

M K P S & ASSOCIATES

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To The Members of, ORISSA STEEL EXPRESSWAY PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Orissa Steel Expressway Private Limited** ('the company'), which comprises Balance Sheet as at 31st March 2017, the Statement of Profit and Loss account and cash flow statement for the period 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 financial statements that give a true and fair view of the financial position, financial performance 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 as applicable. This responsibility also includes maintenance of adequate accounting records in accordance with the provision 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 Statements that give a true and fair view and are free from materials misstatement, whether due to fraud or error.

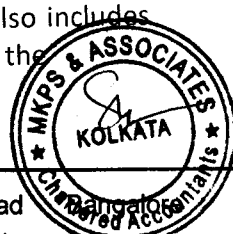
Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provision 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 and the Order under section 143(11) of the Act.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedure 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. In making those risk assessment, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the



accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the 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 financial statements.

Opinion

1. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31st March 2017, and its Loss and its cash flows for the year ended on that date.

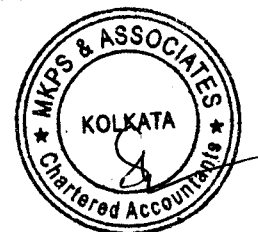
Emphasis of Matter

We draw attention to Note No. 26 of the financial Statements wherein the company has disclosed the fact that the project has been foreclosed on 2nd March 2017 and that the process of determination and settlement of claims is under process.

Our report is not qualified in respect of above matter.

Report on Other Legal and Regulatory Requirements

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 relating to preparation of the financial statements 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 maintained for the purpose of preparation of these financial statements.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, as applicable.
 - e) In our opinion there are no observations or comments on the financial transactions, which may have an adverse effect on the functioning of the Company.
 - f) On the basis of the written representations received from the directors as on 31st March 2017 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2017 from being appointed as a directors in terms of section 164(2) of the Act.



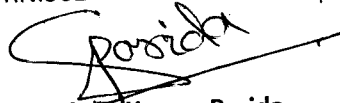
- g) With respect to the adequacy of the Internal Financial Controls over the financial reporting of the company and the operating effectiveness of such controls , refer to our separate Report in '**Annexure-A**' . our report express an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.
- h) With respect to the other matters to be included in the Independent 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. As informed to us the Company does not have any pending litigations which would impact its financial position;
 - ii. The Company has made provision in its financial statements, as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the company and as produced to us by the Management- Refer Note No 28.
3. As required by the Companies (Auditor's Report) Order, 2016 (the Order) issued by the Central Government in terms of Section 143 (11) of the Act, we enclosed in the **Annexure-B** a statement on matters specified in paragraph 3 & 4 of the order.

Kolkata-700012

Dated: 10th April,2017



FOR M K P S & ASSOCIATES
Chartered Accountants
FRN.302014E


CA Sanjaya Kumar Parida
Partner, M.No: 504222

ANNEXURE- 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 5(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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 **Orissa Steel Expressway Private Limited** ('the Company') as of 31st March 2017 in conjunction with our audit of the financial statements of the Company for the period ended and as 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 controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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



The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, 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 2017, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note.

Kolkata-700012

Dated: 10th April, 2017



FOR MKPS & ASSOCIATES

Chartered Accountants

FRN.302014E

Sanjaya Kumar Parida
CA Sanjaya Kumar Parida

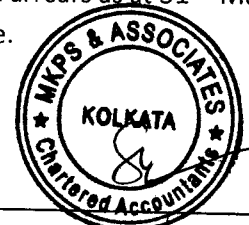
Partner, M.No: 504222

Annexure "B" to the Independent Auditors' Report

(Referred to in paragraph 6 under the heading 'Report on Other Legal & Regulatory Requirement' section of our report of even date to the financial statements of the Company for the period ended 31st March 2017).

Reports on Companies (Auditor's Report) Order, 2016 (the Order) issued by Central Government in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of ORISSA STEEL EXPRESSWAY PRIVATE LIMITED ('the Company')

1. In respect of the Company's Fixed Assets :
 - a. The company have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The fixed assets were physically verified during the year by management in accordance with the regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals.
According to information and explanations given to us, no material discrepancies. were noticed on such verification.
 - c. According to the information and explanations given to us and the records examined by us and based on examination of the conveyance deed provided to us, we report that title deeds, comprising all the immovable properties of land and building which are freehold, are held in the name of company as at the Balance Sheet date.
2. In our opinion and according to the information and explanations given to us , the company does not carry any inventory. Therefore, the provisions of Paragraph 3(ii) of the order 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 and hence not commented upon.
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. In our opinion and according to the information and explanations given to us , the maintenance of Cost Records specified by the Central Government under sub-section (1) of Section 148 of the Act are not applicable to this company pursuant to sub clause (b)(ii) of Companies (Cost Records and Audit) Rules,2014.
7. According to information and explanations given to us, in respct to statutory dues :
 - a. The company has generally been regular in depositing undisputed dues including Income Tax , Sales Tax, Service Tax, Value Added Tax, duty of Customs ; duty of Excise, cess and other material statutory dues applicable to with the appropriate authorities.
 - b. There were no undisputed amounts payable in respect to Income Tax , Sales Tax, Service Tax, Value Added Tax, duty of Customs , duty of Excise, Cess and other material statutory dues in arrears as at 31st March 2017 for a period of more than six months from the date they become payable.



- 8 In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to Financial Institution or Banks or Debenture holders.
- 9 Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments, However, Long Term Bridge Loan raised by the company during the period under audit were applied for the purposes for which those are raised . Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 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, we report that no managerial remuneration has been paid or provided by the company for the period cover under audit. Accordingly the provisions of clause 3 (xi) of the Order are not applicable to the Company and hence not commented upon.
- 12 In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- 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 period 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 and hence not commented upon.
- 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 and hence not commented upon

Kolkata-700012

Dated: 10th April, 2017



FOR M K P S & ASSOCIATES

Chartered Accountants

FRN.302014E

Sanjaya

CA Sanjaya Kumar Parida

Partner, M.No: 504222

Orissa Steel Expressway Private Limited
330, Ground Floor & 1st Floor Jaydev Vihar, Bhubaneswar - 751013
CIN No: U45400OR2010PTC014681
Balance Sheet as at March 31, 2017

(Rs. In Millions)

	Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
I.	EQUITY AND LIABILITIES			
A.	Shareholders' Funds			
	(a) Share Capital	3	783.67	783.67
	(b) Reserves and Surplus	4	(1.72)	(1.37)
			781.95	782.30
B.	Non-Current Liabilities			
	(a) Long Term Borrowings	5	1,220.00	-
	(b) Long Term Provisions	6	-	1.46
			1,220.00	1.46
C.	Current Liabilities			
	(a) Short Term Borrowings	7	203.85	1,002.00
	(b) Other Current Liabilities	8	166.97	177.56
	(c) Short Term Provisions	9	-	1.41
			370.82	1,180.97
	Total		2,372.77	1,964.73
II.	ASSETS			
A.	Non Current Assets			
	(a) Property Plant & Equipment	10(A)		
	Gross Block		1.88	1.88
	Less: Accumulated Depreciation		0.51	0.43
	Net Block		1.37	1.45
	(b) Intangible Assets	10(B)	-	-
	⊙ Intangible assets under development	11	-	1,903.43
	(d) Long term loans and advances	12	0.79	2.24
	(e) Other Non Current Assets	13	2,150.94	-
			2,153.10	1,907.12
B.	Current Assets			
	(a) Cash and Cash equivalents	14	20.06	3.24
	(b) Short Term Loans and advances	15	194.41	52.89
	(c) Other Current Assets	16	5.20	1.48
			219.67	57.61
	Total		2,372.77	1,964.73

1 to 28 -

Significant Accounting Policies and Notes to Financial Statements
The Notes referred to above form an integral part of the financial statements

As per our report of even date.

For M K P S & Associates
Chartered Accountants
Firm's Registration No. 302014E

CA. Sanjay Kumar Parida
Partner
Membership No. - 504222

Place : Kolkata
Date : 10/04/2017



For and on behalf of the Board of Directors

[Signature] *[Signature]*



Director

Orissa Steel Expressway Private Limited
Statement of Profit & Loss for the year ended March 31, 2017

(Rs. In Millions)

	Particulars	Note No.	Year Ended March 31, 2017	Year Ended March 31, 2016
I.	Revenue from Operations		-	-
II.	Other Income	17	0.08	-
III.	Total Revenue		0.08	-
IV.	Expenses:			
	Other Expenses	18	0.20	0.30
	Total Expenses		0.20	0.30
V.	Profit/(Loss) before Exceptional and Extraordinary Items and Tax		(0.12)	(0.30)
VI.	Exceptional Items		-	-
VII.	Profit before Extraordinary Items and Tax		(0.12)	(0.30)
VIII.	Extraordinary Items		-	-
IX.	Profit/(Loss) before Tax		(0.12)	(0.30)
X.	Tax Expense of earlier year		0.23	-
XI.	Profit/(Loss) for the period		(0.35)	(0.30)
	Earning per Equity Share (Face Value of Rs. 10) Basic & Diluted	19	(0.00)	(0.00)

Significant Accounting Policies and Notes to the Financial Statements

1 to 28

The accompanying notes are an integral part of the financial statements.
As per our report of even date.

For M K P S & Associates
Chartered Accountants
Firm's Registration No. 302014E

CA. Sanjay Kumar Parida
Partner
Membership No. - 504222



Place : Kolkata

Date : 10/04/2017

For and on behalf of the Board of Directors

Director

Director



Orissa Steel Expressway Private Limited
Cash Flow Statement for the year ended March 31, 2017

(Rs. In Millions)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
A. Cash Flow from Operating Activities		
Net Profit Before Tax and Extraordinary Items	(0.35)	(0.30)
Operating Profit Before Working Capital Changes		
Adjustment for :		
(Increase) / Decrease in Long Term Loans and Advances	-	0.00
(Increase) / Decrease in other Current Assets	(3.72)	(1.00)
(Increase) / Decrease in Short Term Loans and Advances	(141.52)	74.04
Increase / (Decrease) in Long Term Provisions	(1.46)	0.00
Increase / (Decrease) in Short Term Provisions	(1.41)	0.49
Increase / (Decrease) in Other Current Liabilities	48.81	25.09
Cash generated from Operations	(99.30)	98.62
Income Taxes refund / (paid) during the year	1.45	(1.23)
Net Cash Flow from / (used in) Operating Activities	(98.20)	97.09
B. Cash Flow from / (used in) Investing Activities		
Purchase of Fixed Assets	-	-
Additions to Intangible Assets under developments	(58.38)	(466.20)
Net Cash Flow from / (used in) Investing Activities	(58.38)	(466.20)
C. Cash Flow from / (used in) Financing Activities		
Proceeds from increase in paid up capital	-	-
Inter Corporate Deposits taken	493.75	562.00
Inter Corporate Deposits refunded	(291.90)	(560.00)
Proceeds from Short Term Borrowing	-	1,000.00
(Repayment) of Short Term Borrowing	(1,000.00)	(639.50)
Proceeds from Long Term Borrowings	1,220.00	-
Interest paid on short term borrowings	(243.94)	-
Interest paid Inter Corporate Deposits	(4.51)	-
Net Cash Flow from / (used in) Financing Activities	173.40	362.50
Net Increase / (decrease) in Cash and Cash Equivalents	16.82	(6.61)
Cash and Cash Equivalent at the beginning of the year	3.24	9.85
Cash and Cash Equivalent at the end of the period	20.06	3.24

Notes:

1. Cash flow statement has been prepared under the Indirect Method as set out in the Accounting Standard 3 "Cash Flow Statements" as specified in the Companies (Accounting Standards) Rules, 2006.

2. Cash and cash equivalents represent cash and bank balances and balance in liquid fund.

As per our report of even date

For M K P S & Associates
Chartered Accountants
Firm's Registration No. 302014E

CA. Sanjay Kumar Parida
Partner
Membership No. - 504222

Place : Kolkata

Date : 10/04/2017



For and on behalf of the Board of Directors

[Signature] *[Signature]*



Director

Orissa Steel Expressway Private Limited
Notes to the financial statements for the year ended March 31, 2017

1	<p>Nature of Operations The company is into Infrastructure business within the meaning of section 186 of the Companies Act ,2013 .The Company has been awarded the work to promote, develop, finance, establish, design, construct, equip, operate, maintain, modify and upgrade the two/ four laning of Rimuli - Roxy - Rajamunda Section of NH 215 from Km 163.000 to Km 259.453 under NHDP- III in the State of Orissa on Design, Build, Finance, Operate and Transfer (DBFOT) basis and to charge and collect toll fees and to retain and appropriate receivables as per the concession agreement dated July 6, 2010 from the NHAI. The Concession Agreement was for a period of 19 years from appointed date and due to Land availability issues, the Project has been foreclosed and handed over to NHAI on 2nd March 17.</p>
2	<p>Significant Accounting Policies</p> <p>2.1 Basis of preparation a) The financial statements are prepared in accordance with the historical cost convention and the accrual basis of accounting. The accounting policies applied by the Company are consistent with those applied in the previous year except as otherwise stated elsewhere. b) These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). These Financial Statements have been prepared to comply in all material respects with the Accounting Standards ('AS') specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India and relevant applicable provisions of the Companies Act, 1956, and Companies Act, 2013 to the extent applicable. c) The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities including Contingent Liabilities as of the date of the financial statements and the reported income and expenses for the reporting year. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. d) As per the Schedule III of Companies Act, 2013, "an operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents". For the company, there is generally no clearly identifiable normal operating cycle and hence the normal operating cycle for the company is assumed to have duration of 12 months. Any revision to the accounting estimates are recognised prospectively in the current and future years.</p> <p>e) Current and Non-Current Asset An asset is classified as 'current' when it satisfies any of the following criteria: a) It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle; or b) It is held primarily for the purpose of being traded; or c) It is expected to be realised within twelve months after the reporting date; or d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date. All other assets are classified as 'non-current'.</p> <p>f) Current and Non-Current Liability A liability is classified as 'current' when it satisfies any of the following criteria: a) It is expected to be settled in the Company's normal operating cycles; or b) It is held primarily for the purpose of being traded; or c) It is due to be settled within twelve months after the reporting date; or d) The company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. All other liabilities are classified as 'non-current'.</p>



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Orissa Steel Expressway Private Limited
Notes to the financial statements for the year ended March 31, 2017

2.2	<p>Property Plant & Equipment</p> <p>Land is valued at cost. Other Property Plant & Equipment are stated at cost, less accumulated depreciation/impairment losses, if any. Cost includes original cost of acquisition, including incidental expenses related to such acquisition and installation.</p> <p>c) Depreciation on Property Plant & Equipment is provided on Straight Line Method ("SLM"), which reflects the management's estimate of the useful lives of the respective assets. The useful life of each class of Property Plant & Equipment is similar to useful life prescribed in Part C of Schedule II to Companies Act 2013:</p> <p>The details of estimated useful life for each category of Property Plant & Equipment are as under:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Property Plant & Equipment</th> <th style="text-align: center;">Estimated Useful Life</th> </tr> </thead> <tbody> <tr> <td>Furniture & Fixtures</td> <td style="text-align: center;">10 years</td> </tr> <tr> <td>Plant & Machinery</td> <td style="text-align: center;">8 years</td> </tr> <tr> <td>Computers</td> <td style="text-align: center;">3 years</td> </tr> <tr> <td>Office Equipment</td> <td style="text-align: center;">5 years</td> </tr> <tr> <td>Intangible Assets (Software)</td> <td style="text-align: center;">3 years</td> </tr> </tbody> </table> <p>Assets costing up to Rs. 5,000/- are depreciated fully in the year of purchase.</p> <p>The residual value of all assets for depreciation purpose is considered as Rs. 1/-</p> <p>Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.</p> <p>The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.</p>	Property Plant & Equipment	Estimated Useful Life	Furniture & Fixtures	10 years	Plant & Machinery	8 years	Computers	3 years	Office Equipment	5 years	Intangible Assets (Software)	3 years
Property Plant & Equipment	Estimated Useful Life												
Furniture & Fixtures	10 years												
Plant & Machinery	8 years												
Computers	3 years												
Office Equipment	5 years												
Intangible Assets (Software)	3 years												
2.3	<p>Intangible Assets under development</p> <p>Intangible assets are recognized in accordance with the criteria specified in Accounting Standard (AS) 26 "Intangible Assets" issued by Institute of Chartered Accountants of India (ICAI). All Project related expenditure for acquisition of Toll collection rights viz., civil works, machinery under erection, construction and erection materials, pre-operative expenditure, expenditure indirectly related to the project and incidental to setting up project facilities, borrowing cost incurred prior to the date of commercial operation, and trial run expenditure are shown under Intangible Assets under development. These expenses are net of recoveries, claims and income (net of tax), if any, from surplus funds arising out of project specific borrowings.</p>												
2.4	<p>Investments</p> <p>Investments which are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current investments.</p> <p>Current investments are carried in the financial statements at lower of cost or fair value determined on an individual investment basis. Non-current investments are carried at cost and provision for diminution in value is made to recognise a decline other than temporary in the value of investment.</p>												
2.5	<p>Borrowing Costs</p> <p>Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consists of interest and other cost that an entity incurs in connection with the borrowing of funds.</p>												
2.6	<p>Revenue Recognition</p> <p>Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and revenue can be reliably measured. Interest on Interest income on fixed deposits is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.</p>												
2.7	<p>Employee benefits</p> <p>a) Short Term benefits - Short term benefits are recognised as expenditure in the year in which the related services are rendered. Such expenditures have been transferred to Pre-operative expenses.</p> <p>b) Defined Contribution Plans - Contribution to Provident fund is a defined Contribution Plan and accordingly such contributions paid or payable during the reporting period are transferred to Pre-operative expenses.</p> <p>c) Defined benefit Plans - The Company provides Gratuity and Leave Encashment benefits to the employees. The Liabilities towards the Gratuity and Leave encashment are not funded. The present value of the defined benefit obligations are ascertained by an independent actuarial valuation as per the requirement of Accounting standard (AS) 15 "Employee benefits". All charges arising due to such valuation are transferred to Pre-operative expenses.</p> <p>Actuarial gains/ losses are transferred to Pre-operative Expenses.</p>												



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Orissa Steel Expressway Private Limited	
Notes to the financial statements for the year ended March 31, 2017	
2.8	<p>Earnings Per Share (EPS)</p> <p>Basic Earnings Per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating Diluted Earnings Per Share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.</p>
2.9	<p>Accounting for Taxes on Income</p> <p>Tax expense comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act, 1961. Deferred tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities. The deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.</p>
2.10	<p>Provisions, Contingent Liabilities and Contingent Assets:</p> <p>Provisions are recognised when the Company has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.</p>



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Orissa Steel Expressway Private Limited
Notes to the financial statements for the year ended March 31, 2017

		(Rs. In Millions)			
Note No.	Particulars	As at March 31, 2017	As at March 31, 2016		
3	Share Capital				
	Authorised 136,000,000 (Previous year 136,000,000) Equity Shares of Rs. 10 each	1,360.00	1,360.00		
	Equity Shares - Issued, Subscribed and Paid up 78,366,600 (Previous Year 78,366,600) equity Shares of Rs. 10/- each allotted as fully paid	783.67	783.67		
	Total	783.67	783.67		
	a. Reconciliation of the shares outstanding at the beginning and the at the end of the reporting year:	No. of Shares	No. of Shares		
	At the beginning of the year	78,366,600	78,366,600		
	Allotted during the year	-	-		
	At the end of the year	78,366,600	78,366,600		
	b. Shareholders holding more than 5% equity shares each, are set out below:				
		As at March 31, 2017	As at March 31, 2016		
	Name of the Shareholders	No. of Shares	% of holding	No. of Shares	% of holding
	Srei Venture Capital Trust A/c – Infrastructure Project Development Capital	-	0.00%	4,250,000	5.42%
	Bharat Road Network Ltd	46,534,600	59.38%	34,949,667	44.60%
	MBL Infrastructures Ltd	23,743,800	30.30%	23,743,800	30.30%
	Srei Infrastructure Finance Limited	-	0.00%	7,334,933	9.36%
	AMR India Limited (Formerly AMR Constructions Ltd)	4,824,000	6.16%	4,824,000	6.16%
	<p>(Note 1: Subsequent upon Bharat Road Network Ltd. (BRNL) further acquiring 14.78% stake in the company vide share purchase agreement dated 27th Oct 2016, BRNL has become major shareholder in the company, holding 59.38 % and thereby Orissa Steel Expressways Pvt. Ltd. has become the material subsidiary of Bharat Road Network Ltd).</p>				
	c. Terms / Rights attached to Shares:				
	The company has only one class of equity shares having par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.				
	In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.				
Note No.	Particulars	As at March 31, 2017 (Rs. In Millions)	As at March 31, 2016 (Rs. In Millions)		
4	Reserves and Surplus				
	Surplus/ (Deficit) in Statement of Profit & Loss				
	At the beginning of the accounting year	(1.37)	(1.07)		
	Profit/(loss) for the year	(0.35)	(0.30)		
	At the end of the accounting year	(1.72)	(1.37)		
	Total	(1.72)	(1.37)		



Note No.	Particulars	As at March 31, 2017 (Rs. In Millions)	As at March 31, 2016 (Rs. In Millions)
5	Long-term Borrowings Secured loan From Financial Institution The Loan is payable in in 24 equal quarterly instalments after a moratorium of 2 years from the COD or SCOD which ever is later. Interest is payable quarterly, compounding on monthly rests @ 13.20% per annum. The Loan is to be secured by way of first pari passu charge by way of hypothecation on the entire assets of the borrower under the deed of hypothecation. The Loan is to be secured by way of pledge of 100% unencumbered issued, subscribed and fully paid up voting equity shares of the company held by BRNL. The Loan is to be secured by way of pledge of 21,87,266 number of issued, subscribed and fully paid up voting equity shares of the company held by AMR India Limited. The Loan is to be secured by way of pledge of 58,32,576 number of issued, subscribed and fully paid up voting equity shares of the company held by MBL Infrastructure Limited.	1,220.00	-
	Total	1,220.00	-
6	Long-term Provisions Provision for Employee Benefits Gratuity Compensated Absence (Refer Note No. 20)	- - -	0.80 0.66
	Total	-	1.46
7	Short Term Borrowings Secured loan From Financial Institution The Loan is payable in bullet form at the end of 24 months from the date of initial disbursement (i.e on 22nd July 2015). Interest is payable quarterly, compounding on monthly rests @ 13.20% per annum. The Loan is to be secured by way of first pari passu charge on entire assets with Senior Lenders of the borrower by way of hypothecation. Unsecured loan Inter Corporate Deposit from related party	- - 203.85	1,000.00 2.00
	Total	203.85	1,002.00
8	Other Current Liabilities Statutory dues Interest accrued & due Interest accrued but not due Liability for expenses Creditor for capital Expenses Retention money	2.55 - 27.08 0.01 84.83 52.50	0.71 83.75 9.87 0.55 30.18 52.50
	Total	166.97	177.56
9	Short Term Provisions For Employee Benefits: Compensated Absence Gratuity Other Benefits (Refer Note No. 20)	- - -	- - 1.41
	Total	-	1.41
11	Fixed Assets Intangible Assets under development (a) Capital Work in Progress (b) Pre-operative expenses ** Audit Fees Car Hire Charges Communication Expenses Depreciation Employees Cost Financing Charges (Net) General Administrative Expenses Insurance charges Professional Fees (Net) Rent Rates & Taxes Travelling and Conveyance Expenses Total Less: Transferred to Claims under Other Non-Current Assets (Refer Note No. 13 & Note No. 26)	As at March 31, 2017 (Rs. In Millions) 1,359.16 0.56 3.97 0.68 0.57 47.92 559.96 9.10 9.47 144.76 3.69 6.32 4.78 2,150.94 (2,150.94)	As at March 31, 2016 (Rs In Millions) 1,359.16 0.56 3.91 0.68 0.48 48.41 375.02 9.07 9.34 82.17 3.63 6.31 4.69 1,903.43 -
	Total	-	1,903.43



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Property Plant & Equipment		Orissa Steel Expressway Private Limited										(Rs. In Millions)	
		Gross Block				Depreciation			Net Block				
Particulars	As at 01-04-2016	Additions/(disposal) during the period	As at 31-03-2017	As at 01-04-2016	For the period	As at 31-03-2017	As at 31-03-2017	As at 31-03-2017	As at 31-03-2017	As at 31-03-2016	As at 31-03-2016		
Land	1.12	-	1.12	-	-	-	1.12	1.12	1.12	1.12	1.12		
Computer	0.17	-	0.17	0.16	0.01	0.17	-	0.03	0.01	0.01	0.01		
Office equipment	0.18	-	0.18	0.11	0.04	0.15	0.03	0.03	0.07	0.07	0.07		
Furniture & Fixtures	0.41	-	0.41	0.15	0.04	0.19	0.22	0.22	0.25	0.25	0.25		
Total	1.88	-	1.88	0.42	0.09	0.51	1.37	1.37	1.45	1.45	1.45		
Previous Year	1.88	-	1.88	0.33	0.10	0.43	1.45	1.45	-	-	-		
Intangible Assets													
Software	0.05	-	0.05	0.05	-	0.05	-	-	-	-	-		
Total	0.05	-	0.05	0.05	-	0.05	0.05	0.05	0.05	0.05	0.05		
Previous Year	0.05	-	0.05	0.05	0.00	0.05	-	-	-	-	-		

10 (A)

10 (B)



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Note No.	Particulars	As at March 31, 2017 (Rs. In Millions)	As at March 31, 2016 (Rs. In Millions)
12	Long term Loans & advances		
	Unsecured, Considered good		
	Advance Tax (Net of provision for Tax - Nil)	0.52	1.97
	Security Deposits	0.27	0.27
	Total	0.79	2.24
13	Other Non Current Assets		
	Intangible Assets under Development transferred to Claims (Refer to Note No. 11 & Note No. 26)	2,150.94	-
	Total	2,150.94	-
14	Cash and Cash Equivalents		
	Cash on hand	0.02	0.00
	Balances with Banks		
	- in current accounts	19.99	3.19
	Balance in Liquid Fund	0.05	0.05
	Total	20.06	3.24
15	Short term Loans & advances		
	Unsecured, Considered good		
	DSRA Deposit	142.66	-
	Advances to Employees	-	-
	Advance against Capital expenses	27.09	26.64
	Other Advances	0.81	1.25
	Inter Corporate Deposit	23.85	25.00
	Total	194.41	52.89
16	Other Current Assets		
	Interest accrued on ICD	5.20	1.48
	Total	5.20	1.48
17	Other Income		
	Interest on Income Tax Refund	0.08	-
	Total	0.08	-
18	Other expenses		
	Audit Fees	0.17	0.14
	Donation and Subscription	-	0.01
	General Expenditure	-	0.03
	Interest on TDS	0.03	0.12
	Total	0.20	0.30
19	Earnings Per Share		
	Profit after tax attributable to Equity Shareholders	(0.35)	(0.30)
	Weighted average number of Equity Shares (in No.)	78,366,600	78,366,600
	Nominal Value of Equity per share	10	10
	Basic Earnings per share (In Rs.)	(0.00)	(0.00)
	Diluted Earnings per share (In Rs.)	(0.00)	(0.00)
20	Capital Commitments		
	Estimated amount of contracts remaining to be executed on capital account (net of Capital advances)	-	5,682.50
	Total	-	5,682.50



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21	Related Party Disclosures			
	Names of Related Parties:			
	a. Investors having significance Influence			
	Bharat Road Network Ltd (Holding Company wef 12th Nov 16))			
	Solapur Tollways Pvt Ltd. (Fellow Subsidiary wef 12th Nov 16)			
	MBL Infrastructures Ltd (Investor having significant influence)			
	b. Details of Related Party transactions and Period end outstanding balance			(Rs. In Millions)
	Name of the related party	Nature of Transaction	Transaction for the year ended	
			March 31, 2017	March 31, 2016
	Bharat Road Network Ltd	Inter Corporate Deposit received	83.75	562.00
	Bharat Road Network Ltd	Inter Corporate Deposit repaid	(85.75)	(560.00)
	Bharat Road Network Ltd.	Inter Corporate Deposit received	410.00	-
	Bharat Road Network Ltd.	Inter Corporate Deposit repaid	(206.15)	-
	Bharat Road Network Ltd	Interest expense on Inter Corporate Deposit	16.99	19.67
	Bharat Road Network Ltd	Claim Management Fee (incl service Tax)	38.31	-
	Bharat Road Network Ltd	Project Management Consultancy Fees (incl service tax)	23.00	-
	Bharat Road Network Ltd	Interest on ICD paid	4.51	-
	Solapur Tollways Pvt Ltd.	Interest earned on ICD (wef 12th Nov 16 to 31st Mar 17)	0.91	-
			Outstanding Balances	
			March 31, 2017	March 31, 2016
	MBL Infrastructures Ltd	Preliminary Expenses	0.61	0.61
	Bharat Road Network Ltd	Inter Corporate Deposit taken	203.85	2.00
	Bharat Road Network Ltd	Interest accrued but not due	10.89	0.11
	Bharat Road Network Ltd	PMC & Claim Management Fees	66.45	10.47
	Solapur Tollways Pvt Ltd.	Interest on Intercorporate deposit receivable	5.20	-
	Solapur Tollways Pvt Ltd.	ICD Receivable	23.85	-
22	Disclosure pursuant to Accounting Standard (AS) 15 (Revised) : Employee Benefits			
	The Company has not provided for Leave & Gratuity as all the employees have resigned during the year. Further the Company has settled the dues payable to its employees upon their release from the services of the Company.			



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23	Segment Information The Company is engaged in infrastructure business and is a Special Purpose Entity formed for the specific purpose detailed in Note No. 1 and thus operates in a single business segment. Also it operates in a single geographic segment. In the absence of separate reportable business or geographic segment, the disclosure required under Accounting Standard 17 "Segment Reporting" have not been made.		
Note No.	Particulars	For the year ended March 31, 2017 (Rs. In Millions)	For the year ended March 31, 2016 (Rs. In Millions)
24	Auditors' Remuneration*		
	As Auditor	0.10	0.08
	For Other Services	0.05	0.05
	Total	0.15	0.13
	* Auditors' remuneration is exclusive of Service Tax.		

25 In view of prudence and principles laid down in Accounting Standard-22 on Accounting for Taxes on Income, the company has not recognised Deferred tax assets during the year under review.

26 The project as mentioned in Note No. 1 was awarded on 29.04.2010 by NHAI and due to Land availability and Forest issues, NHAI has agreed to Foreclosure of the Concession Agreement / Contract. Based on same, a joint inspection of the Project site was carried on with Independent Engineer appointed by NHAI and NHAI representatives. Thereafter the project has been handed over to NHAI on 02-03-2017 on "as is where is" basis which has been acknowledged by NHAI vide their letter dated 03-03-2017. The Company is in the process of filing Claims through the process of ISAC (Independent Settlement Advisory Committee) cum Settlement mechanism and / or arbitration. The company management expects that it will recover compensation from NHAI. Financial Statements of the Company has been prepared on Going Concern, till final settlement of claim with NHAI. Further as the project has been handed over to NHAI, expenditure incurred on the Project which were classified as Intangible Assets under Development have been transferred to Claims disclosed under Other Non Current Assets.

27 There is no earning and expenditure in foreign currency (Previous year Nil).

28 The details of specified bank notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016 has been provided in table below:

	Specified Bank Notes (SBN) (Rs. In Millions)	Other Denomination notes (Rs. In Millions)	Total (Rs. In Millions)
Closing Cash In Hand as on 08.11.2016	-	0.02	0.02
Add: Permitted Receipts	-	-	-
Less: Permitted Payments	-	-	-
Less: Amount Deposited in banks	-	-	-
Closing Cash In Hand as on 30.12.2016	-	0.02	0.02

29 The previous year figures has been re-grouped, reclassified and rearranged wherever considered necessary to conform to the current year classification.

As per our report of even date
For M K P S & Associates
Chartered Accountants
Firm's Registration No. 302014E
CA. Sanjay Kumar Parida
Partner
Membership No. - 504222
Place : Kolkata
Date : 10/04/2017



For and on behalf of the Board of Directors

[Signature]
Director

[Signature]
Director

