holding company CCPS	419.40
Net cash flow from financing activities ('C)	424.40
Net increase in Cash and Cash equivalent (A+B+C)	2.54
Cash & Cash equivalent at the beginning of the year	-
Cash & Cash equivalent at the end of the year	2.54
Components of Cash and Cash equivalent	
With Banks-	2.54
On current account	
On current account	
Total	2.54
	0.00

As per our report of even date attached

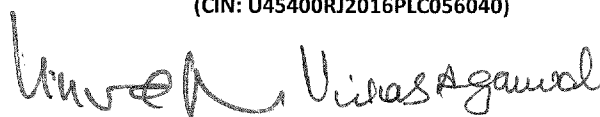
For JLN US AND COMPANY
Chartered Accountant
Firm's Regn. No. 101543W



CA Mahesh Menaria
Partner
M. NO. 400828
Place : Udaipur
Date:20/05/2017



For and on behalf of the Board of Directors
GR PHAGWARA EXPRESSWAY LIMITED
(CIN: U45400RJ2016PLC056040)



Vinod Kumar Agarwal
Director
DIN : 00182893
Place: Udaipur

Vikas Agarwal
Director
DIN : 03113689

GR PHAGWARA EXPRESSWAY LIMITED

1 Back ground of the entity

GR Phagwara Expressway Limited (the 'Company') was incorporated in New Delhi, India on 21st September 2016 as a public limited company under the Companies Act, 2013 (the 'Act') as 'GR Phagwara Expressway Limited'.

To identify, formulate, aid, promote, finance, establish, build, construct, erect, equip, operate, maintain, control, upgrade, regulate, modify, takeover, and/or to undertake development of Four laning of Phagwara to Rupnagar section of NH-344A from Km 0.00 (Design Chainage) to Km. 80.820 (Design Chainage) in the state of Punjab on Hybrid Annuity Mode.

2.A. Basis of preparation

a Statement of compliance

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

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 39.

The financial statements were authorised for issue by the Company's Board of Directors on 20th May 2017

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

b Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency.

c Basis of measurement

The Company's financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities (including derivatives instruments, if any.)	Fair value

d Use of estimates and judgements

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

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

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the Company's financial statements is included in the following notes:

- commission revenue: whether the Company acts as an agent rather than as a principal in a transaction;
- leases: whether an arrangement contains a lease;

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2017 is included in the following notes:

- Impairment of financial assets.

e Measurement of fair values

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

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

2. B Significant accounting policies

a. 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.

i. Recognition and initial measurement

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

ii. Classification and subsequent measurement

Financial assets

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

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

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

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

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and



[Handwritten signature]

Vikas Agarwal

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

Financial assets: Subsequent measurement and gains and losses

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

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value gain or losses attributable to changes in own credit risk are recognized in OCI. These gain or losses are not subsequently transferred to statement of profit or loss. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.



Handwritten signature

Handwritten signature: Umas Agamwal

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

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

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

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

iv. Offsetting

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

b. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials (including civil construction material), components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

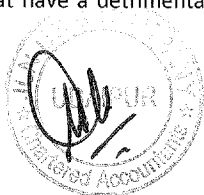
c. Impairment

i. Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on:

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

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



The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses¹.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

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

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is 90 days or more past due.

Measurement of expected credit losses

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

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

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

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii. Impairment of non-financial assets

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of







impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

d. **Provisions**

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

e. **Revenue**

i. **Rendering of services**

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

ii. **Construction contracts**

Construction contract revenue arises from construction of roads and bridges.

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work and claims payments, to the extent that it is probable that they will result in revenue and can be measured reliably. The Company recognises bonus/incentive revenue on early completion of the project based on the confirmation received from the customers. Contract revenue is measured at fair value.

If the outcome of a construction contract can be estimated reliably, contract revenue is recognised in profit or loss in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to surveys of work performed. Otherwise, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

Contract costs are recognised as expenses as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognised immediately in profit or loss.

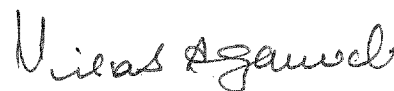
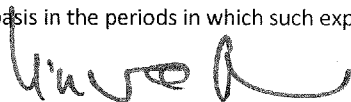
vi. **Service concession arrangements**

Revenue related to construction or upgrade services provided under a service concession arrangement is recognised based on the stage of completion of the work performed, consistent with the Company's accounting policy on recognising revenue on construction contracts (see (iii) above). Operation or service revenue is recognised in the period in which the services are provided by the Company.

f. **Government grants**

An unconditional government grant related to a biological asset that is measured at fair value less cost to sell is recognised in profit or loss as other income when the grant becomes receivable. Other government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognised in profit or loss as other operating revenue on a systematic basis.

Grants that compensate the Company for expenses incurred are recognised in profit or loss as other operating revenue on a systematic basis in the periods in which such expenses are recognised.



g. **Leases**

i. **Determining whether an arrangement contains a lease**

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values.

ii. **Assets held under leases**

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company's Balance Sheet.

iii. **Lease payments**

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

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

h. **Recognition of dividend income, interest income or expense**

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

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

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

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

i. **Income tax**

Income tax comprises current and deferred tax. It is recognised in profit or loss except the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.



i. Current tax

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

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

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

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

j. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

k **Operating segments**

Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. The JV has only one operating segment.

The company operates in only one segment viz. Toll roads and hence the requirements of Ind AS 108 on Segment Reporting issued by ICAI are not applicable.

Handwritten signature



Handwritten signature: Virendra Agawad

GR PHAGWARA EXPRESSWAY LIMITED

Notes forming part of financial statements for the year ended 31 March 2017

(All amounts are in INR lakhs, unless otherwise stated)

Note no	Particulars	As at March 2017
Note 3	Non-current assets-financial assets (measured at amortized cost)	-
	Fixed deposits with bank	1.00
		1.00
Note 4	Non-Current assets-Other non current assets	
	Prepaid expense	420.84
		420.84
Note 5	Current assets-Cash and cash equivalent/ Bank balance	
	Cash in hand	1.10
	Punjab National Bank	1.45
		2.54
Note 6	Equity Capital	
	Equity share Capital	5.00
	Retained earning	(0.31)
		4.69
	<u>Authorised</u>	
	50,000 Equity Shares of Rs. 10 each	5.00
		5.00
	<u>Issued & Subscribed & Paid Up Capital</u>	
	50,000 Equity Shares of Rs. 10 each	5.00
		5.00
	(c) Details of shareholders holding more than 5% shares in the company	
	Equity shares of Rs. 10 each fully paid held by-	
	Name of share holders	Number & % of holding
	a) G R Infraprojects Limited	500,000 shares (100% holding)
	Terms & Conditions attached to equity shares:	
	(i) The company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.	
	(ii) Failure to pay any amount called up on shares may lead to forfeiture of the shares.	
	(iii) On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.	
Note 7	Non Current liabilities- Borrowings (amortized cost)	
	Loan from Holding Company	419.40
		419.40
Note 8	Current liabilities-Other current liabilities	
	Income tax (TDS)	0.19
		0.19
Note 9	Current liabilities-short term provision	
	Provision for Audit Fees	0.10
		0.10



NOTE 10 : The company operates in only one segment viz. roads and hence the requirements of AS – 17 on Segment Reporting issued by ICAI are not applicable.

NOTE 11 : The company has not yet started its operations, resultantly there is no profit / loss during the year. hence no deferred tax asset / liability is recognised during the current year.

NOTE 12 : RELATED PARTY : Disclosures as required under Ind AS - 24 issued by ICAI:

A. Name and nature of the related party relationship:

Holding Company:
 G R Infraprojects Limited

Key Management Personnel:
 Vinod Kumar Agarwal
 Anand Rathi
 Vikas Agarwal

B. Transactions with related parties:

Sr. No.	Particulars	31st March 2017
1	Loan Received G R Infraprojects Limited	419.40
2	Share Capital issued G R Infraprojects Limited	5.00

C. Balances with related parties:

Sr. No.	Particulars	31st March 2017
1	Short Term Borrowings G R Infraprojects Limited	419.40

NOTE 13 : Auditor's Remuneration*

	For the year ended 31st March 2017
As Auditor	0.10
For Other Services	-
	0.10

* Auditor's Remuneration excludes service tax

NOTE 14 : The following table sets forth the computation of basic and diluted earnings per share :

	For the year ended 31st March 2017 (Amount in INR)
Loss for the year	(31,041)
Number of shares	50,000
Loss per shares	(0.62)

Vinod Kumar Agarwal



Vikas Agarwal

NOTE 15 : In view of the company there are no Contingent Liabilities and Commitments as at 31st March 2017.

NOTE 16 : Micro and small enterprises as defined under the MSMED Act, 2006

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2017. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTE 17 : The details of Specified Bank Notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016 are as below:

Particular	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016		4.75	4.75
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	4.75	4.75

NOTE 18 : As the Company does not have any employee, hence disclosure requirements as per Ind AS 19 "Employee benefits" is not applicable.

NOTE 19 : Financial Risk Management

The company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

a) Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Accordingly, credit risk from trade receivables has been separately evaluated from all other financial assets in the following paragraphs.

Credit risk relating to cash and cash equivalents is considered negligible since our counterparties are banks which are majorly owned by Government of India and are have oversight of Reserve Bank of India. We consider the credit quality of term deposits with such banks to be good, and we review these banking relationships on an ongoing basis. We consider all the above financial assets as at the reporting dates to be of good credit quality. The Company has recognized financial assets as per Service Concession Arrangement. hence the Company has considered realisable.

a) Liquidity Risk

Our liquidity needs are monitored on the basis of yearly projections. The company's principal sources of liquidity are cash and cash equivalents and cash generated from operations. We manage our liquidity needs by continuously monitoring cash inflows and by maintaining adequate cash and cash equivalents. Net cash requirements are compared to available cash in order to determine any shortfalls.

The table below provides details regarding the contractual maturities of non-derivative financial liabilities. The table has been drawn up based on the earliest date on which the company can be required to pay the financial liabilities. The table includes both principal & interest cash flows.

As at 31/03/2017 (Amount in INR)

Particulars	0-1 year	1-3 year	3-5 year	More than 5 year	Total
Borrowing- Non current			419.40		419.40
Provisions	0.10				0.10
Total	0.10	-	419.40	-	419.50

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to its long-term debt obligations with floating interest rates.

A reasonable possible change of 1% (100 basis points) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below:

Particulars	Profit or Loss		Equity, net of tax	
	+ 1%	- 1%	+ 1%	- 1%
31 March 2017				
Loans and borrowings	-	-	-	-

NOTE 20 : Capital Management

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

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

As per our report of even date attached

For JLN US AND COMPANY
Chartered Accountant
Firm's Regn. No. 101543W

CA Mahesh Menaria
Partner
M. NO. 400828
Place : Udaipur
Date:20/05/2017



For and on behalf of the Board of Directors
(CIN: U45400RJ2016PLC056040)

Vinod Kumar Agarwal *Vikas Agarwal*

Vinod Kumar Agarwal
Director
DIN : 00182893
Place: Udaipur
M. NO. 400828

Vikas Agarwal
Director
DIN : 03113689