

**INDEPENDENT AUDITOR'S REPORT**

To,

The Members of Reengus Sikar Expressway Limited

**Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the accompanying standalone financial statements of Reengus Sikar Expressway Limited ("the Company"), which comprise the balance sheet as at 31st March 2020, the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI and specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent

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with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. The same shall be available after the date of our report and hence we have nothing to report in this regard.

### **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 of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the



company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

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 Annexure – I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- (d) In our opinion, the aforesaid financial statements comply, in material respect, with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 II.
- (g) During the year no remuneration in was paid to the Director(s) of the company which is required to be reported u/s 197(16) of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 35 to the financial statements;
  - ii) Based on the assessment made by the company, there are no material foreseeable losses on its long term contracts that may require any provisioning
  - iii) In view of there being no amounts required to be transferred to the Investor Education and Protection Fund for the year under audit, the reporting under this clause is not applicable.

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

  
**Narendra Khandal  
Partner**

**M No. 065025**

**UDIN : 20065025AAAAHS2754**

**Mumbai, September 4, 2020**



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

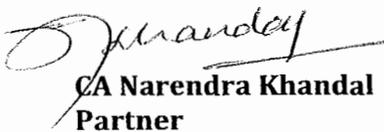
**Referred to in our report of even date, to the members of Reengus Sikar Expressway Limited for the year ended March 31, 2020**

- i)
  - (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of its fixed assets.
  - (b) The fixed assets of the company have been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
  - (c) According to the information and explanations provided to us, there are no immovable properties included in the fixed assets of the company and according the reporting requirements under sub clause (c) of clause (i) of paragraph 3 of the order are not applicable.
- ii) In our opinion, and according to the information and explanations given to us, the Company has sub-contracted the entire construction/operation related activities and therefore does not carry any inventories. Hence, the reporting requirements under clause (ii) of paragraph 3 of the order are not applicable.
- iii) In our opinion and according to the information and explanation given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the reporting requirements under sub-clause (a), (b) and (c) of Clause (iii) of paragraph 3 of the order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence the reporting requirements under clause (iv) of paragraph 3 of the order are not applicable.
- v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits during the period under audit. Consequently, the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 of the Act and the rules framed thereunder are not applicable.
- vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Act for the company. We have broadly reviewed such records and are of the opinion that prima-facie, the prescribed records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii)
  - (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, professional tax, cess and any other material statutory dues, as applicable, with the appropriate authorities in India. According to the information and explanations given to us, there are no undisputed amount in respect of the aforesaid statutory dues which in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us, there are no applicable statutory dues which have not been deposited on account of any dispute.



- viii) Based upon the audit procedures carried out by us and on the basis of information and explanations provided by the management we are of the opinion that the company has not defaulted in repayment of dues to banks or its debenture holders. The company does not have any borrowings from government/Financial Institutions.
- ix) In our opinion and according to the information and explanations given to us, the term loans taken by the company have been ultimately utilised for the purpose for which they were taken. Further, the company has not raised any funds by way of initial / further public offer.
- x) Based on the audit procedures performed by us for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us by the management, we report that we have neither come across any instance of fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- xi) According to the information and explanations given to us, the company has not paid any managerial remuneration during the year and hence the reporting requirements under clause (xi) of paragraph 3 of the order are not applicable.
- xii) The company is not a Nidhi Company and hence the reporting requirements under clause (xii) of paragraph 3 of the order are not applicable.
- xiii) According to the information and explanations given to us, all transactions entered into by the company with related parties are in compliance with section 177 and 188 of the Act where applicable and the details thereof have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit.
- xv) According to the information and explanations provided to us, the company has not entered into any non-cash transactions with directors or persons connected with them.
- xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under Section 45 - IA of the Reserve Bank of India, 1934.

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

  
**CA Narendra Khandal  
Partner**

**M No. 065025**

**UDIN : 20065025AAAHS2754**

**Mumbai, September 4, 2020**



## **Annexure – II to the Independent Auditors Report**

**Referred to in our report of even date, to the members of Reengus Sikar Expressway Limited for the year ended March 31, 2020**

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

We have audited the internal financial controls over financial reporting of Reengus Sikar Expressway Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditors’ Responsibility**

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

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

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



## **Meaning of Internal Financial Controls Over Financial Reporting**

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

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

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

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



**CA Narendra Khandal  
Partner**

**M No. 065025**

**UDIN : 20065025AAAHS2754**

**Mumbai, September 4, 2020**



# Reengus Sikar Expressway Limited

## Balance Sheet

as at 31st March 2020

(Currency: Indian Rupees in lakhs)

Particulars	Note	31 March 2020	31 March 2019
<b>Assets</b>			
<b>Non-current assets</b>			
(a) Investment in property	4	19.66	19.66
(b) Financial assets			
(i) Trade Receivables	5	3,234.06	3,250.10
(ii) Loan	6	0.12	0.12
(iii) Other financial assets	7	13,931.12	14,445.00
(c) Other non-current assets	12	65.01	59.23
(d) Current tax Assets (net)	8	46.83	-
<b>Total non current Assets</b>		<b>17,296.80</b>	<b>17,774.11</b>
<b>Current assets</b>			
(a) Financial assets			
(i) Investments	9	-	777.76
(ii) Cash and cash equivalents	10	127.02	67.27
(iii) Other bank balances	11	3,190.00	2,840.00
(iv) Other financial assets	7	1,163.88	1,066.84
(b) Other current assets	12	61.74	17.54
<b>Total Current Assets</b>		<b>4,542.64</b>	<b>4,769.41</b>
<b>Total assets</b>		<b>21,839.44</b>	<b>22,543.52</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
(a) Equity share capital	13	50.00	50.00
(b) Other equity	14	2,010.57	1,514.87
<b>Total Equity</b>		<b>2,060.57</b>	<b>1,564.87</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	14,566.12	16,164.89
(b) Provisions	16	820.00	820.00
<b>Total non current liabilities</b>		<b>15,386.12</b>	<b>16,984.89</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17	234.15	1,277.61
(ii) Trade payables - total outstanding dues of	18		
(a) Micro enterprises and small enterprises		-	-
(b) Creditors other than micro enterprises and small enterprises		796.86	179.10
(iii) Other financial liabilities	19	1,400.00	1,205.37
(b) Other current liabilities	20	1,961.74	1,315.44
(c) Current tax liabilities (net)	21	-	16.25
<b>Total current liabilities</b>		<b>4,392.75</b>	<b>3,993.77</b>
<b>Total liabilities</b>		<b>19,778.87</b>	<b>20,978.66</b>
<b>Total equity and liabilities</b>		<b>21,839.44</b>	<b>22,543.52</b>

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

As per our report of even date attached

### MKPS & Associates

Chartered Accountants

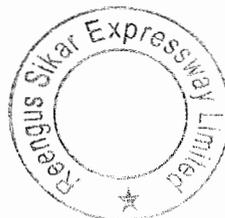
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*Narendra Khandal*  
CA Narendra Khandal  
Partner  
M. No. 065025



Date : 04 September, 2020

Place : Mumbai



### For and on behalf of the Board of Directors

Reengus Sikar Expressway Limited

(CIN : U45400RJ2011PLC066741)

*Vinod Kumar Agarwal*

Vinod Kumar Agarwal

Director

DIN: 00182893

Date : 04 September, 2020

Place: Gurugram

*Vikas Agarwal*

Vikas Agarwal

Director

DIN : 03113689

# Reengus Sikar Expressway Limited

Statement of Profit and Loss  
for the year ended 31 March 2020

(Currency: Indian Rupees in lakhs)

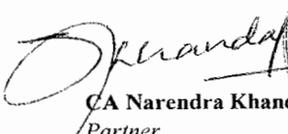
Particulars	Note	31 March 2020	31 March 2019
<b>Income</b>			
Revenue from operations	22	5,673.85	3,059.76
Other income	23	281.80	220.80
<b>Total income</b>		<u>5,955.65</u>	<u>3,280.56</u>
<b>Expenses</b>			
Civil construction costs	24	4,047.19	1,287.06
Employee Cost	25	0.80	2.40
Other expenses	26	140.19	110.82
Finance costs	27	1,157.22	1,300.10
<b>Total expenses</b>		<u>5,345.40</u>	<u>2,700.38</u>
<b>Profit before tax</b>		610.25	580.18
<b>Tax expense:</b>			
Current tax		113.16	133.37
Tax adjustments relating to previous year		1.39	1.15
		<u>114.55</u>	<u>134.52</u>
<b>Profit for the year</b>		495.70	445.66
<b>Other comprehensive income</b>		-	-
<b>Other comprehensive income for the period, net of tax</b>		-	-
<b>Total comprehensive income for the year</b>		<u>495.70</u>	<u>445.66</u>

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

As per our report of even date attached

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

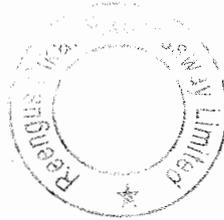
For and on behalf of the Board of Directors  
Reengus Sikar Expressway Limited  
(CIN :U45400RJ2011PLC066741)

  
CA Narendra Khandal  
Partner

M. No. 065025

Date : 04 September, 2020

Place : Mumbai





Vinod Kumar Agarwal

Director

DIN: 00182893

Date : 04 September, 2020

Place: Gurugram



Vikas Agarwal

Director

DIN : 03113689

# Reengus Sikar Expressway Limited

## Cash Flow Statement

for the year ended 31 March 2020

(Currency: Indian Rupees in lakhs)

Particulars	31 March 2020	31 March 2019
<b>Cash flows from operating activities</b>		
<b>Profit before tax</b>	610.25	580.18
Adjustments for:		
Interest income	(243.13)	(125.23)
Gain on sale of liquid investments	(38.67)	(85.61)
Gain arising on financial assets measured at FVTPL (net)	52.06	(9.96)
Finance costs	1,157.22	1,300.10
	1,537.73	1,659.48
Working capital adjustments :		
(Increase) /decrease in financial and non-financial assets	366.87	(1,918.90)
Decrease / (increase) in trade receivables	16.04	(89.43)
Increase /(decrease) in trade payables	617.76	(92.96)
Increase /(decrease) in provisions, financial and non-financial liabilities	646.30	849.43
<b>Cash generated from operating activities</b>	3,184.70	407.63
Income tax paid (net)	(177.63)	(125.24)
<b>Net cash generated from / (used in) operating activities (A)</b>	3,007.07	282.39
<b>Cash flows from investing activities</b>		
Interest received	281.80	125.23
Investment in term deposits	(350.00)	-
<b>Net cash generated from / (used in) investing activities (B)</b>	(68.20)	125.23
<b>Cash flows from financing activities</b>		
Interest paid	(961.99)	(1,049.93)
Proceeds /(repayment) of borrowings (net)	(2,642.83)	(1,114.16)
<b>Net cash (used in) / generated from financing activities (C)</b>	(3,604.82)	(2,164.09)
<b>Net increase in cash and cash equivalents (A+B+C)</b>	(665.95)	(1,756.47)
Cash and cash equivalents at 1 April	792.97	2,549.44
Cash and cash equivalents at 31 March 2020	127.02	792.97

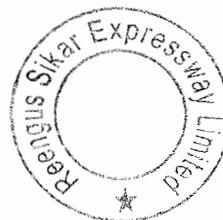
### Notes:

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

- Cash and cash equivalents comprises of

	As at 31 March 2020	As at 31 March 2019
Cash on hand	0.06	0.06
Balances with banks:	126.96	67.21
- Current accounts		
<b>Cash and cash equivalents (refer note 10)</b>	127.02	67.27
Add : investment in liquid mutual funds [refer note 9]	-	777.76
Less : unrealised gain on liquid mutual funds	-	(52.06)
<b>Cash and cash equivalents in statement of cash flow</b>	127.02	792.97

- The Company has undrawn borrowing facilities (excluding non-fund based facilities) aggregating to Rs. Nil lakhs (previous year Rs. Nil ) towards future projects to be executed by the Company.



# Reengus Sikar Expressway Limited

Cash Flow Statement (continued)  
for the year ended 31 March 2020

(Currency: Indian Rupees in lakhs)

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

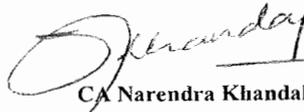
	Liabilities			Total
	10% Non Cumulative Redeemable Preference Shares	Non-current borrowings	Current borrowings	
<b>Balance as at 1st April 2018</b>	1,315.18	16,912.22	1,284.46	19,511.86
<b>Cash Flow from Financing Activities</b>				
Proceeds from issue of debentures	-	-	-	-
Repayment of borrowings	-	(1,000.00)	(1,210.00)	(2,210.00)
Proceeds from current borrowings (net)	-	-	1,095.84	1,095.84
Other borrowing costs paid*	-	(0.01)	-	(0.01)
Interest paid	-	(1,038.00)	(11.92)	(1,049.92)
<b>Total cash flow from financing activities</b>	-	(2,038.01)	(126.08)	(2,164.09)
Liability related other changes		-	-	-
Other borrowing costs*		0.01	-	0.01
Interest expense	131.52	1,049.34	119.23	1,300.09
<b>Balance as at 31 March 2019</b>	<b>1,446.69</b>	<b>15,923.57</b>	<b>1,277.61</b>	<b>18,647.87</b>
<b>Balance as at 1st April 2019</b>	<b>1,446.69</b>	<b>15,923.57</b>	<b>1,277.61</b>	<b>18,647.87</b>
<b>Cash Flow from Financing Activities</b>				
Proceeds from issue of debentures	-	-	-	-
Repayment of borrowings	-	(1,555.88)	(1,275.93)	(2,831.81)
Proceeds from current borrowings (net)	-	-	188.98	188.98
Other borrowing costs paid*	-	(0.02)	-	(0.02)
Interest paid	-	(957.14)	(4.83)	(961.97)
<b>Total cash flow from financing activities</b>	-	(2,513.04)	(1,091.78)	(3,604.82)
Liability related other changes		-	-	-
Other borrowing costs*		0.02	-	0.02
Interest expense	144.67	964.21	48.32	1,157.20
<b>Balance as at 31 March 2020</b>	<b>1,591.36</b>	<b>14,374.76</b>	<b>234.15</b>	<b>16,200.27</b>

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

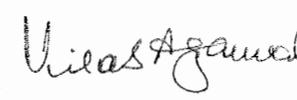
As per our report of even date attached

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

**For and on behalf of the Board of Directors**  
Reengus Sikar Expressway Limited  
(CIN :U45400RJ2011PLC066741)

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



**Vinod Kumar Agarwal**  
Director  
DIN: 00182893

**Vikas Agarwal**  
Director  
DIN : 03113689

Date : 04 September, 2020  
Place : Mumbai

Date : 04 September, 2020  
Place: Gurugram

# Reengus Sikar Expressway Limited

Statement of changes in equity  
for the year ended 31 March 2020

(Currency: Indian Rupees in lakhs)

## A. Equity Share Capital

Particulars	Number	Amount
Balance as at 1 April 2018	5,00,000	50.00
Changes in equity share capital during the FY 2018-19	-	-
Balance as at 31 March 2019	5,00,000	50.00
Changes in equity share capital during the FY 2019-20	-	-
Balance as at 31 March 2020	5,00,000	50.00

## B. Preference Share Capital

Particulars	Number	Amount
Balance as at 1 April 2018	11,67,000	116.70
Changes in preference share capital during the FY 2018-19	-	-
Balance as at 31 March 2019	11,67,000	116.70
Changes in preference share capital during the FY 2019-20	-	-
Balance as at 31 March 2020	11,67,000	116.70

## C. Other Equity

Particulars	Retained Earnings	Equity component of financial instrument	Total
Balance as at 01 April 2018	61.10	1,008.12	1,069.22
Profit for the FY 2018-19	445.66	-	445.66
Total Comprehensive Income for the year	-	-	-
Balance as at 31 March 2019	506.75	1,008.12	1,514.87
Profit for the FY 2019-20	495.70	-	495.70
Total Comprehensive Income for the year	-	-	-
Balance as at 31 March 2020	1,002.45	1,008.12	2,010.57

The notes referred above are an integral part of these financial statements.  
As per our report of even date attached

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

  
CA Narendra Khandal  
Partner  
M. No. 065025



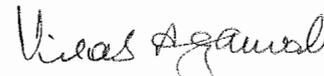
Date : 04 September, 2020  
Place : Mumbai

For and on behalf of the Board of Directors  
Reengus Sikar Expressway Limited  
(CIN : U45400DL2011PLC217481)



  
Vinod Kumar Agarwal  
Director  
DIN: 00182893

Date : 04 September, 2020  
Place: Gurugram

  
Vikas Agarwal  
Director  
DIN : 03113689

# Reengus Sikar Expressway Limited

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

for the year ended 31 March 2020

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

### Measurement of expected credit losses

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

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

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

## ii *Impairment of non-financial assets*

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

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

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

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

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

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

## h. *Employee benefits*

### *Short-term employee benefits*

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



# Reengus Sikar Expressway Limited

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

for the year ended 31 March 2020

### iii. *Derecognition*

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

### f. *Inventories*

Inventories are measured at the lower of cost and net realisable value. However, materials and other items held for use in civil construction work and / or production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The cost of inventories is based on the first-in first-out ("FIFO") formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

In the case of manufactured inventories and work-in-progress, cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity and excise duty. Cost is determined on FIFO basis. Trading goods are valued at lower of cost and net realizable value. Cost is determined on FIFO basis.

### g. *Impairment*

#### i *Impairment of financial instruments*

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost;
- contract assets recognised under contract with customers; and
- financial assets measured at FVOCI- debt investments.

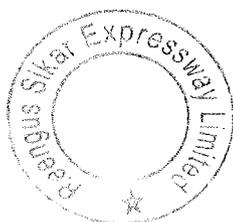
At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

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

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as 12 month expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Twelve months expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).



# Reengus Sikar Expressway Limited

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

for the year ended 31 March 2020

financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

### iv. **Offsetting**

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

### c. **Operating cycle**

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

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

#### i. **Recognition and measurement**

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

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

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

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

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

#### ii. **Subsequent expenditure**

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

#### iii. **Derecognition**

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

### e. **Intangible assets**

#### i. **Recognition and measurement**

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

#### ii. **Subsequent expenditure**

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



# Reengus Sikar Expressway Limited

## Notes to the financial statements (continued)

for the year ended 31 March 2020

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

### **Financial assets: Subsequent measurement and gains and losses**

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

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

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

### **iii. Derecognition**

#### **Financial assets**

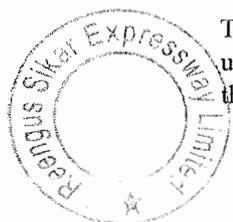
The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred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

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

#### **Financial liabilities**

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

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



# Reengus Sikar Expressway Limited

## Notes to the financial statements (continued)

for the year ended 31 March 2020

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

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

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

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

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

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

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

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

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

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

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

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal



# Reengus Sikar Expressway Limited

## Notes to the financial statements (continued)

for the year ended 31 March 2020

### 3. Significant accounting policies

#### a. Foreign currency transaction

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

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

#### b. Financial instruments

##### i Recognition and initial measurement

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

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

##### ii Classification and subsequent measurement

###### Financial assets

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

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

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

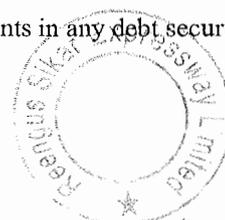
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

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

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

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



# Reengus Sikar Expressway Limited

## Notes to the financial statements (continued)

for the year ended 31 March 2020

### Assumptions and estimation uncertainties

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

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

### e. Measurement of fair values

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

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

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

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

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

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

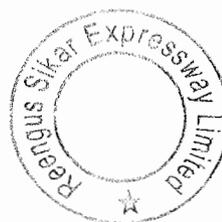
**Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

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

- Financial instruments



# Reengus Sikar Expressway Limited

## Notes to the financial statements

for the year ended 31 March 2020

### 1. Reporting entity

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

The Company is formed as a special purpose vehicle (SPV) to develop, establish, construct, operate and maintain the project relating to Four Laning of Reengus to Sikar Section Km 298.075 Near Madhopura Junction to Km 341.047 (After Sikar Town) of NH-11 (Proposed Chainage Km. 298.05 to Km. 341.962)(Design Length 43.887 Km) in the State of Rajasthan under the Design, Build, Finance, Operation and Transfer (Annuity) basis under NHDP Phase-III.

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

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

### 2. Basis of preparation

#### a. Statement of compliance

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

The financial statements were authorised for issue by the Company's Board of Directors on dated **04 September 2020**.

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

#### b. Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs. Lakhs), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

#### c. Basis of measurement

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

#### d. Use of estimates and judgments

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

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



# Reengus Sikar Expressway Limited

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

for the year ended 31 March 2020

### **Contract balances**

#### **Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer e.g. unbilled revenue. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset i.e. unbilled revenue is recognised for the earned consideration that is conditional. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to the Customer.

#### **Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due.

#### **Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Company performs under the contract.

#### **Others**

Interest income is recognised using effective interest rate (EIR) method.

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

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

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

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

### **l. Income tax**

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

#### **i Current tax**

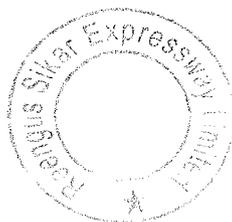
Current tax comprises of the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering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

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

#### **ii Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the



# Reengus Sikar Expressway Limited

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

for the year ended 31 March 2020

Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

Deferred tax assets –unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

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

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

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

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

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

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

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

### ***m. Borrowing cost***

Borrowing costs are interest and other incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

### ***n. Operating segments***

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

### ***o. Cash and cash equivalents***

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



# Reengus Sikar Expressway Limited

## Notes to the financial statements (*continued*) for the year ended 31 March 2020

In line with the amendments to Ind AS 7 Statement of Cash flows (effective from April 1, 2017), the Company has provided disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The adoption of amendment did not have any material impact on the financial statements.

### **p. Earnings per Share**

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

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

### **q. Dividends**

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

### **r. Event Occurring after Reporting Date**

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

### **s. Recent accounting pronouncements**

The Company has not applied the following revised Ind ASs that have been issued but are not yet effective:

On 24 July 2020, MCA issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2020 to notify certain amendments to Ind AS 103 – “Business Combinations”, Ind AS 116 – “Leases”, Ind AS 107 – “Financial Instruments: Disclosures”, Ind AS 109 – “Financial Instruments”, Ind AS 1 – “Presentation of Financial Statements”, Ind AS 8 – “Accounting Policies, Changes in Accounting Estimates and Errors”, Ind AS 10 – “Events after the Reporting Period”, Ind AS 34 – “Interim Financial Reporting” and Ind AS 37 – “Provisions, Contingent Liabilities and Contingent Assets”.

#### **Amendment to existing Ind AS**

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

#### ***Ind AS 103 – Business Combination***

The amendments provide change in definition of business. The amendments are intended to assist entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The new definition is narrower but may require a complex assessment.

#### ***Ind AS 116 – Leases***

The amendment provides the practical expedient in Ind AS 116 for accounting for rent concessions



# Reengus Sikar Expressway Limited

## Notes to the financial statements (continued)

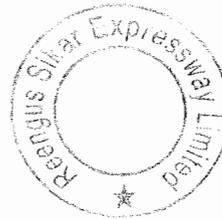
for the year ended 31 March 2020

### *Ind AS 107 – Financial Instruments: Disclosures, Ind AS 109 – Financial Instruments*

The specific hedge accounting requirements have been amended to provide relief from the potential effects of the uncertainty caused by IBOR reform.

### *Ind AS 1 – Presentation of Financial Statements, Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, Ind AS 10 – Events after the Reporting Period and Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets*

The amendments provide Refined definition of material. The refinements are not intended to alter the concept of materiality and are expected to make it easier to understand.



# Reengus Sikar Expressway Limited

Notes to the financial statements (continued)  
for the year ended 31 March 2020

(Currency: Indian Rupees in lakhs)

## 4 Non-current assets : Investment in property

Particulars	31 March 2020	31 March 2019
- Plot at Raigad, Maharashtra	19.66	19.66
Total	19.66	19.66

The management believes that the fair value of the investment property is equivalent to its cost incurred.

## 5 Non-Current Assets -Trade Receivables

Particulars	31 March 2020	31 March 2019
<b>Non Current</b>		
considered good - secured	3,234.06	3,250.10
<b>Current</b>		
considered good - unsecured	-	-
credit impaired	-	-
Total	3,234.06	3,250.10

Retention money relating to construction contracts are included in above trade receivables as they are recoverable within the operating cycle of the Company.

Particulars	31 March 2020	31 March 2019
Retention money	84.32	110.35
Total	84.32	110.35

## 6 Non-current assets -Financial assets : Loan

Particulars	31 March 2020	31 March 2019
Security deposits with AVVNL Reengus	0.12	0.12
Total	0.12	0.12

## 7 Non-current assets -Financial assets : Other financial assets

Particulars	31 March 2020	31 March 2019
<b>Non-current</b>		
Right for annuity receivable from NHAI	13,281.12	14,445.00
Fixed deposits with banks having maturity more than 12 months from the reporting date	650.00	-
Total	13,931.12	14,445.00
<b>Current</b>		
Current portion of financial asset-Annuity receivable from NHAI	1,163.88	1,066.84
Total	1,163.88	1,066.84
Total	15,095.00	15,511.84

## 8 Current tax Assets (net)

Particulars	31 March 2020	31 March 2019
Advance tax (net of provision for income tax)	46.83	-
Total	46.83	-

## 9 Current assets - Financial assets : Investments

Particulars	31 March 2020	31 March 2019
Reliance mutual fund	-	777.76
Total	-	777.76

## 10 Current assets - Financial assets : Cash and cash equivalents

Particulars	31 March 2020	31 March 2019
<b>Balances with Banks in Current account:</b>		
SBI Bank (escrow account)	0.16	0.17
SBI Bank	0.30	0.30
HDFC - Operation sub account	126.50	66.74
Cash on hand	0.06	0.06
Total	127.02	67.27

## 11 Current assets - Financial assets : Other bank balances

Particulars	31 March 2020	31 March 2019
Deposits with remaining maturity of less than 12 months	3,190.00	2,840.00
Total	3,190.00	2,840.00

## 12 Other Assets

Particulars	31 March 2020	31 March 2019
<b>Non-current</b>		
Accrued interest on deposit	27.61	22.42
GST receivable	21.04	20.45
Income tax refundable	6.42	6.42
Sales tax refundable	8.92	8.92
WCT refundable	1.02	1.02
	65.01	59.23
<b>Current</b>		
Advance to suppliers for goods and services	-	9.51
Prepaid insurance	61.74	8.03
	61.74	17.54
Total	126.75	76.77



# Reengus Sikar Expressway Limited

Notes to the financial statements (continued)  
for the year ended 31 March 2020

(Currency: Indian Rupees in lakhs)

## 13 Share capital

Authorised	31 March 2020	1 March 2019
500,000 (31 March 2019: 500,000) equity shares of Rs. 10 each	50.00	50.00
3,000,000 (31 March 2019: 3,000,000) 10% Non-cumulative redeemable preference shares of Rs.10 each	300.00	300.00
	<b>350.00</b>	<b>350.00</b>
<b>Issued subscribed and paid up</b>		
500,000 (31 March 2019: 500,000) equity shares of Rs. 10 each	50.00	50.00
1,167,000 (31 March 2019: 1,167,000) 10% Non-cumulative redeemable preference shares of Rs.10 each	116.70	116.70
	<b>166.70</b>	<b>166.70</b>

All issued shares are fully paid up.

### Equity share capital

Particulars	31 March 2020	1 March 2019
500,000 (31 March 2019: 500,000) equity shares of Rs. 10 each	50.00	50.00
	<b>50.00</b>	<b>50.00</b>

### Reconciliation of equity share outstanding at the beginning and at the end of the year.

Particulars	31 March 2020		31 March 2019	
	Numbers	Amount	Numbers	Amount
At the commencement of the year	5,00,000	50.00	5,00,000	50.00
At the end of the year	5,00,000	50.00	5,00,000	50.00

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

Particulars	31 March 2020		31 March 2019	
	Numbers	% of total share in	Numbers	% of total share in class
Equity share of Rs. 10 each fully paid-up held by				
- G R Infraprojects Limited (parent company)	5,00,000	100.00	5,00,000	100.00

### Terms & Conditions attached to equity shares:

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

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

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

### Reconciliation of Preference shares outstanding at the beginning and at the end of the year.

Particulars	31 March 2020		31 March 2019	
	Numbers	Amount	Numbers	Amount
At the commencement of the year	11,67,000	116.70	11,67,000	116.70
At the end of the year	11,67,000	116.70	11,67,000	116.70

### Preference shares of Rs. 10 each fully paid held by

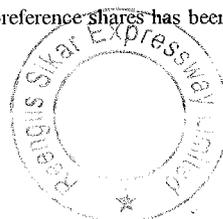
Particulars	31 March 2020		31 March 2019	
	Numbers	% of total share in	Numbers	% of total share in class
Preference share of Rs. 10 each fully paid-up held by				
- G R Infraprojects Limited (parent company)	11,67,000	100.00	11,67,000	100.00

### Terms & Conditions attached to Preference shares:

The Company has only one class of preference shares, viz. Non cumulative redeemable preference shares having a par value of Rs. 10 per share. The preference share are redeemable at a premium of Rupees 140 between October 5, 2021 to June 8, 2027.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Company has classified the above non-cumulative redeemable preference shares as compound financial instruments and equity component has been classified in the other equity.



# Reengus Sikar Expressway Limited

Notes to the financial statements (continued)

for the year ended 31 March 2020

(Currency: Indian Rupees in lakhs)

## 14 Equity : Other equity

Particulars	Retained earnings	Equity component of financial instrument	Total
Balance as at 01 April 2018	61.09	1,008.12	1,069.21
Profit for the FY 2018-19	445.66	-	445.66
Total Comprehensive Income for the year	-	-	-
Balance as at 31 March 2019	506.75	1,008.12	1,514.87
Profit for the FY 2019-20	495.70	-	495.70
Total Comprehensive Income for the year	-	-	-
Balance as at 31 March 2020	1,002.45	1,008.12	2,010.57



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# Reengus Sikar Expressway Limited

Notes to the financial statements (continued)  
for the year ended 31 March 2020

(Currency: Indian Rupees in lakhs)

## 15 Non-current liabilities-Financial Liabilities: Long-Term borrowings

Particulars	31 March 2020	31 March 2019
A. 10% Non Cumulative Redeemable Preference Shares	1,591.36	1,446.69
B. Debentures - 8.10% Redeemable non-convertible secured debentures issued to HDFC Bank Ltd	9,474.76	10,867.70
C. Loan from Parent Company	3,500.00	3,850.50
<b>Total</b>	<b>14,566.12</b>	<b>16,164.89</b>

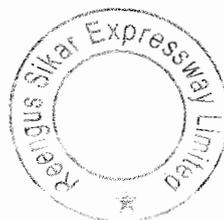
Particulars	Terms																																																																																																												
<b>Issuer</b>	Reengus Sikar Expressway Limited																																																																																																												
<b>Instrument</b>	Secured Redeemable Non-Convertible Debentures																																																																																																												
<b>Total Amount</b>	Rs.135.20 crore																																																																																																												
<b>Coupon rate (%)</b>	8.10% p.a.																																																																																																												
<b>Coupon frequency</b>	In semi-annual tranches along with principal redemption																																																																																																												
<b>Form of issuance</b>	In de-materialized form																																																																																																												
<b>Tenor/Maturity</b>	9.25 Years from allotment																																																																																																												
<b>Redemption (At par)</b>	<b>Structured semi-annual repayment schedule as given below:</b>																																																																																																												
	<table border="1"> <thead> <tr> <th rowspan="2">Date</th> <th colspan="3">Principal Repayment (Rs. Crore)</th> <th rowspan="2">Total</th> </tr> <tr> <th>STRPP 1</th> <th>STRPP 2</th> <th>STRPP 3</th> </tr> </thead> <tbody> <tr><td>31-Mar-18</td><td>4.20</td><td>-</td><td>-</td><td>4.20</td></tr> <tr><td>30-Sep-18</td><td>5.00</td><td>-</td><td>-</td><td>5.00</td></tr> <tr><td>31-Mar-19</td><td>5.00</td><td>-</td><td>-</td><td>5.00</td></tr> <tr><td>30-Sep-19</td><td>6.00</td><td>-</td><td>-</td><td>6.00</td></tr> <tr><td>31-Mar-20</td><td>6.00</td><td>-</td><td>-</td><td>6.00</td></tr> <tr><td>30-Sep-20</td><td>7.00</td><td>-</td><td>-</td><td>7.00</td></tr> <tr><td>31-Mar-21</td><td>7.00</td><td>-</td><td>-</td><td>7.00</td></tr> <tr><td>30-Sep-21</td><td>6.00</td><td>-</td><td>-</td><td>6.00</td></tr> <tr><td>31-Mar-22</td><td>-</td><td>6.00</td><td>-</td><td>6.00</td></tr> <tr><td>30-Sep-22</td><td>-</td><td>7.00</td><td>-</td><td>7.00</td></tr> <tr><td>31-Mar-23</td><td>-</td><td>7.00</td><td>-</td><td>7.00</td></tr> <tr><td>30-Sep-23</td><td>-</td><td>7.00</td><td>-</td><td>7.00</td></tr> <tr><td>31-Mar-24</td><td>-</td><td>7.00</td><td>-</td><td>7.00</td></tr> <tr><td>30-Sep-24</td><td>-</td><td>8.00</td><td>-</td><td>8.00</td></tr> <tr><td>31-Mar-25</td><td>-</td><td>-</td><td>8.00</td><td>8.00</td></tr> <tr><td>30-Sep-25</td><td>-</td><td>-</td><td>9.00</td><td>9.00</td></tr> <tr><td>31-Mar-26</td><td>-</td><td>-</td><td>10.00</td><td>10.00</td></tr> <tr><td>30-Sep-26</td><td>-</td><td>-</td><td>10.00</td><td>10.00</td></tr> <tr><td>26-Feb-27</td><td>-</td><td>-</td><td>10.00</td><td>10.00</td></tr> <tr><td><b>Total</b></td><td><b>46.20</b></td><td><b>42.00</b></td><td><b>47.00</b></td><td><b>135.20</b></td></tr> </tbody> </table>	Date	Principal Repayment (Rs. Crore)			Total	STRPP 1	STRPP 2	STRPP 3	31-Mar-18	4.20	-	-	4.20	30-Sep-18	5.00	-	-	5.00	31-Mar-19	5.00	-	-	5.00	30-Sep-19	6.00	-	-	6.00	31-Mar-20	6.00	-	-	6.00	30-Sep-20	7.00	-	-	7.00	31-Mar-21	7.00	-	-	7.00	30-Sep-21	6.00	-	-	6.00	31-Mar-22	-	6.00	-	6.00	30-Sep-22	-	7.00	-	7.00	31-Mar-23	-	7.00	-	7.00	30-Sep-23	-	7.00	-	7.00	31-Mar-24	-	7.00	-	7.00	30-Sep-24	-	8.00	-	8.00	31-Mar-25	-	-	8.00	8.00	30-Sep-25	-	-	9.00	9.00	31-Mar-26	-	-	10.00	10.00	30-Sep-26	-	-	10.00	10.00	26-Feb-27	-	-	10.00	10.00	<b>Total</b>	<b>46.20</b>	<b>42.00</b>	<b>47.00</b>	<b>135.20</b>
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<b>Purpose</b>	For refinancing of existing loans of the issuer and payment of fees and expenses of the issue																																																																																																												
<b>Listing</b>	(Unlisted)																																																																																																												
<b>Trustee</b>	(To be appointed)																																																																																																												

### NCD security and repayment details:

NCD Secured first charge by way of Hypothecation on all of movable assets, pledge of 30% of equity of the issuer, project bank accounts, insurance policies book debts, assignment of all the Company's rights and interest under all the agreements related to the Project, LC, guarantee provided any party for any contract related to the Project in favor of the issuer.

### Loan from Holding

Terms and Source of repayment : from the cash flows available after meeting the senior debt obligation, in line with the waterfall mechanism as per described under the Concession Agreement / Common Loan Agreement and Escrow Agreement. Rate of interest Nil with Unsecured



# Reengus Sikar Expressway Limited

## Notes to the financial statements (continued)

for the year ended 31 March 2020

(Currency: Indian Rupees in lakhs)

### 16 Non-current liabilities : Long-term provisions

Particulars	31 March 2020	31 March 2019
<b>Non-current</b>		
Provision for major maintenance	820.00	820.00
	<b>820.00</b>	<b>820.00</b>

### 17 Current financial liabilities - Short- term borrowings

Particulars	31 March 2020	31 March 2019
Loan from Parent Company	190.66	1,277.61
Accrued Interest on loan from parent company	43.49	-
<b>Total</b>	<b>234.15</b>	<b>1,277.61</b>

Terms and Source of repayment : from the cash flows available after meeting the senior debt obligation, in line with the waterfall mechanism as per described under the Concession Agreement / Common Loan Agreement and Escrow Agreement. Rate of Interest: 9% for the year, with unsecured

### 18 Current liabilities- Financial liabilities : Trade Payables

Particulars	31 March 2020	31 March 2019
<b>Total outstanding dues</b>		
Micro enterprises and small enterprises (refer note below)	-	-
Creditors other than micro enterprises and small enterprises	796.86	179.10
<b>Total</b>	<b>796.86</b>	<b>179.10</b>

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

Particulars	31 March 2020	31 March 2019
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

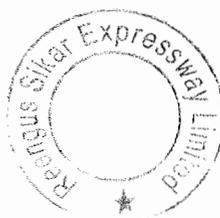
The disclosure in respect of the amount payable to enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been made in the Financial statement as at 31 March 2020 based on the information received and available with the Company. On the basis of such information, no interest is payable to any micro, small and medium enterprises. Auditors have relied upon the information provided by the Company.

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 30.

Retention money payable relating to construction contracts are included in above trade payables as they are payable within the operating cycle of the Company.

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

Particulars	31 March 2020	31 March 2019
Total trade payables to related parties	692.00	47.42
Total retention to related parties	84.32	110.35
	<b>776.32</b>	<b>157.78</b>



# Reengus Sikar Expressway Limited

Notes to the financial statements (continued)  
for the year ended 31 March 2020

(Currency: Indian Rupees in lakhs)

## 19 Current liabilities- Financial liabilities :other financial liabilities

Particulars	31 March 2020	31 March 2019
<b>Current</b>		
Current maturities of long-term borrowings		
8.10% Redeemable non-convertible secured debentures issued to HDFC Bank Ltd	1,400.00	1,205.37
<b>Total</b>	<b>1,400.00</b>	<b>1,205.37</b>

## 20 Current liabilities : Other current liabilities

Particulars	31 March 2020	31 March 2019
Customer Advances	1,944.00	1,296.00
Statutory dues payable		
TDS payable	17.71	19.04
GST Payable	0.03	0.20
Salary Payable	-	0.20
<b>Total</b>	<b>1,961.74</b>	<b>1,315.44</b>

## 21 Current liabilities : Current tax liabilities (net)

Particulars	31 March 2020	31 March 2019
<b>Current</b>		
Provision for income tax (net of advance tax)	-	16.25
<b>Total</b>	<b>-</b>	<b>16.25</b>



# Reengus Sikar Expressway Limited

Notes to the financial statements (continued)

for the year ended 31 March 2020

(Currency: Indian Rupees in lakhs)

22	<b>Revenue from operations</b>		31 March 2020	31 March 2019
	<b>Particulars</b>			
	<b>Sale of services : revenue from contracts with customers</b>			
	- Operations and maintenance income		679.42	347.09
	- Contract income from utility shifting and other income		26.28	927.12
	- Income from Arbitration Claim		3,607.97	-
	- Interest income on service concession arrangements		1,360.18	1,785.55
	<b>Total</b>		<b>5,673.85</b>	<b>3,059.76</b>
	The company has preferred claims on various accounts (such as delay in handing over ROW, bonus for early completion etc.), on NHA1 under Arbitration and Conciliation Act, 1996. The Arbitral award has been decided in company's favour vide its it's arbitral Award dated 05.07.2018, along with interest. The award was challenged by the NHA1 under section 34 of Arbitration and Conciliation Act, 1996, before the Hon. High Court of Delhi, which was partially decided in company's favour. The amount received has been passed on to EPC contractor, so far it relates to increase in cost due to delay and interest thereon, in terms of the agreement between the company and EPC contractor. An appeal has been filed by the Company before Divisional Bench of Delhi High Court u/s 37 of Arbitration and Conciliation Act, 1996.			
23	<b>Other income</b>			
	<b>Particulars</b>		31 March 2020	31 March 2019
	Interest on fixed deposit		243.13	125.23
	Income from mutual fund		38.67	85.61
	Fair valuation gain on mutual fund		-	9.96
	<b>Total</b>		<b>281.80</b>	<b>220.80</b>
24	<b>Civil construction costs</b>			
	<b>Particulars</b>		31 March 2020	31 March 2019
	Civil sub-contract charges - utility shifting		25.99	916.74
	Civil sub-contract charges - Operation and maintenance expense		704.58	359.94
	Claim expenses		3,316.33	-
	Labour cess		0.29	10.38
	<b>Total</b>		<b>4,047.19</b>	<b>1,287.06</b>
25	<b>Employee benefits expense</b>			
	<b>Particulars</b>		31 March 2020	31 March 2019
	Salaries, wages and bonus		0.80	2.40
	<b>Total</b>		<b>0.80</b>	<b>2.40</b>
26	<b>Other expenses</b>			
	<b>Particulars</b>		31 March 2020	31 March 2019
	Audit fees		1.00	1.00
	Arbitration expenses		-	14.38
	Stamp duty charges		-	7.64
	Fair valuation loss on mutual fund		52.06	-
	Vetting fee		-	0.89
	Penalty and interest		-	0.76
	Annual custody fee		0.75	-
	Insurance expense		8.03	7.70
	Legal and professional charge *		5.35	3.16
	Miscellaneous expense		-	0.06
	Independent engineers fees		70.25	75.24
	Input credit reverse		2.60	-
	Corporate action fee		0.03	-
	Advertising expenses		0.12	-
	<b>Total</b>		<b>140.19</b>	<b>110.82</b>
26.1	<b>Payment to Auditors</b>			
	<b>Particulars</b>		31 March 2020	31 March 2019
	As Auditor		1.00	1.00
	For Other Services		-	-
	<b>Total</b>		<b>1.00</b>	<b>1.00</b>

\* Auditor's Remuneration excludes Goods & Service Tax



# Reengus Sikar Expressway Limited

Notes to the financial statements (continued)  
for the year ended 31 March 2020

(Currency: Indian Rupees in lakhs)

## 27 Finance costs

Particulars	31 March 2020	31 March 2019
Interest paid on NCD	964.21	1,049.34
Interest paid to others	192.99	250.75
Bank charges	0.02	0.01
<b>Total</b>	<b>1,157.22</b>	<b>1,300.10</b>

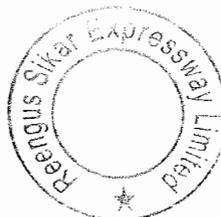
## 28 (a) Income tax expense

Particulars	31 March 2020	31 March 2019
The major component of income tax for the period ended 31 March 2019 are:		
<b>Current income tax: (statement of profit and loss)</b>		
Current income tax charge	113.16	133.37
Adjustment in respect of current tax of previous year	1.39	1.15
Deferred tax	-	-
<b>Income tax expense reported in statement of profit and loss</b>	<b>114.55</b>	<b>134.52</b>
<b>Reconciliation of tax expense:</b>		
Accounting profit before tax	610.25	580.18
Tax expense (27.82%)	169.77	161.41
Adjustments:		
Expenses allowed under income tax	(397.54)	(397.54)
Permanent disallowance	-	0.21
Difference arises due to IND AS adjustments	533.77	486.67
Tax holiday incentive	(295.24)	(192.09)
Tax difference between normal income tax and MAT	101.09	42.75
Provision of taxes for earlier years	1.39	1.15
Tax difference due to additional capital gain income	1.31	31.95
<b>Total</b>	<b>114.55</b>	<b>134.52</b>

## (b) MAT credit

Particulars	Balance as at	
	MAT credit available	Expiry assessment year
AY 2016-17	14.94	2021-22
AY 2017-18	94.57	2022-23
AY 2018-19	104.57	2023-24
AY 2019-20	42.75	2024-25
AY 2020-21	113.16	2025-26
<b>Total</b>	<b>370.00</b>	
<b>MAT credit recognised</b>	-	

The Company has not been recognised MAT credit, as it's gross total income is subject to the deduction during the tax holiday period as per the requirements of sections 80-IA of the Income-tax Act, 1961 and accordingly there is no certainty of utilisation of MAT credit till its expiry.



# Reengus Sikar Expressway Limited

Notes to the financial statements (continued)

for the year ended 31 March 2020

(Currency: Indian Rupees in lakhs)

## 29 : Financial instrument

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

## 30 : Financial Risk Management

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

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

### Market Risk

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

### Currency risk

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

### Interest rate risk

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

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

Particulars	Profit or Loss		Equity, net of tax	
	+ 1%	- 1%	+ 1%	- 1%
<b>31-Mar-20</b>				
Loans and borrowings	162.00	(162.00)	128.97	(128.97)
<b>31-Mar-19</b>				
Loans and borrowings	186.48	(186.48)	148.46	(148.46)

### a) Credit Risk

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

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

### a) Liquidity Risk

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

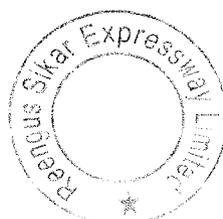
The table below provides details regarding the contractual maturities of non-derivative financial liabilities. The table has been drawn up based on the earliest date on which the company can be required to pay the financial liabilities. The table includes both principal & interest cash flows.

As at 31 March 2020

Particulars	0-1 year	1-3 year	3-5 year	More than 5 year	Total
Borrowings (incl. current maturities)	1,634.15	4,191.36	3,000.00	7,374.76	16,200.27
Trade payable	796.86	-	-	-	796.86
Other current liabilities	1,961.74	-	-	-	1,961.74
<b>Total</b>	<b>4,392.75</b>	<b>4,191.36</b>	<b>3,000.00</b>	<b>7,374.76</b>	<b>18,958.87</b>

As at 31 March 2019

Particulars	0-1 year	1-3 year	3-5 year	More than 5 year	Total
Borrowings (incl. current maturities)	2,482.98	4,046.69	2,800.00	9,318.20	18,647.87
Trade payable	179.10	-	-	-	179.10
Other current liabilities	1,315.44	-	-	-	1,315.44
Current tax liabilities (net)	16.25	-	-	-	16.25
<b>Total</b>	<b>3,993.77</b>	<b>4,046.69</b>	<b>2,800.00</b>	<b>9,318.20</b>	<b>20,158.66</b>



# Reengus Sikar Expressway Limited

## Notes to the financial statements (continued)

for the year ended 31 March 2020

(Currency: Indian Rupees in lakhs)

### 31 : Capital Management

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

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

Particulars	31 March 2020	31 March 2019
Total borrowings	16,200.27	18,647.87
Less: cash and cash equivalents	3,317.02	2,907.27
<b>Adjusted net debt</b>	<b>12,883.25</b>	<b>15,740.60</b>
Equity share	50.00	50.00
Other equity	2,010.57	1,514.87
<b>Total equity</b>	<b>2,060.57</b>	<b>1,564.87</b>
<b>Gearing Ratio</b>	<b>6.25</b>	<b>10.06</b>

### 32 : Disclosure pursuant to Appendix -E of Ind AS 115 for Services Concession Arrangements

(Currency: Indian Rupees in lakhs)

Name of entity	Description of the arrangement	Significant terms of the arrangement	Financial Asset
Reengus Sikar Expressway Limited	The Company is formed as a special purpose vehicle (SPV) to develop, establish, construct, operate and maintain the project relating to Four Laning of Reengus to Sikar Section Km 298.075 Near Madhopura Junction to Km 341.047 (After Sikar Town) of NH-11 (Proposed Chainage Km. 298.05 to Km. 341.962)(Design Length 43.887 Km) in the State of Rajasthan under the Design, Build, Finance, Operation and Transfer (Annuity)	Period of concession: 2014 - 2029 Remuneration : Half yearly annuity of INR 1,877.22 Lakhs Investment grant from concession grantor : No Infrastructure return at the end of concession period : Yes Investment and renewal obligations : Nil Re-pricing dates : No Basis upon which re-pricing or re-negotiation is determined : NA Premium payable to grantor : Nil	March 31, 2020 <b>14,445.00</b>
			March 31, 2019 15,511.84



Reengus Sikar Expressway Limited

Notes to the financial statements (continued)

for the year ended 31 March 2020

(Currency: Indian Rupees in lakhs)

33 Related party disclosure

A. Name and nature of the related party relationship:

(a) Parent Company:

G R Infraprojects Limited

(b) Key Management Personnel:

Mr. Vinod Kumar Agarwal	Director
Mr. Purshottam Agarwal	Director
Mr. Vikas Agarwal	Director
Mr. Diwar Goyal	Director (resigned w.e.f. 28 February, 2020)
Mr. Dilipkumar Girdharilal Tikmani	Director (resigned w.e.f. 28 February, 2020)

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

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

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

C. Transactions with related parties:

Sr. No.	Particulars	31-Mar-20	31-Mar-19
1	<b>Advance Received</b>		
	G R Infraprojects Limited	188.98	1,095.84
2	<b>Advance repaid back</b>		
	G R Infraprojects Limited	1,626.43	1,210.00
3	<b>Sub Contract Exp.</b>		
	G R Infraprojects Limited	704.58	1,238.11
4	<b>Interest Exp on Advance</b>		
	G R Infraprojects Limited	48.32	119.23
5	<b>Security deposits received</b>		
	G R Infraprojects Limited	-	83.17
6	<b>Security deposits given back</b>		
	G R Infraprojects Limited	26.04	-

D. Balances with related parties:

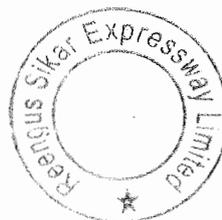
	31-Mar-20	31-Mar-19
	outstanding	outstanding
	receivable/(payable)	receivable/(payable)
1	<b>Short Term Borrowings</b>	
	G R Infraprojects Limited	(190.66)
2	<b>Long Term Borrowings</b>	
	G R Infraprojects Limited	(3,500.00)
3	<b>Security deposits payable</b>	
	G R Infraprojects Limited	(84.32)
4	<b>Trade paybles</b>	
	G R Infraprojects Limited	(692.00)
5	<b>Share Capital</b>	
	G R Infraprojects Limited	50.00

Terms and conditions of transactions with related parties

- The company has in the course of business entered into various transactions with related parties. These transactions include operation and maintenance charges paid for operation and maintenance activities sub-contracted, loans and advances, certain road work expenses for work road work contracted to the project of the company. The transaction with related parties are made on terms equivalent to those that prevail in arm's length transactions.
- Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash
- There have been no guarantees provided or received for any related party receivables or payables.
- For reporting period ended, the company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Commitments with related parties

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



**34 : Contingent Liabilities and Commitments**

Nature Contingent Liabilities and Commitments	31-Mar-20	31-Mar-19
a) Unexpired Capital Commitments (net of advances)	Nil	Nil
b) Other Commitments	Nil	Nil
c) Contingent Liabilities	Nil	Nil

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

**36 : Earnings per share.**

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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Face value per equity share (in Rs.)	10	10
(a) Profit for the year attributable to equity shareholders (In lakhs)	495.70	445.66
(b) Number of equity shares at the beginning of the year	5,00,000	5,00,000
(c) Equity shares issued during the year	-	-
(d) Number of equity shares at the end of the year	5,00,000	5,00,000
(e) Weighted average number of equity shares for calculating basic EPS	5,00,000	5,00,000
(f) Weighted average number of equity shares for calculating diluted EPS	5,00,000	5,00,000
Earnings Per Share (in Rs.):		
- Basic earning per share (a/e)	99.14	89.13
- Diluted earning per share (a/f)	99.14	89.13

37 The SARS CoV-2 virus responsible for COVID-19 continues to spread across the globe and India. In order to contain the spread of COVID-19, the Central Government of India and various State Governments imposed a complete lockdown including curbs on international and domestic travel.

The Company (the "Concessionaire") is formed as a Special Purpose Vehicle to design, build, operate and transfer (the "DBOT annuity" or "Hybrid annuity") the project relating to Four Lining of Reengus to Sikar Section Km 298.075 Near Madhopura Junction to Km 341.047 (After Sikar Town) of NH-11 (Proposed Chainage Km. 298.05 to Km. 341.962)(Design Length 43.887 Km) in the State of Rajasthan under the Design, Build, Finance, Operation and Transfer (Annuity) basis under NHDP Phase-III, (the "Project"), which shall be partly financed by the Concessionaire who shall recover its investment and costs through annuity payments and Operation & Maintenance (O&M) Payment to be made by National Highways Authority of India (the "Authority"), in accordance with the terms and conditions set forth in this Concession Agreement entered into with the Authority. The Company is executing the Project through an EPC agreement with G R Infraprojects Limited (the "Contractor" or "Holding Company") to design, build and maintain the Project.

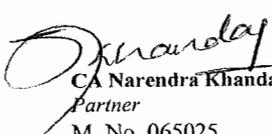
The progress of the Project was temporarily impacted, due to shutdown of project site following the nation-wide lockdown. The Company and its Contractor resumed their operations in a phased manner in line with directives from authorities and relaxations provided by Ministry of Home Affairs on 16 April 2020. Based on the management's initial assessment of the impact of this pandemic on the Company's business operations, capital and financial resources, liquidity, internal financial reporting and its overall financial position while considering the current economic conditions, and the project execution plan, the impact of this pandemic on the Company and its project is not expected to be significant. The management does not see any risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.

Additionally, the Government on 13 May 2020 has announced measures for all Central Agencies (like Ministry of Railways, Ministry of Road, Transport and Highways, Central Public Works Department, etc.) to provide an extension of up to 6 months (without costs) to contractors. This extension will cover the obligations like completion of work, compliance with intermediate milestones and extension of concession period in PPP contracts.

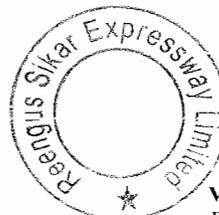
The Company has considered internal and certain external sources of information including economic forecasts and industry reports up to the date of approval of the financial statements in determining the impact on various elements of its financial statements. The Company has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates, the Company expects to recover the carrying amount of trade receivables including unbilled receivables, investments and other assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements. The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and the Company will continue to monitor this on an ongoing basis.

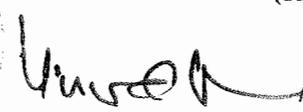
As per our report of even date attached

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

  
CA Narendra Khandal  
Partner  
M. No. 065025

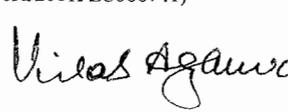
Date : 04 September, 2020  
Place : Mumbai



  
Vinod Kumar Agarwal  
Director  
DIN: 00182893

Date : 04 September, 2020  
Place: Gurugram

**For and on behalf of the Board of Directors**  
**Reengus Sikar Expressway Limited**  
(CIN : U45400RJ2011PLC066741)

  
Vikas Agarwal  
Director  
DIN : 03113689