

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF REENGUS SIKAR EXPRESSWAY LIMITED**

**Report on the Ind AS Financial Statements**

1. We have audited the accompanying Ind AS financial statements of Reengus Sikar Expressway Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> 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**

2. 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.

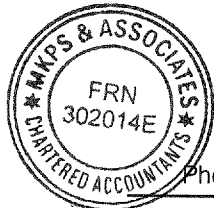
This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments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

3. 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.



4. 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.
5. 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**

6. 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 31<sup>st</sup> March, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

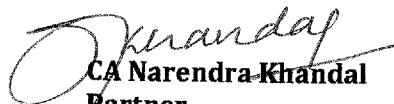
### **Report on Other Legal and Regulatory Requirements**

7. 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.
8. 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 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

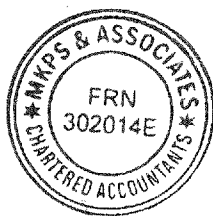


- f. With respect to the adequacy of the Internal Financial Controls over financial reporting of the company and the operating effectiveness of such controls, we give our separate report in "Annexure - B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with 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 - Refer Note 30;

**For MKPS & Associates  
Chartered Accountants  
FRN 302014E**

  
**CA Narendra Khandal  
Partner  
M No. 065025**

**Mumbai, May 20, 2017**



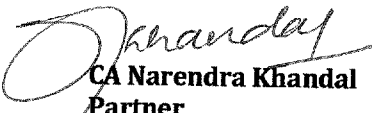
**Annexure – A to the Independent Auditors Report  
Referred to in para 7 of our report of even date, to the members of Reengus Sikar Expressway  
Limited for the year ended March 31, 2017**

- 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.

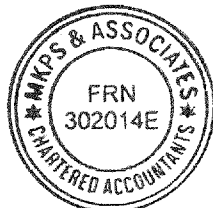


- viii) Based upon the audit procedures carried out by us and on the basis of information and explanations provided by the management we are of the opinion that the company has not defaulted in repayment of dues to banks / Financial Institutions or to its Debenture holders. The company does not have 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 MKPS & Associates**  
**Chartered Accountants**  
**FRN 302014E**

  
**CA Narendra Khandal**  
**Partner**  
**M No. 065025**

**Mumbai, 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 Reengus Sikar 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 Reengus Sikar 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.

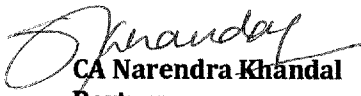
### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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 MKPS & Associates  
Chartered Accountants  
FRN 302014E**

  
**CA Narendra Khandal  
Partner  
M No. 065025**



**Mumbai, May 20, 2017**

**Reengus Sikar Expressway Limited**

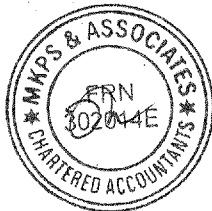
**Balance Sheet as at 31 March 2017**

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
Investment property	3	19.66	19.66	19.66
Financial assets - Right for annuity receivable from NHAI	4	16,485.69	17,379.62	18,199.39
		<b>16,505.35</b>	<b>17,399.28</b>	<b>18,219.05</b>
<b>Current assets</b>				
<b>Financial assets</b>				
(i) Investments	5	1,392.41	-	-
(ii) Financial asset - Right for annuity receivable from NHAI	6	4,033.65	4,335.00	5,549.26
(iii) Cash and cash equivalents	7	110.56	71.52	83.39
(iii) Other financial assets	8	27.30	77.21	77.39
Other current assets	9	149.78	113.60	49.74
		<b>5,713.70</b>	<b>4,597.33</b>	<b>5,759.78</b>
<b>TOTAL ASSETS</b>				
		<b>22,219.05</b>	<b>21,996.61</b>	<b>23,978.83</b>
<b>EQUITY &amp; LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	10	50.00	50.00	50.00
Equity component of compound financial instruments	10	1,008.12	1,008.12	1,008.12
Retained earnings	10	(268.12)	(626.29)	(860.15)
		<b>790.00</b>	<b>431.83</b>	<b>197.97</b>
<b>LIABILITIES</b>				
<b>Non-current Liabilities</b>				
<b>Financial liabilities</b>				
(i) Borrowings	11	13,675.78	14,514.77	14,707.73
(ii) Trade payable		-	-	-
(ii) Other financial liabilities		-	-	-
Long-term provision	12	820.00	220.00	-
		<b>14,495.78</b>	<b>14,734.77</b>	<b>14,707.73</b>
<b>Current Liabilities</b>				
<b>Financial liabilities</b>				
(i) Borrowings	13	5,475.46	5,048.21	7,408.71
(ii) Trade and other payables	14	262.82	128.04	-
(iii) Other financial liabilities	15	1,076.69	1,496.89	1,508.36
Other current liabilities	16	60.30	132.87	156.06
Short-term provisions	17	58.00	24.00	-
		<b>6,933.27</b>	<b>6,830.01</b>	<b>9,073.13</b>
<b>TOTAL EQUITY AND LIABILITIES</b>				
		<b>22,219.05</b>	<b>21,996.61</b>	<b>23,978.83</b>

As per our report of even date attached

MKPS & Associates  
Chartered Accountants  
Firm's Regn No. 302014E



*Narendra*  
CA Narendra Khandal  
Partner  
M. No. 065025  
Place: Mumbai  
Date: 20th May 2017

For and on behalf of the Board of Directors  
Reengus Sikar Expressway Limited

*Vinod Kumar Agarwal*  
Vinod Kumar Agarwal  
Director  
DIN: 00182893  
Place: New Delhi  
Date: 20th May 2017

*Purshottam Agarwal*  
Purshottam Agarwal  
Director  
DIN: 00182907  
Place: New Delhi




**Reengus Sikar Expressway Limited**  
**Statement of Profit and Loss for the year ended 31 March 2017**  
*(All amounts in INR lakhs, unless otherwise stated)*

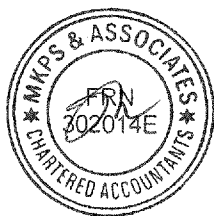
Particulars	Note	For the year ending March 31, 2017	For the year ending March 31, 2016
<b>Income</b>			
Revenue from operations	18	1,640.12	618.39
Other income	19	2,000.13	2,017.89
<b>Total Income</b>		<b>3,640.25</b>	<b>2,636.28</b>
<b>Expenses</b>			
Contract expenses incurred	20	646.52	58.49
Other expenses	21	928.62	440.61
Finance costs	22	1,649.11	1,879.32
<b>Total expenses</b>		<b>3,224.25</b>	<b>2,378.42</b>
Profit before exceptional and tax		416.00	257.86
Exceptional items		-	-
<b>Profit before tax</b>		<b>416.00</b>	<b>257.86</b>
Tax expense:	23		
Current tax		58.00	24.00
Tax adjustments relating to previous year		(0.17)	-
Deferred tax charge/ (credit)		-	-
<b>Profit (Loss) for the year from continuing operations</b>		<b>358.17</b>	<b>233.86</b>
<b>Other Comprehensive Income</b>			
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		-	-
<b>Total Comprehensive Income for the period and Other Comprehensive Income</b>		<b>358.17</b>	<b>233.86</b>
Earnings per equity share: [Nominal Value per share: Rs.10 (2016: Rs.10)]			
-Basic and diluted		71.63	46.77
-Number of shares considered for the purpose of EPS		500,000	500,000

The notes are an integral part of these financial statements.

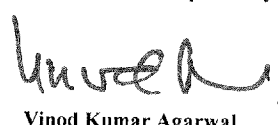
As per our report of even date attached

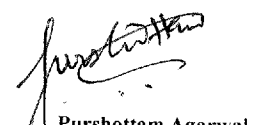
**MKPS & Associates**  
Chartered Accountants  
Firm's Regn No. 302014E

  
CA Narendra Khandal  
Partner  
M. NO. 065025  
Place : Mumbai  
Date : 20th May 2017



For and on behalf of the Board of Directors  
Reengus Sikar Expressway Limited

  
**Vinod Kumar Agarwal**  
Director  
DIN : 00182893  
Place: New Delhi  
Date : 20th May 2017

  
**Purshottam Agarwal**  
Director  
DIN : 00182907

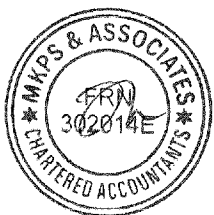
**Reengus Sikar Expressway Limited**  
**Statement cash flows for the year ended 31 March 2017**  
*(All amounts in INR lakhs, unless otherwise stated)*

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
<b>Cash flow from operating activities</b>		
Profit before tax	416.00	257.86
Adjustment for:		
Fair valuation gain on mutual fund	(46.02)	-
Interest cost on borrowings	1,649.11	1,879.32
<b>Operating profit before working capital changes</b>	<b>2,019.09</b>	<b>2,137.18</b>
Adjustment for:		
Decrease / (Increase) in financial assets	893.93	819.77
Decrease / (Increase) in trade receivables	301.35	1,214.26
Decrease / (Increase) in other financial assets	49.91	0.18
Decrease / (Increase) in other assets	(10.08)	3.01
(Decrease) / Increase in trade payables	62.21	104.85
(Decrease) / Increase in long-term provision	600.00	220.00
<b>Cash generated from operations</b>	<b>3,916.41</b>	<b>4,499.25</b>
Direct Taxes paid	(49.93)	(66.87)
<b>Net cash from operating activities (A)</b>	<b>3,866.48</b>	<b>4,432.38</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets		
Capital work in progress		
Proceeds from maturity of fixed deposits		
Investment fixed deposits		
Purchase of mutual funds & other investments	(1,346.39)	-
Income received from ICD & others		
Dividend income from mutual funds		
Income received from bank deposits		
<b>Net cash from / (in used) in investing activities (B)</b>	<b>(1,346.39)</b>	<b>-</b>
<b>Cash flow from financing activities</b>		
Changes in loans and borrowings	(1,367.89)	(303.24)
Changes in loan from holding company- security deposit & CCPS	535.92	(2,261.69)
Changes in loan from holding company- security deposit	-	-
Interest paid	(1,649.11)	(1,879.32)
<b>Net cash flow from financing activities (C)</b>	<b>(2,481.08)</b>	<b>(4,444.25)</b>
<b>Net increase in Cash and Cash equivalent (A+B+C)</b>	<b>39.01</b>	<b>(11.87)</b>
Cash & Cash equivalent at the beginning of the year	71.52	83.39
Cash & Cash equivalent at the end of the year	<b>110.53</b>	<b>71.52</b>
<b>Components of Cash and Cash equivalent</b>		
Cash on hand		0.66
With Banks-		
On current account	110.56	70.86
Bank overdraft	(0.03)	
<b>Total</b>	<b>110.53</b>	<b>71.52</b>

As per our report of even date attached

**MKPS & Associates**  
**Chartered Accountants**  
**Firm's Regn No. 302014E**

*Narendra Khandal*  
**CA Narendra Khandal**  
 Partner  
 M. NO. 065025  
 Place : Mumbai  
 Date : 20th May 2017



**For and on behalf of the Board of Directors**  
**Reengus Sikar Expressway Limited**

*Vinod Kumar Agarwal*  
**Vinod Kumar Agarwal**  
 Director  
 DIN : 00182893  
 Place: New Delhi  
 Date : 20th May 2017

*Purshottam Agarwal*  
**Purshottam Agarwal**  
 Director  
 DIN : 00182907

Reengus Sikar Expressway Limited  
Statement of changes in equity for the year ended 31 March 2017  
(All amounts in INR lakhs, unless otherwise stated)

A. Equity Share Capital

Particulars	Number	Amount
Opening as at 01 April 2015	500,000.00	50.00
Movement during FY 2015-16	-	-
<b>Closing as at 31 March 2016</b>	<b>500,000.00</b>	<b>50.00</b>
Movement during FY 2016-17	-	-
<b>Closing as at 31 March 2016</b>	<b>500,000.00</b>	<b>50.00</b>

B. Preference Share Capital

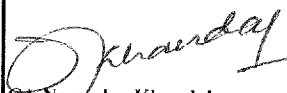
Particulars	Number	Amount
Opening as at 01 April 2015	1,167,000	116.70
Movement during FY 2015-16	-	-
<b>Closing as at 31 March 2016</b>	<b>1,167,000</b>	<b>116.70</b>
Movement during FY 2016-17	-	-
<b>Closing as at 31 March 2017</b>	<b>1,167,000</b>	<b>116.70</b>

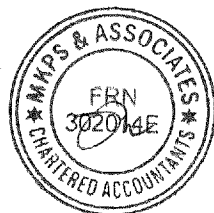
C. Other Equity

Particulars	Retained Earnings	Equity component of financial instrument	Total
Opening as at 01 April 2015	(860.15)	1,008.12	147.97
Profit for the FY 2015-16	233.86	-	233.86
Interest free security deposit reclassified to equity	-	-	-
Total Comprehensive Income for the year FY 2015-16	-	-	-
<b>Closing as at 31 March 2016</b>	<b>(626.29)</b>	<b>1,008.12</b>	<b>381.83</b>
Profit for the FY 2016-17	358.17	-	358.17
Total Comprehensive Income for the year FY 2016-17	-	-	-
<b>Balance at the end of the reporting period 31 March 2017</b>	<b>(268.12)</b>	<b>1,008.12</b>	<b>740.00</b>


As per our report of even date attached

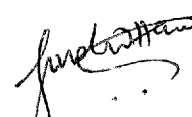
MKPS & Associates  
Chartered Accountants  
Firm's Regn No. 302014E

  
CA Narendra Khandal  
Partner  
M. NO. 065025  
Place : Mumbai  
Date : 20th May 2017



For and on behalf of the Board of Directors  
Reengus Sikar Expressway Limited

  
Vinod Kumar Agarwal  
Director  
DIN : 00182893  
Place: New Delhi  
Date : 20th May 2017

  
Purshottam Agarwal  
Director  
DIN : 00182907

**Reengus Sikar Expressway Limited**

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

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

**1 Back ground of the entity**

Reengus Sikar Expressway Limited (the 'Company') was incorporated in New Delhi, India on April 11, 2011 as a public limited company under the Companies Act, 1956 (the 'Act') as 'Reengus Sikar Expressway Limited'.

The Company is formed as a special purpose vehicle (SPV) to develop, establish, construct, operate and maintain the project relating to Four Laning of Reengus to Sikar Section Km 298.073 Near Madhopura Junction to Km 341.047 (After Sikar Town) of NH-11 (Proposed Chainage Km. 298.05 to Km. 341.962)(Design Length 43.887 Km) in the State of Rajasthan under the Design, Build, Finance, Operation and Transfer (Annuity) basis under NHDP Phase-III.

Service Concession Arrangement entered into between National Highway Authority of India (NHAI) and the company, conferred the right to the Company to implement the project and recover the project cost, through the half yearly annuity payment over concession period commencing after 6 calendar months from the Completion Date. The stipulated start date of the project is March 5, 2012 and stipulated completion date for the construction of the said project is 13 Dec. 2013 .

The Company had entered into an EPC Contract with G R Infraprojects Limited, (the 'Holding Company') on September 12, 2011 to carry out construction activities in line with the Concession Agreement. The construction activities have been completed ahead of schedule for which bonus has been claimed from NHAI. The company has started accruing periodic Annuity Income as per the terms of the concession agreement.

**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.

The Company's financial statements up to and for the year ended 31 March 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

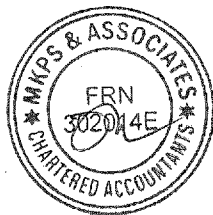
As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position,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

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.



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**Reengus Sikar Expressway Limited**  
**Notes forming part of financial statements for the year ended 31 March 2017**  
(All amounts are in INR lakhs, unless otherwise stated)

**c Basis of measurement and classification**

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

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

**Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

The Company has identified twelve months as its operating cycle.

**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 2018 is included in the following notes:

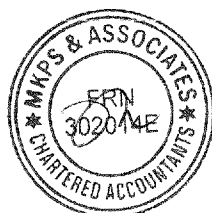
- Impairment of financial assets.

**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.

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**Reengus Sikar Expressway Limited**

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

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

**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
- 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.



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**Reengus Sikar Expressway Limited**

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

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

**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.

**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.



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**Reengus Sikar Expressway Limited**

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

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

**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 losses.

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

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.





**Reengus Sikar Expressway Limited**

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

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

**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

**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

**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.

**i. Warranties**

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on technical evaluation, historical warranty data and a weighting of all possible outcomes by their associated probabilities.

**ii. Site restoration**

In accordance with the Company's published environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land is recognised when the land is contaminated. The provision is measured at the present value of the best estimate of the cost of restoration.

**iii. Onerous contracts**

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.



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**Reengus Sikar Expressway Limited**  
**Notes forming part of financial statements for the year ended 31 March 2017**  
(All amounts are in INR lakhs, unless otherwise stated)

**e. Revenue**

**i. Sale of goods**

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. This inter alia involves discounting of the consideration due to the present value if payment extends beyond normal credit terms. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

The timing of transfers of risks and rewards varies depending on the individual terms of sale. For sales of bitumen, usually such transfer occurs when the product is received at the customer's location.

**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.

**iii. 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.

Build-Operate-Transfer (BOT) contracts on annuity basis under service concession arrangement contain three streams of revenue- Construction revenue, Financing income and Operations and maintenance (O&M) income. The construction stream of BOT revenues are accounted for in the construction phase of BOT, O&M income is recognised in the operating phase of the BOT, while finance income is recognised over a concession period based on the imputed interest method

**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.



*Y. J. J.*

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.



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**Reengus Sikar Expressway Limited**

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

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

**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.

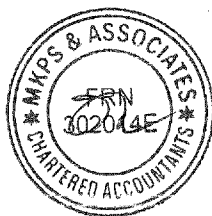
Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

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.



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**Reengus Sikar Expressway Limited**

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

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

**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.

**l Contingent liabilities**

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

**m Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**n Investment property**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as Investment property. Investment property is measured at its cost, including related transaction cost and where applicable borrowing cost. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its investment properties recognized as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

**o Recent accounting pronouncements:**

**Standards issued but not yet effective:**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7 "Statements of Cash Flows" and Ind AS 102 "Share Based Payment". These amendments are applicable to the Company from April 1, 2017.

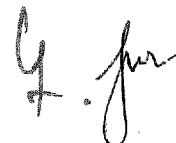
**Amendments to Ind AS 7:**

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company has evaluated the disclosure requirements of amendment and the effect on the financial statements is not expected to be material.

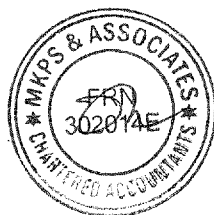
**Amendments to Ind AS 102:**

The above standard is not applicable to the Company.



Reengus Sikar Expressway Limited  
Notes to accounts  
(All amounts in INR lakhs, unless otherwise stated)

Note no	Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Note 3	<b>Non-current assets : Investment in property</b>			
	- Plot at Raigad, Maharashtra	19.66	19.66	19.66
		<b>19.66</b>	<b>19.66</b>	<b>19.66</b>
	The management believes that the fair value of the investment property is equivalent to its cost incurred.			
Note 4	<b>Non-current assets -Financial assets</b>			
	Right for annuity receivable from NHAI	17,379.60	18,199.43	18,994.39
		<b>17,379.60</b>	<b>18,199.43</b>	<b>18,994.39</b>
	Non-current	16,485.69	17,379.62	18,199.39
	Current	893.91	819.81	795.00
		<b>17,379.60</b>	<b>18,199.43</b>	<b>18,994.39</b>
Note 5	<b>Current assets - Financial assets : Investments</b>			
	Reliance mutual fund	1,392.41	-	-
		<b>1,392.41</b>	-	-
Note 6	<b>Current assets - Financial assets : - Right for annuity receivable from NHAI</b>			
	Receivable from NHAI	3,139.74	3,515.19	4,754.26
	Current portion of financial asset - annuity receivable from NHAI	893.91	819.81	795.00
		<b>4,033.65</b>	<b>4,335.00</b>	<b>5,549.26</b>
Note 7	<b>Current assets - Financial assets : Cash and cash equivalents</b>			
	Cash in hand	0.06	0.66	0.76
	<b>Balances with Banks in Current account:</b>			
	SBBJ Bank (Escrow account)	0.17	70.50	82.63
	SBBJ Bank	0.54	0.36	-
	HDFC - operation sub account	109.79	-	-
		<b>110.56</b>	<b>71.52</b>	<b>83.39</b>
Note 8	<b>Current assets - Financial assets : Other financial assets</b>			
	<i>Measured at amortized cost</i>			
	Anil Kumar Mittal	-	-	0.18
	Security deposits with NHAI PIU Reengus	27.18	77.21	77.21
	Security deposits with AVVNL Reengus	0.12	-	-
		<b>27.30</b>	<b>77.21</b>	<b>77.39</b>
Note 9	<b>Other Current Assets</b>			
	TDS	95.53	69.43	0.46
	Income tax refundable (fin.year 2012-13)	35.79	35.79	35.79
	Income tax refundable (fin.year 2013-14)	-	-	2.10
	Sales tax refundable	8.92	-	-
	WCT refundable	1.02	-	-
	Prepaid insurance	8.52	8.38	11.39
		<b>149.78</b>	<b>113.60</b>	<b>49.74</b>



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**Reengus Sikar Expressway Limited**  
**Notes to accounts**  
*(All amounts in INR lakhs, unless otherwise stated)*

Note 10 Equity				
(i) Equity share capital		50.00	50.00	50.00
10% Non cumulative redeemable preference shares		-	-	-
		<b>50.00</b>	<b>50.00</b>	<b>50.00</b>
<b>Authorised</b>				
500,000 Equity Shares (P.Y. 500000) of Rs. 10 each		50.00	50.00	50.00
3000,000 10% Non-cumulative redeemable preference shares of Rs.10 each		300.00	300.00	300.00
		<b>350.00</b>	<b>350.00</b>	<b>350.00</b>
<b>Issued &amp; Subscribed &amp; Paid Up Capital</b>				
500,000 Equity Shares of Rs. 10 each		50.00	50.00	50.00
1,167,000 10% Non-cumulative redeemable preference shares of Rs. 10 each		116.70	116.70	116.70
		<b>166.70</b>	<b>166.70</b>	<b>166.70</b>
<b>(c) Details of shareholders holding more than 5% shares in the Company</b>				
<b>Equity shares of Rs. 10,each fully paid held by-</b>				
<b>Name of share holders</b>		<b>Number &amp; % of holding</b>	<b>Number &amp; % of holding</b>	<b>Number &amp; % of holding</b>
a) G R Infraprojects Limited		500,000 shares (100% holding)	500,000 shares (100% holding)	500,000 shares (100% holding)
<b>Terms &amp; Conditions attached to equity shares:</b>				
(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.				
<b>Preference shares of Rs. 10 each fully paid held by</b>				
<b>Name of share holders</b>		<b>Number &amp; % of holding</b>	<b>Number &amp; % of holding</b>	<b>Number &amp; % of holding</b>
a) G R Infraprojects Limited		1,167,000 shares (100% holding)	1,167,000 shares (100% holding)	1,167,000 shares (100% holding)
<b>Terms &amp; Conditions attached to Preference shares:</b>				
The Company has only one class of preference shares, viz. Non cumulative redeemable preference shares having a par value of Rs. 10 per share. The preference share are redeemable at a premium of Rupees 140 between January 4, 2021 to March 29, 2027.				
The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.				
The Company has classified the above non-cumulative redeemable preference shares has been classified as compound financial instruments and equity component has been classified in the other equity.				
(i) Equity component of compound financial instruments		1,008.12	1,008.12	1,008.12
(ii) Retained earnings		(626.29)	(860.15)	(860.15)
Profit for the year		358.17	233.86	-
Other comprehensive income		-	-	-
		<b>(268.12)</b>	<b>(626.29)</b>	<b>(860.15)</b>



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Reengus Sikar Expressway Limited  
Notes to accounts  
(All amounts in INR lakhs, unless otherwise stated)

Note 11	<b>Non-current liabilities - Financial liabilities : Long-term Borrowings</b> (Term Loans - Secured from banks) State Bank of Bikaner & Jaipur Vijaya Bank Udaipur HDFC Bank 10% Non Cumulative Redeemable Preference Shares			
		-	7,847.59	8,023.21
		-	5,580.76	5,696.41
		12,480.16	-	-
		1,195.62	1,086.92	988.11
	<b>13,675.78</b>	<b>14,514.77</b>	<b>14,707.73</b>	
	<u>Term loan security and repayment details:</u>			
	i) <b>HDFC Bank:</b> Term loans of Rs. 143.73 crores secured by first charge on revenue and receivables, escrow accounts and all assets. Loan was repayable in 22 semi equal annual installments from Sept 2016 to Feb 2027.			
	ii) <b>State Bank of Bikaner and Jaipur:</b> Term loans of Rs.87 crores secured by first charge on revenue and receivables, escrow accounts and all assets. Loan was repayable in 24 semi equal annual installments from March 2015 to September 2026. The Company has repaid the loan during financial year 2016-17.			
	iii) <b>Vijaya Bank:</b> Term loans of Rs.61.75 crores secured by first charge on revenue and receivables, escrow accounts and all assets. Loan was repayable in 24 semi equal annual installments from March 2015 to September 2026. The Company has repaid the loan during financial year 2016-17.			
Note 12	<b>Non-Current Liabilities : Long-term provision</b> Provision for Major Maintenance	820.00	220.00	-
		<b>820.00</b>	<b>220.00</b>	<b>-</b>
Note 13	<b>Current Liabilities - Financial liabilities : Short-term borrowing</b> Loan from Holding Company HDFC Bank OD	5,475.43	5,048.21	7,408.71
		0.03	-	-
		<b>5,475.46</b>	<b>5,048.21</b>	<b>7,408.71</b>
Note 14	<b>Current Liabilities - Financial liabilities : Trade Payables</b> Dues to micro and small enterprises Others	-	-	-
		262.82	128.04	-
		<b>262.82</b>	<b>128.04</b>	<b>-</b>
Note 15	<b>Current liabilities - Financial Liabilities; Other financial liabilities</b> Current Maturities of Long Term Borrowing State Bank of Bikaner & Jaipur Vijaya Bank Udaipur Accrued Interest on term loan HDFC Bank	-	834.00	834.00
		-	592.00	592.00
		109.97	70.89	82.36
		966.72	-	-
		<b>1,076.69</b>	<b>1,496.89</b>	<b>1,508.36</b>
Note 16	<b>Other current liabilities</b> Expenses payable Security, retention and other payables Statutory dues payable	10.63	12.09	0.76
		27.18	77.21	90.86
		22.49	43.57	64.44
		<b>60.30</b>	<b>132.87</b>	<b>156.06</b>
Note 17	<b>Short-term provisions</b> Provision for income tax	58.00	24.00	-
		<b>58.00</b>	<b>24.00</b>	<b>-</b>

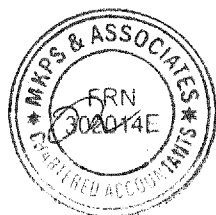


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Reengus Sikar Expressway Limited  
Notes forming part of financial statements for the year ended 31 March 2017  
(All amounts in INR lakhs, unless otherwise stated)

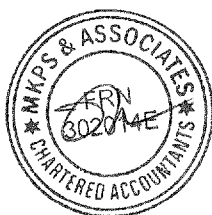
Note No	Particulars	For the year ending 31 March, 2017	For the year ending 31 March, 2016
Note 18	<b>Revenue from operations</b>		
	Operations and maintenance income	993.60	561.60
	Contract income from utility shifting and others	646.52	56.79
		<b>1,640.12</b>	<b>618.39</b>
Note 19	<b>Other income</b>		
	Interest on income tax refund	2.05	0.15
	Income from mutual fund	11.03	-
	Fair valuation gain on mutual fund	46.02	-
	Interest income on service concession arrangements	1,941.03	2,017.74
	<b>2,000.13</b>	<b>2,017.89</b>	
Note 20	<b>Contract expenses incurred</b>		
	Expenses on utility shifting	646.52	58.49
		<b>646.52</b>	<b>58.49</b>
Note 21	<b>Other expenses</b>		
	Concession fees	-	-
	Audit fees	0.82	0.88
	Electricity expenses	0.74	-
	Repair & maintenance expenses	0.31	-
	Vehicle tracking charges	0.05	-
	Insurance expenses	10.02	13.01
	Legal and professional charges	7.46	2.91
	Miscellaneous expenses	-	-
	Operation and maintenance expenses	269.91	131.66
	Major maintenance expenses	600.00	220.00
	Ind. engineers fees	39.31	72.15
		<b>928.62</b>	<b>440.61</b>
Note 22	<b>Finance costs</b>		
	Interest paid to banks	1,389.30	1,514.71
	Interest paid to others	258.78	364.29
	Bank charges	1.03	0.32
	<b>1,649.11</b>	<b>1,879.32</b>	



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**Reengus Sikar Expressway Limited**  
**Notes forming part of financial statements for the year ended 31 March 2017**  
*(All amounts in INR lakhs, unless otherwise stated)*

Note 23	Income tax expense		
	The major component of income tax for the year ended 31 March 2017 are:		
	<b>Current income tax: (statement of profit and loss)</b>		
	Current income tax charge	58.00	24.00
	Adjustment in respect of current tax of previous year	(0.17)	-
	Deferred tax: (Statement of profit and loss)	-	-
	<b>Income tax expense reported in statement of profit and loss</b>	<b>57.83</b>	<b>24.00</b>
	<b>Reconciliation of tax expense:</b>		
	Accounting profit before tax	416.00	257.86
	Tax expense (34.61%)	143.98	87.65
	Adjustments:		
	Tax expense provided on account of MAT	58.00	-
	Service concession and other adjustments (nil tax implication due to tax holiday)	(204.68)	(45.25)
	Unrecognized DTA on tax losses for current year	60.46	(18.84)
	Tax expense as per P&L	57.76	23.56



**REENGUS SIKAR EXPRESSWAY LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT MARCH 31, 2017**  
*(All amounts in INR lakhs, unless otherwise stated)*

**NOTE 24 : 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  
 Purshottam Agarwal  
 Vikas Agarwal

**B. Transactions with related parties:**

Sr. No.	Particulars	31st March 2017	31st March, 2016
1	Advance Received G R Infraprojects Limited		
		792.14	1,575.77
2	Advance repaid back G R Infraprojects Limited		
		500.00	3,936.27
3	Sub Contract Exp. G R Infraprojects Limited		
		902.66	568.56
4	Interest Exp on Advance G R Infraprojects Limited		
		150.09	265.48
5	Security deposits received G R Infraprojects Limited		
		10.80	-
6	Security deposits given back G R Infraprojects Limited		
		60.83	-

**C. Balances with related parties:**

		31st March 2017	31st March, 2016
1	Trade Payables G R Infraprojects Limited		
		262.82	128.04
2	Short Term Borrowings G R Infraprojects Limited		
		5,475.43	5,048.21
3	Security deposits payable G R Infraprojects Limited		
		27.18	77.21

**Terms and conditions of transactions with related parties**

1. The company has in the course of business entered into various transactions with related parties. These transactions include operation and maintenance charges paid for operation and maintenance activities sub-contracted, loans and advances, certain road work expenses for work road work contracted to the project of the company. The transaction with related parties are made on terms equivalent to those that prevail in arm's length transactions.

2. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash

3. There have been no guarantees provided or received for any related party receivables or payables.

4. For reporting period ended, the company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**Commitments with related parties**

On 1 February 2011, the Company entered into an agreement with its related party G R Infraprojects Limited for operation and maintenance of the existing road ("Project Highway"), wherein G R Infraprojects Limited is required to perform all routine road maintenance activities along the Project Highway including implementing appropriate Traffic Management and Lane Closure scheme during Routine & Periodic maintenance. The agreement price shall be settled in cash within 30 days of receiving the invoices.

**NOTE 25 : Contingent Liabilities and Commitments**

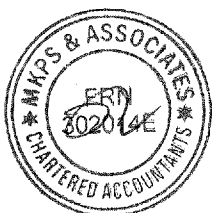
a) Unexpired Capital Commitments (net of advances)		99.30	99.30
b) Other Commitments		Nil	Nil
c) Contingent Liabilities		Nil	Nil

**NOTE 26 : 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 27 :** As the Company does not have any employee, hence disclosure requirements as per Ind AS 19 "Employee benefits" is not applicable.

**NOTE 28 :** The company has completed the construction of the project before the scheduled dates as per the Concession Agreement, for which the COD is awaited. The company has preferred claim for Bonus for early completion (in the earlier year) as well as full Annuity as per the provisions of the concession agreement. Certain stretch could not be completed due to non-availability of land. NHAI has been disputing the payment of bonus contending that the full stretch of the project has not been completed. On the same grounds NHAI has been releasing annuity in proportion to the stretch completed. However, as per the opinion taken by the company it is eligible for the full amount of annuity as the non completion of certain part is not attributable to it. The company has preferred claims on both accounts and is certain that the amount shall be fully recovered. Pending settlement of dispute and receipt of some annuity payments from NHAI no provision is considered necessary for the Trade Receivables.



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**REENGUS SIKAR EXPRESSWAY LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT MARCH 31, 2017**  
*(All amounts in INR lakhs, unless otherwise stated)*

**NOTE 29 : Earnings per share.**

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

(Figures in Rupees in lakhs except number of shares)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Net (loss)/profit for the year attributable to equity shareholders	358.17	233.86
Weighted average number of equity shares of Rs 100 each used for calculation of basic earnings per share (adjusted for partly paid shares)	500,000	500,000
Earnings per share, basic and diluted*	71.63	46.77

\*The Company has no potentially dilutive equity shares

**NOTE 30 :** 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	0.60	0.06	0.66
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	0.60	-	0.60
Closing cash in hand as on 30.12.2016	-	0.06	0.06

**NOTE 31 : Previous Year Comparatives**

Previous year figures has been regrouped, rearranged and reclassified to confirm to current year's classification

**NOTE 32 : Financial instrument**

As per management, financial instruments which are measured at amortized cost are equivalent to its fair value.

**NOTE 33 : 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.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

**Market Risk**

Market risk is the risk that changes in market prices, such as interest rates will affect the Company's income and its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

**Currency risk**

The Company operates domestically. There are no foreign exchange transactions in the year of reporting.

**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%
<b>31 March 2017</b>				
Loans and borrowings	202.28	(202.28)	161.03	(161.03)
<b>31 March 2016</b>				
Loans and borrowings	210.60	(210.60)	167.66	(167.66)

**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 under 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 negligible.

**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.



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**REENGUS SIKAR EXPRESSWAY LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT MARCH 31, 2017**  
*(All amounts in INR lakhs, unless otherwise stated)*

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.

Particulars	As at 31 March 2017				
	0-1 year	1-3 year	3-5 year	More than 5 year	Total
Borrowing- Non current		1,093.14	3,874.33	8,708.31	13,675.78
Borrowing- Current	5,475.46				5,475.46
Trade payable	262.82				262.82
Other financial liabilities	1,076.69				1,076.69
Other current liabilities	60.30				60.30
Provisions	58.00				58.00
<b>Total</b>	<b>6,933.27</b>	<b>1,093.14</b>	<b>3,874.33</b>	<b>8,708.31</b>	<b>20,609.05</b>

Particulars	As at 31/03/2016				
	0-1 year	1-3 year	3-5 year	More than 5 year	Total
Borrowing- Non current		9,507.60	2,502.00	2,505.17	14,514.77
Borrowing- Current	5,048.21				5,048.21
Trade payable	128.04				128.04
Other financial liabilities	1,496.89				1,496.89
Other current liabilities	132.87				132.87
Provisions	24.00				24.00
<b>Total</b>	<b>6,830.01</b>	<b>9,507.60</b>	<b>2,502.00</b>	<b>2,505.17</b>	<b>21,344.78</b>

**NOTE 34 : 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.



4. for

**NOTE 35 : FIRST-TIME ADOPTION OF IND AS**

The Company's financial statements for the year ended March 31, 2017 are the first financial statements prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. The adoption of Ind AS was carried out in accordance with Ind AS 101, using April 1, 2015 as the transition date. Ind AS 101 requires that all Ind AS standards and interpretations that are effective for the first Ind AS financial statements for the year ended March 31, 2017, be applied consistently and retrospectively for all fiscal years presented. All applicable Ind AS have been applied consistently and retrospectively wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the financial statements under both Ind AS and Indian GAAP as at the transition date have been recognized directly in equity at the transition date.

The Company has also prepared a reconciliation of equity and net profit for the corresponding periods under Indian GAAP with the total comprehensive income as reported under Ind AS:

**Optional exemptions availed and mandatory exceptions**

In preparing these consolidated financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

**A. Optional exemptions availed**

**1. Property, plant & equipment, intangible assets and investment properties**

As per Ind AS 101, a Company may elect to:

- (i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date.
- (ii) use a previous GAAP revaluation of an property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:
  - fair value;
  - or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

The election under (i) and (ii) above also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

(iii) use carrying value of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items property, plant and equipment. The same election has been made in respect of intangible assets and investment property also.

**2. Designation of previously recognised financial instruments**

Ind AS 101 permits an entity to designate particular equity investments (other than equity investments in subsidiaries, associates and joint arrangements) as at fair value through other comprehensive income (FVOCI) based on facts and circumstances at the date of transition to Ind AS (rather than at initial recognition). Other equity investments are classified at fair value through profit or loss (FVTPL).

The Company has opted to avail this exemption to designate certain equity investments as FVOCI on the date of transition.

**B. Mandatory exceptions**

**1. Estimates**

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

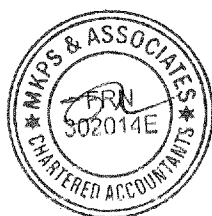
As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS)

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Impairment of financial assets based on the expected credit loss model
- Determination of the discounted value for financial instruments carried at amortized cost

**2. Derecognition of financial assets and liabilities**

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.



A handwritten signature in black ink, consisting of a stylized first letter and a long, flowing tail.

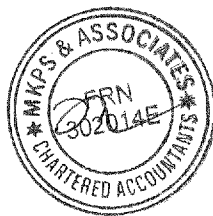
### 3. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortized cost has been done retrospectively except where the same is impracticable.

#### Reconciliation of equity

Particulars	Note	As at the date of transition 1 April 2015			As at 31 March 2016		
		Previous GAAP	Adjustment on transition to Ind AS	Ind AS	Previous GAAP	Adjustment on transition to Ind AS	Ind AS
(Rs. in lakhs)							
<b>Non-current assets</b>							
Investment property		19.66	-	19.66	19.66	-	19.66
Financial Assets-Annuity receivable	1	18,804.11	(604.72)	18,199.39	17,727.11	(347.49)	17,379.62
<b>Total non-current assets</b>		<b>18,823.77</b>	<b>(604.72)</b>	<b>18,219.05</b>	<b>17,746.77</b>	<b>(347.49)</b>	<b>17,399.28</b>
<b>Current assets</b>							
Financial assets							
- Investments	2	-	-	-	-	-	-
- Financial Assets-Annuity receivable	1	5,549.26	-	5,549.26	4,335.00	-	4,335.00
- Other financial assets		83.39	-	83.39	71.52	-	71.52
Current tax assets (Net)		77.39	-	77.39	77.21	-	77.21
Other current assets		49.74	-	49.74	113.60	-	113.60
<b>Total current assets</b>		<b>5,759.78</b>	<b>-</b>	<b>5,759.78</b>	<b>4,597.33</b>	<b>-</b>	<b>4,597.33</b>
<b>Total assets</b>		<b>24,583.55</b>	<b>(604.72)</b>	<b>23,978.83</b>	<b>22,344.10</b>	<b>(347.49)</b>	<b>21,996.61</b>
<b>EQUITY &amp; LIABILITIES</b>							
<b>Equity</b>							
Equity share capital	4	166.70	(116.70)	50.00	166.70	(116.70)	50.00
Other Component of Equity	4	-	1,008.12	1,008.12	-	1,008.12	1,008.12
Other reserve		1,633.80	(1,633.80)	-	1,633.80	(1,633.80)	-
Retained earnings	1 to 4	(49.43)	(810.72)	(860.15)	51.29	(677.38)	(626.29)
<b>Total equity</b>		<b>1,751.07</b>	<b>(1,553.10)</b>	<b>197.97</b>	<b>1,851.79</b>	<b>(1,419.96)</b>	<b>431.83</b>
<b>LIABILITIES</b>							
<b>Non-current liabilities</b>							
Financial liabilities							
- Borrowings	3	13,759.35	948.38	14,707.73	13,450.14	1,064.63	14,514.77
Deferred tax liabilities		-	-	-	(7.84)	7.84	-
Provisions		-	-	-	220.00	-	220.00
<b>Total non-current liabilities</b>		<b>13,759.35</b>	<b>948.38</b>	<b>14,707.73</b>	<b>13,662.30</b>	<b>1,072.47</b>	<b>14,734.77</b>
<b>Current liabilities</b>							
Financial liabilities							
- Borrowings		7,408.71	-	7,408.71	5,048.21	-	5,048.21
- Trade and other payables		-	-	-	128.04	-	128.04
- Other financial liabilities		1,508.36	-	1,508.36	1,496.89	-	1,496.89
Other current liabilities		156.06	-	156.06	132.87	-	132.87
Current tax liabilities (Net)		-	-	-	24.00	-	24.00
<b>Total current liabilities</b>		<b>9,073.13</b>	<b>-</b>	<b>9,073.13</b>	<b>6,830.01</b>	<b>-</b>	<b>6,830.01</b>
<b>Total equity and liabilities</b>		<b>24,583.55</b>	<b>(604.72)</b>	<b>23,978.83</b>	<b>22,344.10</b>	<b>(347.49)</b>	<b>21,996.61</b>



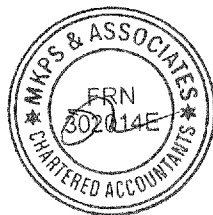
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Reconciliation of total comprehensive income for the year ended 31 March 2016

(Rs. in lakhs)

Particulars	Note	As at the date of transition 1 April 2015		
		Previous GAAP	Adjustment on transition to Ind AS	Ind AS
<b>Income</b>				
Revenue from operations	1	3,811.24	(3,192.85)	618.39
Other income	1	0.15	2,017.74	2,017.89
<b>Total Income</b>		<b>3,811.39</b>	<b>(1,175.11)</b>	<b>2,636.28</b>
<b>Expenses</b>				
Contract Expenses incurred		58.49	-	58.49
Depreciation and amortisation	1	1,432.33	(1,432.33)	-
Finance costs	3 & 4	1,763.08	116.24	1,879.32
Other expenses		440.61	-	440.61
<b>Total expenses</b>		<b>3,694.51</b>	<b>(1,316.09)</b>	<b>2,378.42</b>
<b>Profit before tax</b>		<b>116.88</b>	<b>140.98</b>	<b>257.86</b>
Tax expense:				
Current tax		24.00	-	24.00
Tax adjustments relating to previous year		-	-	-
Deferred tax charge/ (credit)		(7.84)	7.84	-
<b>Profit for the period from continuing operations</b>		<b>100.72</b>	<b>133.14</b>	<b>233.86</b>
<b>Other Comprehensive Income</b>				
A (i) Items that will not be reclassified to profit or loss		-	-	-
(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</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the year</b>		<b>100.72</b>	<b>133.14</b>	<b>233.86</b>

- The Company has applied service concession arrangement and retrospective impact has been determined as per IAS 11 principles and corresponding impact has been given to retained earnings at transition date.
- The Company has netted off loan processing fee against borrowings and retrospectively determined amortized cost borrowing by using effective interest rate.
- As per IGAAP, investment in mutual funds are measured at lower of fair value and cost. As per Ind AS 109, the same investments are measured at fair value through profit and loss. Retrospective impact has been given to retained earnings and fair value gain for financial year 2015-16 transferred to profit and loss.
- The Company has classified compulsorily convertible preference shares as compound financial instrument and accordingly the CCPSs have been bifurcated into equity and liability component. Liability component has been recorded at present value of future cash flows by using 10% discount rate and remaining balance credited to equity retrospectively from its origination date. Subsequently, liability has been measured at amortized cost.
- The transition to Ind AS from IGAAP has no material impact on statement of Cash Flows.



4. Jan



**REENGUS SIKAR 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 36 : Disclosure pursuant to Para 6 of Ind AS 11 for Service Concession Arrangements**

Name of entity	Description of the arrangement	Significant terms of the arrangement	Financial Asset
Reengus Sikar Expressway Limited	The Company is formed as a special purpose vehicle (SPV) to develop, establish, construct, operate and maintain the project relating to Four Laning of Reengus to Sikar Section Km 298.075 Near Madhopura Junction to Km 341.047 (After Sikar Town) of NH-11 (Proposed Chainage Km. 298.05 to Km. 341.962) (Design Length 43.887 Km) in the State of Rajasthan under the Design, Build, Finance, Operation and Transfer (Annuity) basis under NHDP Phase-III.	Period of concession: 2014 - 2029 Remuneration : Half yearly annuity of INR 1,877.22 Lakhs Investment grant from concession grantor : No Infrastructure return at the end of concession period : Yes Investment and renewal obligations : Nil Re-pricing dates : No Basis upon which re-pricing or re-negotiation is determined : NA Premium payable to grantor : Nil	<b>March 31, 2017</b> 17,379.60  <b>March 31, 2016</b> 18,199.43

**NOTE 37 : Previous Year Comparatives**

Previous year figures has been regrouped, rearranged and reclassified to confirm to current year's classification

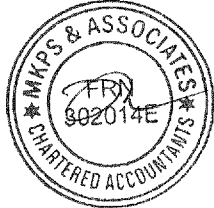
As per our report of even date attached

MKPS & Associates  
Chartered Accountants  
Firm's Regn No. 302014E

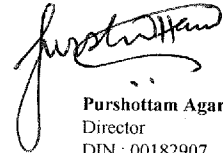
For and on behalf of the Board of Directors  
REENGUS SIKAR EXPRESSWAY LIMITED



CA Narendra Khandal  
Partner  
M. No. 065025  
Place : Mumbai  
Date : 20th May 2017



Vinod Kumar Agarwal  
Director  
DIN : 00182893  
Place: Udaipur  
Date : 20th May 2017



Purshottam Agarwal  
Director  
DIN : 00182907