GIRISH
MURTHY & KUMAR
Chartered Accountants

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, 2017, 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 financials 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 there under. We conducted our audit of the standalone IND AS Financials 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.

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CHARTERED ACCOUNTANTS

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 31st 2017, 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, 2017 have not been prepared on Going Concern assumption, for the reasons detailed in Note 35. The management has represented that, all the assets and the advances as at March 31,2017, of the company are realisable 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 realisation 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, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" to this report

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(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:

a. the Company has disclosed the details and impact of pending litigations on the financial position of the company in its financial statements. – Refer Note 29 to the financial statements.

b. 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 .

c. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d. The company has provided requisite disclosures in its financial statement as to holdings as well as dealings in Specified bank notes during the period from 08th November 2016 to 30th December 2016. However, as stated in note 25 to the financial statements and as represented to us by the Management, the company has received amounts aggregating Rs.1.92 lakhs pertaining to advances returned by employees which in our view are not permitted. Based on our audit procedures and relying upon the management representations regarding the holding and nature of cash transactions, including SBNs, we report that these disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

for **GIRISH MURTHY & KUMAR**
Chartered Accountants
Firm's registration number: 000934S

A.V. Satish L

A.V.SATISH KUMAR
Partner
Membership number: 26526
Bangalore

GIRISH MURTHY & KUMAR
4502, High Point IV
45, Palace Road,
Bangalore-1.
CHARTERED ACCOUNTANTS

26th May 2017

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 complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

v. The company has not accepted deposits from the public during the year and as such this clause is not applicable.

vi. The Company, is yet to commence commercial operations, and hence maintenance of cost records as per provisions of section 148 of the companies Act, 2013 does not arise.

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, sales 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, sales tax, customs duty, wealth tax, service tax, value added tax, cess and other material statutory dues were in arrears as at 31st March 2017 for a period of more than six months from the date they became payable.

(b). According to the information and explanations given to us, there are no 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 31st March 2017.

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(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 give 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: 26th May 2017

FOR GIRISH MURTHY & KUMAR
Chartered Accountants

A.V. Satish K

A V SATISH KUMAR
Partner
Membership N.26526
FRN no. 000934S

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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

We have audited the internal financial controls over financial reporting of GMR Kishangarh Udaipur Ahmedabad Expressways Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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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 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

PLACE: Bangalore

DATE: 26th May 2017

FOR GIRISH MURTHY & KUMAR
Chartered Accountants

A.V. Satish

A V SATISH KUMAR
Partner
Membership N.26526
FRN no. 000934S

GIRISH MURTHY & KUMAR CHARTERED ACCOUNTANTS 4502, High Point IV 45, Palace Road, Bangalore-1.

GMR Kishangarh Udaipur Ahmedabad Expressways Limited

CIN: U45200DL2011PLC227902

Balance Sheet as at March 31, 2017

Rupees in Lakhs

Particulars	Note	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
ASSETS				
Non Current Assets				
(a) Property, plant and equipment	3	17.21	29.10	50.30
(b) Other Intangible assets	4	0.00	0.00	0.00
(c) Financial Assets				
(i) Other Financial Assets	7 (i)	-	0.44	0.62
(d) Tax Assets	9	3.61	41.00	41.00
(e) Other Non Current Assets	8 (i)	-	72,747.12	72,098.65
Total Non-Current Assets		20.82	72,817.65	72,190.57
Current Assets				
(a) Financial Assets				
(i) Trade Receivable	5	-	27.98	29.14
(ii) Cash & Cash Equivalents	6	25.21	8.46	4.80
(iii) Other Bank Balance	6	-	1,346.80	1,346.80
(iv) Other Financial Assets	7 (ii)	0.19	4.74	5.65
(c) Other Current Assets	8 (ii)	33,101.07	4.70	5.07
Total Current Assets		33,126.47	1,392.69	1,391.46
TOTAL ASSETS		33,147.29	74,210.34	73,582.03
EQUITY AND LIABILITIES				
Equity				
(a) Share Capital	10	14,000.00	14,000.00	14,000.00
(b) Other Equity	11	(875.00)	45,871.87	46,258.68
Total Equity		13,125.00	59,871.87	60,258.68
Liabilities				
Non-Current Liablities				
(a) Financial Liabilities				
(i) Borrowings	12(i)	15,099.80	13,497.44	12,457.09
(b) Provisions	15 (i)	-	0.63	-
Total Non-Current Liablities		15,099.80	13,498.07	12,457.09
Current Liablities				
(a) Financial Liabilities				
(i) Borrowings	12(ii)	4,207.38	-	-
(ii) Other Financial Liabilities	13	712.88	766.15	774.80
(b) Other current liabilities	14	2.23	1.74	5.19
(c) Provisions	15 (ii)	-	70.45	76.66
(d) Current Tax Liablities	16	-	2.07	9.60
Total Current Liablities		4,922.49	840.40	866.26
TOTAL EQUITY AND LIABILITIES		33,147.29	74,210.34	73,582.03
Notes forming part of the financial statements	1-40			

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

A.V. Satish Kumar
Partner
Membership No: 26526
Place: Bengaluru

GIRISH MURTHY & KUMAR 4502, High Point IV 45, Palace Road, Bangalore-1. CHARTERED ACCOUNTANTS

Date: May 26, 2017

For and on behalf of
GMR Kishangarh Udaipur Ahmedabad Expressways Limited

O Bangaru Raju
Director
DIN:00082228
Place : New Delhi

Arun Kumar Sharma
Director
DIN.02281905
Place : New Delhi

Ganta Srinivas
Chief Financial Officer
Place : New Delhi

KISHANGARH UDAIPUR AHMEDABAD EXPRESSWAYS

GMR Kishangarh Udaipur Ahmedabad Expressways Limited

CIN: U45200DL2011PLC227902

Statement of Profit & Loss for the Year ended March 31, 2017 | **Rupees in Lakhs**

Particulars	Note	Year ended March 31, 2017	Year ended March 31, 2016
Other Income	17	42.42	49.54
Total Income		42.42	49.54
Expenses			
Employee benefits expense	18	4.75	5.98
Finance costs	19	1,715.63	1,306.51
Depreciation and amortization expense	20	11.80	-
Other expenses	21	92.29	23.05
Total Expenses		1,824.47	1,335.54
Profit for the year before exceptional item and taxation		(1,782.05)	(1,286.00)
Exceptional Item		45,019.03	-
Profit for the year before taxation		(46,801.08)	(1,286.00)
Tax Expense:			
(1) Current Tax	21	-	6.90
(2) Previous year tax adjustments		0.79	-
		0.79	6.90
Profit for the year after tax		(46,801.87)	(1,292.90)
Other Comprehensive Income			
Actuarial (gain)/loss in respect of defined benefit plan		-	3.10
		-	3.10
Total comprehensive income for the period		(46,801.87)	(1,289.80)
Earning per Equity Share:			
- Basic	23	(33.43)	(0.92)
- Diluted	23	(33.43)	(0.92)
Notes forming part of the financial statements	1-40		

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: Bengaluru

GIRISH MURTHY & KUMAR
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CHARTERED ACCOUNTANTS

Date: May 26, 2017

For and on behalf of
GMR Kishangarh Udaipur Ahmedabad Expressways Limited

O Bangaru Raju
Director
DIN:00082228
Place : New Delhi

Arun Kumar Sharma
Director
DIN.02281905
Place : New Delhi

G. Srinivas

Ganta Srinivas
Chief Financial Officer
Place : New Delhi

GMR KISHANGARH UDAIPUR AHMEDABAD EXPRESSWAYS LIMITED

GMR Kishangarh Udaipur Ahmedabad Expressways Limited

CIN: U45200DL2011PLC227902

Cash Flow Statement for the Year ended March 31, 2017

Rupees in Lakhs

	Particulars	Year ended March 31, 2017	Year ended March 31, 2016
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Profit / (Loss) for the period	(46,801.08)	(1,286.00)
	Adjustments For :		
	Claim of EPC Contractor settled against mobilisation advance	25,913.30	-
	Depreciation and Amortisation	11.80	-
	Provision no longer required	70.08	-
	Claims recoverble written off	13,677.04	-
	Actuarial (gain)/loss in respect of defined benefit plan	-	3.10
	Interest and Finance Charges	1,715.63	1,306.51
	Interest income on Bank deposit and others	(29.51)	(47.61)
		(5,442.74)	(24.00)
	Adjustments for Movement in Working Capital:		
	Decrease / (Increase) in Financial Assets and other non Current Assets	70.52	(661.12)
	Decrease / (Increase) in Inventories, Financial Assets and other Current Assets	(5.11)	1.27
	Increase / (Decrease) in Other Financial Liablities	(25.29)	(8.65)
	Increase / (Decrease) in Provision	(141.15)	(5.59)
	Increase / (Decrease) in Other Current Liablities and Retention Money	0.50	(3.46)
	Cash From/(Used In) Operating activities	(5,543.29)	(701.54)
	Tax (Paid)/Refund	34.54	14.44
	Net Cash From/(Used In) Operating activities	(5,508.75)	(687.10)
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Proceeds from Sale of Fixed Assets	0.08	6.32
	Interest income on Bank deposit and others	29.51	47.61
	Decrease/(Increase) in Other Bank Balance	1,346.80	-
	Cash From/(Used In) Investing Activities	1,376.39	53.93
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Increase/(Decrease) in Loan from Group Companies	4,407.38	636.83
	Interest paid to Related parties	-	-
	Other Finance Charges Paid	(258.28)	-
	Cash From/(Used In) Financing Activities	4,149.10	636.83
	Net Increase /Decrese in Cash and Cash Equivalents	16.75	3.66
	Cash and Cash Equivalents as at beginning of the period	8.46	4.80
	Cash and Cash Equivalents as at end of the period	25.21	8.46
	Components of Cash and Cash Equivelants as at:	**March 31, 2017**	**March 31, 2016**
	Cash in hand	-	-
	Balances with the scheduled banks:		
	- In Current accounts	1.06	8.46
	Balances in Deposit die within 3 months	24.15	-
		25.21	8.46

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

A.V. Satish

A.V. Satish Kumar
Partner
Membership No: 26526
Place: Bengaluru

GIRISH MURTHY & KUMAR
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45, Palace Road, Bangalore-1
CHARTERED ACCOUNTANTS

Date: May 26, 2017

For and on behalf of
GMR Kishangarh Udaipur Ahmedabad Expressways Limited

O.Bangaru Raju
Director
DIN:00082228
Place : New Delhi

Arun Kumar Sharma
Director
DIN.02281905
Place : New Delhi

G. Srinivas

Ganta Srinivas
Chief Financial Officer
Place : New Delhi

GMR KISHANGARH UDAIPUR AHMEDABAD EXPRESSWAYS LIMITED

GMR Kishangarh Udaipur Ahmedabad Expressways Limited

CIN: U45200DL2011PLC227902

Statement of Change in Equity for the Year ended March 31, 2017

A. Equity Share Capital Rupees in Lakhs

	Equity Share Capital
As at 1 April 2015	14,000.00
Share Capital Issued during the year	-
As at March 31,2016	14,000.00
Share Capital Issued during the Year	-
As at March 31,2017	14,000.00

B. Other Equity Rupees in Lakhs

	Equity component of financial instrument		Retained Earning	Other Comprehensive Income	Total
	Preference shares	Related Party Loans			
As at 1 April 2015	48,597.06	715.13	(3,053.51)	-	46,258.68
Net Profit/(Loss)	-	-	(1,292.90)	-	(1,292.90)
Actuarial (gain)/loss in respect of defined benefit plan	-	-	-	3.10	3.10
Fair value change on restructuring of Term Loan	-	902.99	-	-	902.99
As at March 31,2016	48,597.06	1,618.13	(4,346.41)	3.10	45,871.87
Net Profit	-	-	(46,801.87)	-	(46,801.87)
Actuarial (gain)/loss in respect of defined benefit plan	-	-	-	-	-
Fair value change on restructuring of Term Loan	-	55.00	-	-	55.00
As at March 31,2017	48,597.06	1,673.13	(51,148.29)	3.10	(875.00)

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

A.V. Satish Kumar
Partner
Membership No: 26526
Place: Bengaluru

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Date: May 26, 2017

For and on behalf of
GMR Kishangarh Udaipur Ahmedabad Expressways Limited

O Bangaru Raju
Director
DIN:00082228
Place : New Delhi

Arun Kumar Sharma
Director
DIN.02281905
Place : New Delhi

Ganta Srinivas
Chief Financial Officer
Place : New Delhi

GMR KISHANGARH UDAIPUR AHMEDABAD EXPRESSWAYS LIMITED

GMR Kishangarh Udaipur Ahmedabad Expressways Limited

CIN: U45200DL2011PLC227902

Notes Forming Part of Financial Statements For the Year Ended March 31, 2017

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 May 26, 2017.

2 Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance Accounting Standards notified under the Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2017 are the first the Company's has prepared in accordance with Ind AS. Refer to note 26 for information on how the Company's adopted Ind AS.

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 Thousand (INR 000), 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.

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b) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements.

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

c) Tangible Assets

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
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 recognized 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 derecognised.

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/disposed off during the year is being provided up to the dates on which such assets are sold/disposed 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 ofthat 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.

d) Intangible assets

Intangible assets comprise computer software. 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.

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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.

Carriageways is being amortised over concession period on proportionate revenue method. Computer software is being amortized over a period of 6 years on a straight line basis.

The above periods also represent the management estimated economic useful life of the respective intangible assets.

e) **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.

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.

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.

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f) **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.d 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 certainity that the Company will obtain ownershp by the end of the lease term shall generally be classified as finance leases. The minimum lease pyayments include upfront premium paid plus any annual recurring lease rental which is amortized over the lease term.

g) **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 only disclosed when it is proable 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.

h) **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.

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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 forsservices 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 witl 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.

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.

i) **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

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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

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.

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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 recieved.

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.

j) 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.

k) 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.

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Notes forming part of Financial Statements for the Year ended March 31, 2017

3. Property, Plant and Equipament

Rupees in Lakhs

Sr.No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As At 1-4-2016	Additions	Deductions	As At 31-03-2017	As At 1-4-2016	For the period	Deductions	As At 31-03-2017	As At 31-03-2017	As At 31-03-2016
1	Plant & Machinery	1.04	-	-	1.04	0.21	0.07	-	0.28	0.76	0.83
2	Computers	18.36	-	-	18.36	15.60	1.32	-	16.93	1.43	2.75
3	Office Equipments	28.67	-	0.89	27.78	18.13	6.90	0.80	24.23	3.55	10.53
4	Vehicles	24.32	-	-	24.32	10.81	3.26	-	14.07	10.25	13.51
5	Furniture & Fixtures	3.97	-	-	3.97	2.50	0.25	-	2.75	1.23	1.48
	Total	76.36	-	0.89	75.47	47.26	11.80	0.80	58.26	17.21	29.10

Rupees in Lakhs

Sr.No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As At 1-4-2015	Additions	Deductions	As At 31-03-2016	As At 1-4-2015	For the year	Deductions	As At 31-03-2016	As At 31-03-2016	As At 01-04-2015
1	Plant & Machinery	1.04	-	-	1.04	0.14	0.07	-	0.21	0.83	0.90
2	Computers	18.36	-	-	18.36	13.40	2.20	-	15.60	2.75	4.96
3	Office Equipments	28.67	-	-	28.67	11.10	7.04	-	18.13	10.53	17.57
4	Vehicles	36.10	-	(11.78)	24.32	10.94	4.44	(4.56)	10.81	13.51	25.16
5	Furniture & Fixtures	3.97	-	-	3.97	2.25	0.25	-	2.50	1.48	1.72
	Total	88.13	-	(11.78)	76.36	37.83	13.99	(4.56)	47.26	29.10	50.30

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4. Other Intangible Assets

Rupees in Lakhs

Sr.No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As At 1-4-2016	Additions	Deductions	As At 31-03-2017	As At 1-4-2016	For the period	Deductions	As At 31-03-2017	As At 31-03-2017	As At 31-03-2016
1	Software	17.60	-	-	17.60	17.60	-	-	17.60	0.00	0.00
	Total	17.60	-	-	17.60	17.60	-	-	17.60	0.00	0.00

Rupees in Lakhs

Sr.No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As At 1-4-2015	Additions	Deductions	As At 31-03-2016	As At 1-4-2015	For the year	Deductions	As At 31-03-2016	As At 31-03-2016	As At 31-03-2015
1	Software	17.60	-	-	17.60	17.60	-	-	17.60	0.00	0.00
	Total	17.60	-	-	17.60	17.60	-	-	17.60	0.00	0.00

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Notes forming part of Financial Statements for the Year ended March 31, 2017

5. Trade Receivable

Rupees in Lakhs

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Unsecured, Considered Good	-	27.98	29.14
	-	27.98	29.14

6. Cash and cash equivalents

Rupees in Lakhs

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
(i) Balances with Local banks (at amortised cost)			
- In Current Account	1.06	8.46	3.78
(ii) Fixed deposit maturing on or before 3 months	24.15	-	-
(iii) Cash on hand (at amortised cost)	-	-	1.03
	25.21	8.46	4.80
Other Bank Balances			
- Bank Guarantee MarginMoney in Deposit Account	-	673.40	673.40
- Bank Guarantee MarginMoney in Current Account	-	673.40	673.40
	-	1,346.80	1,346.80

Margin money amounts in Deposits and Current Accounts with a carrying amount of Rs.Nil (31 March 2016: Rs. 1346.80 Lakhs) The balance as on 31st March 2016 was subject to first charge to secure the company's Bank Guarantee provided to NHAI.

7. Other Financial Assets at amortised cost

Rupees in Lakhs

	Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
(i)	**Non Current**			
	Security Deposit	-	0.44	0.62
		-	0.44	0.62
(ii)	**Current**			
	Interest accrued on fixed deposit	0.19	4.74	5.65
	Security Deposit	-	-	-
		0.19	4.74	5.65

Breakup of financial assets

Rupees in Lakhs

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
At amortised cost			
Cash & Cash Equivalent	25.21	1,355.26	1,351.60
Other Financial Assets	0.19	5.18	6.26
Trade Receivable	-	27.98	29.14
	25.40	1,388.42	1,387.01

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Rupees In Lakhs

8. Other Assets

	Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
(i)	**Other Non Current Assets (Considered Good)**			
	Capital Advances	-	59,000.00	59,000.00
	Interest Accrued on FD & Claim Receivable	-	13,747.12	13,098.65
		-	72,747.12	72,098.65
(ii)	**Other Current Assets (Considered Good)**			
	Advances recoverable in cash or kind	33,101.02	4.70	5.07
	Prepaid Expenses	0.05	-	-
		33,101.07	4.70	5.07

Rupees In Lakhs

9.Tax Assets

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Non-Current			
Advance Payment against Taxes	3.61	41.00	41.00
	3.61	41.00	41.00

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CHARTERED ACCOUNTANTS

GMR KISHANGARH UDAIPUR AHMEDABAD EXPRESSWAYS LIMITED

GMR Kishangarh Udaipur Ahmedabad Expressways Limited

CIN: U45200DL2011PLC227902

Notes forming part of Financial Statements for the Year ended March 31, 2017

Rupees in Lakhs

10. Share capital

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Authorised			
(i) 1400.00 Lakhs equity shares of Rs. 10 each (March 31, 2016: 1400.00 Lakhs equity shares of Rs. 10 each) (April 1, 2015: 1400.00 Lakhs equity shares of Rs. 10 each)	14,000.00	14,000.00	14,000.00
(ii) 560.00 Lakhs, 0.1% Non-cumulative, Compulsory Convertible Preference shares of Rs. 100 each (March 31, 2016: 560.00 Lakhs preference shares of Rs. 100 each) (April 1, 2015: 560.00 Lakhs preference shares of Rs. 100 each)	56,000.00	56,000.00	56,000.00
	70,000.00	70,000.00	70,000.00
Issued, Subscribed & Paid-Up			
1400.00 Lakhs equity shares of Rs. 10 each fully paid up (March 31, 2016: 14000.00 Lakhs equity shares of Rs. 10 each fully paid up) (April 1, 2015: 14000.00 Lakhs equity shares of Rs. 10 each fully paid up)	14,000.00	14,000.00	14,000.00
	14,000.00	14,000.00	14,000.00

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 prefrential 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 coverted 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 liablities portion of Preference Shares.

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

Numbers & Rupees in Lakhs

Particulars	As At March 31, 2017		As At March 31, 2016		As At April 1, 2015	
	Number	Rupees	Number	Rupees	Number	Rupees
Shares outstanding at the beginning of the year	1,400.00	14,000.00	1,400.00	14,000.00	1,400.00	14,000.00
Shares issued during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	1,400.00	14,000.00	1,400.00	14,000.00	1,400.00	14,000.00

(iv) Reconcilation of the Preferance shares outstanding at beginning and at end of the year

Numbers & Rupees in Lakhs

Particulars	As At March 31, 2017		As At March 31, 2016		As At April 1, 2015	
	Number	Rupees	Number	Rupees	Number	Rupees
Shares outstanding at the beginning of the year	560.00	56,000.00	560.00	56,000.00	560.00	56,000.00
Shares issued during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	560.00	56,000.00	560.00	56,000.00	560.00	56,000.00

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

Numbers in Lakhs

Particulars	As At March 31, 2017		As At March 31, 2016		As At April 1, 2015	
	No of Share	%	No of Share	%	No of Share	%
Equity shares of Rs 10 each fully paid						
GMR Highways Limited, the immediate holding company, effective March, 2016	1,349.50	96.39%	1,349.50	96.39%	1,349.50	96.39%
GMR Infrastructure Limited, the Ultimate Holding company, effective March 2016	50.50	3.61%	50.50	3.61%	50.50	3.61%

Numbers in Lakhs

0.1% Non-cumulative, Compulsory convertible pref. shares of Rs.100 each fully paid up	As At March 31, 2017		As At March 31, 2016		As At April 1, 2015	
	No of Share	%	No of Share	%	No of Share	%
GMR Highways Limited, the immediate holding company, effective March, 2016	558.05	99.65%	558.05	99.65%	558.05	99.65%
GMR Infrastructure Limited, the Ultimate Holding company, effective March 2016	1.95	0.35%	1.95	0.35%	1.95	0.35%

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

Numbers & Rupees in Lakhs

Particulars	As At March 31, 2017		As At March 31, 2016		As At April 1, 2015	
	Number	Rupees	Number	Rupees	Number	Rupees
Equity shares of Rs 10 each fully paid						
GMR Highways Limited (GHWL) - Immediate Holding Company	1,349.50	13,495.00	1,349.50	13,495.00	1,349.50	13,495.00
GMR Infrastructure Limited (GIL) - Ultimate Holding company	50.50	505.00	50.50	505.00	50.50	505.00

Numbers & Rupees in Lakhs

0.1% Non-cumulative, Compulsory convertible pref. shares of Rs.100 each fully paid up	As At March 31, 2017		As At March 31, 2016		As At April 1, 2015	
	Number	Rupees	Number	Rupees	Number	Rupees
GMR Highways Limited (GHWL) - Immediate Holding Company	5,580.50	558,050.00	5,580.50	558,050.00	5,580.50	558,050.00
GMR Infrastructure Limited (GIL) - Ultimate Holding company	19.50	1,950.00	19.50	1,950.00	19.50	1,950.00

(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:

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GMR Kishangarh Udaipur Ahmedabad Expressways Limited

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Notes forming part of Financial Statements for the Year ended March 31, 2017

Rupees in Lakhs

11. Other Equity

Particulars	As At March 31, 2017		As At March 31, 2016	
(i) Equity component of Preference shares		48,597.06		48,597.06
Opening Balance	48,597.06		48,597.06	
Add : Adjustment for the year	-		-	
(ii) Equity component of Loans from Related Party		1,673.13		1,618.13
Opening Balance	1,618.13		715.13	
Add : Adjustment for the year	55.00		902.99	
(iii) Profit & Loss Account		(51,148.29)		(4,346.41)
Opening Balance	(4,346.41)		(3,053.51)	
Add : Profit/ (Loss) for the year	(46,801.87)		(1,292.90)	
(iv) Other Comprehensive Income		3.10		3.10
Opening Balance	3.10		3.10	
Add : Addition during the year	-		-	
		(875.00)		45,871.87

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GMR KISHANGARH UDAIPUR AHMEDABAD EXPRESSWAYS LIMITED ★

GMR Kishangarh Udaipur Ahmedabad Expressways Limited

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Notes forming part of Financial Statements for the Year ended March 31, 2017

Rupees in Lakhs

12. Borrowings (at amortised cost)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
(I) Long Term			
Unsecured loans			
Liablity component of Loans from group company	2,982.70	2,549.82	2,566.55
Liablity component of Preference Shares	12,117.10	10,947.62	9,890.54
	15,099.80	13,497.44	12,457.09
(II) Short Term			
Unsecured Loan			
Interest Free Loan from Related Party	4,207.38	-	-
	4,207.38	-	-

(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 11)

(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 preference shares.The Preference Shares shall be coverted 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 11)

Rupees in Lakhs

13. Other Current Financial Liability (at amortised cost)

	Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
(a)	Non Trade Payable			
	- Payables to Related parties	692.82	728.10	750.08
	- Payables to Others	20.05	38.05	24.73
		712.88	766.15	774.80

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Notes forming part of Financial Statements for the Year ended March 31, 2017

Rupees in Lakhs

Breakup of financial liabilities category wise

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
At amortised cost	7,190.08	2,549.82	2,566.55
Loan from Related Parties	12,117.10	10,947.62	9,890.54
Liablity component of Preference Shares	712.88	766.15	774.80
Non Trade Payables	20,020.06	14,263.59	13,231.89

Rupees in Lakhs

14. Other current liabilities

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Statutory dues	2.23	1.74	5.19
	2.23	1.74	5.19

Rupees in Lakhs

15. Provisions

	Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
(i)	Non Current			
	(a) Provision for Employee Benefits	-	0.63	-
		-	0.63	-
(ii)	Current			
	(a) Provision for Employee Benefits	-	0.09	6.26
	(b) Provision for Operation and Maintenance	-	70.35	70.40
		-	70.45	76.66

Rupees in Lakhs

16. Current Tax Liablities

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
Provision for Tax	-	2.07	9.60
	-	2.07	9.60

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Notes forming part of Financial Statements for the Year ended March 31, 2017

Rupees in Lakhs

17. Other Income

	Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(a)	Interest Income on Bank Deposit	29.51	47.61
(b)	Other non-operating income	12.91	1.92
		42.42	49.54

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Rupees in Lakhs

18. Employee benefit expense

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(a) Salaries, Perquisites & Allowance	3.84	4.22
(b) Contribution to provident and other funds	0.58	0.15
(c) Gratuity expense	-	1.61
(d) Staff welfare expenses	0.32	-
	4.75	5.98

Rupees in Lakhs

19. Finance costs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(a) Interest on Loan	-	-
(b) Other Finance Charges	1,715.63	1,306.51
	1,715.63	1,306.51

Rupees in Lakhs

20. Depreciation and amortization expense

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Depreciation of tangible assets (note 3)	11.80	-
Amortization of intangible assets (note 4)	-	-
	11.80	-

Rupees in Lakhs

21. Other expenses

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Rent	1.21	16.74
Rates and taxes	0.08	0.47
Insurance	0.42	-
Travelling and conveyance	1.91	-
Communication costs	0.02	-
Legal and professional fees	84.15	0.23
Printing and stationery	0.00	-
Directors' sitting fees	2.99	3.75
Payment to auditor (Refer details below)	0.58	0.57
Office Maintenance	0.66	-
Business Promotions	-	1.28
Other Establishment expenses	0.29	-
	92.29	23.05

Rupees in Lakhs

Payment to auditor

Particulars	March 31, 2017 In Rs.	March 31, 2016 In Rs.
As auditor:		
Audit fee	0.58	0.57
Total	0.58	0.57

Rupees in Lakhs

22. Exceptional Item:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Claim paid to National Highways Authority of India	5,428.70	-
Claim of EPC Contractor	25,913.30	-
Other expenditure incurred on the project charged off	13,677.04	-
	45,019.03	-

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Notes forming part of Financial Statements for the Year ended March 31, 2017

23. Income Tax

The Company has not recognized deferred tax assets/liablity in respect of certain timing differences in the absence of virtual certainty. Summary of temporary differences & unused tax losses for which deferred tax assets/liablity has not been recognized is as under:

Rupees in Lakhs

Particulars	March 31, 2017	March 31, 2016
Unused Tax losses	-	36.19

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 March 31, 2017 and March 31, 2016 are as under:

Rupees in Lakhs

	As at March 31, 2017	As at March 31, 2016
Accounting profit	(46,801.08)	(1,289.80)
Tax at the applicable tax rate	(14,461.53)	(398.55)
Deferred tax asset not recognised	14,461.53	398.55
Tax expense	-	-

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Notes forming part of Financial Statements for the Year ended March 31, 2017

24 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.

Numbers & Amount in Lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Profit attributable to equity holders of the parent (Rs In Lakhs)	(46,801.87)	(1,292.90)
Profit attributable to equity holders of the parent for basic earnings (Rs in Lakhs)	(46,801.87)	(1,292.90)
Profit attributable to equity holders of the parent for diluted earnings (Rs in Lakhs)	(46,801.87)	(1,292.90)
Weighted Average number of equity shares for computing Earning Per Share (Basic) - (Nos in Lakhs)	1,400.00	1,400.00
Weighted average number of Equity shares adjusted for the effect of dilution (Nos in Lakhs)	1,400.00	1,400.00
Earning Per Share (Basic) (Rs)	(33.43)	(0.92)
Earning Per Share (Diluted) (Rs)	(33.43)	(0.92)
Face value per share (Rs)	10	10

25 Specified Bank Notes Disclosure (SBN's)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Rupees in Lakhs

Particulars	SBNs	ODNs	Total
Closing cash on hand as on 08 Nov 2016	1.92	-	1.92
(+) Non Permitted receipts *	-	0.50	0.50
(+) Permitted receipts -	-	-	-
(-) Permitted payments -	1.92	-	1.92
(-) Amounts Deposited in Banks	-	0.50	0.50
Closing cash on hand as on 30 Dec 2016	-	-	-

** Directly deposited by employees out of imprest advance made by company on various dates before November 08, 2016.*

26 First Time Adoption of Ind AS

These financial statements, for the year ended 31 March 2017, are the first, the company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the company's opening balance sheet was prepared as at 1 April 2015, the company's date of transition to Ind AS. This note explains the principal adjustments made by the company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.

Exemptions applied:-

Deemed cost-Previous GAAP carrying amount: (PPE and Intangible Assets)

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its PPE and intangible assets as recognised in its Indian GAAP financial as deemed cost at the transition date after making necessary adjustments for de-commissioning liabilities.

27 Significant accounting judgements, estimates and assumptions

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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Notes forming part of Financial Statements for the Year ended March 31, 2017

28 Capital Commitments

Estimated amount of Contracts remaining to be executed on capital account and not provided, as on 31st March 2017, for Rs. Nil (31 March 2016: Rs. NIL).

29 Contingent Liabilities

Bank Guarantee Rs. NIL (March 31, 2016 Rs. 26936.00 Lakhs)

30 Leases

The Company has entered into certain cancellable operating lease agreements for accommodation. Lease rental of Rs. 1.20 Lakhs (March 2016 : Rs. 16.74 Lakhs) paid during the period ended 31st March 2017 under such agreements.

31 Litigation

Earlier, on February 16, 2015 Company has issued a notice of dispute invoking the arbitration against NHAI and has appointed its nominee arbitrator. Claims and counter claims were filed by the Company and NHAI, 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, 2017.

32 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 31,2017 which has been relied upon by the auditors.

33 There is no employee in the Company as at year end March 31, 2017 hence disclosure related to Gratuity and other post-employment benefit plans not required

34 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) GMR Infrastructure Limited (GIL) GMR Highways Limited (GHWL)
Fellow Subsidiaries	GMR Tambaram–Tindivanam Expressways Limited (GTTEL) GMR Energy Ltd (GEL) GMR Renewable Energy Limited (GREL) GMR Tuni Anakapalli Expressways Limited (GTAEL) GMR Pochanpalli Expressways Limited(GPEL) Raxa Security Services Limited (RSSL)
Enterprise where Key Management Personnel and their relatives exercise significant influence	GMR Varalakshmi Foundation (GVF)
Key Management Personnel	**Non Executive Director** Mr. O Bangaru Raju Mr Arun Kumar Sharma **Independent Director** Mr. M. Ramachandran Dr. Kavitha Gudapati **Manager** Mr. Raj Kumar Kanojia (upto March 2, 2017)

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Notes forming part of Financial Statements for the Year ended March 31, 2017

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

Rupees in Lakhs

Name of Entity	Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Transaction with Enterprises that control the Company / exercise significant influence			
GIL	Interest on Liability portion of Preference Shares	4.07	3.68
GHWL	Interest on Inter Corporate Deposit/Unsecured Loan	287.87	249.43
	Interest on Liability portion of Preference Shares	1,165.41	1,053.40

Rupees in Lakhs

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	Others	
Mr. M. Ramachandran	-	-	-	-	1.49	-	-
Dr. Kavitha Gudapati	-	-	-	-	1.49	-	-
Mr. Rajkumar Kanojia	4.21	-	-	-	-	-	-

Rupees in Lakhs

Name of Entity	Particulars	As At March 31, 2017	As At March 31, 2016
Closing Balances with Enterprises that control the Company / exercise significant influence			
GIL	Equity Shares Outstanding	505.00	505.00
	Equity Component of Preference Shares	169.21	169.21
	Liability Portion of Preference Shares	42.19	38.12
	Other Receivables	-	27.98
	Trade and Other Payables	541.76	569.83
GHWL	Equity Shares Outstanding	13,495.00	13,495.00
	Equity Component of Preference Shares	48,427.85	48,427.85
	Liability Portion of Preference Shares	12,074.91	10,909.50
	Financial Liabilities of Loan	2,982.70	2,549.82
	Short Term Borrowing	4,207.38	-
	Equity Portion of Loan	1,673.13	1,618.13
	Non-Trade Payables	81.38	88.63
Closing Balances with Fellow Subsidiaries			
GFFT	Non Trade Payables	32.24	32.24
GHVEPL	Non Trade Payables	0.06	-
GCAPL	Non Trade Payables	37.39	37.39
GPPL	Advance recoverable	33,086.70	59,000.00

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GMR KISHANGARH UDAIPUR AHMEDABAD EXPRESSWAYS LIMITED

Notes forming part of Financial Statements for the Year ended March 31, 2017

Commitments with related parties: As at year end March 31, 2017, 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 2017, the Company has receivable of Rs 330.86 Crore 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 12

35 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 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 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 year.

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

36 **Capital Management**

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.

GIRISH MURTHY & KUMAR 4502, High Point IV 45, Palace Road, Bangalore-1

KISHANGARH UDAIPUR AHMEDABAD EXPRESSWAYS LIMITED

GMR Kishangarh Udaipur Ahmedabad Expressways Limited

CIN: U45200DL2011PLC227902

Notes forming part of Financial Statements for the Year ended March 31, 2017

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, 2017 and March 31, 2016.

As at March 31, 2017 there is no borrowings other than from related party which is a integral part of Capital

37 Financial Instrument by Category

Rupees in Lakhs

Particulars	As at 31 March 2017			As at 31 March 2016		
	At Amortised Cost	At FVTPL		At Amortised Cost	At FVTPL	
		Cost	Fair Value		Cost	Fair Value
Assets						
Cash and cash equivalents	25.21			1,355.26	-	-
Trade Receivable	-			27.98	-	-
Other Financial Assets	0.19			5.18	-	-
Total	25.40	-	-	1,388.42	-	-
Liabilities						
Borrowings (including interest)	7,190.08			2,549.82		
Liablity component of Preference Shares	12,117.10			10,947.62		
Non Trade Payable	712.88			766.15		
Total	20,020.06	-	-	14,263.59	-	-

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38 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		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Assets	-	-	-	-	-	-
Total	-	-	-	-	-	-

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, 2017:

Particulars	As at March 31, 2017	Fair Value measurement at end of the reporting		
		Level 1	Level 2	Level 3
Assets	-	-	-	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2016:

Particulars	As at March 31, 2016	Fair Value measurement at end of the reporting		
		Level 1	Level 2	Level 3
Assets	-	-	-	-

39 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, 2017 and March 31, 2016

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, 2017 and March 31, 2016.

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GMR KISHANGARH UDAIPUR AHMEDABAD EXPRESSWAYS LIMITED

Notes forming part of Financial Statements for the Year ended 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.

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.

Rupees in Lakhs

Year ended March 31, 2017	On Demand	Within 1 year	1-2 years	2-3 years	3-5 years	More than 5 Years	Total
Loan from Related parties	-	4,207.38	-	2,982.70	-	-	7,190.08
Preference Shares at amortised cost	-	-	-	-	-	12,117.10	12,117.10
Other financial liabilities	-	712.88	-	-	-	-	712.88
	-	712.88	-	2,982.70	-	12,117.10	20,020.06

Rupees in Lakhs

Year ended March 31, 2016	On Demand	Within 1 year	1-2 years	2-3 years	3-5 years	More than 5 Years	Total
Loan from Related parties	-	-	-	2,549.82	-	-	2,549.82
Preference Shares at amortised cost	-	-	-	-	-	10,947.62	10,947.62
Other financial liabilities	-	766.15	-	-	-	-	766.15
	-	766.15	-	2,549.82	-	10,947.62	14,263.59

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.

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.

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
Partner
Membership No: 26526
Place: Bengaluru

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4502, High Point IV
45, Palace Road,
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CHARTERED ACCOUNTANTS

GMR Kishangarh Udaipur Ahmedabad Expressways Limited

O Bangaru Raju
Director
DIN:00082228
Place : New Delhi

Arun Kumar Sharma
Director
DIN.02281905
Place : New Delhi

Ganta Srinivas
Chief Financial Officer
Place : New Delhi

GMR KISHANGARH UDAIPUR AHMEDABAD EXPRESSWAYS LIMITED

Date: May 26, 2017

GMR Kishangarh Udaipur Ahmedabad Expressways Limited

CIN: U45200DL2011PLC227902

Rupees in Lakhs

Statement of Audited Fiancial Results for the year ended 31st March 2017

	Particulars	Year ended 31-Mar-17 Audited	Year ended 31-Mar-16 Audited
1	**Income from operations**		
	(a) Sales/Income from operations	-	-
	(b) Other operating income	-	-
	Total income from operations	-	-
2	**Expenses**		
	(a) Sub-contracting expesnes	4.75	5.98
	(b) Employee benefits expense	11.80	-
	(c) Depreciation and amortisation expense	92.29	23.05
	(d) Other expenses		
	Total expenses	108.84	29.03
3	**Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)**	(108.84)	(29.03)
4	Other income	42.42	49.54
5	**Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 ± 4)**	(66.42)	20.51
6	Finance costs	1,715.63	1,306.51
7	**Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 ± 6)**	(1,782.05)	(1,286.00)
8	Exceptional items	45,019.03	-
9	**Profit / (Loss) from ordinary activities before tax (7 ± 8)**	(46,801.08)	(1,286.00)
10	Tax expense / (credit)	0.79	6.90
11	**Net Profit / (Loss) from ordinary activities after tax (9 ± 10)**	(46,801.87)	(1,292.90)
12	Other Comprehensive Income/ (expenses) (net of tax)	-	3.10
13	**Total Comprehensive Income for the period (11 ± 12)**	(46,801.87)	(1,289.80)

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

A.V. Satish Kumar
Partner
Membership No: 26526
Place: Bengaluru

GIRISH MURTHY & KUMAR * 4502, High Point IV 45, Palace Road, Bangalore-1. * CHARTERED ACCOUNTANTS

For and on behalf of
GMR Kishangarh Udaipur Ahmedabad Expressways Limited

O Bangaru Raju
Director
DIN:00082228
Place : New Delhi

Arun Kumar Sharma
Director
DIN.02281905
Place : New Delhi

G. Srinivas

Ganta Srinivas
Chief Financial Officer
Place : New Delhi

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