



## RMA & ASSOCIATES LLP

Chartered Accountants  
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### INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF HOSPET BELLARY HIGHWAYS PRIVATE LIMITED

#### Report on the standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **HOSPET BELLARY HIGHWAYS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with Rule 7 of the Companies (Accounts) Amendment Rules, 2016 and the Companies (Indian Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances [but not for the





purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls]. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### Opinion

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Amendment Rules, 2016 and the Companies (Indian Accounting Standards) Amendment Rules, 2016.
  - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Amendment Rules, 2017, in our opinion and to the best of our information and according to the explanations given to us:
    - i. There is no Pending litigation against the company.



- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For RMA & Associates LLP  
Chartered Accountants  
FRN-000978N/N500062

*Rahul Vashishtha*



CA Rahul Vashishtha  
Partner  
M.No. 098711

Place: New Delhi  
Date: 21.05.2018



## "Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended 31<sup>st</sup> March, 2018:

- 1)
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
  - (c) No immovable property is held in the name of the company; hence this clause is not applicable.
- 2) There is no Inventory in the company, hence clause 2(a) and 2(b) is not applicable.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7)
  - (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities and there are no arrears of outstanding statutory dues on the last day of the financial year concerned (31.03.2018) for a period of more than six months from the date they became payable.



(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.
- 9) Based on the audit procedures performed and information and explanations given to us by the management, the company has not raised moneys raised by way of initial public offer or further public offer (including debt instruments) an term loans .Hence the provisions of clause 3(ix) of the Order are not applicable to the company.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- 12) The Company is not a Nidhi Company. Hence this clause is not applicable on it.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.



- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

For RMA & Associates LLP  
Chartered Accountants  
FRN-000978N/N500062

*Rahul Vashishtha*



CA Rahul Vashishtha  
Partner  
M.No. 098711

Place: New Delhi  
Date: 21.05.2018



**"Annexure B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of HOSPET BELLARY HIGHWAYS PRIVATE LIMITED**

**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 HOSPET BELLARY HIGHWAYS PRIVATE LIMITED as of 31st March, 2018 in conjunction with our audit of the standalone 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. 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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 31st March, 2018, based on our audit procedures.

**For RMA & Associates LLP**

Chartered Accountants

FRN-000978N/N500062



**CA Rahul Vashishtha**

Partner

M.No. 098711



Place of Signature: New Delhi

Date: 21.05.2018



(Amount in Lacs)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
<b>ASSETS</b>			
(1) <b>Current assets</b>			
(a) Financial assets			
(i) Cash and cash equivalents	3	0.79	0.83
(b) Current tax assets (net)			
<b>Total Assets</b>		0.79	0.83
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share capital	4	1.00	1.00
(b) Other Equity	5	(1,295.02)	(1,294.71)
<b>Sub total (Equity)</b>		(1,294.02)	(1,293.71)
<b>LIABILITIES</b>			
(1) <b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	6	910.00	910.00
(b) Other current liabilities	7	384.81	384.52
(c) Current tax liability			
<b>Sub total (Current liabilities)</b>		1,294.81	1,294.52
<b>Total Equity &amp; Liabilities</b>		0.79	0.82

The accompanying notes form an integral part of the financial statements

In terms of our report of even date

For RMA & Associates LLP  
 Chartered Accountant  
 FRN-000978N/NS00062

*Rahul Vashishtha*

CA Rahul Vashishtha  
 Partner  
 M.No.-097881

Place- New Delhi  
 Dated- 21/05/2018



On Behalf on the Board

*Pankaj Agarwal*  
 Pankaj Agarwal  
 Director  
 DIN- 05168566

*Ashish Jain*  
 Ashish Jain  
 Director  
 DIN-3499171

Hospet Bellary Highways Pvt Ltd.

CIN U455400UB2012PTC048390

Statement of Profit and Loss for the year ended on March 31, 2018


(Amount in Lacs)

	Particulars	Notes	Year ended March 31, 2018	Year ended March 31, 2017
I	Revenue from Operations		-	-
II	Other income		-	-
III	<b>Total Income ( I+II )</b>		-	-
IV	Expenses :			
	Other Expenses	8	0.33	0.32
	<b>Total Expenses (IV)</b>		0.33	0.32
V	Profit/(Loss) before tax (III-IV)		(0.33)	(0.32)
VI	Tax expense :			
	Current tax		-	-
	Deferred tax		-	-
VII	<b>Profit/ (Loss) for the period ( V - VI )</b>		(0.33)	(0.32)
VIII	Other Comprehensive Income			
	(i) Items that will not be reclassified to profit or loss			
	- Actuarial Gain and losses on defined benefit plans			
	(ii) Income tax relating to above items			
IX	<b>Total Comprehensive Income for the period ( VII+VIII)</b>			
	Earning per equity share			
	Basic & Diluted	9	(3.29)	(3.23)

The accompanying notes form an integral part of the financial statements

In terms of our report of even date

For RMA & Associates LLP  
Chartered Accountant  
FRN-000978N/N500062



CA Rahul Vashishtha  
Partner  
M.No.-097881



Place- New Delhi

Dated- 21/05/2018

On Behalf on the Board

  
Pankaj Agarwal  
Director  
DIN- 05168566

  
Ashish Jain  
Director  
DIN-3499171



(Amount in Lacs)

Particulars		Year Ended March 31, 2018	Year Ended March 31, 2017
A.	Cash Flow from Operating Activities		
	Net Profit / (Loss) before Tax	(0.33)	(0.32)
	Adjustment for	-	-
	Operating Profit / (Loss) before working capital changes	(0.33)	(0.32)
	Adjustment for Changes in Working Capital		
	Increase in Current Liabilities	0.30	0.29
	Increase in loans & advances	-	-
	Cash Generated from/ (used) from operating activities	(0.03)	(0.03)
	Direct Taxes Paid		
	Cash Generated from/ (used) operating activities before extraordinary items	(0.03)	(0.03)
	Preliminary Exp.	-	-
	Cash Generated from/ (used) from operating activities (A)	(0.03)	(0.03)
B.	Cash Flow from Investing Activities		
	Net Cash Generated from/ used from Investing Activities (B)	-	-
C.	Cash Flow from Financing Activities		
	Net Cash Generated from / (used) from Financing Activities (C)	-	-
	Net Cash Increase in cash & Cash equivalents (A+B+C)	(0.03)	(0.03)
	Cash & Cash equivalents at the beginning	0.83	0.86
	Cash & Cash equivalents at the end	0.79	0.83

In terms of our report of even date

For RMA & Associates LLP  
 Chartered Accountant  
 FRN-000978N/N500062

*Rahul Vashishtha*

CA Rahul Vashishtha  
 Partner  
 M.No.-097881



Place- New Delhi  
 Dated- 21/05/2018

On behalf of the Board

*Pankaj Aggarwal*  
 Pankaj Aggarwal  
 Director  
 DIN-05168566

*Ashish Jain*  
 Ashish Jain  
 Director  
 DIN-3499171

Hospet Bellary Highways Pvt Ltd.

CIN U455400UB2012PTC048390

Statement of changes in equity for the year ended as on March 31, 2018

A. Equity Share Capital (Amount in Lacs)

As at March 31, 2017	Changes during the year	As at March 31, 2018
1	-	1

B. Other Equity

(Amount in Lacs)

Particulars	Share Application pending allotment	Reserves & Surplus	Total
		Retained earnings	
Balance as at March 31, 2017	5	(1,299.69)	(1,294.69)
Profit for the year		(0.33)	(0.33)
Other Comprehensive Income			
Total comprehensive income for the year		(0.33)	(0.33)
Balance as at March 31, 2018	5	(1,300.02)	(1,295.02)

The accompanying notes form an integral part of the financial statements

In terms of our report of even date

For RMA & Associates LLP  
Chartered Accountant  
FRN-000978N/N500062

*Rahul Vashishtha*

CA Rahul Vashishtha  
Partner  
M.No.-097881



On Behalf of the Board

*Pankaj Agarwal*  
Pankaj Agarwal  
Director  
DIN-05168566

*Ashish Jain*  
Ashish Jain  
Director  
DIN-03499171

Place- New Delhi

Dated- 21/05/2018



## 1 Significant Accounting Policies

**Basis of Preparation**

The financial statements comply in all material aspects with Indian accounting standards notified under sec 133 of the companies act 2013. (the Act) [Companies (Indian accounting standard) Rules, 2015] as amended and other relevant provision of the act.

The financial statement upto year ended 31 st march 2016 were prepared in accordance with the accounting standards notified under companies (accounting standard) Rules 2006 (as amended) and other relevant provision of the Act. These financial statements are the first financial statements of the company under Ind AS.

**Historical Cost convention**

These Financial statements have been prepared on a historical cost basis except for Certain financial assets & Liabilities measured at fair value.

## 2 Significant Accounting policies adopted by company in preparation of financial statements

## 2.1 Financial Instruments

The company recognizes the financial assets and financial liabilities when the recognition criteria of financial instrument as specified under *Ind AS 109* is met.

**Financials Asset****Initial recognition and measurement**

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

For purposes of subsequent measurement, financial assets are classified in three categories:

**Financial Asset at amortised cost**

A 'Financial Asset' is measured at the amortised cost if both the following conditions are met:

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ("EIR") method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss.

**Financial Asset at Fair value through Other Comprehensive Income ("FVTOCI")**

A 'Financial Asset' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI. Financial Asset included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income ("OCI")

**Financial Asset at fair Value through Profit & Loss ("FVTPL")**

FVTPL is a residual category for Financial Assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the group may elect to designate a Financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

**Derogisation of Financial asset**

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised when the rights to receive cash flows from the asset have expired



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**Impairment of financial assets**

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increases in credit risk. Note-21 details how the group determines whether there has been a significant increase in credit Risk. For trade receivables only, the company applies the simplified approach permitted by IND AS 109 Financial Instrument, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**Financial Liabilities****Initial recognition and measurement**

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

**Subsequent Measurement****Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

**Financial Liabilities at Amortised Cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

**2.2 Provisions, Contingent liabilities and Contingent assets****Provisions**

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expense relating to a provision is presented in the statement of profit and loss

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are reviewed at each balance sheet date

**Contingent liabilities and assets**

Contingent liability and assets are not recognised but are disclosed in the notes to the financial statements in accordance with IND AS 37

**2.3 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow and the revenue can be reliably measured, irrespective of fact whether payment is received or not. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

**Revenue related to SCA :**

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

**2.4 Interest Income**

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument.

**2.5 Current Income Tax**

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

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.



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## 2.6 Deffered Tax

Deffered tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. The carrying amount of deffered tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deffered tax asset to be utilised. Unrecognised deffered tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deffered tax asset to be recovered.

Deffered tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deffered tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deffered tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

## 2.7 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## 2.80 Segment reporting

The company's operation pre dominantly consist of Infrastructure devolepment ,construction & operation , hence it operates in one business segment.

## 2.9 Cash Flow Statement

Cash flows are reported using the indirect method , whereby profit before tax is adjusted of the effects of transactions of a non-cash nature, any deferral or accruals of past or future operating cash receipt or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating , investing and financing activities of the company are segregated. Cash and cash equivalent in the Balance sheet comprise cash and cash at bank

## 2.10 Cash & Cash Equivalent

Cash & cash equivalents comprise of cash at bank and cash-in-hand. The Company consider all highly liquid investments which are subject to an insignificant risk of change in value with an original maturity of three months or less from date of purchase to be cash equivalent.

## 2.11 Employee benefits

### Short Term:

All employee benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered the service entitling them to the contribution.

### Long Term:

**Provident Fund:** The contribution to provident fund is in the nature of defined contribution plan. The Company makes contribution to statutory provident fund in accordance with the Employees Provident Fund and Miscellaneous Provisions Act, 1952. The contribution paid or payable is recognized as an expense in the period in which services are rendered.

**Gratuity & Leave Encashment(Un-Funded):** The cost is determined using the projected unit credit method with actuarial valuation being carried at cash at each Balance Sheet date by an independent actuary. The retirement benefits obligation recognized in the Balance Sheet represent the present value of defined benefit obligation as adjusted for recognized past service cost

Actuarial gains and losses are recognized in full in the other comprehensive income for the period in which they occur.



3. CASH & CASH EQUIVALENTS

(Amount in Lacs)

Particulars	As at	As at
	MARCH 31, 2018	MARCH 31, 2017
Balances with Banks		
Current account	0.79	0.83
<b>Total</b>	<b>0.79</b>	<b>0.83</b>

4) SHARE CAPITAL

(i) Authorized Share Capital

Class of Shares	Face Value (Rs)	As at 31-Mar-2018		As at 31-Mar-2017	
		No. of Shares	Amount	No. of Shares	Amount
Equity Shares	10.00	1,00,000	10.00	1,00,000	10.00
<b>Total</b>			<b>10.00</b>		<b>10.00</b>

(ii) Issued, Subscribed and Paid-up Capital (Fully Paid-up)

Class of Shares	Face Value (Rs)	As at 31-Mar-2018		As at 31-Mar-2017	
		No. of Shares	Amount	No. of Shares	Amount
Equity Shares	10.00	10,000	1.00	10,000	1.00
<b>Total</b>			<b>1.00</b>		<b>1.00</b>

(iii) Reconciliation of Number of Shares Outstanding:

Class of Shares	As at 31-Mar-2018	As at 31-Mar-2017
	Equity Shares	Equity Shares
Opening	10,000	10,000
Addition during the period	-	-
Closing	<b>10,000</b>	<b>10,000</b>

(iv) Details of shares in the Company held by each shareholder holding more than 3% shares:

Name of Shareholders	As at 31-Mar-2018	As at 31-Mar-2018	As at 31-Mar-2018
	Equity Shares	%	Equity Shares
PNC Infraholdings Ltd.	6,500	65%	6,500
BF Infrastructure Ltd.	3,500	35%	3,500

5) OTHER EQUITY

a) RESERVE & SURPLUS

Particulars	Profit & Loss A/c	
	As at 31-Mar-2018	As at 31-Mar-2017
Opening	(1,299.60)	(1,299.57)
Addition during the year	(0.33)	(0.52)
Closing	<b>(1,300.03)</b>	<b>(1,299.60)</b>

6. Borrowings

Particulars	As at	As at
	MARCH 31, 2018	MARCH 31, 2017
Short term borrowings		
Unsecured loans		
- PNC infrotech Ltd.	455.42	455.42
- BF Infrastructure Ltd.	454.58	454.58
<b>Total</b>	<b>910.00</b>	<b>910.00</b>

7. OTHER CURRENT LIABILITIES

Particulars	As at	As at
	MARCH 31, 2018	MARCH 31, 2017
Others Payable		
- PNC infrotech Ltd.	383.74	383.74
- Others	1.07	0.78
Duties & Taxes	-	-
<b>Total</b>	<b>384.81</b>	<b>384.52</b>

8. Other Exp.

Particulars	As at	Year ended
	MARCH 31, 2018	March 31, 2017
- Bank Charges	0.03	0.04
- Audit Fee	0.30	0.29
<b>Total</b>	<b>0.33</b>	<b>0.32</b>



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Hospet Bellary Highways Pvt Ltd.

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Notes to financial statement as at and for the year ended March 31, 2018

**Note 9 : Earning Per share**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Profit/(Loss) available to Equity Shareholders (Rs. In	(0.33)	(0.32)
(b) Weighted Average number of Equity Shares	0.10	0.10
(c) Nominal value of Equity Shares	10	10
(d) Basic and Diluted Earnings Per Share ((a)/(b)	(3.29)	(3.23)

**Note 10 : Operating Segment Information**

The Company operates in only one segment, namely "DBOT-Toll Collection" hence there are no reportable segments under Ind AS-108 'Segment Reporting'. Hence, separate business segment information is not applicable.

The directors of the company has been identified as The Chief Operating Decision Maker (CODM). The Chief Operating Decision Maker also monitors the operating results as one single segment for the purpose of making decisions about resource allocation and performance assessment and hence, there are no additional disclosures to be provided other than those already provided in the financial statements.



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Note 11 : FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables. The main  
 The Company's activities are exposed to market risk, credit risk and liquidity risk.

I. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market.

(a) Interest rate risk

The company has no interest bearing loan outstanding at the end of current year and previous year. Thus, the company is not

(b) Foreign currency risk

The Company by nature does not operates internationally and as the Company has not obtained any foreign currency loans and

(c) Price Risk

The company does not have any investments in equity and commodity at the current year end and previous year. Therefore the

II. Credit risk

Credit risk arises from the possibility that the counterparty will default on its contractual obligations resulting in financial loss to the company. To manage this, the Company  
 The company has only one trade receivables that a company has are against the the grant to be received, which is a government authority ,therefore company is not exposed to any

III. Liquidity Risk

Liquidity risk is defined as the risk that company will not be able to settle or meet its obligation on time or at a reasonable price. The Company's objective is to at all times maintain  
 The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

As at March 31, 2018	Carrying Amount	On Demand	Less than One Year	More than one year and less than three year	More than 3 Years	Total
Borrowings	910.00			910.00		910.00
Trade payables	-					-
Other Liabilities	384.81			384.81		384.81
<b>Total</b>	<b>1,294.81</b>	<b>-</b>	<b>-</b>	<b>1,294.81</b>	<b>-</b>	<b>1,294.81</b>

As at March 31, 2017	Carrying Amount	On Demand	Less than One Year	More than one year and less than three year	More than 3 Years	Total
Borrowings	910.00		910.00			910.00
Trade payables	-					-
Other Liabilities	384.52		384.52			384.52
<b>Total</b>	<b>1,294.52</b>	<b>-</b>	<b>1,294.52</b>	<b>-</b>	<b>-</b>	<b>1,294.52</b>

Financing arrangements:

There are no undrawn facilities at the end of current year and previous years.



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Hospet Bellary Highways Pvt Ltd.

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Notes to financial statement as at and for the year ended March 31, 2018

**Note 12 : Capital Management**

**Risk Management**

The primary objective of the Company's Capital Management is to maximize the shareholder value and also maintain an optimal capital structure to reduce cost of capital. In order to manage the capital structure, the Company may adjust the amount of dividend paid to shareholders, return on capital to shareholders, issue new shares or sell assets to reduce debts.

The Company monitors capital on the basis of following gearing ratio, which is net debt divided by total capital plus debt.

As of March 31, 2018 the company had only one class of equity shares and has no debt. Consequent to the above capital structure there are no externally imposed capital requirement.



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Hospet Bellary Highways Pvt Ltd.

Notes to financial statement as at and for the year ended March 31, 2018

Note 13 : Fair Value Measurement

Financial instruments by category

(Rs in lacs.)

Particulars	As at March 31, 2018			As at March 31, 2017		
	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI
<b>Financial Asset</b>						
Cash and Bank Balances	0.80	-	-	0.83	-	-
<b>Total Financial Assets</b>	<b>0.80</b>	<b>-</b>	<b>-</b>	<b>0.83</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities</b>						
Borrowings	910.00	-	-	910.00	-	-
<b>Total Financial Liabilities</b>	<b>910.00</b>	<b>-</b>	<b>-</b>	<b>910.00</b>	<b>-</b>	<b>-</b>

(i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in financial statements. To provide an indication about the reliability of inputs used in determining fair values, the group has classified its financial instruments into three levels prescribed under the accounting standards.

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below :-

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

(Rs in lacs.)

Particulars	Carrying Value March 31, 2017	Fair Value Measurement using		
		Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>(A) Financial Liabilities measured at amortised cost for which fair values are disclosed at March 31, 2017</b>				
<b>Financial Liabilities</b>				
- Borrowings	910		910	
<b>Total</b>	<b>910</b>	<b>-</b>	<b>910</b>	



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Particulars	Carrying Value March 31, 2018	Fair Value Measurement using		
		Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>(A) Financial Liabilities measured at amortised cost for which fair values are disclosed at March 31, 2018</b>				
Financial Liabilities - Borrowings	910		910	
<b>Total</b>	<b>910</b>	<b>-</b>	<b>910</b>	<b>-</b>

**(ii) Valuation techniques used to determine Fair value**

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**The following method and assumptions are used to estimate fair values:**

The Carrying amounts of trade receivables/payables, short term borrowings, cash and cash equivalents, short term deposits/retentions, expenses payable etc. are considered to be their fair value, due to their short term nature.

Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. For borrowing fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the company is considered to be insignificant in valuation.

The fair value of retentions are evaluated on parameters such as interest rate and other risk factors. Fair value is being determined by using the discounted cash flow (DCF)

Financial assets and liabilities measured at fair value and the carrying amount is the fair value.



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14 Related Party Transactions  
**A. List of Related Parties & Relationships**  
**Holding, Sponsor Companies**

- 1 PwC Infraholdings Ltd.
- 2 PwC Infotech Ltd.
- 3 BF Infrastructure Ltd.

		As at	Year ended
		MARCH 31, 2018	March 31, 2017
S.No	Particulars	Rs	Rs
<b>B. Transactions with Related Parties</b>			

		As at	Year ended
		MARCH 31, 2018	March 31, 2017
S.No	Particulars	Rs	Rs
<b>C. Amount Outstanding at Reporting Date</b>			
1	Amount Payable		
	PwC Infotech Ltd.	839.16	839.16
	BF Infrastructure Ltd.	454.58	454.58
		<b>1293.74</b>	<b>1293.74</b>

**(d) Terms and Conditions**

The transactions with the related parties are made on terms equivalent to those that prevail in arm's length transactions. The assessment is under taken each financial year through examining the financial position of the related party and in the market in which the related party operates. Outstanding balances will be settlement in cash.



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