



**JLN US & CO.**  
**Chartered Accountants**

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**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS NAGPUR MUKUNDGARH HIGHWAYS PRIVATE LIMITED**

**Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of NagpurMukundgarh Highways Private Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Ind AS Financial Statements**

1. The Company's management and Board of Directors are responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical



requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

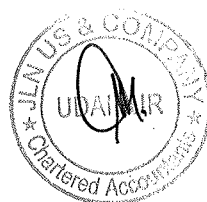
3. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether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

### Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

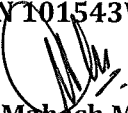
### Report on Other Legal and Regulatory Requirements

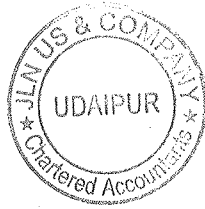
6. As required by the Companies (Auditor's Report) Order 2016 ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in Annexure - "A" a statement on the matters specified in paragraphs 3 and 4 of the order.
7. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account
  - d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act



- e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 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;

**For JLN US & Company**  
**Chartered Accountants**  
**FRN 101543W**

  
**CA Mahesh Menaria**  
**Partner**  
**M No. 400828**



**Udaipur, May 22, 2018**

**Annexure – A to the Independent Auditors Report**

**Referred to in para 7 of our report of even date, to the members of NagaurMukundgarh Highways Private Limited for the year ended March 31, 2018**


- i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation with respect to its fixed assets
- (b) There are no fixed assets of the company as verified by the management during the year.
- (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 are in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no applicable statutory dues which have not been deposited on account of any dispute.
- viii) Based upon the audit procedures carried out by us and on the basis of information and explanations provided by the management we are of the opinion that the company has not

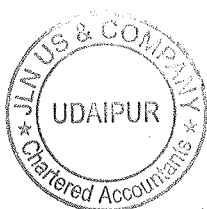


defaulted in repayment of dues to banks / Financial Institutions or to its Debenture holders. The company does not have any borrowings from government.

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

**For JLN US & Company**  
**Chartered Accountants**  
**FRN 101543W**

  
**CA Mahesh Menaria**  
**Partner**  
**M No. 400828**



**Udaipur, May 22, 2018**

**Annexure – B to the Independent Auditors Report**

**Referred to in para 8 of our report of even date, to the members of NagaurMukundgarh Highways Private Limited for the year ended March 31, 2018**

**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 **NagaurMukundgarh Highways Private Limited** ("the Company") as of March 31, 2018 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**

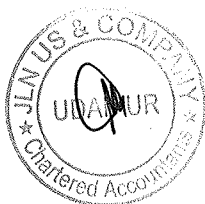
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on 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**

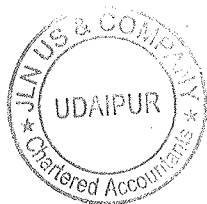
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For JLN US & Company**  
**Chartered Accountants**  
**FRN 101543W**

  
**CA Mahesh Menaria**  
**Partner**  
**M No. 400828**



**Udaipur, May 22, 2018**

# Nagaur Mukundgarh Highways Private Limited

## Balance Sheet

as at 31 March 2018

(Currency: Indian Rupees in lakhs)

Particulars	Note	31 March 2018
<b>Assets</b>		
<b>Current assets</b>		
(a) Financial assets		
(i) Cash and cash equivalents	5	49.91
(ii) Other financial assets	6	23,825.73
(b) Other current assets	7	4,474.03
<b>Total assets</b>		<u>28,349.67</u>
<b>Equity and liabilities</b>		
<b>Equity</b>		
(a) Equity share capital	8	1,363.00
(b) Other equity	9	982.71
		<u>2,345.71</u>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	10	14,512.65
(b) Deferred tax liabilities	21	68.19
		<u>14,580.84</u>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Trade payables	11	7,362.00
(ii) Other financial liabilities	12	32.28
(b) Other current liabilities	13	3,973.51
(c) Current tax liabilities (net)	14	55.33
		<u>11,423.12</u>
<b>Total equity and liabilities</b>		<u>26,003.96</u>
		<u>28,349.67</u>

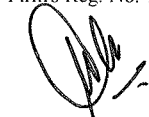
The notes referred above are an integral part of these financial statements.

As per our report of even date attached

**For JLN US AND COMPANY**

Chartered Accountants

Firm's Reg. No. 101543W



**CA Mahesh Menaria**

Partner

M. No. 400828



**For and on behalf of the Board of Directors**  
Nagaur Mukundgarh Highways Private Limited

CIN : U45309DL2017PTC312406



**Vinod Kumar Agarwal**

Director

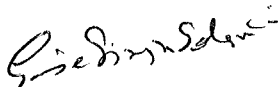
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**Anand Rathi**

Director

DIN: 02791023



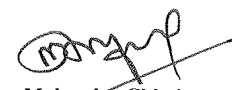
**Gaje Singh Solanki**

Company Secretary

ICSI Memb. No. ACS33847

Date : 22 May 2018

Place: Udaipur



**Mahendra Chhajer**

Chief Financial Officer

ICAI Memb. No.078132

Date : 22 May 2018

Place : Udaipur





# Nagaur Mukundgarh Highways Private Limited

## Statement of Profit and Loss for the period ended 31 March 2018

(Currency: Indian Rupees in lakhs)

Particulars	Note	31 March 2018
<b>Income</b>		
Revenue from operations	15	40,501.74
Other income	16	230.31
<b>Total income</b>		<b>40,732.05</b>
<b>Expenses</b>		
Civil construction costs	17	38,620.27
Employee benefits expense	18	1.17
Finance costs	19	421.50
Other expenses	20	186.31
<b>Total expenses</b>		<b>39,229.25</b>
<b>Profit before tax</b>		<b>1,502.80</b>
<b>Tax expense:</b>		
Current tax	21	451.90
Deferred tax (credit)/charge	21	68.19
		<b>520.09</b>
<b>Profit for the period</b>		<b>982.71</b>
<b>Other comprehensive income</b>		-
<b>Other comprehensive income for the period, net of tax</b>		-
<b>Total comprehensive income for the period</b>		<b>982.71</b>
<b>Earnings per share</b> (Nominal value of share Rs.10 each)		
Basic (Rs.)	28	10.92
Diluted (Rs.)	28	10.92

The notes referred above are an integral part of these financial statements.

As per our report of even date attached

**For JLN US AND COMPANY**

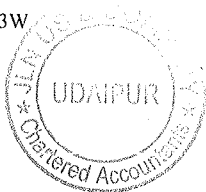
Chartered Accountants

Firm's Reg. No. 101543W

**CA Mahesh Menaria**

Partner

M. No. 400828



**For and on behalf of the Board of Directors**  
**Nagaur Mukundgarh Highways Private Limited**  
CIN : U45309DL2017PTC312406

*Vinod Kumar Agarwal*

**Vinod Kumar Agarwal**

Director

DIN: 00182893

*Anand Rath*

**Anand Rath**

Director

DIN: 02791023

*Gaj Singh Solanki*

**Gaj Singh Solanki**

Company Secretary

ICSI Memb. No. ACS33847

Date : 22 May 2018

Place: Udaipur

*Mahendra Chhajer*

**Mahendra Chhajer**

Chief Financial Officer

ICAI Memb. No.078132

Date : 22 May 2018

Place : Udaipur



# Nagaur Mukundgarh Highways Private Limited

Statement of Changes in Equity  
for the period ended 31 March 2018

(Currency: Indian Rupees in lakhs)

## A. Equity Share Capital

Particulars	Note	Number of shares	Amount
Balance as at commencement of the period			-
Changes in equity share capital during the period	8	13,630,000	1,363.00
Balance as at 31 March 2018		13,630,000	1,363.00

## B. Other Equity

Particulars	Retained Earnings	Total Other equity
Balance as at commencement of the period	-	-
Total comprehensive income for the period ended 31 March 2018		
Profit for the period	982.71	982.71
Total Comprehensive Income for the period	-	-
Balance as at 31 March 2018	982.71	982.71

As per our report of as on date attached  
For JLN US AND COMPANY  
Chartered Accountants  
Firm's Regn No. 101543W

CA Mahesh Menaria  
Partner  
M. No. 400828



Date : 22 May 2018  
Place : Udaipur

For and on behalf of the Board of Directors  
Nagaur Mukundgarh Highways Private Limited  
CIN : U45309DL2017PTC312406

*Vinod Kumar Agarwal*

Vinod Kumar Agarwal  
Director  
DIN: 00182893

*Gaje Singh Solanki*

Gaje Singh Solanki  
Company Secretary  
ICSI Memb. No. ACS33847  
Date : 22 May 2018  
Place: Udaipur

*Anand Rath*

Anand Rath  
Director  
DIN: 02791023

*Mahendra Chhajjer*

Mahendra Chhajjer  
Chief Financial Officer  
ICAI Memb. No.078132



# Nagaur Mukundgarh Highways Private Limited

Statement of Cash Flows  
for the period ended 31 March 2018

(Currency: Indian Rupees in lakhs)

Particulars	31 March 2018
<b>Cash flows from operating activities</b>	
Profit before tax	1,502.80
Adjustments for:	
Interest income	(230.31)
Finance costs	421.50
	<u>1,693.99</u>
Working capital adjustments :	
(Increase) in financial and non-financial assets	(28,299.76)
Increase in trade payables	7,362.00
Increase in provisions, financial and non-financial liabilities	4,005.79
<b>Cash generated from operating activities</b>	<u>(15,237.98)</u>
Income tax paid (net)	(396.57)
<b>Net cash generated from/(used in) operating activities (A)</b>	<u>(15,634.55)</u>
<b>Cash flows from investing activities</b>	
Interest received	230.31
<b>Net cash generated from / (used in) investing activities (B)</b>	<u>230.31</u>
<b>Cash flows from financing activities</b>	
Interest paid	(248.11)
Proceeds from issue of share capital	1,363.00
Proceeds/(Repayment) of borrowings (net)	14,339.26
<b>Net cash generated from / (used in) financing activities (C)</b>	<u>15,454.15</u>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<u>49.91</u>
Balance Cash and cash equivalents	-
<b>Balance of cash and cash equivalents as at 31 March 2018</b>	<u><u>49.91</u></u>

## Notes:

1. The above Statement of Cash Flow has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) - 7 "Statement of Cash Flows".

As at  
31 March 2018

2. Cash and cash equivalents comprises of :

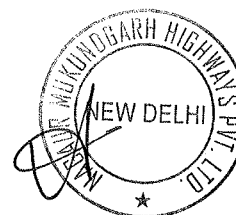
Balances with banks:  
- Current accounts

**Cash and cash equivalents (refer note 5)**

**Cash and cash equivalents in statement of cash flow**

49.91
49.91
<u>49.91</u>

3. The Company has undrawn borrowing facilities (excluding non-fund based facilities) aggregating to Rs. 15,800.00 lakhs towards future projects to be executed by the Company.



# Nagaur Mukundgarh Highways Private Limited

Statement of Cash Flows  
for the period ended 31 March 2018

(Currency: Indian Rupees in lakhs)

## 4. Reconciliation of movements of cash flows arising from financing activities

	<u>Liabilities</u>		
	Customer advances	Non-current borrowings	Share Capital
Balance as at commencement of the period	-	-	-
<b>Cash Flow from Financing Activities</b>			
Proceeds from borrowing	-	14,784.60	
Repayment of borrowings	-	(445.33)	
Proceeds from issue of share capital			1,363.00
Other borrowing costs paid*	-	(51.35)	
Interest paid	-	(196.76)	
<b>Total cash flow from financing activities</b>	-	<b>14,091.15</b>	<b>1,363.00</b>
Liability related other changes	3,538.22	-	
Other borrowing costs*	-	51.35	
Interest expense	93.30	370.15	
<b>Balance as at 31 March 2018</b>	<b>3,631.52</b>	<b>14,512.65</b>	<b>1,363.00</b>
			<b>19,507.17</b>


\* includes other borrowing costs for non-funded credit limits.

As per our report of even date attached

For JLN US AND COMPANY


Chartered Accountants

Firm's Reg. No. 101543W

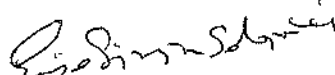
  
**CA Mahesh Menaria**  
Partner  
M. No. 400828

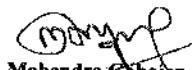


For and on behalf of the Board of Directors  
Nagaur Mukundgarh Highways Private Limited  
CIN : U45309DL2017PTC312406

  
**Vinod Kumar Agarwal**  
Director  
DIN: 00182893

  
**Anand Rathi**  
Director  
DIN : 02791023

  
**Gaje Singh Solanki**  
Company Secretary  
ICSI Memb. No. ACS33847  
Date : 22 May 2018  
Place: Udaipur

  
**Mahendra Chhajjar**  
Chief Financial Officer  
ICAI Memb. No.078132

Date : 22 May 2018  
Place : Udaipur



# Nagaur Mukundgarh Highways Private Limited

## Notes to the financial statements

for the period ended 31 March 2018

### 1. Reporting entity

Nagaur Mukundgarh Highways Private Limited ('the Company') was incorporated in New Delhi, India on February 07, 2017 as a Private limited company under the Companies Act, 2013 (the 'Act') as 'Nagaur Mukundgarh Highways Private Limited'.

The Company is formed as a special purpose vehicle (SPV) to design, build, operate and transfer and maintain (the "DBOT") the project relating to Two Laning/intermediate Lanning Peelibanga - Lakhuwali section of MDR -103, Sardarshahar - Loonkaransar section of SH -6A, Roopangarh-Naraina section of SH-100 and Nagaur -Tarnau - deepwana -Munkandgarh section of SH - 8,19,60,82,-A & 83 (Total length: 393.71 KM) in the state of Rajasthan, which shall be partly financed by the Concessionaire who shall recover its investment and costs through annuity payments and Operation & Maintenance (O&M) Payment to be made by the Authority, in accordance with the terms and conditions set forth in this Concession Agreement entered into.

These financial statements are first financial statements of the Company for the period from 07 February 2017 to 31 March 2018.

### 2. Basis of preparation

#### a. Statement of compliance

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

The financial statements were authorised for issue by the Company's Board of Directors on Dated **22 May 2018**.

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 (Rs.Lakhs), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

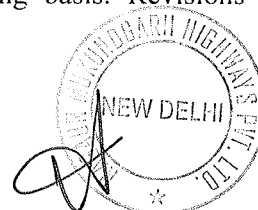
#### c. Basis of measurement

The financial statements have been prepared on the historical cost using accrual basis of accounting except certain financial instruments measured at fair values.

#### d. Use of estimates and judgments

In preparing these financial statements, management has made judgments, 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.



# Nagaur Mukundgarh Highways Private Limited

## Notes to the financial statements (*continued*)

for the period ended 31 March 2018

### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Recognition of Current / Deferred tax expense
- Revenue recognition under service concession arrangement
- Provision for doubtful debts

### e. *Measurement of fair values*

Some of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a financial reporting team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The financial reporting team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as pricing services, is used to measure fair values, then the financial reporting team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

**Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Financial instruments



# Nagaur Mukundgarh Highways Private Limited

## Notes to the financial statements (*continued*)

for the period ended 31 March 2018

### 3. Significant accounting policies

#### a. Foreign currency transaction

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the date of the transaction or at an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss.

#### b. Financial instruments

##### i Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

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



# Nagaur Mukundgarh Highways Private Limited

## Notes to the financial statements (*continued*)

*for the period ended 31 March 2018*

- 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.

At present, the Company does not have investments in any debt securities classified as FVOCI.

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

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

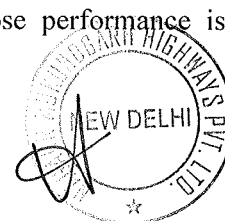
### ***Financial assets: Business model assessment***

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.





# Nagaur Mukundgarh Highways Private Limited

## Notes to the financial statements (continued)

for the period ended 31 March 2018

### Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

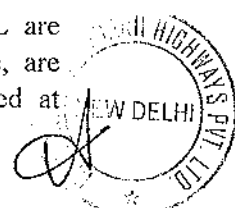
- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

### 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.
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.

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 and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at



# Nagaur Mukundgarh Highways Private Limited

## Notes to the financial statements (*continued*)

for the period ended 31 March 2018

amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Fees paid on the establishment of loan facilities are recognised as transaction costs of loan to the extent it is probable that some or all of the loan facility will be drawn down. The facility fee and related payments are accounted for as a transaction cost under Ind AS 109. The said facility fee is deferred and treated as a transaction cost when draw-down occurs; it is not amortised prior to the draw-down.

### 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.

#### *Financial liabilities*

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.

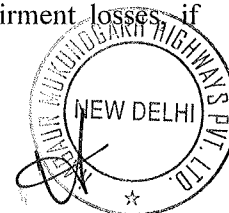
### c. *Operating cycle*

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Operating cycle is the time from start of the project to their realization in cash or cash equivalents.

### d. *Property, plant and equipment*

#### i. *Recognition and measurement*

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.



# Nagaur Mukundgarh Highways Private Limited

## Notes to the financial statements (*continued*)

for the period ended 31 March 2018

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

### ii. *Subsequent expenditure*

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

### iii. *Derecognition*

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The consequential gain or loss is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss.

## e. *Intangible assets*

### i. *Recognition and measurement*

Intangible assets including those acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

### ii. *Subsequent expenditure*

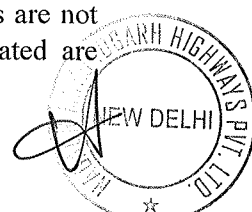
Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

### iii. *Derecognition*

The carrying amount of an intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognised in the Statement of Profit and Loss when the asset is derecognised.

## f. *Inventories*

Inventories are measured at the lower of cost and net realisable value. However, materials and other items held for use in civil construction work and / or production of inventories are not written down below cost if the finished products in which they will be incorporated are



# Nagaur Mukundgarh Highways Private Limited

## Notes to the financial statements(*continued*)

for the period ended 31 March 2018

expected to be sold at or above cost. The cost of inventories is based on the first-in first-out ("FIFO") 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 direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity and excise duty. Cost is determined on FIFO basis. Trading goods are valued at lower of cost and net realizable value. Cost is determined on FIFO basis.

### g. *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 creditimpaired. 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.

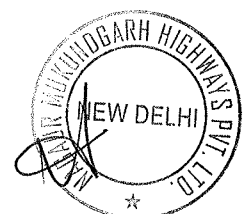
Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

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

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. Twelve months 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 forwardlooking information.



# Nagaur Mukundgarh Highways Private Limited

## Notes to the financial statements (*continued*)

for the period ended 31 March 2018

### 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.

### ii *Impairment of non-financial assets*

The Company's non-financial assets, other than inventories and deferred tax 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.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### h. *Employee benefits*

#### *Short-term employee benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g. Under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.



# Nagaur Mukundgarh Highways Private Limited

## Notes to the financial statements (continued)

for the period ended 31 March 2018

### i. Provisions and contingencies (other than for employee benefits)

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. Expected future operating losses are not provided for.

#### Contingencies

Disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

### j. Revenue

#### Service concession arrangement

The Company constructs the infrastructure (road) used to provide a public service and operates and maintains that infrastructure for a specified period of time. Under Appendix A to Ind AS 11 – Construction Contracts, this arrangement is accounted for based on the nature of the consideration. The intangible asset is used to the extent that the Company receives a right to charge the users of the public service. The financial asset is used when the Company has an unconditional right to receive cash or another financial asset from or at the direction of the grantor for the construction services.

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

Revenue related to construction services provided under a service concession arrangement is recognised based on the stage of completion of the work performed.

### k. Leases

#### i Assets held under lease

Leases of property, plant and equipment that transfer substantially all the risks and rewards of ownership are classified as finance leases. All the other leases are classified as operating leases. For finance leased, 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 operating leases are neither recognised in (in case the Company is lessee) nor derecognized (in case the Company is lessor) from the Company's Balance Sheet.



# Nagaur Mukundgarh Highways Private Limited

## Notes to the financial statements (*continued*)

for the period ended 31 March 2018

### ii *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.

### iii *Assets given on lease*

In respect of assets provided on finance leases, amounts due from lessees are recorded as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases. In respect of assets given on operating lease, lease rentals are accounted on accrual basis in accordance with the respective lease agreements.

### l. *Recognition of interest income or expense*

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.

### m. *Income tax*

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

#### i *Current tax*

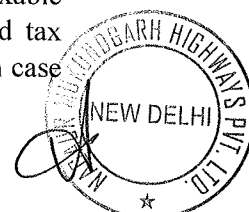
Current tax comprises of the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering 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 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



# Nagaur Mukundgarh Highways Private Limited

## Notes to the financial statements *(continued)*

*for the period ended 31 March 2018*

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.

Any tax credit available is recognised as deferred tax to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilized. The said asset is created by way of credit to the statement of Profit and loss and shown under the head of deferred tax.

### ***Presentation of current and deferred tax:***

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

### ***n. Borrowing cost***

Borrowing costs are interest and other 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.

### ***o. Operating segments***





# Nagaur Mukundgarh Highways Private Limited

## Notes to the financial statements *(continued)*

*for the period ended 31 March 2018*

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

**p. Cash and cash equivalents**

Cash and Cash equivalents for the purpose of Statement of cash flows comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

In line with the amendments to Ind AS 7 Statement of Cash flows (effective from April 1, 2017), the Company has provided 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. The adoption of amendment did not have any material impact on the financial statements.

**q. Earnings per Share**

Basic EPS is computed by dividing net profit after taxes for the year by weighted average number of equity shares outstanding during the financial year, adjusted for bonus share elements in equity shares issued during the year and excluding treasury shares, if any.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**r. Dividends**

The Company recognises a liability for dividends to equity holders of the Company when the dividend is authorized and the dividend is no longer at the discretion of the Company. As per the corporate laws in India, a dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

**s. Event Occurring after Reporting Date**

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Material non adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the Directors' Report.



# Nagaur Mukundgarh Highways Private Limited

## Notes to the financial statements (*continued*)

*for the period ended 31 March 2018*

### 4. Recent accounting pronouncements

#### Standards issued but not yet effective

Following are the new standards and amendments to existing standards (as notified by Ministry of Corporate Affairs (MCA) on 28th March, 2018) which are effective for annual periods beginning after 1 April 2018. The Company intends to adopt these standards or amendments from the effective date.

#### Ind AS 115 Revenue from contract with customers

Ind AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue and Ins AS 11 Construction Contracts. The core principle of the new standard that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. This Standard permits two possible methods of transition i.e. retrospective approach and modified retrospective method.

Based on the preliminary assessment, the Company does not expect any significant impacts on transition to Ind AS 115. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information when the standard will be adopted. The quantitative impacts would be finalized based on a detailed assessment which has been initiated to identify the key impacts along with evaluation of appropriate transition options to be considered.

#### Amendments to existing Ind AS

The following amended standards are not expected to have a significant impact on the Company's financial statements. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Company when it will adopt the respective standards.

- Ind AS 40 - Investment Property – The amendment lays down the principle regarding the transfer of asset to, or from, investment property.
- Ind AS 21 - The Effects of Changes in Foreign Exchange Rates – The amendment lays down principles to determine the date of transaction when a company recognizes a non-monetary prepayment asset or deferred income liability.
- Ind AS 12 – Income Taxes – The amendments explains that determining temporary differences and estimating probable future taxable profit against which deductible temporary differences are assessed for utilization are two separate steps.



# Nagaur Mukundgarh Highways Private Limited

Notes to the financial statements (continued)  
for the period ended 31 March 2018

(Currency: Indian Rupees in lakhs)

## 5 Cash and cash equivalents

Particulars	31 March 2018
Balance with banks	
in current accounts	49.91
Total	49.91

## 6 Other financial assets

Particulars	31 March 2018
Current	
Right to receive annuity from PWD	23,825.73
Total	23,825.73

## 7 Other current assets

Particulars	31 March 2018
Mobilisation advances given to G R Infraprojects Limited (Parent Company)	1,817.20
Prepaid expenses	10.19
Balance with government authorities	
GST input credit	2,646.64
Total	4,474.03



# Nagaur Mukundgarh Highways Private Limited

Notes to the financial statements (continued)  
for the period ended 31 March 2018

(Currency: Indian Rupees in lakhs)

## 8 Equity Share capital

Authorised	31 March 2018
1,37,00,000 equity shares of Rs. 10 each	1,370.00
	1,370.00
Issued, subscribed and paid up	
1,36,30,000 equity shares of Rs. 10 each	1,363.00
	1,363.00

Reconciliation of equity share outstanding at the beginning and at the end of the period .

Particulars	31 March 2018	
	Numbers	Amount
At the commencement of the period	-	-
Add: Issued during the period	13,630,000	1,363.00
At the end of the period	13,630,000	1,363.00

Particulars of shareholders holding more than 5% equity shares in the Company

Particulars	31 March 2018	
	Numbers	% of total share in class
Equity share of Rs. 10 each fully paid-up held by		
- G R Infraprojects Limited ( Parent Company )	13,630,000	100.00

### Terms & Rights attached to equity shares:

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.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

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.

## 9 Other equity

Particulars	Retained earnings	Total
Opening Balance as at commencement of the period	-	-
Profit for the period	982.71	982.71
Total Comprehensive Income for the period	-	-
Balance as at 31 March 2018	982.71	982.71



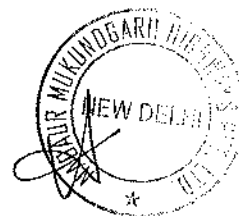
# Nagaur Mukundgarh Highways Private Limited

Notes to the financial statements (continued)  
for the period ended 31 March 2018

(Currency: Indian Rupees in lakhs)

## 10 Non current Liabilities

Particulars	Note	31 March 2018
Secured :		
A. Secured loans from banks		
Term loan	A	7,902.77
B. Secured loans from other financial institutions		
Term loan	B	1,901.42
Unsecured:		
C. Loan from G R Infraprojects Limited (Parent Company)	C	4,708.46
Total		14,512.65



# Nagaur Mukundgarh Highways Private Limited

Notes to the financial statements (continued)  
for the period ended 31 March 2018

(Currency: Indian Rupees in lakhs)

## 10 Borrowings (continued)

Note : Nature of security, interest rate, repayment terms and other information for borrowings.

Sr No	Particulars	31 March, 2018			Security	Repayment terms
		Total	Non-Current	Current		
(A)	Secured loans from banks					
(i)	HDFC Bank Limited	1,916.23	1,900.66	15.57	First charges by way of hypothecation of all the fixed assets /Movable assets projects book debts, operating cash flow, receivable, revenue whatever nature, uncalled capital, Projects bank account & Assignment of all the Company's right, insurance policies and interest under all the agreement related to the projects and guarantee or performance bond provided by any party for any contract related to the projects in favor of the borrower, pledge of 51% share of equity share.	Repayment 18 half-yearly installment commence post completion of moratorium period post COD ranging from 2% to 8% of loan taken, along with monthly interest rate 9.40% p.a.
(ii)	Punjab National Bank	1,882.02	1,865.66	16.36	First charges by way of hypothecation of all the fixed assets /Movable assets projects book debts, operating cash flow, receivable, revenue whatever nature, uncalled capital, Projects bank account & Assignment of all the Company's right, insurance policies and interest under all the agreement related to the projects and guarantee or performance bond provided by any party for any contract related to the projects in favor of the borrower, pledge of 51% share of equity share.	Repayment 18 half-yearly installment commence post completion of moratorium period post COD ranging from 2% to 8% of loan taken, along with monthly interest rate 9.45% p.a.
(iii)	Union Bank of India	4,136.45	4,136.45	-	First charges by way of hypothecation of all the fixed assets /Movable assets projects book debts, operating cash flow, receivable, revenue whatever nature, uncalled capital, Projects bank account & Assignment of all the Company's right, insurance policies and interest under all the agreement related to the projects and guarantee or performance bond provided by any party for any contract related to the projects in favor of the borrower, pledge of 51% share of equity share.	Repayment 18 half-yearly installment commence post completion of moratorium period post COD ranging from 2% to 8% of loan taken, along with monthly interest rate 9.40% p.a.
		7,934.70	7,902.77	31.93		



# Nagaur Mukundgarh Highways Private Limited

Notes to the financial statements (continued)  
for the period ended 31 March 2018

(Currency: Indian Rupees in lakhs)

## 10 Borrowings (continued)

Note : Nature of security, interest rate, repayment terms and other information for borrowings.

Sr No	Particulars	31 March, 2018		Security	Repayment terms
		Total	Non-Current		
<b>(B) Secured loans from other financial institutions</b>					
(iv)	Aditya Birla Finance Limited	1,901.42	1,901.42	-	Repayment 18 half-yearly installment commence post completion of moratorium period post COD ranging from 2% to 8% of loan taken , along with monthly interest rate 9.40% p.a.
		<u>1,901.42</u>	<u>1,901.42</u>	-	
<b>(C) Unsecured loans from other</b>					
	Loan from G R Infra projects Limited (Parent Company)	4,708.46	4,708.46	Unsecured	<b>Rate of Interest :</b> 9.00 % for the year 2017-18, the same shall be determined on a yearly basis as per the cost of funds of the Parent Company <b>Terms and Source of repayment :</b> Repayable from the cash flows available after meeting the senior debt obligation, in line with the waterfall mechanism as per described under the Concession Agreement / Common Loan Agreement and Escrow Agreement.
		<u>4,708.46</u>	<u>4,708.46</u>	-	
		<u>14,544.58</u>	<u>14,512.65</u>	<u>31.93</u>	



# Nagaur Mukundgarh Highways Private Limited

Notes to the financial statements (continued)  
for the period ended 31 March 2018

(Currency: Indian Rupees in lakhs)

## 11 Trade payables

Particulars	31 March 2018
Payables to micro, small and medium enterprises (refer note below)	-
Other trade payables	7,362.00
<b>Total</b>	<b>7,362.00</b>

### Details of Dues to Micro, Small & Medium Enterprises as defined under MSMED Act, 2006

Particulars	31 March 2018
Principal amount remaining unpaid to any supplier as at the year / period end.	-
Interest due thereon	-
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year.	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED.	-
Amount of interest accrued and remaining unpaid at the end of the accounting year / period.	-
Amount of further interest remaining due and payable even in succeeding years / periods	-

The disclosure in respect of the amount payable to enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been made in the Financial statement as at 31 March 2018 based on the information received and available with the Company. On the basis of such information, no interest is payable to any micro, small and medium enterprises. Auditors have relied upon the information provided by the Company.

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 23.

Of the above, trade payables to related parties are as below:

Particulars	31 March 2018
Total trade payables to related parties	7,362.00
	<b>7,362.00</b>

## 12 Other financial liabilities

Particulars	31 March 2018
Current maturities of long-term borrowings	31.93
Employee related liabilities	0.35
<b>Total</b>	<b>32.28</b>

## 13 Other current liabilities

Particulars	31 March 2018
Advances from customers	3,631.53
Expenses payable	21.38
Statutory liability	
TDS payable	320.60
<b>Total</b>	<b>3,973.51</b>

## 14 Current tax liabilities (net)

Particulars	31 March 2018
Provision for tax (net of advance tax of Rs. 396.57 lakhs)	55.33
<b>Total</b>	<b>55.33</b>





# Nagaur Mukundgarh Highways Private Limited

Notes to the financial statements (continued)  
for the period ended 31 March 2018

(Currency: Indian Rupees in lakhs)

## 15 Revenue from operations

Particulars	31 March 2018
Civil construction revenue	39,983.34
Finance income	518.40
Total	40,501.74

## 16 Other income

Particulars	31 March 2018
Interest income	
- on mobilisation advances to Parent Company	230.31
Total	230.31

## 17 Civil construction costs

Particulars	31 March 2018
Civil sub-contract charges	38,433.50
Labour cess	186.77
Total	38,620.27

## 18 Employee benefits expense

Particulars	31 March 2018
Salaries, wages and bonus	1.17
Total	1.17

## 19 Finance costs

Particulars	31 March 2018
Interest on Borrowing	
- To banks	84.20
- To others	285.95
Other borrowing cost	51.35
Total	421.50

## 20 Other expenses

Particulars	31 March 2018
Insurance expenses	12.83
Payment to auditors (refer note (i) below)	0.18
Legal and professional charges	46.94
Miscellaneous expenses	0.09
Independent engineers fees	126.27
Total	186.31

### (i) Payment to auditors

Particulars	31 March 2018
Payment to auditors (exclusive of GST)	
- as auditor	
- Statutory audit	0.18
Total	0.18



# Nagaur Mukundgarh Highways Private Limited

Notes to the financial statements (continued)  
for the period ended 31 March 2018

(Currency: Indian Rupees in lakhs)

## 21 Tax expense

### A. Income tax (income) / expense recognised in the Statement of Profit and Loss

Particulars	31 March 2018
<b>Current tax</b>	
Current tax on profit for the period	451.90
<b>Deferred tax</b>	
<i>Attributable to:</i>	
Origination and reversal of temporary differences (refer note D)	68.19
<b>Income tax expense reported in statement of profit and loss</b>	<b>520.09</b>

### B. Reconciliation of effective tax rate

Particulars	31 March 2018
<b>Profit before tax</b>	<b>1,502.80</b>
Tax using the Company's statutory tax rate at 34.608%	520.09
Effect of:	
Tax difference between normal income tax and MAT	(131.18)
Allowable expenses as per normal income tax	68.19
Others	63.14
<b>Tax expense</b>	<b>520.24</b>

### C. Recognised deferred tax assets and liabilities

#### Movement in temporary differences

Particulars	Deferred tax (assets)	Deferred tax liabilities	Net deferred tax (assets) / liabilities
Difference in carrying value and tax base in measurement of financial instrument at amortised cost	-	68.19	68.19
<b>Net deferred tax (assets) / liabilities</b>	<b>-</b>	<b>68.19</b>	<b>68.19</b>

Deferred tax Assets has been recognised as it is reasonably certain that the deferred tax asset shall be realised against future taxable incomes.

### D. Recognised deferred tax (assets) and liabilities

#### Movement in temporary differences

Particulars	Balance as at commencement of the period	Recognised in profit or loss during the period	Recognised in OCI during the period	Balance as at 31 March 2018
Difference in carrying value and tax base in measurement of financial instrument at amortised cost	-	68.19	-	68.19
	-	68.19	-	68.19



# Nagaur Mukundgarh Highways Private Limited

Notes to the financial statements (continued)  
for the period ended 31 March 2018

(Currency: Indian Rupees in lakhs)

## 22 Related party disclosure

### A. Related parties with whom the company had transactions during the period

#### (a) Parent company:

G R Infraprojects Limited

#### (b) Key Management Personnel ("KMP"):

Mr. Vinod Kumar Agarwal - Director

Mr. Anand Rathi - Director

Mr. Sudhir Mutha - Director

Mr. Mahendra Chhajjar - Chief Financial Officer

Mr. Gaje Singh Solanki - Company Secretary

### B. Related party transactions with Parent Company and its closing balances

The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or those which might reasonably be expected to be available, in respect of similar transactions with non-key management personnel related entities on an arm's length basis.

The aggregate value of the Company's transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence is as follows:

Nature of transaction	Transaction value 31 March 2018
(a) Loan Received	
(i) G R Infraprojects Limited	4,980.41
(b) Loan Repaid	
(i) G R Infraprojects Limited	238.05
(c) Share Capital issued	
(i) G R Infraprojects Limited	1,363.00
(d) Civil construction costs	
(i) G R Infraprojects Limited	38,433.50
(e) Mobilisation Advances given	
(i) G R Infraprojects Limited	3,634.40
(f) Interest on Mobilisation Advances received	
(i) G R Infraprojects Limited	230.31
(g) Corporate Guarantee given behalf of Company	
(i) G R Infraprojects Limited	13,841.95
(h) Interest Paid on unsecured loan	
(i) G R Infraprojects Limited	192.65
(i) Remuneration	
(i) Mr. Gaje Singh Solanki	1.17
Particulars	Balance outstanding receivable/(payable) 31 March 2018
Loan payable	
(i) G R Infraprojects Limited	4,788.46
Trade payable	
(i) G R Infraprojects Limited	7,304.99
Mobilisation advances receivable	
(i) G R Infraprojects Limited	1,817.20
Balance outstanding (payable)	
(i) Mr. Gaje Singh Solanki	0.35



# Nagaur Mukundgarh Highways Private Limited

Notes to the financial statements (continued)  
for the period ended 31 March 2018

(Currency: Indian Rupees in lakhs)

## 23 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
Nagaur Mukundgarh Highways Private Limited	The Company is formed as a special purpose vehicle (SPV) to design, build, operate and transfer and maintain (the "DBOT") the project relating to Two Laning/intermediate Lanning Peelibanga - Lakhuwali section of MDR -103, Sardarshahar - Loonkaransar section of SH -6A, Roopangarh-Naraina section of SH-100 and Nagaur - Tarnau - Deepwana -Munkandgarh section of SH -8,19,60,82,-A & 83 (Total length: 393.71 KM) in the state of Rajasthan, which shall be partly financed by the Concessionaire who shall recover its investment and costs through annuity payments and O&M Payment to be made by the Authority, in accordance with the terms and conditions set forth in this Concession Agreement entered into.	Period of concession: 2017-2029 Remuneration : 50% during construction period and balance 50% in half yearly annuity in 10 years as per concession agreement 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	31 March 2018 23,825.73



# Nagaur Mukundgarh Highways Private Limited

Notes to the financial statements (continued)  
for the period ended 31 March 2018

(Currency: Indian Rupees in lakhs)

## 24 Fair Value Measurements

### A. Accounting classification and fair values

As at 31 March 2018

Particulars	FVTPL	FVOCI	Amortised cost	Total	Fair Value			Total
					Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
Cash and cash equivalents	-	-	49.91	49.91				
Other financial assets	-	-	23,825.73	23,825.73				
<b>Total Financial assets</b>	<b>-</b>	<b>-</b>	<b>23,875.64</b>	<b>23,875.64</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Borrowings	-	-	14,512.65	14,512.65				
Trade payable	-	-	7,362.00	7,362.00				
Other financial liabilities	-	-	32.28	32.28				
<b>Total Financial liabilities</b>	<b>-</b>	<b>-</b>	<b>21,906.93</b>	<b>21,906.93</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note :

- i) The carrying amounts of financial assets and liabilities are considered to be the same as their fair values due to the current and short term nature of such balances and no material differences in the values.

### B. Measurement of fair values

#### Levels 1, 2 and 3

**Level 1 :** It includes Investment in equity shares and mutual fund that has a quoted price and which are actively traded on the stock exchanges. It is been valued using the closing price as at the reporting period on the stock exchanges.

**Level 2 :** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3 :** These instruments are valued based on significant unobservable inputs whereby future cash flows are discounted using appropriate discount rate.

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.



# Nagaur Mukundgarh Highways Private Limited

Notes to the financial statements (continued)  
for the period ended 31 March 2018

(Currency: Indian Rupees in lakhs)

## 25 Financial instruments risk management objectives and policies

The Company's financial liabilities comprise mainly of borrowings, trade and other payables. The Company's financial assets comprise mainly of cash and cash equivalents and other receivables.

### (i) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk primarily other financial assets including deposits with banks. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties.

The carrying amount of following financial assets represents the maximum credit exposure:

### Other financial assets

This comprises mainly of Financial Assets receivable - Right for Annuity receivable from PWD. The management is of the view that those financial assets are not impaired as the customer is government corporation where no credit risk is perceived. Further the management does not anticipate a significant loss on account of the time value of money.

### (ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company invest in liquid mutual funds to meet the immediate obligations.

### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

31 March 2018	Carrying amount	Total	Contractual cash flows		
			Less than 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Borrowings	14,512.65	14,512.65	-	9,250.00	5,262.65
Trade payables	7,362.00	7,362.00	7,362.00	-	-
Other current financial liabilities	32.28	32.28	32.28	-	-
Total	21,906.93	21,906.93	7,394.28	9,250.00	5,262.65

### (iii) Market risk

Market risk is the risk that changes in market prices -- such as foreign exchange rates, interest rates and equity prices -- will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Company is exposed to market risk primarily related to foreign exchange rate risks. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in foreign currency revenues and costs.

### a) Currency risk

The functional currency of the Company is Indian Rupees ("Rs."). The Company is not exposed to foreign currency risk.



# Nagaur Mukundgarh Highways Private Limited

Notes to the financial statements (continued)  
for the period ended 31 March 2018

(Currency: Indian Rupees in lakhs)

## 25 Financial instruments risk management objectives and policies (continued)

### b) Price risk

#### i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk resulting from fluctuations in interest rates. Company's borrowing includes unsecured loan taken from banks & the Parent Company. Summary of financial assets and financial liabilities has been provided below:

#### Exposure to interest rate risk

The interest rate profile of the Company's interest - bearing financial instrument as reported to management is as follows:

	31 March 2018
<b>Fixed-rate instruments</b>	
Financial assets	-
Financial liabilities	-
<b>Variable-rate instruments</b>	
Financial assets	23,825.73
Financial liabilities	14,512.65

#### Interest rate sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. The following table demonstrates the sensitivity of floating rate financial instruments to a reasonably possible change in interest rates. The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the period.

#### Sensitivity analysis

Particulars	Impact on profit before tax
	31 March 2018
<b>Interest rate</b>	
- increase by 100 basis points	93.13
- decrease by 100 basis points	(93.13)

## 26 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.

Particulars	31 March 2018
Total borrowings	14,512.65
Less: cash and cash equivalents	49.91
Adjusted net debt	14,462.74
Equity share capital	1,363.00
Other equity	982.71
Total equity	2,345.71

Adjusted net debt to equity ratio	6.17
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## 27 Contingent liabilities and commitments

Particulars	31 March 2018
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### a) Contingent liabilities

(i) Performance Guarantees given to The Additional Chief Secretary, Public works Department, Government of Rajasthan, Jaipur

3,810.00



# Nagaur Mukundgarh Highways Private Limited

Notes to the financial statements (continued)

for the period ended 31 March 2018

(Currency: Indian Rupees in lakhs)

## 28 Earnings per share

Particulars	31 March 2018
Face value per equity share (in Rs.)	10.00
(a) Profit for the period attributable to equity shareholders	982.71
(b) Number of equity shares at the beginning of the period	-
(c) Equity shares issued during the period	13,630,000
(d) Number of equity shares at the end of the period	13,630,000
(e) Weighted average number of equity shares for calculating basic EPS	9,002,632
(f) Weighted average number of equity shares for calculating diluted EPS	9,002,632

Earnings Per Share (in Rs.):

- Basic earning per share (a/e)	10.92
- Diluted earning per share (a/f)	10.92

### Note :

Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year / period.

## 29 Segment reporting

### Basis for segmentation

In accordance with the requirements of Ind AS 108 - "Segment Reporting", the Company is primarily engaged in a business of civil construction and has no other primary reportable segments. The Managing Director of the Company allocate the resources and assess the performance of the Company, thus he is the Chief Operating Decision Maker (CODM). The CODM monitors the operating results of the business as a single segment, hence no separate segment needs to be disclosed.

### Information about geographical areas

As the Company operates in India only, hence no separate geographical segment is disclosed.

### Information about major customers

Revenue of Rs. 40501.74 lakhs are derived from single customer (PWD) which amounts to 10% or more of the Company's revenue.

### For JLN US AND COMPANY

Chartered Accountants

Firm's Reg No. 101543W

CA Mahesh Menaria  
Partner  
M. No. 400828



Date : 22 May 2018  
Place : Udaipur

For and on behalf of the Board of Directors  
Nagaur Mukundgarh Highways Private Limited  
CIN : U45309DL2017PTC312406

*Vinod Kumar Agarwal*

Vinod Kumar Agarwal  
Director  
DIN: 00182893

*Anand Rath*

Anand Rath  
Director  
DIN: 02791023

*Gaje Singh Solanki*

Gaje Singh Solanki  
Company Secretary  
ICSI Memb. No. ACS33847  
Date : 22 May 2018  
Place: Udaipur

*Mahendra Chhajjer*

Mahendra Chhajjer  
Chief Financial Officer  
ICAI Memb. No.078132

