

**GMR KISHANGARH UDAIPUR  
AHMEDABAD EXPRESSWAYS LIMITED  
(CIN: U45200DL2011PLC227902)**

**for the year ended 31st March 2018**

**REGISTERED OFFICE**

Room No. 110, G+5 Building 101,

T1, IGI Airport

New Delhi - 110037



## **INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF GMR KISHANGARH UDAIPUR AHMEDABAD  
EXPRESSWAYS LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying IND AS financial statements of **GMR Kishangarh Udaipur Ahmedabad Expressways Limited** ("the Company"), which comprises the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss including statement of Other Comprehensive Income, the Cash Flow Statement and the statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these IND AS financial statements that give a true and fair view of the state of affairs (financial position), Profit or loss (financial performance including other comprehensive income), cash flows and change in equity of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (IND AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the companies (Indian Accounting Standards) Rules 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these IND AS financial statements based on 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 thereunder. We conducted our audit of the standalone IND AS Financial Statements in accordance with the Standards on Auditing, issued by The Institute of Chartered Accountants of India, as 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the 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.



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**

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 March 31<sup>st</sup> 2018, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

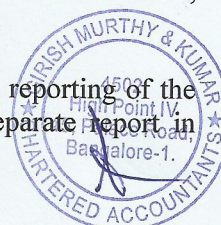
### **Emphasis of Matter**

As reported by the company, in Note 2.1 to the financial statements, the financial statements of the Company for the year ended March 31, 2018 have not been prepared on Going Concern assumption, for the reasons detailed in Note 30. The management has represented that, all the assets and the advances as at March 31, 2018, of the company are realizable at the values stated in the financial statements. As such the financial statements of the company for the year ended do not include any adjustments that might result upon disposal of assets and realization of advances.

Our Opinion is not qualified in respect of the aforesaid matter.

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

1. 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 Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 statement of Other Comprehensive Income, the Cash Flow Statement and the statement of changes in equity dealt with by this Reports are in agreement with the books of account.
  - (d) In our opinion, the aforesaid IND AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the companies (Indian Accounting Standards) Rules, 2015 as amended.
  - (e) On the basis of written representations received from the directors as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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, refer to our separate report in "Annexure B" to this report





- (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:
- The Company has disclosed the details and impact of pending litigations on the financial position of the company in its financial statements. – Refer Note 26 to the financial statements.
  - the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts .
  - there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

*for* **GIRISH MURTHY & KUMAR**  
Chartered Accountants

Firm's registration number: 000934S

*A. V. Satish Kumar*

**A.V.SATISH KUMAR**  
Partner

Membership number: 26526  
Bangalore



25<sup>th</sup> April 2018



**Annexure A as referred to in clause 1 of paragraph on report on other legal and regulatory requirements of our report of even date.**

Re:GMR Kishangarh Udaipur Ahmedabad Expressways Limited

- i. a. The company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.  
  
b. The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. However, no physical verification is carried out during the year.  
  
(c) The Company is not having any immovable property and as such reporting on Title deeds of immovable properties held in the name of the company, does not arise.
- ii. The Company has not commenced its operations and therefore had no stocks of finished goods, stores, spare parts and raw materials during / at the end of the year. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- iii. The company has not granted any loans, secured or unsecured to the companies, firms or other parties listed in the register maintained under section 189 of the companies Act 2013.
- iv. In our opinion and according to the information and explanations given to us, the Company has not made any loans or Investments. Accordingly requirement under Paragraph 3 (iv) of the Order is not applicable with respect to the loans and investments made under the provisions of section 185 and 186 of the Act.
- v. The company has not accepted deposits from the public during the year and as such this clause is not applicable.
- vi. There is no operation in the company, no cost records are required to be maintained under sub-section (1) of Section 148 of the Companies Act, 2013 for the activities carried out by the company. Hence reporting under this clause not applicable.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, in our opinion the Company is generally regular in payment of undisputed statutory dues including Provident Fund, income tax, Goods and service tax ,Customs Duty, Wealth tax and service tax Value added tax and cess as applicable with appropriate authorities. We are informed by the company that the provisions of Employee state insurance scheme, Investor education and protection fund, and excise duty are not applicable.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, Goods and service Tax, customs duty, wealth tax, service tax, value added tax, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March 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 material disputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, value added tax, cess and other statutory dues were in arrears as at 31<sup>st</sup> March 2018.

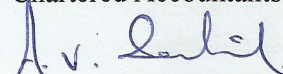


- (c) Investor education and protection fund is not applicable to the Company.
- viii. The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year. Hence repayment of dues to Banks and financial institutions does not arise.
- ix. The Company did not raise any money by way of initial public offer or further offer (including debt instruments) during the year. The company has not taken any term loans, and hence application of the same for the purpose for which the loans were obtained does not arise.
- x. According to the information and explanations given to us, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us, and based on our examination of records of the Company, the company has not paid/provided any managerial remuneration during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

PLACE: Bangalore

DATE: 25<sup>th</sup> April 2018

FOR GIRISH MURTHY & KUMAR  
Chartered Accountants

  
(A V Satish Kumar)  
Partner.  
Membership No: 26526  
FRN No.000934S





**Annexure B to Auditors' Report of even date**

**Report on the Internal Controls on Financial Reporting under clause (i) of sub-section (3) of section 143 of the Companies Act, 2013 ("the Act")**

Re: GMR Kishangarh Udaipur Ahmedabad Expressways Limited

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We have audited the internal financial controls over financial reporting of GMR Kishangarh Udaipur Ahmedabad Expressways Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

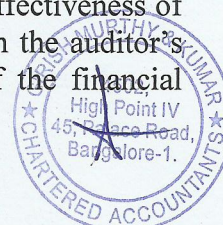
**Management's Responsibility for Internal Financial Controls**

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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.





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

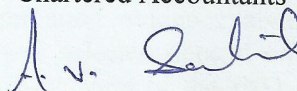
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria 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.

PLACE: Bangalore

DATE: 25<sup>th</sup> April 2018

**FOR GIRISH MURTHY & KUMAR**

Chartered Accountants

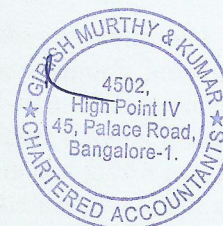


(A V Satish Kumar)

Partner.

Membership No: 26526

FRN No.000934S





**GMR KISHANGARH UDAIPUR  
AHMEDABAD EXPRESSWAYS LIMITED**  
(CIN: U45200DL2011PLC227902)

**Board of Directors:**

Mr. O Bangaru Raju  
Mr Arun Kumar Sharma  
Mr. M. Ramachandran  
Dr. Kavitha Gudapati

Director  
Director  
Independent Director  
Independent Director

**Chief Financial Officer:**

Ganta Srinivas

**Manager:**

Mr. Govind Sharma (*wef 17th October 2017*)

**Statutory Auditors:**

Girish Murthy & Kumar  
Chartered Accountants  
Bangalore

**Bankers:**

IDBI Bank Limited

**Registered Office:**

Room No. 101, G+5 Building 101, T1, IGI Airport, New Delhi 110 037



**GMR Kishangarh Udaipur Ahmedabad Expressways Limited**  
CIN: U45200DL2011PLC227902

Balance Sheet as at March 31, 2018

| Particulars   | Note   | Amount in ₹             |                         |
|---|--------|-------------------------|-------------------------|
|   |        | As At<br>March 31, 2018 | As At<br>March 31, 2017 |
| <b>ASSETS</b>   |        |                         |                         |
| <b>Non Current Assets</b>   |        |                         |                         |
| (a) Property, plant and equipment                                       | 3      | 922,431                 | 1,721,002               |
| (b) Other Intangible assets   | 4      | 3                       | 3                       |
| <b>Total Non-Current Assets</b>   |        | <b>922,434</b>          | <b>1,721,005</b>        |
| <b>Current Assets</b>   |        |                         |                         |
| (a) Financial Assets  |        |                         |                         |
| (i) Cash & Cash Equivalents   | 5      | 680,868                 | 2,521,209               |
| (ii) Other Financial Assets   | 6      |                         | 19,137                  |
| (b) Tax assets  | 8      | 3,489                   | 360,652                 |
| (c) Other Current Assets  | 7      | 3,310,046,708           | 3,310,106,879           |
| <b>Total Current Assets</b>   |        | <b>3,310,731,065</b>    | <b>3,313,007,877</b>    |
| <b>TOTAL ASSETS</b>   |        | <b>3,311,653,499</b>    | <b>3,314,728,882</b>    |
| <b>EQUITY AND LIABILITIES</b>   |        |                         |                         |
| <b>Equity</b>   |        |                         |                         |
| (a) Share Capital   | 9      | 1,400,000,000           | 1,400,000,000           |
| (b) Other Equity  | 10     | (87,574,965)            | (87,500,068)            |
| <b>Total Equity</b>   |        | <b>1,312,425,035</b>    | <b>1,312,499,932</b>    |
| <b>Liabilities</b>  |        |                         |                         |
| <b>Non-Current Liabilities</b>  |        |                         |                         |
| (a) Financial Liabilities   |        |                         |                         |
| (i) Borrowings  | 11(i)  | 1,508,581,125           | 1,509,980,050           |
| <b>Total Non-Current Liabilities</b>                                    |        | <b>1,508,581,125</b>    | <b>1,509,980,050</b>    |
| <b>Current Liabilities</b>  |        |                         |                         |
| (a) Financial Liabilities   |        |                         |                         |
| (i) Borrowings  | 11(ii) | 420,738,108             | 420,738,108             |
| (ii) Other Financial Liabilities  | 12     | 69,890,827              | 71,287,619              |
| (b) Other current liabilities   | 13     | 15,900                  | 223,173                 |
| (c) Provisions  | 14     | 2,504                   | -                       |
| <b>Total Current Liabilities</b>  |        | <b>490,647,339</b>      | <b>492,248,900</b>      |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                     |        | <b>3,311,653,499</b>    | <b>3,314,728,882</b>    |
| The accompanying notes are an integral part of the financial statements | 1-41   |                         |                         |

In terms of our report attached

For Girish Murthy & Kumar

Chartered Accountants

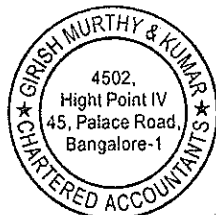
Firm Regn No: 09345

*A.V. Satish Kumar*

A.V. Satish Kumar

Partner

Membership No: 26526



Place: New Delhi  
Date: April 25, 2018

For and on behalf of  
GMR Kishangarh Udaipur Ahmedabad Expressways Limited

*O Bangaru Raju*  
O Bangaru Raju  
Director  
DIN:00082228

*Arun Kumar Sharma*  
Arun Kumar Sharma  
Director  
DIN:02281905

*G. Srinivas*  
Ganta Srinivas  
Chief Financial Officer





**GMR Kishangarh Udaipur Ahmedabad Expressways Limited**  
CIN: U45200DL2011PLC227902

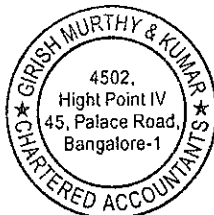
**Statement of Profit & Loss for the year ended March 31, 2018**

| Particulars   | Note        | Year ended<br>March 31, 2018 | Year ended<br>March 31, 2017 |
|---|-------------|------------------------------|------------------------------|
| <b>Income</b>   |             |                              |                              |
| Other Income  |             |                              |                              |
| <b>Total Income</b>   | <b>15</b>   | <b>269,203</b>               | <b>4,242,137</b>             |
|   |             | <b>269,203</b>               | <b>4,242,137</b>             |
| <b>Expenses</b>   |             |                              |                              |
| Employee benefits expense                                       |             |                              |                              |
| Finance costs   | <b>16</b>   | -                            | 474,550                      |
| Depreciation and Amortization expense                           | <b>17</b>   | 45,116                       | 171,563,484                  |
| Other expenses  | <b>18</b>   | 780,846                      | 1,180,389                    |
| <b>Total Expenses</b>   | <b>19</b>   | <b>689,786</b>               | <b>9,228,889</b>             |
|   |             | <b>1,515,748</b>             | <b>182,447,312</b>           |
| <b>Profit for the year before exceptional item and taxation</b> |             | <b>(1,246,545)</b>           | <b>(178,205,175)</b>         |
| Exceptional item  | <b>20</b>   | -                            | 4,501,903,150                |
| <b>Profit / ( Loss) for the year before taxation</b>            |             | <b>(1,246,545)</b>           | <b>(4,680,108,325)</b>       |
| <b>Tax Expense:</b>   | <b>21</b>   |                              |                              |
| (1) Current Tax   |             | -                            | -                            |
| (2) Prior year tax adjustment                                   |             | -                            | 79,162                       |
|   |             | -                            | <b>79,162</b>                |
| <b>Profit / ( Loss ) for the year after tax</b>                 |             | <b>(1,246,545)</b>           | <b>(4,680,187,487)</b>       |
| Other Comprehensive Income                                      |             |                              |                              |
| Actuarial (gain)/loss in respect of defined benefit plan        |             | -                            | -                            |
|   |             | -                            | -                            |
| <b>Total comprehensive Income/( Loss ) for the year</b>         |             | <b>(1,246,545)</b>           | <b>(4,680,187,487)</b>       |
| <b>Earning per Equity Share:</b>                                |             |                              |                              |
| - Basic   |             | (0.01)                       | (33.43)                      |
| - Diluted   |             | (0.01)                       | (33.43)                      |
| Notes forming part of the financial statements                  | <b>1-41</b> |                              |                              |

The accompanying notes are an integral part of the financial statements

In terms of our report attached  
For **Girish Murthy & Kumar**  
Chartered Accountants  
Firm Regn No: 0934S

*A.V. Satish Kumar*  
A.V. Satish Kumar  
Partner  
Membership No: 26526



Place: New Delhi  
Date: April 25, 2018

For and on behalf of  
GMR Kishangarh Udaipur Ahmedabad Expressways Limited

*O Baagaru Raju*  
O Baagaru Raju  
Director  
DIN:00082228

*Arun Kumar Sharma*  
Arun Kumar Sharma  
Director  
DIN:02281905

*G. Srinivas*  
Ganta Srinivas  
Chief Financial Officer





**GMR Kishangarh Udaipur Ahmedabad Expressways Limited**  
CIN: U45200DL2011PLC227902

Cash Flow Statement for the Year ended March 31, 2018

| Particulars   | Amount in ₹             |                         |
|---|-------------------------|-------------------------|
|   | Year ended<br>31-Mar-18 | Year ended<br>31-Mar-17 |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>                                  |                         |                         |
| Profit / (Loss) for the period  |                         |                         |
| Adjustments For:  |                         |                         |
| Claim of EPC Contractor settled against mobilisation advance                    | (1,246,545)             | (4,680,108,325)         |
| Depreciation and Amortisation   | -                       | 2,591,329,627           |
| Provision no longer required  | 780,846                 | 1,180,389               |
| Claims recoverable written off  | -                       | 7,008,202               |
| Interest and Finance Charges  | -                       | 1,367,703,523           |
| Interest Income on Bank deposit and others                                      | 45,116                  | 171,563,484             |
|   | (36,420)                | (2,951,036)             |
| Adjustments for Movement in Working Capital:                                    | (457,002)               | (544,274,135)           |
| Decrease / (Increase) in Financial Assets and other non Current Assets          |                         |                         |
| Decrease / (Increase) in Inventories, Financial Assets and other Current Assets | 2,798,180               | 7,051,863               |
| Increase / (Decrease) in Other Financial Liabilities                            | 79,308                  | (511,097)               |
| Increase / (Decrease) in Provision  | (1,396,792)             | (2,529,235)             |
| Increase / (Decrease) in Other Current Liabilities and Retention Money          | (60,251)                | (14,115,491)            |
| Cash From/(Used In) Operating activities  | (207,273)               | 49,563                  |
| Tax (Paid)/Refund   | 756,169                 | (554,328,532)           |
| Net Cash From/(Used In) Operating activities                                    | (357,163)               | 3,453,813               |
|   | 399,006                 | (550,874,719)           |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>                                  |                         |                         |
| Proceeds from Sale of Fixed Assets  |                         |                         |
| Interest Income on Bank deposit and others                                      | 8,292                   | 8,292                   |
| Decrease/(Increase) in Other Bank Balance                                       | 36,420                  | 2,951,036               |
| Cash From/(Used In) Investing Activities  |                         | 134,680,000             |
|   | 44,711                  | 137,639,327             |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>                                  |                         |                         |
| Increase/(Decrease) in Loan portion of Preference Shares                        |                         |                         |
| Increase/(Decrease) in Loan from Group Companies                                |                         |                         |
| Other Finance Charges Paid  | (2,238,942)             |                         |
| Cash From/(Used In) Financing Activities  |                         | 440,738,108             |
|   | (45,116)                | (25,827,940)            |
| Net Increase /Decrease in Cash and Cash Equivalents                             | (2,284,058)             | 414,910,168             |
| Cash and Cash Equivalents as at beginning of the period                         | (1,840,341)             | 1,674,776               |
| Cash and Cash Equivalents as at end of the period                               | 2,521,209               | 846,433                 |
|   | 680,868                 | 2,521,209               |
| <b>Components of Cash and Cash Equivalents as at:</b>                           |                         |                         |
| Cash In hand  |                         |                         |
| Balances with the scheduled banks:  |                         |                         |
| - In Current accounts   |                         |                         |
| Balances in Deposit die within 3 months   |                         |                         |
|   | March 31, 2018          | March 31, 2017          |
|   | 680,868                 | 106,209                 |
|   | 680,868                 | 2,415,000               |
|   |                         | 2,521,209               |

1) Effective April 1, 2017, the company adopted the amendment to Ind AS 7, which requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The reconciliation is given as below:

| Particulars                               | April 01, 2017 | Non Cash Changes |                    | March 31, 2018 |
|---|----------------|------------------|--------------------|----------------|
|   |                | Cash Flow        | Fair Value Changes |                |
| Related Parties Borrowing - Long term     | 298,269,788    | -                | -                  | 298,269,788    |
| Related Parties Borrowing - Short term    | 420,738,108    | -                | -                  | 420,738,108    |
| Convertible Preference Shares (Unsecured) | 1,211,710,262  | -                | (1,398,925)        | 1,210,311,337  |

In terms of our report attached

For Girish Murthy & Kumar

Chartered Accountants

Firm Regn No: 09345

A.V. Satish Kumar

Partner

Membership No: 26526



Place: New Delhi  
Date: April 25, 2018

For and on behalf of  
GMR Kishangarh Udaipur Ahmedabad Expressways Limited

Bangaru Raju  
Director  
DIN: 00082228

Ankur Kumar Sharma  
Director  
DIN: 02281905

G. Srinivas  
Ganta Srinivas  
Chief Financial Officer





**GMR Kishangarh Udaipur Ahmedabad Expressways Limited**  
CIN: U45200DL2011PLC227802

**Notes Forming Part of Financial Statements For the year ended March 31, 2018**

**1 Corporate Information**

GMR Kishangarh Udaipur Ahmedabad Expressways Limited ('the Company'), was incorporated on 24th November 2011 for the purpose of six laning of Kishangarh Udaipur Ahmedabad Section of NH-79A, NH-79, NH-76 and NH-8 including New Udaipur Bypass (total strength approx. 555.50 km) in the States of Rajasthan and Gujarat under NHDP Phase V on Design, Build, Finance, Operate and Transfer (DBFOT - Toll) basis. The Company entered into a Concession Agreement with National Highways Authority of India (NHAI) on November 30, 2011.

The company issued a notice on NHAI on January 7, 2013 terminating the Concession Agreement as the NHAI has not complied with material conditions precedent. Further, on February 16, 2015 Company has issued the notice of dispute invoking arbitration under the provisions of the Concession Agreement and the applicable laws. During the year, a joint application for terminating the arbitration proceedings was filed before the Tribunal, and the Concession Agreement with NHAI has been terminated.

The Company's Holding Company is GMR Highways Limited and its ultimate Holding Company is GMR Infrastructure Limited/GMR Enterprises Private Limited.

The financial statements were approved for issue in accordance with a resolution of the directors on April 25, 2018.

**2 Significant accounting policies**

**2.1 Basis of preparation**

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of Companies Act, 2013 (the 'Act') (to the extent notified). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are presented in Indian Rupees (INR).

These financial statements are not prepared on a going concern basis as the project has been terminated and the available assets are stated at their realizable value wherever applicable. The company is exploring other business opportunities. The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

The financial statements are presented in INR and all values are rounded to the nearest rupees, except when otherwise indicated.

**2.2 Summary of significant accounting policies**

**a) Current versus non-current classification**

Assets and Liabilities in the balance sheet have been classified as either current or non-current based upon the requirements of Schedule III notified under the Companies Act, 2013.

An asset has been classified as current if

- (a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle; or
- (b) it is held primarily for the purpose of being traded; or
- (c) it is expected to be realized within twelve months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date. All other assets have been classified as non-current.

A liability has been classified as current when

- (a) it is expected to be settled in the Company's normal operating cycle; or
- (b) it is held primarily for the purpose of being traded; or
- (c) it is due to be settled within twelve months after the reporting date; or
- (d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. All other liabilities have been classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company's has identified twelve months as its operating cycle.

**b) Foreign currency and derivative transactions**

The Company's financial statements are presented in INR, which is company's functional currency.

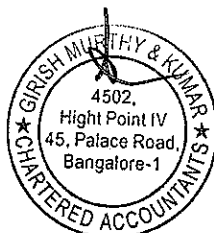
Foreign currency transactions are recorded at the exchange rate prevailing on the date of the respective transactions between the functional currency and the foreign currency.

Monetary foreign currency assets and liabilities remaining unsettled at the Balance Sheet date are translated at the rates of exchange prevailing on that date. Gains / losses arising on account of realisation / settlement of foreign currency transactions and on translation of foreign currency assets and liabilities are recognized in the Statement of Profit and Loss.

Exchange differences arising on the settlement of monetary items or on reporting 's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency, are reported using the exchange rates that existed when the values were determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).





**GMR Kishangarh Udaipur Ahmedabad Expressways Limited**  
CIN: U45200DL2011PLC227902

**Notes Forming Part of Financial Statements For the year ended March 31, 2018**

(a) Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit & Loss either under the head foreign exchange fluctuation or interest cost, as the case may be, except those relating to long-term foreign currency monetary items.  
(b) Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or before 31 March 2016:  
Exchange differences on long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the assets. In other cases, exchange differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance period of such long-term foreign currency monetary item by recognition as income or expense in each of such periods.

Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after 1 April 2016:  
The exchange differences pertaining to long term foreign currency working capital loans obtained or re-financed on or after 1 April 2016 is charged off or credited to profit & loss account under Ind AS.

**c) Fair value measurement**

The Company's measures financial instruments at fair value at each balance sheet date.  
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:  
i) In the principal market for the asset or liability, or  
ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company's  
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.  
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — Inputs other than quoted prices included within 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 assets or liabilities that are not based on observable market data (unobservable inputs).

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

**d) Revenue Recognition**

Finance income for concession arrangements under financial asset model is recognized using the effective interest method. Revenues from operations and maintenance services and overlay services are recognized in each period as and when services are rendered in accordance with Ind AS 18 Revenue.  
The Company recognizes and measures revenue, costs and margin for providing construction services during the period of construction of the Infrastructure in accordance with Ind AS 11 'Construction Contracts'.

When the outcome of a construction contract can be estimated reliably and it is probable that it will be profitable, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the percentage of completion of the contract activity at the reporting date. The percentage of completion of a contract is determined considering the proportion that contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs.

For the purposes of recognising revenue, contract revenue comprises the initial amount of revenue agreed in the contract, the variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

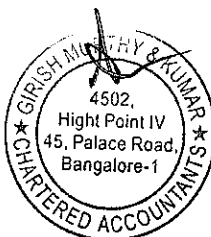
The percentage of completion method is applied on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs. The effect of a change in the estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and the effect of which are recognised in the [Consolidated] Statement of Profit and Loss in the period in which the change is made and in subsequent periods.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred of which recovery is probable and the related contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense in the [Consolidated] Statement of Profit and Loss in the period in which such probability occurs.

Other interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

**e) Tangible Assets**





**GMR Kishangarh Udaipur Ahmedabad Expressways Limited**  
CIN: U45200DL2011PLC227802

**Notes Forming Part of Financial Statements For the year ended March 31, 2018**

Fixed Assets are stated at acquisition cost less accumulated depreciation and cumulative impairment. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

**Recognition:**

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:

- (a) it is probable that future economic benefits associated with the item will flow to the entity; and
- (b) the cost of the item can be measured reliably.

When significant parts of plant and equipment are required to be replaced at intervals, Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to note xx and xx regarding significant accounting judgements, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

Gains or losses arising from de-recognition of tangible assets are measured as the difference between the net disposable proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognized.

Further, When each major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied.

Any remaining carrying amount of the cost of the previous inspection (as distinct from physical parts) is derecognized.

Machinery spares which are specific to a particular item of fixed asset and whose use is expected to be irregular are capitalized as fixed assets.

Spare parts are capitalized when they meet the definition of PPE, i.e., when the company intends to use these during more than a period of 12 months.

Depreciation on fixed assets is provided on straight line method, up to the cost of the asset (net of residual value, in accordance with the useful lives prescribed under Schedule II to the Companies Act, 2013 which are as below:

|                          |            |
|--------------------------|------------|
| - Plant and equipments   | 4-15 years |
| - Office equipments      | 5 years    |
| - Furniture and fixtures | 10 years   |
| - Vehicles               | 8-10 years |
| - Computers              | 3 years    |

Depreciation on additions is being provided on a pro-rata basis from the date of such additions. Similarly, depreciation on assets sold/dropped off during the year is being provided up to the dates on which such assets are sold/dropped off. Modification or extension to an existing asset, which is of capital nature and which becomes an integral part thereof is depreciated prospectively over the remaining useful life of that asset.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**f) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

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

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

**g) Financial Assets - Receivable towards the concession arrangement from the grantor**

When the arrangement has a contractual right to receive cash or other financial asset from the grantor specifically towards the concession arrangement (in the form of grants) during the construction period or otherwise, such a right, to the extent eligible, is recorded as financial asset in accordance with Ind AS 109 "Financial Instruments," at amortized cost.

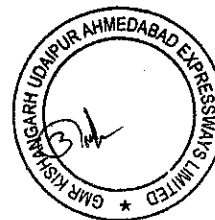
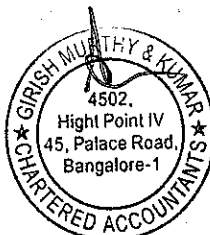
**h) Taxes**

Tax expense comprises current and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.





GMR Kishangarh Udaipur Ahmedabad Expressways Limited

CIN: U45200DL2011PLC227902

Notes Forming Part of Financial Statements For the year ended March 31, 2018

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

i) Borrowing costs

Borrowing Cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

j) Inventories

Raw materials, components, stores and spares are valued at lower of cost and net realizable value on First In First Out basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

k) Lease

Finance Leases:

Where the Company is the lessee

Finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized on an accrual basis as per the terms of agreements entered into with lessees.

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term.

Operating Leases:

Where the Company is the lessee

Lease rentals are recognized as an expenses on a straight line basis with reference to lease terms and other considerations except where-

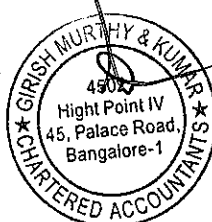
- (i) Another systematic basis is more representative of the time pattern of the benefit derived from the asset taken or given on lease; or
- (ii) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases

Lands obtained on leases, where there is no reasonable certainty that the Company will obtain ownership by the end of the lease term shall generally be classified as finance leases. The minimum lease payments include upfront premium paid plus any annual recurring lease rental which is amortized over the lease term.

l) Impairment

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units' (CGUs) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.





GMR Kishangarh Udaipur Ahmedabad Expressways Limited

CIN: U45200DL2011PLC227502

Notes Forming Part of Financial Statements For the year ended March 31, 2018

Impairment losses of continuing operations are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the assets recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

m) Provisions, Contingent Liabilities, Contingent Assets And Capital Commitments

Contingent Liabilities

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

Provisions

Provisions are recognised when the Company's has a present obligation (legal or constructive) as a result of a past event, It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company's expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

n) Retirement and other Employee Benefits

Short term employee benefits and defined contribution plans.

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the statement of profit and loss in the period in which the employee renders the related service.

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund.

The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the reporting date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Compensated absences

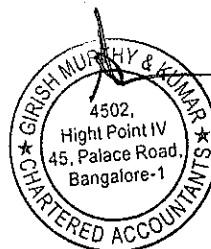
Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

Defined benefit plans

Gratuity

Gratuity is a defined benefit scheme. The cost of providing benefits under the scheme is determined on the basis of actuarial valuation under projected unit credit (PUC) method.

The company recognizes termination benefit as a liability and an expense when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than 12 months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.





GMR Kishangarh Udaipur Ahmedabad Expressways Limited

CIN: U45200DL2011PLC227902

Notes Forming Part of Financial Statements For the year ended March 31, 2018

**Remeasurements**

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- ▶ The date of the plan amendment or curtailment, and
- ▶ The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

**o) Financial Instruments**

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

**Financial assets**

**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are only classified as Debt Instruments at amortised cost

**Debt Instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Company's of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when:

- ▶ The rights to receive cash flows from the asset have expired, or
- ▶ The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

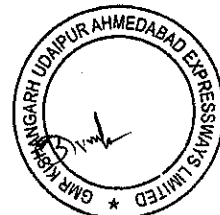
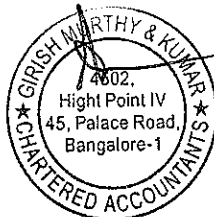
When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards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

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

**Impairment of financial assets**

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial guarantee contracts which are not measured as at FVTPL



**GMR Kishangarh Udaipur Ahmedabad Expressways Limited**

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**Notes Forming Part of Financial Statements For the year ended March 31, 2018**

The company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables that do not contain a significant financing component.

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

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- ▶ All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- ▶ Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

▶ Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

**Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

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

The Company's financial liabilities include trade and other payables, loans and borrowings etc.

**Subsequent measurement**

**Loans and borrowings**

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

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

This category generally applies to borrowings and security deposits received.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

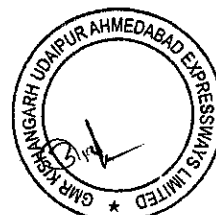
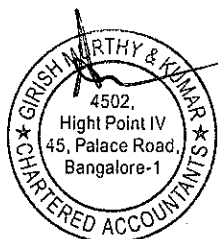
**p) Cash and cash equivalents**

Cash and cash equivalents in the cash flow statement comprises cash at bank and in hand and short term investments with an original maturity periods of three months or less.

**q) Earning per share**

Basic Earnings Per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating Diluted Earnings Per Share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.





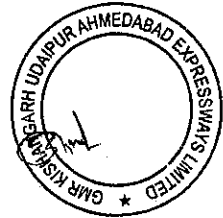
**GMR Kishangarh Udaipur Ahmedabad Expressways Limited**  
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Notes forming part of Financial Statements for the year ended March 31, 2018

**3. Property, Plant and Equipment**

| Sr.No. | PARTICULARS          | Amount in ₹          |           |            |                     |                      |              |            |                     |                     |                     |
|--------|----------------------|----------------------|-----------|------------|---------------------|----------------------|--------------|------------|---------------------|---------------------|---------------------|
|        |                      | GROSS BLOCK          |           |            |                     | DEPRECIATION         |              |            |                     | NET BLOCK           |                     |
|        |                      | As At<br>'01-04-2017 | Additions | Deductions | As At<br>31-03-2018 | As At<br>'01-04-2017 | For the year | Deductions | As At<br>31-03-2018 | As At<br>31-03-2018 | As At<br>31-03-2017 |
| 1      | Plant & Machinery    | 89,888               | -         | -          | 89,888              | 14,271               | 7,136        | -          | 21,406              | 68,482              | 75,617              |
| 2      | Electrical Fittings  | -                    | -         | -          | -                   | -                    | -            | -          | -                   | -                   | -                   |
| 3      | Computers            | 495,623              | -         | -          | 495,623             | 352,563              | 130,910      | -          | 483,473             | 12,150              | 143,060             |
| 4      | Office Equipments    | 1,748,407            | -         | 17,725     | 1,730,682           | 1,393,571            | 291,946      | -          | 1,685,517           | 45,165              | 354,836             |
| 5      | Vehicles             | 1,794,311            | -         | -          | 1,794,311           | 769,592              | 326,088      | -          | 1,095,680           | 698,632             | 1,024,719           |
| 6      | Furniture & Fixtures | 172,304              | -         | -          | 172,304             | 49,534               | 24,767       | -          | 74,301              | 98,003              | 122,770             |
| 7      | Lab Equipment        | -                    | -         | -          | -                   | -                    | -            | -          | -                   | -                   | -                   |
|        | Total                | 4,300,533            | -         | 17,725     | 4,282,808           | 2,579,531            | 780,846      | -          | 3,360,377           | 922,431             | 1,721,002           |

| Sr.No. | PARTICULARS          | Amount In ₹          |           |            |                     |                      |              |            |                     |                     |                     |
|--------|----------------------|----------------------|-----------|------------|---------------------|----------------------|--------------|------------|---------------------|---------------------|---------------------|
|        |                      | GROSS BLOCK          |           |            |                     | DEPRECIATION         |              |            |                     | NET BLOCK           |                     |
|        |                      | As At<br>'01-04-2016 | Additions | Deductions | As At<br>31-03-2017 | As At<br>'01-04-2016 | For the year | Deductions | As At<br>31-03-2017 | As At<br>31-03-2017 | As At<br>31-03-2016 |
| 1      | Plant & Machinery    | 89,888               | -         | -          | 89,888              | 7,135                | 7,136        | -          | 14,271              | 75,617              | 82,753              |
| 2      | Electrical Fittings  | -                    | -         | -          | -                   | -                    | -            | -          | -                   | -                   | -                   |
| 3      | Computers            | 495,623              | -         | -          | 495,623             | 220,143              | 132,420      | -          | 352,563             | 143,060             | 275,480             |
| 4      | Office Equipments    | 1,756,699            | -         | 8,292      | 1,748,407           | 703,593              | 689,978      | -          | 1,393,571           | 354,836             | 1,053,106           |
| 5      | Vehicles             | 1,794,311            | -         | -          | 1,794,311           | 443,504              | 326,088      | -          | 769,592             | 1,024,719           | 1,350,807           |
| 6      | Furniture & Fixtures | 172,304              | -         | -          | 172,304             | 24,767               | 24,767       | -          | 49,534              | 122,770             | 147,537             |
| 7      | Lab Equipment        | -                    | -         | -          | -                   | -                    | -            | -          | -                   | -                   | -                   |
|        | Total                | 4,308,825            | -         | 8,292      | 4,300,533           | 1,399,142            | 1,180,389    | -          | 2,579,531           | 1,721,002           | 2,909,683           |



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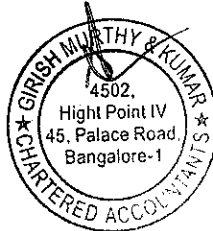
CIN: U45200DL2011PLC227902

Notes forming part of Financial Statements for the year ended March 31, 2018

**4. Other Intangible Assets**

| Sr.No. | PARTICULARS  | GROSS BLOCK |           |            |            | DEPRECIATION |                |            | NET BLOCK  |            |            |
|--------|--------------|-------------|-----------|------------|------------|--------------|----------------|------------|------------|------------|------------|
|        |              | As At       | Additions | Deductions | As At      | As At        | For the period | Deductions | As At      | As At      | As At      |
|        |              | '01-04-2017 |           |            | 31-03-2018 | '01-04-2017  |                |            | 31-03-2018 | 31-03-2018 | 31-03-2017 |
| 1      | Software     | 3           | -         | -          | 3          | -            | -              | -          | -          | 3          | 3          |
|        | <b>Total</b> | 3           | -         | -          | 3          | -            | -              | -          | -          | 3          | 3          |

| Sr.No. | PARTICULARS  | GROSS BLOCK |           |            |            | DEPRECIATION |                |            | NET BLOCK  |            |            |
|--------|--------------|-------------|-----------|------------|------------|--------------|----------------|------------|------------|------------|------------|
|        |              | As At       | Additions | Deductions | As At      | As At        | For the period | Deductions | As At      | As At      | As At      |
|        |              | '01-04-2016 |           |            | 31-03-2017 | '01-04-2016  |                |            | 31-03-2017 | 31-03-2017 | 31-03-2016 |
| 1      | Software     | 3           | -         | -          | 3          | -            | -              | -          | -          | 3          | 3          |
|        | <b>Total</b> | 3           | -         | -          | 3          | -            | -              | -          | -          | 3          | 3          |





**GMR Kishangarh Udaipur Ahmedabad Expressways Limited**  
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**Notes forming part of Financial Statements for the year ended March 31, 2018**

**5. Cash and cash equivalents**

**Amount in ₹**

| Particulars                                       | As At<br>March 31, 2018 | As At<br>March 31, 2017 |
|---|-------------------------|-------------------------|
| (i) Balances with Local banks (at amortised cost) |                         |                         |
| - In Current Account                              | 680,868                 | 106,209                 |
| (ii) Fixed deposit maturing on or before 3 months | -                       | 2,415,000               |
|   | <b>680,868</b>          | <b>2,521,209</b>        |

**6. Other Financial Assets at amortised cost**

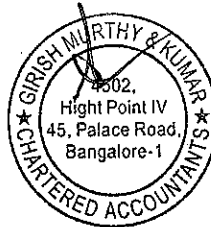
**Amount in ₹**

| Particulars                       | As At<br>March 31, 2018 | As At<br>March 31, 2017 |
|-----------------------------------|-------------------------|-------------------------|
| <b>Current</b>                    |                         |                         |
| Interest accrued on fixed deposit | -                       | 19,137                  |
|                                   | -                       | <b>19,137</b>           |

**Breakup of financial assets**

**Amount in ₹**

| Particulars              | As At<br>March 31, 2018 | As At<br>March 31, 2017 |
|--------------------------|-------------------------|-------------------------|
| <b>At amortised cost</b> |                         |                         |
| Cash & Cash Equivalent   | 680,868                 | 2,521,209               |
| Other Financial Assets   | -                       | 19,137                  |
|                          | <b>680,868</b>          | <b>2,540,346</b>        |



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**Notes forming part of Financial Statements for the year ended March 31, 2018**

**7. Other Assets**

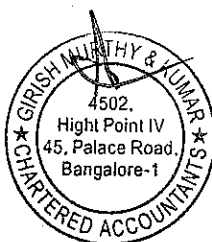
Amount in ₹

| Particulars                                   | As At<br>March 31, 2018 | As At<br>March 31, 2017 |
|---|-------------------------|-------------------------|
| <b>Other Current Assets (Considered Good)</b> |                         |                         |
| Advances recoverable in cash or kind          | 3,310,031,243           | 3,310,102,378           |
| Prepaid Expenses                              | 15,465                  | 4,502                   |
|   | <b>3,310,046,708</b>    | <b>3,310,106,879</b>    |

**8. Tax Assets**

Amount in ₹

| Particulars                   | As At<br>March 31, 2018 | As At<br>March 31, 2017 |
|-------------------------------|-------------------------|-------------------------|
| <b>Current</b>                |                         |                         |
| Advance Payment against Taxes | 3,489                   | 360,652                 |
|                               | <b>3,489</b>            | <b>360,652</b>          |





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Notes forming part of Financial Statements for the year ended March 31, 2018

**9. Share capital**

| Particulars   | Amount in ₹             |                         |
|---|-------------------------|-------------------------|
|   | As At<br>March 31, 2018 | As At<br>March 31, 2017 |
| <b>Authorised</b>   |                         |                         |
| (i) 14,00,00,000 equity shares of Rs. 10 each<br>(March 31, 2017: 14,00,00,000 equity shares of Rs. 10 each)  | 1,400,000,000           | 1,400,000,000           |
| (ii) 5,60,00,000, 0.1% Non-cumulative, Compulsory Convertible<br>Preference shares of Rs. 100 each<br>(March 31, 2017: 5,60,00,000 preference shares of Rs. 100 each) | 5,600,000,000           | 5,600,000,000           |
|   | <b>7,000,000,000</b>    | <b>7,000,000,000</b>    |
| <b>Issued, Subscribed &amp; Paid-Up</b>   |                         |                         |
| 14,00,00,000 equity shares of Rs. 10 each fully paid up<br>(March 31, 2017: 14,00,00,000 equity shares of Rs. 10 each fully<br>paid up)                               | 1,400,000,000           | 1,400,000,000           |
|   | <b>1,400,000,000</b>    | <b>1,400,000,000</b>    |

**NOTES :**

**(i) Terms to Equity Shares**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity is entitled to one vote per share. The Company declares and pay dividend in Indian rupees. The dividend proposed by the Board of director is subject to the approval of the shareholder in ensuing Annual General meeting.

In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(ii) Terms to Preference Shares**

The Company has only one class of preference shares having a par value of Rs 100 each which is 0.1% Non Cumulative, Compulsory, Convertible and fully paid up. The Preference Shares shall be converted into equity shares of the company at the option of the Company or Preference Shareholders before April 30, 2032 with one month prior notice to the Preference Shareholders, subject to such other terms as may be agreed to by the Preference Shareholders and the Company. Refer note 11 and 12 for equity and liabilities portion of Preference Shares.

**(iii) Reconciliation of the Equity shares outstanding at beginning and at end of the year**

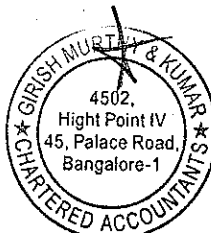
| Particulars                                     | As At<br>March 31, 2018 |                      | As At<br>March 31, 2017 |                      |
|---|-------------------------|----------------------|-------------------------|----------------------|
|   | Number                  | Rupees               | Number                  | Rupees               |
| Shares outstanding at the beginning of the year | 140,000,000             | 1,400,000,000        | 140,000,000             | 1,400,000,000        |
| Shares Issued during the year                   | -                       | -                    | -                       | -                    |
| Shares outstanding at the end of the year       | <b>140,000,000</b>      | <b>1,400,000,000</b> | <b>140,000,000</b>      | <b>1,400,000,000</b> |

**(iv) Reconciliation of the Preference shares outstanding at beginning and at end of the year**

| Particulars                                     | As At<br>March 31, 2018 |                      | As At<br>March 31, 2017 |          |
|---|-------------------------|----------------------|-------------------------|----------|
|   | Number                  | Rupees               | Number                  | Rupees   |
| Shares outstanding at the beginning of the year | 56,000,000              | 5,600,000,000        | -                       | -        |
| Shares Issued during the year                   | -                       | -                    | -                       | -        |
| Shares outstanding at the end of the year       | <b>56,000,000</b>       | <b>5,600,000,000</b> | <b>-</b>                | <b>-</b> |

**(v) Details of the shareholders holding more than 5% shares of the Company**

| Particulars   | As At<br>March 31, 2018 |        | As At<br>March 31, 2017 |        |
|---|-------------------------|--------|-------------------------|--------|
|   | No of Share             | %      | No of Share             | %      |
| Equity shares of Rs 10 each fully paid  |                         |        |                         |        |
| GMR Highways Limited, the Immediate holding company, effective<br>March, 2016     | 134,950,000             | 96.39% | 134,950,000             | 96.39% |
| GMR Infrastructure Limited, the Ultimate Holding company,<br>effective March 2016 | 5,050,000               | 3.61%  | 5,050,000               | 3.61%  |



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**Notes forming part of Financial Statements for the year ended March 31, 2018**

| 0.1% Non-cumulative, Compulsory convertible pref. shares of Rs 100 each fully paid up | As At<br>March 31, 2018 |        | As At<br>March 31, 2017 |        |
|---|-------------------------|--------|-------------------------|--------|
|   | No of Share             | %      | No of Share             | %      |
|   |                         |        |                         |        |
| GMR Highways Limited, the Immediate holding company, effective March, 2016            | 55,805,000              | 99.65% | 55,805,000              | 99.65% |
| GMR Infrastructure Limited, the Ultimate Holding company, effective March 2016        | 195,000                 | 0.35%  | 195,000                 | 0.35%  |

**(vi) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates**

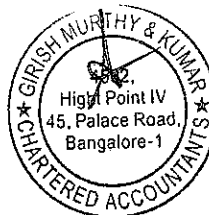
| Particulars  | As At<br>March 31, 2018 |               | As At<br>March 31, 2017 |               |
|--|-------------------------|---------------|-------------------------|---------------|
|  | Number                  | Rupees        | Number                  | Rupees        |
|  |                         |               |                         |               |
| Equity shares of Rs 10 each fully paid                       |                         |               |                         |               |
| GMR Highways Limited ( GHWL) - Immediate Holding Company     | 134,950,000             | 1,349,500,000 | 134,950,000             | 1,349,500,000 |
| GMR Infrastructure Limited ( GIL) - Ultimate Holding company | 5,050,000               | 50,500,000    | 5,050,000               | 50,500,000    |

| 0.1% Non-cumulative, Compulsory convertible pref. shares of Rs.100 each fully paid up | As At<br>March 31, 2018 |               | As At<br>March 31, 2017 |               |
|---|-------------------------|---------------|-------------------------|---------------|
|   | Number                  | Rupees        | Number                  | Rupees        |
|   |                         |               |                         |               |
| GMR Highways Limited ( GHWL) - Immediate Holding Company                              | 55,805,000              | 5,580,500,000 | 55,805,000              | 5,580,500,000 |
| GMR Infrastructure Limited ( GIL) - Ultimate Holding company                          | 1,950,000               | 195,000,000   | 1,950,000               | 195,000,000   |

(vii) No Shares have been issued by the Company for consideration other than cash, during the period of five years immediately preceding the reporting date:

**10. Other Equity**

| Particulars                                       | As At March 31, 2018 |                     | As At March 31, 2017 |                     |
|---|----------------------|---------------------|----------------------|---------------------|
|   |                      |                     |                      |                     |
| (i) Equity component of Preference shares         |                      |                     |                      |                     |
| Opening Balance                                   | 4,859,705,777        |                     | 4,859,705,777        |                     |
| Add : Adjustment for the year                     | 1,171,648            | 4,860,877,425       | -                    | 4,859,705,777       |
| (ii) Equity component of Loans from Related Party |                      |                     |                      |                     |
| Opening Balance                                   | 167,312,519          |                     | 161,812,570          |                     |
| Add : Adjustment for the year                     | -                    | 167,312,519         | 5,499,949            | 167,312,519         |
| (iii) Statement of Profit & Loss                  |                      |                     |                      |                     |
| Opening Balance                                   | (5,114,828,700)      |                     | (434,641,213)        |                     |
| Add : Profit/ (Loss) for the year                 | (1,246,545)          | (5,116,075,245)     | (4,680,187,487)      | (5,114,828,700)     |
| (iv) Other Comprehensive Income                   |                      |                     |                      |                     |
| Opening Balance                                   | 310,336              |                     | 310,336              |                     |
| Add : Addition during the year                    | -                    | 310,336             | -                    | 310,336             |
|   |                      | <b>(87,574,965)</b> |                      | <b>(87,500,068)</b> |





Notes forming part of Financial Statements for the year ended March 31, 2018

**11. Borrowings (at amortised cost)**

| Particulars                                     | Amount in ₹             |                         |
|---|-------------------------|-------------------------|
|   | As At<br>March 31, 2018 | As At<br>March 31, 2017 |
| <b>(i) Long Term</b>                            |                         |                         |
| Unsecured loans                                 |                         |                         |
| Liability component of Loans from group company | 298,269,788             | 298,269,788             |
| Liability component of Preference Shares        | 1,210,311,337           | 1,211,710,262           |
|   | <b>1,508,581,125</b>    | <b>1,509,980,050</b>    |
| <b>(ii) Short Term</b>                          |                         |                         |
| Unsecured Loan                                  |                         |                         |
| Interest Free Loan from Related Party           | 420,738,108             | 420,738,108             |
|   | <b>420,738,108</b>      | <b>420,738,108</b>      |

(a) Long term loan from group Company are repayable within 36 months.

Interest free loans from Group companies are separated into liability and equity components based on the terms of the contract. On receipt of the loan, the fair value of the liability component is determined using a market rate for an equivalent instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished. The remainder of the proceeds is recognised and included in equity (Refer note 10).

(b) Short term loan from group Company are repayable within 12 month

(c) The Company had issued 1,46,46,040 0.1% Non Cumulative, Compulsory, Convertible and fully paid up. The Preference Shares shall be converted into equity shares of the company at the option of the Company or Preference Shareholders before April 30, 2032 with one month prior notice to the Preference Shareholders, subject to such other terms as may be agreed to by the Preference Shareholders and the Company.

As these Preference share are non cumulative and the Company is not under obligation to pay dividend, only fair value of redemption value has been considered as financial liability using a market rate for an equivalent instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on redemption. The remainder of the proceeds is recognised and included in Equity (Refer Note 10)

**12. Other Current Financial Liability (at amortised cost)**

| Particulars                   | Amount in ₹             |                         |
|-------------------------------|-------------------------|-------------------------|
|                               | As At<br>March 31, 2018 | As At<br>March 31, 2017 |
| <b>(a) Non Trade Payable</b>  |                         |                         |
| - Payables to Related parties | 67,969,569              | 69,282,174              |
| - Payables to Others          | 1,921,257               | 2,005,445               |
|                               | <b>69,890,827</b>       | <b>71,287,619</b>       |

**Breakup of financial liabilities category wise**

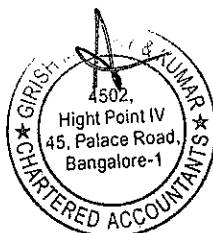
| Particulars                              | Amount in ₹          |                      |
|--|----------------------|----------------------|
|  | March 31, 2018       | March 31, 2017       |
| <b>At amortised cost</b>                 |                      |                      |
| Loan from Related Parties                | 719,007,896          | 719,007,896          |
| Liability component of Preference Shares | 1,210,311,337        | 1,211,710,262        |
| Non Trade Payables                       | 69,890,827           | 71,287,619           |
|  | <b>1,999,210,060</b> | <b>2,002,005,777</b> |

**13. Other current liabilities**

| Particulars    | Amount in ₹             |                         |
|----------------|-------------------------|-------------------------|
|                | As At<br>March 31, 2018 | As At<br>March 31, 2017 |
| Statutory dues | 15,900                  | 223,173                 |
|                | <b>15,900</b>           | <b>223,173</b>          |

**14. Provisions**

| Particulars                                 | Amount in ₹             |                         |
|---|-------------------------|-------------------------|
|   | As At<br>March 31, 2018 | As At<br>March 31, 2017 |
| <b>Current</b>                              |                         |                         |
| (a) Provision for Operation and Maintenance | 2,504                   | -                       |
|   | <b>2,504</b>            | <b>-</b>                |



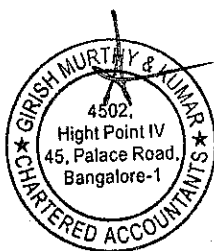
# GMR Kishangarh Udaipur Ahmedabad Expressways Limited

CIN: U45200DL2011PLC227902

Notes forming part of Financial Statements for the year ended March 31, 2018

## 15. Other income

| Particulars                         | Amount in ₹                  |                              |
|-------------------------------------|------------------------------|------------------------------|
|                                     | Year ended<br>March 31, 2018 | Year ended<br>March 31, 2017 |
| (a) Interest Income on Bank Deposit | 36,420                       | 2,951,036                    |
| (b) Other non-operating income      | 232,783                      | 1,291,102                    |
|                                     | <b>269,203</b>               | <b>4,242,137</b>             |



**GMR Kishangarh Udaipur Ahmedabad Expressways Limited**  
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**Notes forming part of Financial Statements for the year ended March 31, 2018**

**16. Employee benefit expense**

| Particulars                                   | Amount in ₹                  |                              |
|---|------------------------------|------------------------------|
|   | Year ended<br>March 31, 2018 | Year ended<br>March 31, 2017 |
| (a) Salaries, Perquisites & Allowance         | -                            | 384,301                      |
| (b) Contribution to provident and other funds | -                            | 58,365                       |
| (c) Staff welfare expenses                    | -                            | 31,884                       |
|   | -                            | 474,550                      |

**17. Finance costs**

| Particulars               | Amount in ₹                  |                              |
|---------------------------|------------------------------|------------------------------|
|                           | Year ended<br>March 31, 2018 | Year ended<br>March 31, 2017 |
| (a) Interest              | -                            | 145,735,544                  |
| (b) Other Finance Charges | 45,116                       | 25,827,940                   |
|                           | 45,116                       | 171,563,484                  |

**18. Depreciation and amortization expense**

| Particulars   | Amount in ₹                  |                              |
|---|------------------------------|------------------------------|
|   | Year ended<br>March 31, 2018 | Year ended<br>March 31, 2017 |
| Depreciation of Plant, Property & equipments (note 3) | 780,846                      | 1,180,389                    |
|   | 780,846                      | 1,180,389                    |

**19. Other expenses**

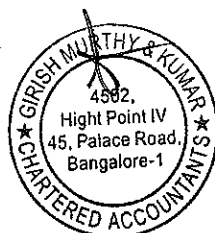
| Particulars                              | Amount in ₹                  |                              |
|--|------------------------------|------------------------------|
|  | Year ended<br>March 31, 2018 | Year ended<br>March 31, 2017 |
| Rent                                     | 121,471                      | 120,671                      |
| Rates and taxes                          | 27,083                       | 7,591                        |
| Insurance                                | 51,737                       | 41,669                       |
| Travelling and conveyance                | 7,541                        | 190,845                      |
| Communication costs                      | 2,288                        | 1,800                        |
| Legal and professional fees              | 57,574                       | 8,414,509                    |
| Printing and stationery                  | -                            | 440                          |
| Directors' sitting fees                  | 329,500                      | 298,700                      |
| Payment to auditor (Refer details below) | 59,000                       | 57,500                       |
| Office Maintenance                       | 24,181                       | 66,459                       |
| Business Promotions                      | -                            | -                            |
| Other Establishment expenses             | 9,410                        | 28,705                       |
|  | 689,786                      | 9,228,889                    |

**Payment to auditor**

| Particulars | Amount in ₹              |                          |
|-------------|--------------------------|--------------------------|
|             | March 31, 2018<br>in Rs. | March 31, 2017<br>in Rs. |
| As auditor: |                          |                          |
| Audit fee   | 59,000                   | 57,500                   |
| Total       | 59,000                   | 57,500                   |

**20. Exceptional Items:**

| Particulars   | Amount in ₹                  |                              |
|---|------------------------------|------------------------------|
|   | Year ended<br>March 31, 2018 | Year ended<br>March 31, 2017 |
| Claim paid to National Highways Authority of India    | -                            | 542,870,000                  |
| Claim of EPC Contractor                               | -                            | 2,591,329,627                |
| Other expenditure incurred on the project charged off | -                            | 1,367,703,523                |
|   | -                            | 4,501,903,150                |





**GMR Kishangarh Udaipur Ahmedabad Expressways Limited**  
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**Notes forming part of Financial Statements for the year ended March 31, 2018**

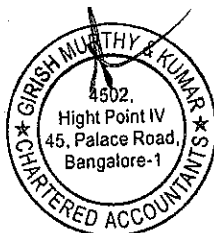
**21. Income Tax**

The Company, being Infrastructure Company, enjoys the benefit of tax holiday period for 10 years out of first 20 years of operations. In initial years of operations, the Company has incurred losses and hence not claimed benefit of tax holiday period. The Management expects that all temporary differences as well as unused tax losses will reverse in tax holiday period and accordingly has not recognised resulting deferred tax. Summary of temporary differences & unused tax losses for which deferred tax assets/liability has not been recognized is as under:

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

Income tax expense for the years ended 31 March 2018 are:

|                                   | As at<br>31-Mar-18 | Amount in ₹<br>As at<br>31-Mar-17 |
|-----------------------------------|--------------------|-----------------------------------|
| Accounting profit                 | (1,246,545)        | (4,680,108,325)                   |
| Tax at the applicable tax rate    | (385,182)          | (1,446,153,472)                   |
| Deferred tax asset not recognised | 385,182            | 1,446,153,472                     |
| <b>Tax expense</b>                | <b>-</b>           | <b>-</b>                          |



**GMR Kishangarh Udaipur Ahmedabad Expressways Limited**  
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**Notes forming part of Financial Statements for the year ended March 31, 2018**

**22 Earning/ (Loss) Per Share**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

| Particulars  | Amount in ₹                  |                              |
|--|------------------------------|------------------------------|
|  | Year ended<br>March 31, 2018 | Year ended<br>March 31, 2017 |
| Profit attributable to equity holders of the parent                              | (1,246,545)                  | (4,680,187,487)              |
| Profit attributable to equity holders of the parent for basic earnings           | (1,246,545)                  | (4,680,187,487)              |
| Profit attributable to equity holders of the parent for diluted earnings         | (1,246,545)                  | (4,680,187,487)              |
| Weighted Average number of equity shares for computing Earning Per Share (Basic) | 140,000,000                  | 140,000,000                  |
| Weighted average number of Equity shares adjusted for the effect of dilution     | 140,000,000                  | 140,000,000                  |
| Earning Per Share (Basic) (Rs)   | (0.01)                       | (33.43)                      |
| Earning Per Share (Diluted) (Rs)   | (0.01)                       | (33.43)                      |
| Face value per share (Rs)  | 10                           | 10                           |

**23 Capital Commitments**

Estimated amount of Contracts remaining to be executed on capital account and not provided, as on 31st March 2018, for Rs. Nil ( 31 March 2017: Rs. NIL).

**24 Contingent Liabilities**

Bank Guarantee Rs. NIL (March 31, 2017 Rs. Nil)

**25 Leases**

The Company has entered into certain cancellable operating lease agreements for accommodation. Lease rental of Rs. 121,471/- ( March 2017 : Rs. 120,671/-) paid during the year ended 31st March 2018 under such agreements.

**26 Litigation**

Earlier, on February 16, 2015 Company has issued a notice of dispute invoking the arbitration against NHA and has appointed its nominee arbitrator. Claims and counter claims were filed by the Company and NHA, before the Arbitration Tribunal. However, a joint application for terminating the arbitration proceedings was filed before the Tribunal, on 23rd August, 2016 withdrawing the claims and counter claims and accordingly directions were passed by Tribunal that the proceedings were terminated. Accordingly there are no pending litigations as at March 31, 2018.

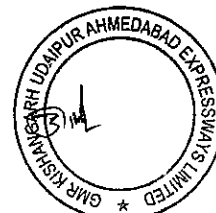
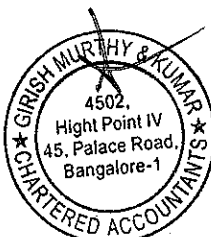
27 Based on information available with the Company, there are no suppliers who are registered as micro, small or medium enterprises under 'The Micro, Small and Medium Enterprises Development Act, 2006' as at March 31, 2018 which has been relied upon by the auditors.

28 There is no employee in the Company as at year end March 31, 2018 hence disclosure related to Gratuity and other post-employment benefit plans not required

**29 List of Related parties and Transactions / Outstanding Balances:**

**a) Name of Related Parties and description of relationship:**

|  |  |
|--|--|
| Enterprises that control the Company / exercise significant influence              | GMR Enterprises Private Limited ( GEPL) (formerly known as GMR Holdings Private Limited )<br>GMR Infrastructure Limited (GIL)<br>GMR Highways Limited (GHWL)   |
| Fellow Subsidiaries  | GMR Tambaram-Tindivanam Expressways Limited (GTTEL)<br>GMR Energy Ltd (GEL)<br>GMR Renewable Energy Limited ( GREL)<br>GMR Tuni Anakapalli Expressways Limited (GTAEL)<br>GMR Pochanpalli Expressways Limited(GPEL)<br>Raxa Security Services Limited (RSSL)<br>GMR Hyderabad Vijayawada Expressways Private Limited ( GHVEPL) |
| Enterprise where Key Management Personnel and their relatives exercise significant | GMR Varalakshmi Foundation (GVF)   |



**GMR Kishangarh Udaipur Ahmedabad Expressways Limited**  
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**Notes forming part of Financial Statements for the year ended March 31, 2018**

|                          |  |
|--------------------------|--|
| Key Management Personnel | <b>Non Executive Director</b>              |
|                          | Mr. O Bangaru Raju                         |
|                          | Mr Arun Kumar Sharma                       |
|                          | <b>Independent Director</b>                |
|                          | Mr. M. Ramachandran                        |
|                          | Dr. Kavitha Gudapati                       |
|                          | <b>Manager</b>                             |
|                          | Mr. Govind Sharma ( wef 17th October 2017) |
|                          | <b>Chief Financial Officer</b>             |
|                          | Ganta Srinivas                             |

**b) Summary of transactions with above related parties are as follows:**

| Name of Entity  | Particulars  | Year ended<br>March 31, 2018 | Year ended<br>March 31, 2017 |
|---|--|------------------------------|------------------------------|
| <b>Transaction with Enterprises that control the Company / exercise significant influence</b> |  |                              |                              |
| GIL   | Interest on Liability portion of Preference Shares | -                            | 407,230                      |
| GHWL  | Interest on Inter Corporate Deposit/Unsecured Loan | -                            | 28,787,473                   |
|   | Interest on Liability portion of Preference Shares | -                            | 116,540,841                  |

**Transaction with Key Management Personnel**

| Details of Key Managerial Personnel | Remuneration                 |                          |                                   |                      |             | Outstanding loans/advances receivables |
|-------------------------------------|------------------------------|--------------------------|-----------------------------------|----------------------|-------------|--|
|                                     | Short-term employee benefits | Post employment benefits | Other long-term employee benefits | Termination benefits | Sitting Fee |  |
| Mr. M. Ramachandran                 |                              |                          |                                   |                      | 211,500     |  |
| Dr. Kavitha Gudapati                |                              |                          |                                   |                      | 118,000     |  |

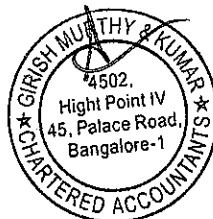
| Name of Entity   | Particulars                            | As At<br>March 31, 2018 | As At<br>March 31, 2017 |
|--|--|-------------------------|-------------------------|
| <b>Closing Balances with Enterprises that control the Company / exercise significant influence</b> |  |                         |                         |
| GIL  | Equity Shares Outstanding              | 50,500,000              | 50,500,000              |
|  | Equity Component of Preference Shares  | 16,925,166              | 16,921,085              |
|  | Liability Portion of Preference Shares | 4,214,477               | 4,219,349               |
|  | Trade and Other Payables ( net)        | 54,081,704              | 54,175,514              |
| GHWL   | Equity Shares Outstanding              | 1,349,500,000           | 1,349,500,000           |
|  | Equity Component of Preference Shares  | 4,843,952,259           | 4,842,784,691           |
|  | Liability Portion of Preference Shares | 1,206,096,860           | 1,207,490,913           |
|  | Financial Liabilities of Loan taken    | 298,269,788             | 298,269,788             |
|  | Short Term Unsecured Loan taken        | 420,738,108             | 420,738,108             |
|  | Equity Portion of Loan                 | 167,312,519             | 167,312,519             |
|  | Non-Trade Payables                     | 6,924,944               | 8,137,967               |
| <b>Closing Balances with Fellow Subsidiaries</b>   |  |                         |                         |
| GFFT   | Non Trade Payables                     | 3,223,837               | 3,223,839               |
| GHVEPL   | Non Trade Payables                     | -                       | 5,771                   |
| GCAPL  | Non Trade Payables                     | 3,739,085               | 3,739,085               |
| GEPL   | Advance recoverable                    | 3,308,670,373           | 3,308,670,373           |

**Commitments with related parties:** As at year end March 31, 2018, there is no commitment outstanding with any of the related parties

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

The transaction from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided / received from or to any related parties. For the year ended 31 March 2018, the Company has receivable of Rs 3,308,670,373/- from a related party. However, on an impairment assessment, no impairment clause has been identified. This assessment is undertaken each financial year through cross examining the financial position of related party and the market in which the related party operates.

For terms and condition related to Preference Share and Borrowing please refer Note no 11





**Notes forming part of Financial Statements for the year ended March 31, 2018**

30 Company has entered into a Concession Agreement with National Highways Authority of India (NHAI) on November 30, 2011 for Six laning of Kishangarh Udaipur Ahmedabad section of NH79A, NH79, NH76 and NH8 including new Udaipur bypass (approx. length 555.50 kms) in the States of Rajasthan and Gujarat under NHDP Phase V on Design, Build, Finance, Operate and Transfer (DBFOT) basis. As NHAI was not able to comply with certain material conditions precedent for achieving Appointed Date, Company has issued Termination Notice dated January 7, 2013 as per the provisions of the Concession Agreement and law, terminating the Concession Agreement which has been disputed by NHAI.

Subsequently, Company has submitted a proposal for continuation with project subject to certain conditions and held discussions with NHAI for revival of the project. On February 16, 2015 Company has issued a notice of dispute invoking the arbitration. Company and NHAI submitted claims and counter claims before the Arbitration Tribunal against each. However, company and NHAI has discussions to resolve the pending disputes amicably and upon mutual understanding, a joint application for terminating the arbitration proceedings was filed before the Tribunal, on 23rd August, 2016 to terminate the arbitration proceedings making the terms of mutual settlement a part of award and the same was awarded by Tribunal. Thus the Concession Agreement with NHAI has been terminated.

Prior to serving the Termination Notice on January 7, 2013 against NHAI, the Company entered into Engineering Procurement and Construction Agreement (EPC) with GMR Projects Private Limited ("EPC Contractor" or "GPPL") (now merged with GMR Enterprises Private Limited ("GEPL")) for the project for a fixed sum of Rs. 6260 Crore and has given an advance of Rs 590 Crore towards mobilization of resources. GPPL in turn had sub-contracted the work and entered into sub-contracting agreements with various parties. In view of the size and urgency of the project the sub-contractors mobilized their resources at site and set up the site facilities. As the Company was hopeful of resuming the project, as mentioned above, the Company could not advise the EPC Contractor to discontinue the site facilities and the Infrastructure created by the sub-contractors. However, after evaluating the status of the on-going proceedings, the Company has issued the notice of termination on EPC Contractor on May 14, 2015. In the meantime, the EPC Contractor and the sub-contractors have incurred expenditure on site infrastructure etc. The sub-contractors have raised their claims on the EPC Contractor. The EPC Contractor has submitted a consolidated claim on the Company for Rs. 840.76 Crore initially which was enhanced to Rs. 898.26 Crore consisting of Rs.335.17 Crore towards sub-contractor claims and Rs. 563.09 Crore towards its own claim. The Company was expecting to settle such claims out of the termination payment expected from NHAI.

Subsequent to filing the joint application for terminating the arbitration proceedings during August, 2016 the Company was in continuous discussion with GEPL, regarding settlement of claims and refund of advance, who took over the obligations of GPPL pursuant to the amalgamation of GPPL with GEPL, to avoid the liability as the Company's claim on NHAI has not succeeded. However, the sub-contractors have been pressurising GEPL to settle their claims as the non-settlement of Company's claim on NHAI is not relevant to them

The EPC Contractor was called for discussion under the provision of EPC Agreement to settle the claims. After various round of discussion, the EPC Contractor was advised to refer the sub-contractor claims to independent experts. The independent experts, after examination of claims & supporting documents and discussions with parties, have evaluated the sub-contractor claims on the EPC Contractor and finalized the sub-contractor claims at Rs. 254.13 Crore being the actual expenditure incurred by the sub-contractors

The Company held a detailed discussion with GEPL and could convince GEPL not to press for its own claims towards Loss of Profit relating to its sub-contractors and its own claim. However, it has been agreed to compensate GEPL for Rs 5.00 Crore towards the time and efforts spent over various years on the condition that it will be raise any further claims relating to its sub contractors later. The sub-contractor claims of Rs. 254.13 Crore as determined by the external experts and the EPC contractor claim of Rs 5.00 Crore ( Total - Rs 259.13 Crore) have been considered in preparing the attached Profit & Loss Account. The Company obtained an undertaking from GEPL that it doesn't have any claim on the Company.

During the year the Company has paid an amount of NIL ( March 2017 - Rs. 54.29 Cr) to NHAI as compensation for termination and the same was debited to Profit & Loss Account.

In addition to the above the Company incurred expenditure on the Project during various years which were shown as CWIP till 31st March 2014 and as Claim Receivable since 31st March 2015 (amounting to Rs. 137.47 Cr as on March 31, 2016). Based on the outcome of the Arbitration proceedings, the said amount was debited to Profit & Loss Account during the corresponding year after netting the provisions of Rs. 0.70 Cr no longer required. Thus an amount of Rs. 136.77 Cr was debited to Profit & Loss Account during the corresponding year.

The Management after examination of all other contracts/ arrangement expect no further claims on the company.

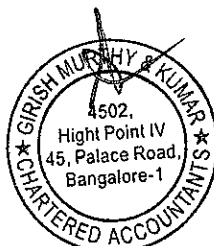
Since the financial statement are not being prepared on going concern assumption, the notional interest income on liability component of preference shares and liability component of unsecured loan raised from holding company are not recognised for the financial year 2017-18.

**35 Capital Management**

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Company.

For the purpose of the Company's capital management, capital includes issued equity capital, Preference Share, loan from related parties and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company includes within net debt, borrowings, trade and other payables, less cash and cash equivalents.



**GMR Kishangarh Udaipur Ahmedabad Expressways Limited**  
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Notes forming part of Financial Statements for the year ended March 31, 2018

| Particulars   | Amount in ₹          |                      |
|---|----------------------|----------------------|
|   | As At March 31, 2018 | As At March 31, 2017 |
| Borrowings other than convertible preference shares | 719,007,896          | 719,007,896          |
| <b>Total debt (i)</b>                               | <b>719,007,896</b>   | <b>719,007,896</b>   |
| <b>Capital Components</b>                           |                      |                      |
| Share Capital                                       |                      |                      |
| Other Equity  | 1,400,000,000        | 1,400,000,000        |
| Convertible preference shares (refer note 11)       | (87,574,965)         | (87,500,068)         |
| <b>Total Capital (ii)</b>                           | <b>1,210,311,337</b> | <b>1,211,710,262</b> |
| <b>Capital and debt (i+ii)</b>                      | <b>2,522,736,373</b> | <b>2,524,210,194</b> |
|   | <b>3,241,744,269</b> | <b>3,243,218,090</b> |
| <b>Gearing ratio (%) ( I/iii )</b>                  | <b>22%</b>           | <b>22%</b>           |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

**36 Financial Instrument by Category**

| Particulars                              | As at 31 March 2018  |          |            | As at 31 March 2017  |                        | Amount In ₹ |
|--|----------------------|----------|------------|----------------------|------------------------|-------------|
|  | At Amortised<br>Cost | At FVTPL |            | At Amortised Cost    | At FVTPL<br>Fair Value |             |
|  |                      | Cost     | Fair Value |                      |                        |             |
| <b>Assets</b>                            |                      |          |            |                      |                        |             |
| Cash and cash equivalents                | 680,868              |          |            | 2,521,209            | -                      |             |
| Trade Receivable                         | -                    |          |            | -                    | -                      |             |
| Other Financial Assets                   | -                    |          |            | -                    | -                      |             |
| <b>Total</b>                             | <b>680,868</b>       | -        | -          | <b>2,540,346</b>     | -                      |             |
| <b>Liabilities</b>                       |                      |          |            |                      |                        |             |
| Borrowings (including interest)          | 719,007,896          |          |            | 719,007,896          |                        |             |
| Liability component of Preference Shares | 1,210,311,337        |          |            | 1,211,710,262        |                        |             |
| Non Trade Payable                        | 69,890,827           |          |            | 71,287,619           |                        |             |
| <b>Total</b>                             | <b>1,999,210,060</b> | -        | -          | <b>2,002,005,777</b> | -                      |             |

**37 Fair values**

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

| Particulars   | Carrying value      |                     | Fair value          |                     | Amount in ₹ |
|---------------|---------------------|---------------------|---------------------|---------------------|-------------|
|               | As at 31 March 2018 | As at 31 March 2017 | As at 31 March 2018 | As at 31 March 2017 |             |
|               |                     |                     |                     |                     |             |
| <b>Assets</b> |                     |                     |                     |                     |             |
| <b>Total</b>  | -                   | -                   | -                   | -                   |             |

The management assessed that cash and cash equivalents, other financial assets, borrowings, trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**Fair Value Hierarchy**

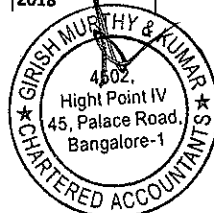
Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within 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 assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2018:

| Particulars | As at March 31, 2018 | Fair Value measurement at end of the reporting period |         |         | Amount in ₹ |
|-------------|----------------------|---|---------|---------|-------------|
|             |                      | Level 1   | Level 2 | Level 3 |             |



**Notes forming part of Financial Statements for the year ended March 31, 2018**

|               |  |  |  |  |  |  |  |
|---------------|--|--|--|--|--|--|--|
| <b>Assets</b> |  |  |  |  |  |  |  |
|---------------|--|--|--|--|--|--|--|

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2017:

| Particulars   | As at March 31, 2017 | Fair Value measurement at end of the reporting |         |         | Amount in ₹ |
|---------------|----------------------|--|---------|---------|-------------|
|               |                      | Level 1  | Level 2 | Level 3 |             |
| <b>Assets</b> |                      |  |         |         |             |

**38 Financial Risk Management Objectives and Policies**

The Company's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets is cash and cash equivalents, Investment and other bank balance.

The Company's exposed to market risk, credit risk and liquidity risk. The company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the company's senior management that the company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and Investment measured at FVTPL.

The sensitivity analyses in the following sections relate to the position as at March 31, 2018 and March 31, 2017

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt are all constant.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions.

The following assumptions have been made in calculating the sensitivity analyses:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018 and March 31, 2017.

**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's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's policy is to manage its interest cost using only interest free/ fixed rate debts from related parties.

**Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. With respect to credit risk arising from other financial assets of the Company's, which comprise Cash and cash equivalents, loans and advances and investment, the Company's exposure to credit risk arises from default of the counterparty, with maximum exposure equal to the carrying amount of these instrument.

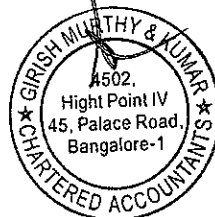
The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was Rs.680,868/- and Rs.2,540,346/- as at March 31, 2018 and March 31, 2017 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits and other financial assets.

**Liquidity risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecast on the basis of expected cash flows.

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

| Year ended<br>March 31, 2018   | On Demand | Within 1 year | 1-2 years   | 2-3 years | 3-5 years | More than 5 years | Amount in ₹<br>Total |
|--------------------------------|-----------|---------------|-------------|-----------|-----------|-------------------|----------------------|
|                                |           |               |             |           |           |                   |                      |
| Loan from Related parties      | -         | 600,000,000   | 119,007,896 | -         | -         | -                 | 719,007,896          |
| Preference Shares at amortised | -         | -             | -           | -         | -         | 5,600,000,000     | 5,600,000,000        |
| Other financial liabilities    | -         | 69,890,827    | -           | -         | -         | -                 | 69,890,827           |
|                                | -         | 669,890,827   | 119,007,896 | -         | -         | 5,600,000,000     | 6,388,898,723        |





**GMR Kishangarh Udaipur Ahmedabad Expressways Limited**  
CIN: U45200DL2011PLC227902

**Notes forming part of Financial Statements for the year ended March 31, 2018**

|                                | Amount in ₹ |               |           |             |               |                   |
|--------------------------------|-------------|---------------|-----------|-------------|---------------|-------------------|
|                                | On Demand   | Within 1 year | 1-2 years | 2-3 years   | 3-5 years     | More than 5 years |
| Year ended<br>March 31, 2017   |             |               |           |             |               | Total             |
| Loan from Related parties      | -           | 420,738,108   | -         | 298,269,788 | -             | 719,007,896       |
| Preference Shares at amortised | -           | -             | -         | -           | 5,600,000,000 | 5,600,000,000     |
| Other financial liabilities    | -           | 71,287,619    | -         | -           | -             | 71,287,619        |
|                                | -           | 492,025,727   | -         | 298,269,788 | -             | 6,390,295,515     |

**Excessive risk concentration**

The Company needs to assess the risks in relation to excessive risk concentration and the measures adopted by the Company to mitigate such risks.

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the company to manage risk concentrations at both the relationship and industry levels.

**39 Recent accounting pronouncements**

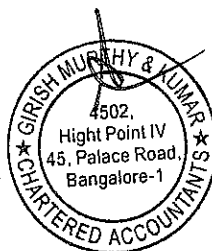
**a) New Indian Accounting Standard (Ind AS) issued but not yet effective**

Ind AS 115 'Revenue from Contracts with Customers' was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the Company. Ind AS 115 is effective for the Company in the first quarter of fiscal 2019 and permits two possible methods of transition:

- (i) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or
- (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (1 April 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Group continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The Company has established an implementation team to implement Ind AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary.



**Notes forming part of Financial Statements for the year ended March 31, 2018**

Upon adoption the Company expects there to be a change in the manner that variable consideration in certain revenue arrangements is recognized from the current practice of recognizing such revenue as the services are performed and the variable consideration is earned to estimating the achievability of the variable conditions when the Company begins delivering services and recognizing that amount over the contractual period. The Company also expects a change in the manner that it recognizes certain incremental and fulfilment costs from expensing them as incurred to deferring and recognizing them over the contractual period. A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the implementation project has been completed.

**b) Amendments to Indian Accounting Standards (Ind AS) issued but not yet effective**

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

**Amendments to Ind AS 12 - Recognition of Deferred Tax Assets for Unrealised Losses**

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any impact on the company as the company has no deductible temporary differences or assets that are in the scope of the amendments.

**Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration**

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or

(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the Company's current practice is in line with the Interpretation, the Company does not expect any effect on its financial statements.

**Amendments to Ind AS 40 - Transfers of Investment Property**

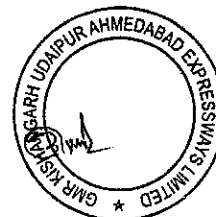
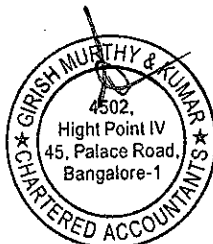
The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after 1 April 2018. The Company will apply amendments when they become effective. However, since Company's current practice is in line with the clarifications issued, the Company does not expect any effect on its financial statements.

**40 Segment Reporting**

The Company is engaged in the business of Construction, Operation & Maintenance of Highways. This being the only segment, the reporting under the provisions of IND AS 108 (Segment Information) does not arise.



GMR Kishangarh Udaipur Ahmedabad Expressways Limited  
CIN: U45200DL2011PLC227902

Notes forming part of Financial Statements for the year ended March 31, 2018

41 Previous year figures

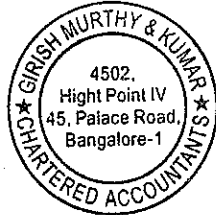
Previous year's figures have been regrouped where necessary to conform to this year's classification.

The accompanying notes are an integral part of the financial statements

In terms of our report attached  
For Girish Murthy & Kumar  
Chartered Accountants  
Firm Regn No: 09345

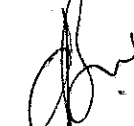



A.V. Satish Kumar  
Partner  
Membership No: 26526



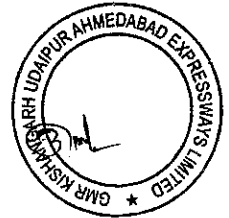
Place: New Delhi  
Date: April 25, 2018

GMR Kishangarh Udaipur Ahmedabad Expressways Limited

  
O Bangaru Raju  
Director  
DIN:00082228

  
Anil Kumar Sharma  
Director  
DIN: 01281905

  
Ganta Srinivas  
Chief Financial Officer



**GMR Kishangarh Udaipur Ahmedabad Expressways Limited**  
CIN: U45200DL2011PLC227902

Amount in ₹

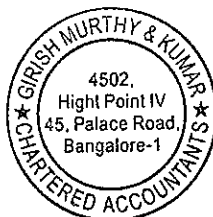
| Statement of Audited Results for Quarter and Year ended March 31, 2018 |   |                         |                        |                         |                      |
|--|---|-------------------------|------------------------|-------------------------|----------------------|
|  | Particulars<br>(Refer Notes Below)                            | Quarter ended           |                        | Year ended              |                      |
|  |   | 31-Mar-18<br>Ref Note 1 | 31-Dec-17<br>Unaudited | 31-Mar-17<br>Ref Note 1 | 31-Mar-18<br>Audited |
| 1  | Income  |                         |                        |                         |                      |
|  | Other income  | 254,418                 | -                      | 213,066                 | 269,203              |
|  | Total income  | 254,418                 | -                      | 213,066                 | 4,242,137            |
| 2  | Expenses  |                         |                        |                         |                      |
|  | (a) Employee benefits expense                                 |                         |                        | 14,951                  | 474,550              |
|  | (b) Finance costs   | (119,614,010)           | 40,831,514             | 37,567,187              | 171,563,484          |
|  | (c) Depreciation and amortisation expenses                    | 173,326                 | 177,178                | 283,721                 | 1,180,389            |
|  | (d) Other expenses  | 198,444                 | 204,756                | 2,412,406               | 689,786              |
|  | Total expenses  | (119,242,240)           | 41,213,448             | 40,278,265              | 1,515,748            |
| 3  | Profit / (Loss) before exceptional item and tax (1 ± 2)       | 119,496,658             | (41,213,448)           | (40,065,199)            | (1,246,545)          |
| 4  | Exceptional items   |                         |                        | 2,584,351,489           | 4,501,903,150        |
| 5  | Profit/(loss) before tax expenses (3 ± 4)                     | 119,496,658             | (41,213,448)           | (2,624,416,688)         | (1,246,545)          |
| 6  | Tax expenses  |                         |                        | 79,162                  | 79,162               |
| 7  | Profit/(loss) after tax (5 ± 6)                               | 119,496,658             | (41,213,448)           | (2,624,495,850)         | (1,246,545)          |
| 8  | Other Comprehensive Income                                    |                         |                        |                         |                      |
| 9  | Total comprehensive income for the respective periods (7 ± 8) | 119,496,658             | (41,213,448)           | (2,624,495,850)         | (1,246,545)          |
| 10   | Earnings per equity share                                     |                         |                        |                         |                      |
|  | i) Basic  | 0.85                    | (0.29)                 | (18.75)                 | (0.01)               |
|  | ii) Diluted   | 0.85                    | (0.29)                 | (18.75)                 | (0.01)               |

Note no 1 to 4 forming part of financial results

In terms of our report of even date

For Girish Murthy & Kumar  
Chartered Accountants  
Firm Regn No: 0934S

*A.V. Satish Kumar*  
A.V. Satish Kumar  
Partner  
Membership No: 26526



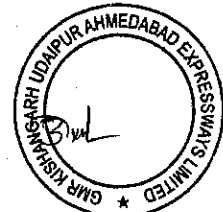
Place: New Delhi  
Date: April 25, 2018

For and on behalf of  
GMR Kishangarh Udaipur Ahmedabad Expressways Limited

*O Bangaru Raju*  
O Bangaru Raju  
Director  
DIN:00082228

*Allen Kumar Sharma*  
Allen Kumar Sharma  
Director  
DIN: 022 81905

*G. Srinivas*  
Ganta Srinivas  
Chief Financial Officer





**GMR Kishangarh Udaipur Ahmedabad Expressways Limited**  
CIN: U45200DL2011PLC227902  
Statement of Assets and Liabilities

(Amount in ₹)

| Particulars                                 | As at March 31, 2018<br>(Audited) | As at March 31, 2017<br>(Audited) |
|---|-----------------------------------|-----------------------------------|
| <b>1 ASSETS</b>                             |                                   |                                   |
| a) Non-current assets                       |                                   |                                   |
| Property, plant and equipment               | 922,431                           | 1,721,002                         |
| Other intangible assets                     | 3                                 | 3                                 |
|   | <b>922,434</b>                    | <b>1,721,005</b>                  |
| b) Current assets                           |                                   |                                   |
| Financial assets                            |                                   |                                   |
| Cash and cash equivalents                   | 680,868                           | 2,521,209                         |
| Other financial assets                      | -                                 | 19,137                            |
| Current tax assets (net)                    | 3,489                             | 360,652                           |
| Other current assets                        | 3,310,046,708                     | 3,310,106,879                     |
|   | <b>3,310,731,065</b>              | <b>3,313,007,877</b>              |
| <b>TOTAL ASSETS (a+b)</b>                   | <b>3,311,653,499</b>              | <b>3,314,728,882</b>              |
| <b>2 EQUITY AND LIABILITIES</b>             |                                   |                                   |
| a) Equity                                   |                                   |                                   |
| Equity share capital                        | 1,400,000,000                     | 1,400,000,000                     |
| Other equity                                | (87,574,965)                      | (87,500,068)                      |
| <b>Total equity</b>                         | <b>1,312,425,035</b>              | <b>1,312,499,932</b>              |
| b) Non-current liabilities                  |                                   |                                   |
| Financial liabilities                       |                                   |                                   |
| Borrowings                                  | 1,508,581,125                     | 1,509,980,050                     |
|   | <b>1,508,581,125</b>              | <b>1,509,980,050</b>              |
| c) Current liabilities                      |                                   |                                   |
| Financial liabilities                       |                                   |                                   |
| Borrowings                                  | 420,738,108                       | 420,738,108                       |
| Other financial liabilities                 | 69,890,827                        | 71,287,619                        |
| Other current liabilities                   | 15,900                            | 223,173                           |
| Provisions                                  | 2,504                             | -                                 |
|   | <b>490,647,339</b>                | <b>492,248,900</b>                |
| <b>TOTAL EQUITY AND LIABILITIES (a+b+c)</b> | <b>3,311,653,499</b>              | <b>3,314,728,882</b>              |

Note no 1 to 4 forming part of financial results

In terms of our report of even date

For Girish Murthy & Kumar

Chartered Accountants

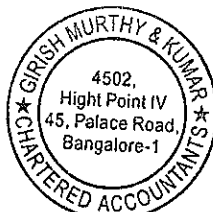
Firm Regn No: 0934S

*A.V. Satish Kumar*

A.V. Satish Kumar

Partner

Membership No: 26526



Place: New Delhi

Date: April 25, 2018

For and on behalf of

GMR Kishangarh Udaipur Ahmedabad Expressways Limited

*O Bangaru Raju*  
O Bangaru Raju  
Director  
DIN.00082228

*Arun Kumar Sharma*  
Arun Kumar Sharma  
Director  
DIN.02281905

*G. Srinivas*  
Ganta Srinivas  
Chief Financial Officer



**GMR Kishangarh Udaipur Ahmedabad Expressways Limited**

CIN: U45200DL2011PLC227902

**Notes to the Audited financial information for the year ended March 31, 2018**

1. The figures of the last quarter of current and previous years are the balancing figures between the audited figures in respect of the full financials year and the published unaudited year to date figures for nine months ended for the respective years.
2. The Financial results for the year ended March 31, 2018 has been reviewed and approved by the Audit Committee and approved by the Board of Directors at their meeting conducted on April 25, 2018.
3. The Finance charges for the quarter ended 31st March 2018 represents the reversal of notional interest income of ₹ 119,858,260/- which was recognised in the previous three quarters of the year. During the quarter, the same is reversed as the financial statements are not being prepared on going concern assumption.
4. Figures pertaining to previous period / year have been regrouped, reclassified and rearranged, wherever necessary, to conform to the classification adopted in the current period.

For Girish Murthy & Kumar

Chartered Accountants

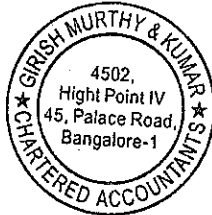
Firm Regn No: 09348

*A.V. Satish Kumar*

A.V. Satish Kumar

Partner

Membership No: 26526



Place: New Delhi

Date: April 25, 2018

For and on behalf of

GMR Kishangarh Udaipur Ahmedabad Expressways Limited

*O Bangaru Raju*

O Bangaru Raju

Director

DIN.00082228

*Arjun Kumar Sharma*

Arjun Kumar Sharma

Director

DIN.02381905

*G. Srinivas*

Ganta Srinivas  
Chief Financial Officer

