

**HYDERABAD- YADGIRI
TOLLWAY PRIVATE LIMITED**

**Ind AS financial statement
for the year ended March 31, 2017**

Hyderabad- Yadgiri Tollway Private Limited
Balance Sheet as at March 31, 2017

Particulars	Note No.	As at	As at	As at
		March 31, 2017	March 31, 2016	April 1, 2015
		INR in Million	INR in Million	INR in Million
ASSETS				
1 Non-Current Assets				
(a) Property, plant and equipments	5	26.11	27.24	27.57
(b) Investment property	6	3.43	3.43	3.43
(c) Intangible assets	7	6,200.25	6,397.48	6,425.83
(d) Financial assets				
(i) Other financial assets	10	114.72	53.64	37.83
(e) Other assets	11	0.23	1.18	4.55
Total Non-current assets		6,344.74	6,482.97	6,499.21
2 Current Assets				
(a) Financial assets				
(i) Investments	8	85.06	-	-
(ii) Cash and cash equivalents	9	20.88	26.32	27.03
(iii) Other financial assets	10	64.20	36.36	53.57
(b) Current tax assets (net)	12	1.18	3.90	-
(c) Other assets	11	1.96	1.26	1.74
Total Current assets		173.28	67.84	82.34
Total Assets		6,518.02	6,550.81	6,581.55
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	13	32.47	32.47	32.47
Other equity	14	67.36	299.61	599.62
Total equity		99.83	332.08	632.09
LIABILITIES				
1 Non-current Liabilities				
(a) Financial liabilities				
(i) Borrowings	15	3,727.52	3,759.64	3,782.73
(ii) Other financial liabilities	19	2,056.18	1,898.79	1,725.18
(b) Provisions	17	243.33	191.39	117.94
Total Non-current liabilities		6,027.03	5,849.82	5,625.85
2 Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	16	234.98	177.64	162.45
(ii) Trade payables	18	13.08	13.41	11.80
(iii) Other financial liabilities	19	137.20	172.73	148.32
(b) Other current liabilities	20	5.79	5.01	0.93
(c) Provisions	17	0.11	0.12	0.11
Total Current liabilities		391.16	368.91	323.61
Total Equity and Liabilities		6,518.02	6,550.81	6,581.55

Summary of significant accounting policies

3

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

For S. R. Batliboi & Co LLP
Chartered Accountants
ICAI Firm Registration No.:301003E/E300005

For and on behalf of the Board of Directors of
Hyderabad Yadgiri Tollway Private Limited

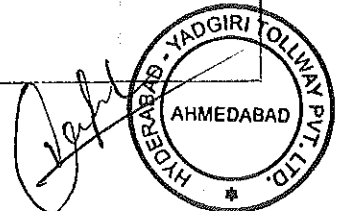
per Arvind Sethi
Partner
Membership No.: 89802

Vikram R Patel
Director
DIN No.: 00048318

Vipul H Patel
Director
DIN-No.: 06634262

Date : May 15, 2017
Place: Pune

Date : May 15, 2017
Place: Ahmedabad



Hyderabad- Yadgiri Tollway Private Limited
Statement of Profit and Loss for the year ended March 31, 2017

Particulars	Note No.	March 31, 2017	March 31, 2016
		INR In Million	INR In Million
INCOME			
I Revenue from operations	21	569.07	543.35
II Other Income	22	74.66	22.65
III Total Income (I+II)		643.73	566.00
EXPENSES			
Operating expense	23	77.62	104.67
Employee benefits expenses	24	11.82	11.76
Finance cost	25	612.96	604.56
Depreciation and amortization	26	163.67	123.32
Other expenses	27	9.82	21.78
IV Total Expenses		875.89	866.09
V Loss for the year (II - IV)		(232.16)	(300.09)
Other Comprehensive Income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Remeasurements (losses)/gain on defined benefit plans (refer note 33)		(0.09)	0.08
Income tax effect		-	-
VI Total Comprehensive Income for the year		(0.09)	0.08
VII Total Comprehensive Income for the year, net of tax (V+VI)		(232.25)	(300.01)

Earning per share [Value of share INR 10/-] Basic and Diluted	32	(71.49)	(92.41)
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Summary of significant accounting policies 3

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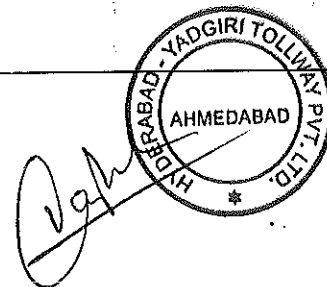
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Director
DIN No.: 00048318

Date :May 15, 2017
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Vipul H Patel
Director
DIN No.: 06634262



Hyderabad- Yadgiri Tollway Private Limited
Statement of Changes in Equity for the year ended March 31, 2017

A. Equity Share Capital

Equity shares of INR 10 each issued, subscribed and fully paid	No of Shares	(INR In Million)
As at 1 April 2015	32 47 383	32.47
As at 31 March 2016	32 47 383	32.47
As at 31 March 2017	32 47 383	32.47

B. Other Equity

(INR in Million)

Particulars	Equity Component of Compound Financial Instrument (Note 14)	Reserves and Surplus		Total
		Securities Premium (Note 14)	Retained Earning (Note 14)	
As at April 1, 2015	1,297.69	140.76	(838.83)	599.62
Loss for the year	-	-	(300.09)	(300.09)
other comprehensive income for the year	-	-	0.08	0.08
As at March 31, 2016	1,297.69	140.76	(1,138.84)	299.61
As at April 1, 2016	1,297.69	140.76	(1,138.84)	299.61
Loss for the year	-	-	(232.16)	(232.16)
other comprehensive income for the year	-	-	(0.09)	(0.09)
As at March 31, 2017	1,297.69	140.76	(1,371.09)	67.36

The accompanying notes are an integral part of these financial statements.

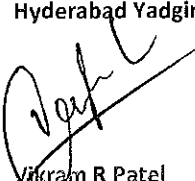
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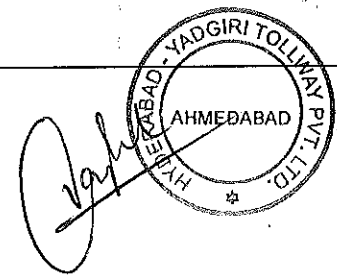
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Vikram R Patel
Director
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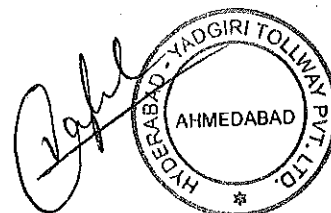
Date :May 15, 2017
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Vipul H Patel
Director
DIN No.: 06634262



Hyderabad- Yadgiri Tollway Private Limited
Cash Flow Statement For the year ended March 31, 2017

Particulars	March 31, 2017	March 31, 2016
	INR In Million	INR In Million
(A) Operating activities		
Net (Loss) before Tax	(232.16)	(300.09)
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation and amortisation	163.67	123.32
Interest and other borrowing cost	612.96	604.56
Gain on sale of units in mutual funds	(1.55)	(3.45)
Periodic Major Maintenance Expense	32.22	61.37
Unrealised gain on fair value of Financial Instruments	(61.07)	(17.15)
Operating profit before working capital changes	514.07	468.56
<i>Working Capital Changes:</i>		
(Increase)/Decrease in financial asset	(27.85)	18.43
Decrease/(Increase) in current assets	(0.69)	0.52
(Decrease) in financial liabilities	(2.32)	(13.48)
Increase in provisions	0.14	0.14
Cash Generated from Operations	483.34	474.17
Direct taxes paid (net of income tax refund)	3.67	(0.53)
Net cash flow from operating activities (A)	487.01	473.64
(B) Cash Flows from investing activities		
Purchase of tangible assets	(0.63)	(1.23)
Purchase of units in mutual funds	(1,756.21)	483.05
Sale of units in mutual funds	1,672.66	(479.60)
Net cash (used) / generated in / from investing activities (B)	(84.18)	2.22
(C) Cash Flows from financing activities		
Proceeds from Non-current Borrowings	3,521.65	-
Repayment of Non-current Borrowings	(3,606.36)	(88.45)
Proceeds from Current borrowings	250.22	21.40
Repayment of Current borrowings	(192.87)	(6.22)
Interest and other borrowing cost paid	(380.91)	(403.30)
Net cash (used) in financing activities (C)	(408.27)	(476.57)
Net (decrease) in cash and cash equivalents (A + B + C)	(5.44)	(0.71)
Cash and cash equivalents at beginning of the year	26.32	27.03
Cash and cash equivalents at end of the year	20.88	26.32



Hyderabad- Yadgiri Tollway Private Limited
Cash Flow Statement For the year ended March 31, 2017

Notes:

(i) **Components of cash and cash equivalents (refer note 9)**

	March 31, 2017	March 31, 2016
	INR In Million	INR In Million
Cash on hand	2.19	3.77
Balances with banks in current accounts	18.69	22.55
Cash and cash equivalents	20.88	26.32

(ii) The cash flow statement has been prepared under indirect method as per Indian Accounting Standard -7 "Cash Flow Statement".

(iii) Figures in brackets represent outflows.

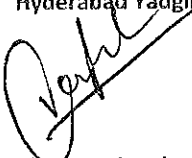
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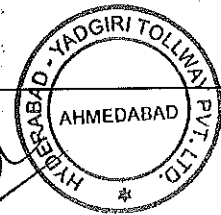
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Date :May 15, 2017
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Hyderabad – Yadgiri Tollway Private Limited
Notes to Financial statement for the year ended March 31, 2017

1. Company information:

Hyderabad -Yadgiri Tollway Private Limited ("the Company") is a private company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. It is whole owned subsidiary of Sadbhav Infrastructure Project Limited which is listed on two recognized stock exchanges in India. The registered office of the company is located at "Sadbhav House", Opp. Law Garden Police Chawki, Ellisbridge, Ahmedabad-380006.

The Company was incorporated as a Special Purpose Vehicle (SPV) in January, 2010, for the purpose of four laning of Hyderabad- Yadgiri section of NH-202 from KM 18.60 to KM 54.00 in the state of Andhra Pradesh on Design, Build, Finance, Operate and Transfer ("DBFOT") basis. The Company has entered into Concession Agreement with National Highways Authority of India (NHAI) with a Concession Period of 23 years w.e.f 24th February, 2010. The Company had received provisional completion certificate dated 10th December'12 from NHAI. The toll collection had commenced from that date.

The financial statements were authorized for issue in accordance with a resolution of the directors on May 15, 2017.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

For all period up to and including the year ended March 31, 2016, the Company prepared its financial statement in accordance with the Accounting standards specified in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP") and other relevant provision of the Act. These financial statements for the year ended March 31, 2017 are the first financial statements that the company has prepared in accordance with Ind AS. Refer to note no. 42 for information of how the transition from previous GAAP to Ind AS has affected the company's Balance sheet, Statement of profit & loss and Statement of cash flow.

The financial statements have been prepared on a historical cost basis, except for the followings:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),
- Derivative financial instruments measured at fair value

The financial statements are presented in INR and all values are rounded to the nearest million (INR 000,000), except when otherwise indicated.

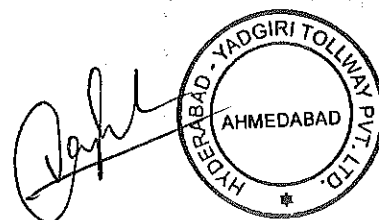
3. Summary of significant accounting policies

The following are the significant accounting policies applied by the company in preparing its financial statements:

3.1 Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;



Hyderabad – Yadgiri Tollway Private Limited
Notes to Financial statement for the year ended March 31, 2017

- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

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

3.2 Foreign Currencies

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

Transactions and balances

Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement of such transaction and on translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are recognised in profit or loss with the exception of the following:

- Long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.

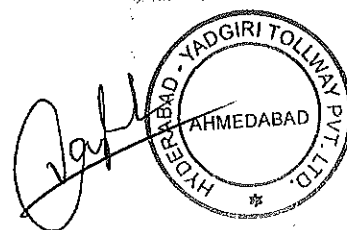
Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

3.3 Service Concession Arrangement

Toll collection rights

The Company builds infrastructure assets under public-to-private Concession Arrangements which it operates and maintains for periods specified in the Concession Arrangements.

Under the Concession Agreements, where the Company has received the right to charge users of the public service, such rights are recognised and classified as "Intangible Assets" in accordance with Appendix A to Ind AS 11. Such right is not an unconditional right to receive consideration because the



Hyderabad – Yadgiri Tollway Private Limited
Notes to Financial statement for the year ended March 31, 2017

amounts are contingent to the extent that the public uses the service and thus are recognised and classified as intangible assets. Such an intangible asset is recognised by the Company at cost (which is the fair value of the consideration received or receivable for the construction services delivered) and is capitalized when the project is complete in all respects and when the company receives the completion certificate from the authority as specified in the Concession Agreement. The economics of the project is for the entire length of the road / infrastructure as per the bidding submitted.

Premium Capitalization in Toll collection rights

The Company has contractual obligation to pay premium (concession fees) to National Highway Authority of India ("NHAI"), Grantor, over the concession period. Such obligation has been recognised upfront on an discounted basis when the project gets completed as per the Concession Agreements as 'Intangible assets – Toll Collection Right' and corresponding obligation for committed premium is recognised as liabilities.

Amortization of Toll collection rights

The intangible assets which are recognised in the form of Toll right to charge users of the infrastructure asset are amortized by taking proportionate of actual revenue received for the year over Total Projected Revenue from project to Cost of Intangible assets i.e. proportionate of actual revenue earned for the year over Total Projected Revenue from the Intangible assets expected to be earned over the balance concession period as estimated by the management.

As required, total Projected Revenue reviewed by the management at the end of the each financial year and accordingly, the total projected revenue is adjusted to reflect any changes in the estimates which lead to the actual collection at the end of the concession period.

Construction revenue:

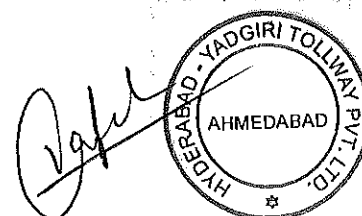
Contract revenue and costs associated with project related activities are accrued and recognized by reference to the stage of completion of the projects at the reporting date. The stage of completion of a project is determined by the proportion that the contract cost incurred for work performed up to the reporting date bears to the estimated total contract costs.

Any excess revenue recognized in accordance with the stage of completion of the project, in comparison to the amounts billed to the clients in accordance with the milestones completed as per the respective project, is accrued as "Unearned Revenue".

Any short revenue recognized in accordance with the stage of completion of the project, in comparison to the amounts billed to the clients in accordance with the milestones completed as per the respective project, is carried forward as "Unbilled Revenue".

An expected loss on construction contract is recognized as an expense immediately when it is certain that total contract costs will exceed the total contract revenue.

Price escalation and other claims and/or variation in the contract work are included in contract revenue only when it probable that customer will accept the claim and the amount that is probable will be accepted by the customer can be measured reliably.



Hyderabad – Yadgiri Tollway Private Limited
Notes to Financial statement for the year ended March 31, 2017

3.4 Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost comprise the purchase price, borrowing costs if the recognition criteria are met and directly attributable cost of bringing the assets to its working condition for its intended use. When significant parts of plant and equipment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives.

All other expenses on existing property plant and equipment, including day-to-day repair and maintenance expenditure are charged to the statement of profit and loss for the period during which such expenses are incurred.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Depreciation

Depreciation on Property, Plant and Equipment is provided on the written down value method basis over useful lives of the assets as prescribed under Part C of Schedule II to the Companies Act, 2013. When parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items (Major Components) and are depreciated over their useful life or over the remaining useful life of the principal assets whichever is less.

Depreciation for assets purchased/sold during a period is proportionately charged for the period of use.

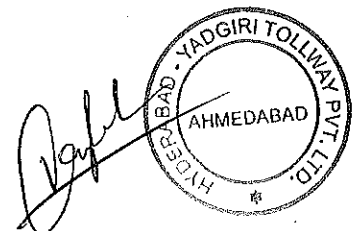
The residual value, useful live and method of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.5 Intangible assets:

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any

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

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



Hyderabad – Yadgiri Tollway Private Limited
Notes to Financial statement for the year ended March 31, 2017

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

Amortisation

Software is amortized over management estimate of its useful life of 3-6 years.

The residual value, useful live and method of depreciation of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.6 Impairment – Non-financial assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. The recoverable amount is determined for an individual asset which is based on the discounting of estimated future cash flows to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognized in the statement of profit and loss.

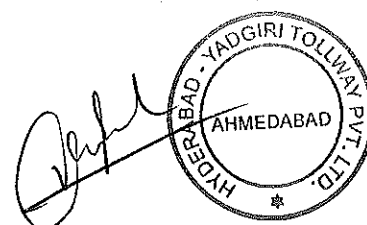
The Company bases its impairment calculation on detailed budgets and forecasts calculation. These budgets and forecasts calculations generally covering a period of the concession agreements using long terms growth rates applied to future cash flows.

Intangible assets with indefinite useful lives are tested for impairment annually as and when circumstances indicate that the carrying value may be impaired

3.7 Revenue Recognition

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

The specific recognition criteria described below must also be met before revenue is recognized.



Hyderabad – Yadgiri Tollway Private Limited
Notes to Financial statement for the year ended March 31, 2017

Toll collection revenue

The revenue is recognized in the period of collection which generally coincide as and when the traffic passes through toll – plazas.

Gain or loss on sale of Mutual Fund

Gain or loss on sale of mutual fund is recorded on transfer of title from the Company, and is determined as the difference between the sale price and carrying value of mutual fund and other incidental expenses.

Dividend

Income from dividend on investment is accrued in the year in which it is declared, whereby right to receive is established.

3.8 Investment Property

Investment Property is measured initially at cost including related transaction costs. Such cost comprises the purchase price, borrowing cost if capitalization criteria are met. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. All day-to-day repair and maintenance expenditure are charged to the statement of profit and loss for the period during which such expenses are incurred.

An investment property is derecognised on disposal or on permanently withdrawal from use or when no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

3.9 Borrowing costs

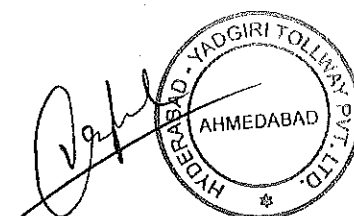
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. Investment income earned on temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are expensed in the year they occur. Borrowing cost consist of interest and other costs that company incurs in connection with the borrowing of funds as defined in Indian Accounting Standard 23 – Borrowing Cost.

3.10 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as lessee

A lease is classified at the inception date as a finance lease and operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the company is classified as a finance lease. An operating lease is a lease other than a finance lease.



Hyderabad – Yadgiri Tollway Private Limited
Notes to Financial statement for the year ended March 31, 2017

Operating lease payments are recognized as an expense in the statement of Profit and loss on a straight-line basis over the lease term except the case where incremental lease reflects inflationary effect and lease expense is accounted in such case by actual rent for the period.

3.11 Financial Instruments

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

a) Financial assets

i. Initial recognition and measurement of financial assets

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets that are not at fair value through profit or loss are added to the fair value on initial recognition.

ii. Subsequent measurement of financial assets

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

- Financial assets at amortized cost
- Financial assets at fair value through profit or loss (FVTPL)

• Financial assets at amortized cost :

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

• Financial assets at fair value through profit or loss:

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.

iii. De-recognition of financial assets

A financial asset is de-recognized when the contractual rights to the cash flows from the financial asset expire or the Company has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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



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Notes to Financial statement for the year ended March 31, 2017

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

iv. Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets. Expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

b) Financial Liabilities

i. Initial recognition and measurement of financial liabilities

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

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

ii. Subsequent measurement of financial liabilities

The measurement of financial liabilities depends on their classification, as described below:

• **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss (FVTPL).

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses on changes in fair value of such liability are recognized in the statement of profit or loss.

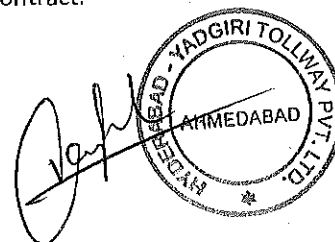
• **Loans and Borrowings**

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

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

• **Equity component of Compound financial instruments**

The Company has borrowed subordinated in nature of Sponsors contribution in the project as per requirement of loan agreement, which the company has classified in the other equity as the same is redeemable at the Company's option and without coupon as per terms of contract.



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Notes to Financial statement for the year ended March 31, 2017

iii. Derecognition of financial liabilities

A financial liability (or a part of a financial liability) is derecognised from its balance sheet when the obligation specified in the contract is discharged or cancelled or expired.

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

c) Derivative financial instruments

The Company uses derivative financial instruments, such as options and interest rate swaps, to hedge its foreign currency risks and interest rate risks. These derivative contracts does not qualify for hedge accounting under Ind AS 109, financial instrument and are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss

d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if the Company currently has enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.12 Fair Value Measurement

The company measures financial instruments such as derivatives and Investment in Mutual Fund at fair value at each balance sheet date.

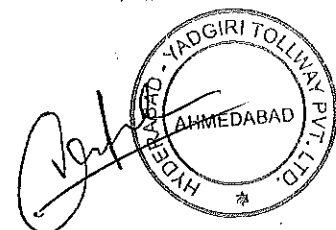
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefit by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.



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Notes to Financial statement for the year ended March 31, 2017

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 – Quoted (unadjusted) market price in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

The company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on yearly basis.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

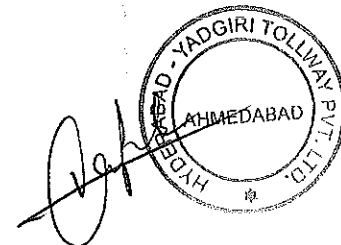
3.13 Employee Benefits

a) Short Term Employee Benefits

All employee benefits payable are expected to be settled wholly within 12 months after the end of the reporting period are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensation etc. and the same are recognized as an expense in the statement of profit and loss in the period in which the employee renders the related services.

b) Post-Employment Benefits

(i) Defined contribution plan



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The Company's approved provident fund scheme is defined contribution plans. The Company has no obligation, other than the contribution paid/payable under such schemes. The contribution paid/payable under the schemes is charged to profit & loss account during the period in which the employee renders the related service.

(ii) Defined benefit plan

The employee's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

c) Other employment benefits

The employee's compensated absences, which is expected to be utilized or encashed within the next 12 months, is treated as short term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as result of the unused entitlement that has accumulated at the reporting date. As per company's policy, no leave are expected to be carried forward beyond 12 month from the reporting date.

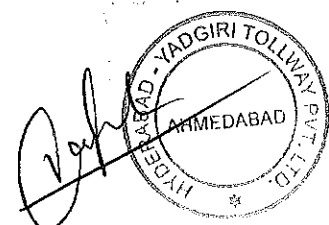
3.14 Income tax

Income tax expense comprises current tax and deferred tax.

Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income tax 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

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



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Notes to Financial statement for the year ended March 31, 2017

Deferred Tax

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

Deferred tax liabilities are recognised for all taxable temporary differences excepts when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax losses and carry forward of unused tax credits to the extent that it is probable that taxable profit will be available against which those temporary differences, losses and tax credit can be utilized excepts when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

As per provision of Income tax Act 1961, the Company is eligible for a tax holiday under section 80IA for a block of 10 consecutive assessment year out of 20 year beginning of toll operation. The current year is fifth year of company's operation and it propose to start claiming tax holiday in the subsequent year only. No deferred tax (assets or liabilities) is recognized in respect of temporary difference which reverse during tax holiday period, to the extent such gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing difference which is reverse after the tax holiday period is recognised in the year in which the timing difference originate. However, the company restricts recognition of deferred tax assets to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. For recognition of deferred tax, the timing difference which originate first are considered to reverse first.

The carrying amount of deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

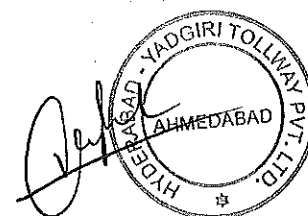
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rules and tax laws that have been enacted or substantively enacted by the end of the reporting period.

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

3.15 Provisions

General

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources embodying economic benefits will be



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Notes to Financial statement for the year ended March 31, 2017

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 or loss, net of reimbursement, if any.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and 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 and adjusted to reflect the current best estimates.

Contractual obligation to restore the infrastructure to a specified level of serviceability

The Company has contractual obligations to maintain the road to a specified level of serviceability or restore the road to a specified condition before it is handed over to the grantor of the Concession Agreements. Such obligations are measured at the best estimate of the expenditure that would be required to settle the obligation at the balance sheet date. The timing and amount of such cost are estimated and determined by estimated cash flows, expected to be incurred in the year of overlay. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to such obligation. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of such obligation are reviewed annually and adjusted as appropriate.

3.16 Contingent liabilities

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

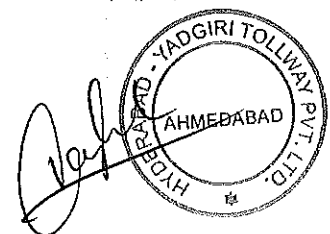
3.17 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value and bank overdrafts. For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered as integral part of the company's cash management.

3.18 Earnings per share

Basic EPS is calculated by dividing the profit / loss for the year attributable to equity holders by the weighted average number of shares outstanding during the year.

Diluted EPS is calculated by dividing the profit / loss attributable to equity holders by the weighted average number of shares outstanding during the year plus the weighted average number of shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.



Hyderabad – Yadgiri Tollway Private Limited
Notes to Financial statement for the year ended March 31, 2017

3.19 Segment reporting

Based on management approach as defined in Indian Accounting standard 108 – Operating Segment, Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker for evaluation of Company's performance.

4. Significant accounting judgements, estimates and assumptions

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Taxes

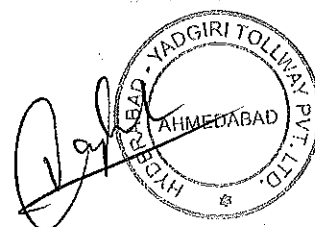
Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the credits can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Property, plant and equipment

Refer Note 3.4 for the estimated useful life of Property, plant and equipment. The carrying value of Property, plant and equipment has been disclosed in Note 5.

Intangible Assets

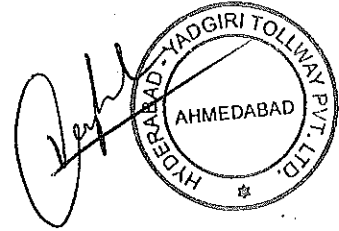
The intangible assets which are recognized in the form of Toll right to charge users of the infrastructure asset are amortized by taking proportionate of actual revenue received for the year over Total Projected Revenue from project to Cost of Intangible assets. The estimation of total projection revenue requires significant assumption about expected growth rate and traffic projection for future. All assumptions are reviewed at each reporting date



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Notes to Financial statement for the year ended March 31, 2017

Provision for periodical Major Maintenance

Provision for periodical Major Maintenance obligations are measured at the best estimate of the expenditure that would be required to settle the obligation at the balance sheet date. The timing and amount of such cost are estimated and determined by estimated cash flows, expected to be incurred in the year of overlay. All assumptions are reviewed at each reporting date.



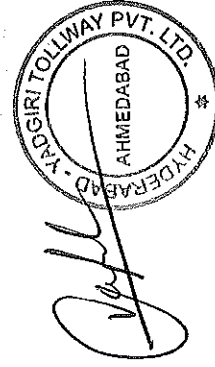
Hyderabad- Yadgiri Tollway Private Limited
Notes to Financial Statements for the year ended March 31, 2017

5 Property, Plant and Equipment		(INR in Million)						
Particulars	Freehold Land	Building	Machinery & Equipments	Computers	Furniture & Fixtures	Vehicles	Office Equipments	Total
Cost								
As at April 01, 2015	17.17	6.43	0.64	0.18	0.17	2.81	0.17	27.57
Addition	0.51	-	-	0.03	-	0.62	0.17	1.33
Disposal	-	-	-	-	-	-	-	-
As at March 31, 2016	17.68	6.43	0.64	0.21	0.17	3.43	0.34	28.90
Addition	-	-	-	0.15	0.08	-	0.01	0.24
Disposal	-	-	-	-	-	-	-	-
As at March 31, 2017	17.68	6.43	0.64	0.36	0.25	3.43	0.35	29.14
Accumulated Depreciation								
As at April 01, 2015	-	-	-	-	-	-	-	-
Charge for the year	-	0.34	0.06	0.12	0.04	0.99	0.11	1.66
Disposal	-	-	-	-	-	-	-	-
As at March 31, 2016	-	0.34	0.06	0.12	0.04	0.99	0.11	1.66
Charge for the year	-	0.32	0.06	0.07	0.05	0.77	0.10	1.37
Disposal	-	-	-	-	-	-	-	-
As at March 31, 2017	-	0.66	0.12	0.19	0.09	1.76	0.21	3.03
Net Block								
As at April 01, 2015	17.17	6.43	0.64	0.18	0.17	2.81	0.17	27.57
As at March 31, 2016	17.68	6.09	0.58	0.09	0.13	2.44	0.23	27.24
As at March 31, 2017	17.68	5.77	0.52	0.17	0.16	1.67	0.14	26.11

Notes:

1 The Company has elected to continue with the carrying value for all of its Property, Plant Equipments as recognised in its previous GAAP financials, as deemed cost at the transition date i.e. April 1, 2015 as per option permitted under Ind AS 101 for the first time adopter.

2 Property Plant and Equipments except land has been pledged against Secured borrowings in order to fulfill the collateral requirement for the Lenders. (refer note 15)

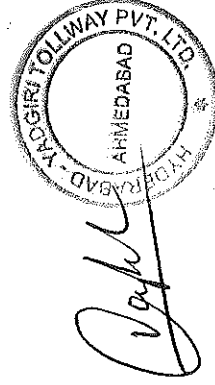


Hyderabad- Yadgiri Tollway Private Limited
Notes to Financial Statements for the year ended March 31, 2017

6 Investment Properties	(INR in Million)	
	Freehold Land	Total
Cost		
As at April 1, 2015	3.43	3.43
Addition	-	-
Disposal	-	-
As at March 31, 2016	3.43	3.43
Addition	-	-
Disposal	-	-
As at March 31, 2017	3.43	3.43
Accumulated Depreciation		
As at April 1, 2015	-	-
Charge for the Year	-	-
Disposal	-	-
As at March 31, 2016	-	-
Charge for the Year	-	-
Disposal	-	-
As at March 31, 2017	-	-
Net Book Amount		
As at April 1, 2015	3.43	3.43
As at March 31, 2016	3.43	3.43
As at March 31, 2017	3.43	3.43

Note:

1. The Company has elected to continue with the carrying value for all of its investment property, as recognised in its previous GAAP financials, as deemed cost at the transition date i.e. April 1, 2015 as per option permitted under Ind AS 101 for the first time adopter.
2. There is no income arising from above investment properties. Further, the company has not incurred any expenditure for above properties.
3. The above land consist of 2 land which is situated at Raighad and Dhule District, Maharashtra has been mortgaged against Secured borrowings to fulfil the collateral requirements of Lenders. (refer note 15)
4. The Company has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
5. The fair value disclosure for investment property is not presented as the property is specifically acquired for offering as security for borrowings and based on the information, there are no material development in the area where land is situated and accordingly, we believe that there is no material difference in fair value and carrying value of property.

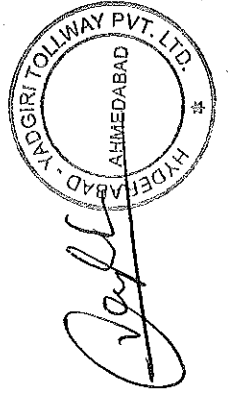


Hyderabad- Yadgiri Tollway Private Limited
Notes to Financial Statements for the year ended March 31, 2017

7 Intangible Assets :	(INR in Million)		
Particulars	Computer Software	Toll Collection Rights	Total
Cost			
As at April 01, 2015	-	6,615.85	6,615.85
Addition	0.10	-	0.10
Adjustment during the year	-	93.22	93.22
Foreign exchange difference (refer note 3 below)	0.10	6,709.07	6,709.17
As at March 31, 2016	0.39	-	0.39
Addition during the year	-	(35.32)	(35.32)
Foreign exchange difference (refer note 3 below)	0.49	6,673.75	6,674.24
As at March 31, 2017			
Accumulated Depreciation			
As at April 01, 2015	-	190.03	190.03
Charge for the Year	0.02	121.64	121.66
Disposal	-	-	-
As at March 31, 2016	0.02	311.67	311.69
Charge for the Year	0.16	162.14	162.30
Disposal	-	-	-
As at March 31, 2017	0.18	473.81	473.99
Net Book Amount			
As at April 01, 2015	-	6,425.82	6,425.83
As at March 31, 2016	0.08	6,397.40	6,397.48
As at March 31, 2017	0.31	6,199.94	6,200.25

Note:

- Toll collection rights of four laning of Hyderabad - Yadgiri section of NH-202 were capitalised when the project was complete in all respects and when the Company received the completion certificate from the authority as specified in the Concession Agreement and not on completion of component basis as the intended purpose of the project is to have the complete length of the road available for use. Refer note 41 for detail additional pursuant to Appendix - A to Ind AS 11 - "Service Concession Arrangements" (SCA).
- Toll collection rights also include present value of premium payable under the concession agreement of INR 1,548.20 million at the time of receipt of completion certificate from the authority.
- The Company had adopted an option under Para 46A of AS 11 under previous GAAP which the company has elected to continue as per para D13AA of Ind AS 101 'First time adoption Indian Accounting Standard'. Accordingly the exchange difference arising on reporting of long-term foreign currency monetary items, in so far as they relate to the acquisition of depreciable asset, is added or deducted from the cost of the asset and shall be amortised over the balance life of the asset.
- Toll collection right has been pledged against Secured borrowings in order to fulfil the collateral requirement of the Lenders. (refer note 15)
- The Remaining Amortisation period for the Toll collection rights at the end of the reporting period is 16.34 years (March 31, 2016: 17.34 years and April 1, 2015: 18.34 years)



Hyderabad- Yadgiri Tollway Private Limited
Notes to Financial Statements for the year ended March 31, 2017

8 Investments	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)	April 1, 2015 (INR In Million)
Unquoted			
Investments carried at fair value through profit or loss			
47,168.33 Units (P.Y. Nil) in Axis Liquid Fund - Direct Growth	85.06	-	-
Total	85.06	-	-
Aggregate amount of Unquoted Investments	85.06	-	-

Fair value disclosures for financial assets are given in Note 29.

9 Cash and Bank balance	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)	April 1, 2015 (INR In Million)
Cash and Cash Equivalent			
Balance with banks			
In Current accounts#	18.69	22.55	25.00
Cash on Hand	2.19	3.77	2.03
Total	20.88	26.32	27.03

Balance with bank includes balance of Rs. 4.72 million (March 31, 2016: Rs. 6.97 million, April 1, 2015: Rs. 1.01 million) are lying in the Escrow Accounts which is usable as per terms of borrowings arrangement with the lenders.

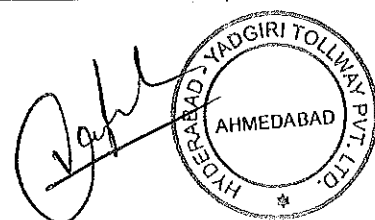
10 Other Financial Assets	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)	April 1, 2015 (INR In Million)
Non Current			
Security Deposits	0.04	0.04	1.38
Derivatives not designated as hedges	114.68	53.60	36.45
Total	114.72	53.64	37.83
Current			
Receivable from NHAI (refer note 1 below)	35.47	35.47	35.47
Receivable from SEL-Towards change of scope	-	-	17.27
Receivable from NHAI - Toll suspension (refer note 2 below)	27.75	-	-
Toll Receivable	0.09	-	-
Receivable other than trade	0.89	0.89	0.83
Total	64.20	36.36	53.57
	178.92	90.00	91.40

Note:

- The above amount receivable from National Highway Authority of India ('NHAI') is outstanding since March 2013 towards Utility Shifting Expense incurred as per the Concession Agreement. The said amount is payable to Sadbhav Engineering Limited ('SEL') and disclosed under "other current Financial liabilities". The management expects that the same would be received in the next year.
- Pursuant to demonetisation, concessioning authorities had announced suspension of toll collection at all roads from November 09, 2016 until December 2, 2016. Based on subsequent notification and provisions of concession agreement with the relevant authorities, the Company has claimed and recognised revenue of Rs. 39.46 Millions during the year. As at March 31, 2017, the company has received Rs. 11.71 million against such claim from NHAI and the balance is still receivable.
- Fair value disclosures for financial assets are given in Note 29.

11 Other Assets	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)	April 1, 2015 (INR In Million)
Non Current			
Advance Income tax (net of provision)	0.23	1.18	4.55
Total	0.23	1.18	4.55
Current			
Prepaid expenses	1.61	1.06	1.46
Staff Advances	0.02	0.01	0.02
Advances to suppliers	0.33	0.19	0.27
Total	1.96	1.26	1.74

12 Current Tax Assets (net)	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)	April 1, 2015 (INR In Million)
Advance Income tax (net of provision)	1.18	3.90	-
Total	1.18	3.90	-



Hyderabad- Yadgiri Tollway Private Limited
Notes to Financial Statements for the year ended March 31, 2017

13 Equity Share Capital	March 31, 2017		March 31, 2016		April 1, 2015	
	No. of shares	(INR In Million)	No. of shares	(INR In Million)	No. of shares	(INR In Million)
Authorized share capital						
Equity Shares of Rs. 10 each	5,000,000	50.00	5,000,000	50.00	5,000,000	50.00
	5,000,000	50.00	5,000,000	50.00	5,000,000	50.00
Issued, subscribed and fully paid up						
Equity shares of Rs 10 each	3,247,383	32.47	3,247,383	32.47	3,247,383	32.47
	3,247,383	32.47	3,247,383	32.47	3,247,383	32.47

(a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	March 31, 2017		March 31, 2016		April 1, 2015	
	No. of shares	(INR In Million)	No. of shares	(INR In Million)	No. of shares	(INR In Million)
At the beginning of the year	3,247,383	32.47	3,247,383	32.47	3,247,383	32.47
Add: Issue during the year	-	-	-	-	-	-
Outstanding at the end of the year	3,247,383	32.47	3,247,383	32.47	3,247,383	32.47

(b) Terms/Rights attached to the equity shares:

The Company has one class of shares referred to as equity shares having a par value of Rs.10 each. Each shareholder is entitled to one vote per share held. In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the residual assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

(c) Share held by holding Company:

Out of equity shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries/associates are as below:

	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)	April 1, 2015 (INR In Million)
Sadbhav Infrastructure Project Limited - Holding Company			
3,247,383 (March 31, 2016: 3,247,383 and April 1, 2015: 3,247,383) equity shares	32.47	32.47	32.47

(d) Number of Shares held by each shareholder holding more than 5% Shares in the company

Particulars	March 31, 2017		March 31, 2016		April 1, 2015	
	No. of shares	% of shareholding	No. of shares	% of shareholding	No. of shares	% of shareholding
Equity Shares of Rs 10 each fully paid						
Sadbhav Infrastructure Project Limited and its nominees	3,247,383	100%	3,247,383	100%	3,247,383	100%

As per the records of the company, including its registers of shareholders/member and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

14 Other Equity

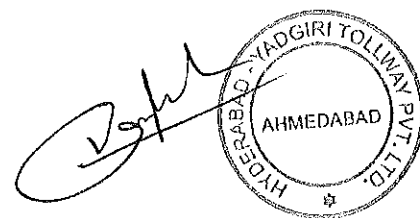
	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)	April 1, 2015 (INR In Million)
Equity Component of Compound Financial Instrument - Sub Ordinate debts (refer note below & 35)			
Balance as the beginning of the year	1,297.69	1,297.69	1,297.69
Balance at the end of the year	1,297.69	1,297.69	1,297.69
Reserve and Surplus			
Security Premium Reserve			
Balance as the beginning of the year	140.76	140.76	140.76
Balance at the end of the year	140.76	140.76	140.76
(Deficit) in statement of profit and loss			
Balance as the beginning of the year	(1,138.84)	(838.83)	(838.83)
Add: loss for the year	(232.16)	(300.09)	-
Add / (Less): Other Comprehensive Income for the year	(0.09)	0.08	-
Balance at the end of the year	(1,371.09)	(1,138.84)	(838.83)
Total (A+B+C)	67.36	299.61	599.62

Note

1 The Project of the Company has been funded through sub ordinate debt of Rs. 1,297.69 million from the Sponsors in accordance with Sponsor Support and Equity Contribution Agreement / Sponsor Undertaking. Such sub ordinate debts is considered as sponsor's contribution to ensure promoters commitment for the project. Sub-ordinate debt is interest free and shall be repayable at the end of the concession period or earlier at the option of the company in accordance with terms of contract.

Under previous GAAP, Sub-debts loan received from promoters as promoter's contributions disclosed under long term borrowings. Under Ind AS, the Interest free sub-debts loan as promoter's contributions considered as equity component of compound financial instrument and classified as other equity based on terms of contract.

2 The Company has issued redeemable non-convertible debenture (refer note 15). Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the Company to create DRR out of profit of the Company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debenture issued. Considering the deficit in statement of profit & loss account balance, the company has not created debenture redemption reserve as at reporting date.



Hyderabad- Yadgiri Tollway Private Limited
Notes to Financial Statements for the year ended March 31, 2017

15 Non-Current Borrowings

Secured*

Redeemable, Non Convertible Debentures

12,000 (31 March 2016: Nil and 1 April 2015: Nil) of INR 100,000 each

1,193.70

-

-

Term Loan from Banks

Indian Rupee

1,097.65

2,052.95

2,092.72

Foreign Currency

1,500.56

1,580.41

1,519.05

Loan from financial institution

-

255.63

260.61

Total

3,791.91

3,888.99

3,872.38

Less: Current maturities of non-current borrowing* (refer note 19)

Secured

Redeemable, Non Convertible Debentures

6.00

-

-

Term Loan from Banks

Indian Rupee

4.46

75.19

53.38

Foreign Currency

53.93

44.77

29.59

Loan from Financial Institution

-

9.39

6.68

Total

64.39

129.35

89.65

Total Non-current borrowings

3,727.52

3,759.64

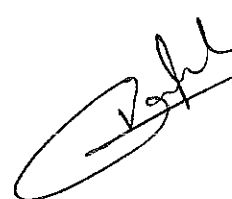

3,782.73

* Includes the effect of transaction cost paid to Lenders on upfront basis.

(i) Nature of security:

The details of Security in respect of non current borrowings are as under:

- 1 first mortgage and charge on all the Company's immovable (investment) properties, both present and future, save and except the Project Assets;
- 2 first charge on all the Company's tangible moveable assets, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future, save and except the Project Assets;
- 3 first charge over all accounts of the Company including the Escrow Account and the Sub-Accounts (or any account in substitution thereof) that may be opened in accordance with Common Rupee Loan Agreement and the Supplementary Escrow Agreement, or any other Project Documents including but not limited to DSR and MMR and all funds from time to time deposited therein, including those arising out of realisation of Receivable and all Permitted Investments or other securities representing all amounts credited thereto.
- 4 first charge on all intangibles assets of the Company including but not limited to goodwill, rights, undertakings and uncalled capital present and future excluding the Project Assets .
- 5 first charge on assignment by way of security in:
 - all the right, title, interest, benefits, claims and demands whatsoever of the Company in the Project Documents;
 - the right, title and interest of the Company in, to and under all the Clearances;
 - all the right, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents;
 - all the right, title, interest, benefits, claims and demands whatsoever of the Company under all Insurance Contracts.
- 6 pledge of 51% (fifty one percent) of the paid up and voting equity share capital of the Company as held by Sadbhav Infrastructure Project Limited, for a year up to repayment of entire borrowings.
- 7 the aforesaid mortgages, charges, assignments and guarantees and the pledge of equity shares as stipulated in paragraph 6 above shall in all respects rank pari-passu inter-se amongst the lenders. In accordance with the concession agreement, without any preference or priority to one over the other or others.

Hyderabad- Yadgiri Tollway Private Limited
Notes to Financial Statements for the year ended March 31, 2017

(ii) Terms of Repayment:

(a) Indian Rupee Term Loans from Bank:

The Principal Amounts of the Loan to each of the Lenders shall be repayable in 180 structured Monthly instalments on the last day of each Month, commencing from the April 15, 2017 and last date of Instalment is March 15, 2031.

Term loans carry interest at bank base rate plus 700 basis point as spread i.e. 10.20 per cent per annum as on March 31, 2017.

(b) Foreign Currency loan:

Foreign Currency loan from Bank shall be repayable in unequal 10 semi-annual instalments. First repayment shall be made from the half year anniversary falling immediately after the date on which any scheduled repayment is made to the Rupee Lenders in accordance with the Common Rupee Loan agreement (scheduled repayment date of rupee loan is September 29, 2013).

The Loan carry interest at LIBOR plus 470 basis points i.e. 6.13% per annum as on March 31, 2017

(c) Redeemable, Non Convertible Debentures:

The redemption of debenture shall be made in 59 quarterly instalments on the last day of each quarter, commencing from 15 September, 2016 and last date of instalment is March 15, 2031.

The NCD carry interest at 5 years benchmark rate plus 1000 basis point as spread i.e. 9.5 per cent per annum as on March 31, 2017.

(iii) The Company has entered into common loan agreement dated March 31, 2016 with IDFC Bank Limited to refinance the existing

Indian Rupee Loan. During the year i.e. April 02, 2016, the existing rupee loan has been replaced by the new rupee loan.

(iv) Defaults and breaches

Long term borrowings contain debt covenants relating to debt-equity ratio and debt service coverage ratio. The company has satisfied all the debt covenants prescriber in the terms of the respective loan agreements as at reporting date.

(v) Fair value disclosures for financial assets are given in Note 30.

16 Current Borrowings

Loans Repayable on Demand

Related parties (unsecured)* (refer note 35)

	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)	April 1, 2015 (INR In Million)
	234.98	177.64	162.45
Total	234.98	177.64	162.45

*Loan is repayable on demand / call notice from the lender and it carry interest of 9.35% to 9.70% per annum

17 Provisions

Non Current

Provision for employee benefits - Gratuity (refer note 33)

Provision for Periodical Major Maintenance (refer note 34)

	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)	April 1, 2015 (INR In Million)
	0.45	0.22	0.16
	242.88	191.16	117.78
Total	243.33	191.39	117.94

Current

Provision for employee benefits - leave encashment

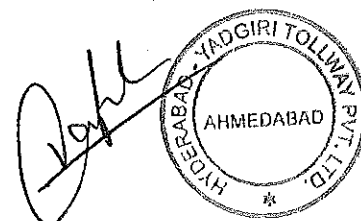
	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)	April 1, 2015 (INR In Million)
	0.11	0.12	0.11
Total	0.11	0.12	0.11

18 Trade Payables

Trade Payables* (Refer note 35)

	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)	April 1, 2015 (INR In Million)
	13.08	13.41	11.80
Total	13.08	13.41	11.80

* As per information available with the Company, there are no Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprise Development Act, 2006 to whom the Company owes dues on account of principal amount together with interest and accordingly no related additional disclosure have been made.



Hyderabad- Yadgiri Tollway Private Limited
Notes to Financial Statements for the year ended March 31, 2017

19 Other Financial Liabilities	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)	April 1, 2015 (INR In Million)
Non Current			
Premium Obligation payable to NHAI	1,640.31	1,623.49	1,601.81
Less: Current Maturity of Premium Obligation	(28.60)	-	-
	1,611.71	1,623.49	1,601.81
Deferred Premium Obligation (refer note 1 below)	395.90	253.69	118.24
Interest accrued on Deferred Premium Obligation (refer note 1 below)	48.57	21.61	5.13
Total Non-Current	2,056.18	1,898.79	1,725.18
Current			
Payable for capital expenditure (refer note 10 and 35)	35.47	35.47	35.64
Current maturities of non-current borrowing (refer note 15)	64.39	129.35	89.65
Current maturities of premium obligation (refer above)	28.60	-	-
Interest accrued but not due on borrowings	2.07	1.92	1.33
Interest accrued and due on borrowings (refer note 35)	4.84	4.34	3.07
Employee emoluments payable	0.67	0.72	0.76
Deferred option premium	0.76	0.79	0.61
Security deposit	0.40	0.14	0.34
Payable to NHAI towards change of scope	-	-	16.92
Total Current	137.20	172.73	148.32
Total	2,193.38	2,071.51	1,873.49

Note:

- As per the Ministry of Road Transport & Highways policy of National Highway Authorities of India (NHAI), company is liable to make payment of Interest on Deferment of Premium at Bank Rate + 2% p.a. which is charged to statement of profit & loss account for the year and obligation on the same has been recognised as liabilities. Premium obligation under the Concession Agreement has been deferred by NHAI vide its sanction letter dated June 10, 2014. According to the terms of the sanction letter company shall pay entire deferred premium of Rs 1,154.10 Million and interest thereon no later than one year prior to the expiry of the concession period. Amount of premium obligation which has not been deferred are payable in unequal monthly instalments, in terms of the sanction letter, during the concession period.
- Fair value disclosures for financial assets are given in Note 29.

20 Other Current Liabilities

	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)	April 1, 2015 (INR In Million)
Statutory dues	3.58	2.69	0.93
Advance from customers	2.21	2.32	-
Total	5.79	5.01	0.93



Hyderabad- Yadgiri Tollway Private Limited
Notes to Financial Statements for the year ended March 31, 2017

21 Revenue from operations	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)
Revenue from Toll Collection#	569.07	543.35
Total	569.07	543.35

Pursuant to demonetisation, concessioning authorities had announced suspension of toll collection at all roads from November 09, 2016 until December 2, 2016. Based on subsequent notification and provisions of concession agreement with the relevant authorities, the Company has claimed and recognised revenue of INR 39.46 Millions during the year which is accounted in revenue from toll collection.

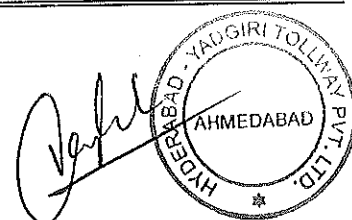
22 Other Income	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)
Interest on income tax refund	-	0.76
Income on change in fair valuation of financial instruments	70.43	15.10
Gain on sale of units in mutual funds	1.55	3.45
Miscellaneous income	2.68	3.34
Total	74.66	22.65

23 Operating Expense	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)
Toll Plaza and Road Operations & Maintenance expenses (including payment to sub contractors) (refer note 35)	29.47	27.73
Periodic Major Maintenance Expense (Refer Note 34)	32.22	61.37
Power and Fuel	11.50	11.44
Security expenses	4.43	4.13
Total	77.62	104.67

24 Employee Benefits Expenses	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)
Salaries, wages and other allowances (refer note 33)	9.34	9.49
Gratuity Expense (refer note 33)	0.14	0.14
Contribution to provident fund and other fund (refer note 33)	0.61	0.48
Staff welfare expenses	1.73	1.65
Total	11.82	11.76

25 Finance Cost	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)
Interest expenses on:		
Rupee Term Loans	163.48	260.88
Non - convertible debenture	72.16	-
Foreign Currency Loan	93.61	85.91
Short Term Borrowings (refer note 35)	13.97	19.50
Deferment of premium obligation	29.95	18.32
Unwinding of discount on provision of MMR (refer note 34)	19.50	12.01
Unwinding of discount on NHAI Premium (refer note 19)	159.03	157.13
Amortisation of processing fees	22.95	11.85
Other Borrowing costs	38.31	38.96
Total	612.96	604.56

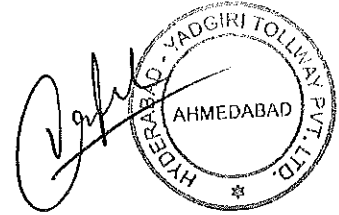
26 Depreciation and amortisation	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)
Depreciation on tangible assets (refer note 5)	1.37	1.66
Amortisation on intangible assets (refer note 7)	162.30	121.66
Total	163.67	123.32



Hyderabad- Yadgiri Tollway Private Limited
Notes to Financial Statements for the year ended March 31, 2017

27 Other Expenses	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)
Rent (refer note 35 and 37)	1.03	1.03
Rates and taxes	0.03	0.01
Repairs and maintenance	0.56	0.76
Insurance	1.58	1.40
Legal and professional fees	4.45	2.69
Management Support fees (refer note 35)	-	13.67
Communication Expense	0.33	0.59
Travelling and conveyance	0.14	0.15
Auditors' remuneration (Refer Note below)	0.26	0.54
Miscellaneous expenses	1.44	0.51
Cash Collection charges	-	0.43
Total	9.82	21.78

Payment to auditors:	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)
Statutory audit fees	0.26	0.52
Certification fees	-	0.02
Total	0.26	0.54



Hyderabad- Yadgiri Tollway Private Limited
Notes to Financial Statements for the year ended March 31, 2017

28 Income tax

The major component of income tax expense for the year ended March 31, 2017 and March 31, 2016 are as under:

a) Profit and loss section

	March 31, 2017 (INR in Million)	March 31, 2016 (INR in Million)
Current tax	-	-
Deferred tax	-	-
Total	-	-

b) Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate

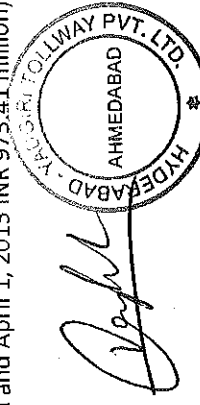
	March 31, 2017 (INR in Million)	March 31, 2016 (INR in Million)
Accounting profit before tax	(232.16)	(300.09)
Statutory income tax rate	30.90%	30.90%
Expected income tax expenses	(71.74)	(92.73)
Tax effect of adjustments to reconcile expected income tax expenses to reported income tax expenses	71.69	92.66
Tax losses not recognised due to absence of probable certainty of reversal (refer note below)	0.05	0.05
Other non-deductible expenses	-	-
At the effective income tax rate of Nil (March 31, 2016: Nil)	-	-

c) Deferred tax

Particulars	Statement of Profit and Loss			
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2016
Impact of fair valuation of investment	(0.02)	-	-	0.02
Impact of fair valuation of derivative contract	(35.44)	(16.56)	(11.26)	18.87
Expenditure allowable over the period	-	(13.29)	(16.95)	(13.29)
Expenditure allowable on payment basis (refer note below)	35.46	29.85	28.21	(5.60)
Unused losses available for offsetting against future taxable income (refer note below)	-	-	-	-
Deferred tax expense/(income)	-	-	-	-
Net deferred tax assets/(liabilities)	-	-	-	-

Note

1 As a matter of prudence, the company has recognised deferred tax assets on deductible temporary differences and carry forward of unused tax losses in the books to the extent of deferred tax liability balance as it is not probable that future taxable profit will be available against which those temporary differences, losses and tax credit against which deferred tax assets can be utilized. Accordingly, INR 1,138.12 million (31 March 2016: 1,041.54 million and April 1, 2015 INR 975.41 million) has not recognised as deferred tax assets in the books as at reporting date.



Hyderabad- Yadgiri Tollway Private Limited
Notes to Financial Statements for the year ended March 31, 2017

29 Disclosure of Financial Instruments by Category

		(INR In Million)								
	Note No.	March 31, 2017			March 31, 2016			April 1, 2015		
		FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
Financial asset										
Investment in mutual fund	8	85.06	-	-	-	-	-	-	-	-
Cash and bank balance	9	-	-	20.88	-	-	26.32	-	-	27.03
Other financial assets	10	114.68	-	64.24	53.60	-	36.40	36.45	-	54.95
Total Financial Asset		199.73	-	85.12	53.60	-	62.72	36.45	-	81.97
Financial liabilities										
Non current borrowings	15	-	-	3,727.52	-	-	3,759.64	-	-	3,782.73
Current borrowings	16	-	-	234.98	-	-	177.64	-	-	162.45
Trade payables	18	-	-	13.08	-	-	13.41	-	-	11.80
Other financial liabilities	19	-	-	2,193.38	-	-	2,071.51	-	-	1,873.49
Total Financial Liabilities		-	-	6,168.96	-	-	6,022.19	-	-	5,830.47

30 Fair value disclosures for financial assets and financial liabilities

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

Particular	(INR In Million)					
	March 31, 2017		March 31, 2016		April 1, 2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets						
Investment in Mutual Fund	85.06	85.06	-	-	-	-
Derivatives not designated as hedges	114.68	114.68	53.60	53.60	36.45	36.45
Total Financial Assets	199.74	199.74	53.60	53.60	36.45	36.45
Financial liabilities						
Other Financial Liabilities - Premium Obligation	1,640.31	1,762.68	1,623.49	1,623.49	1,601.81	1,511.86
Total Financial Liabilities	1,640.31	1,762.68	1,623.49	1,623.49	1,601.81	1,511.86

Notes:

a. The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair value since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

b. The carrying value of Company's interest-bearing borrowings are reasonable approximations of fair values as the borrowing carry floating interest rate.

c. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The Company has entered into derivative financial instruments with Bank. Interest rate swaps, option contract are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques includes forward pricing and swap models, using present value calculations. The models incorporate various inputs included currency spot rate, risk free interest rate of respective currency, currency volatility and interest rate curves. The derivative instrument fair value is arrived using mark-to-market valuation as at March 31, 2017.

- The fair value of Premium Obligation is calculated by discounting future cash flows using rates as per RBI Bank rate + 2%.

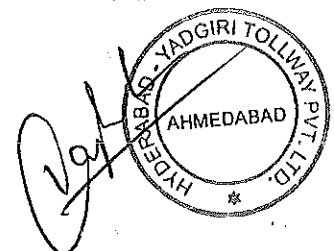
31 Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for financial assets as at March 31, 2017, March 31, 2016 and April 1, 2015

	Note No.	(INR In Million)		
		Fair value measurement using Significant observable inputs (Level 2)		
		March 31, 2017	March 31, 2016	April 1, 2015
Assets measured at fair value				
Fair value through profit & loss				
Investment in Mutual Fund	8	85.06	-	-
Derivatives not designated as hedges	10	114.68	53.60	36.45
Liabilities measured at fair value				
Assets for which fair values are disclosed				
Other Financial Liabilities - Premium Obligation	19	1,762.68	1,623.49	1,511.86

There have been no transfers between level 1 and level 2 during the years.



Hyderabad- Yadgiri Tollway Private Limited
Notes to Financial Statements for the year ended March 31, 2017

32 Earning Per Share (EPS):

The following reflects the income and share data used in the basic and diluted EPS computations:

	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)
Net (Loss) attributable to equity holders:	(232.16)	(300.09)
Number of equity shares at the end of the year	3,247,383	3,247,383
Weighted average number of equity shares for basic and diluted EPS	3,247,383	3,247,383
Nominal value of equity shares	10	10
Basic and Diluted (Loss) per share	(71.49)	(92.41)

33 Employee Benefits Disclosure:

A Defined Contribution Plans:

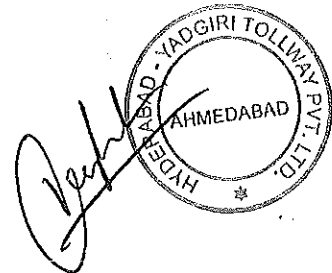
Amount of Rs. 0.61 million (March 31, 2016: Rs. 0.48 million) is recognised as expenses and included in Note No. 24 "Employee Benefits Expenses"

	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)
Contribution to Provident Funds	0.59	0.47
Contribution to Benevolent Fund	0.02	0.02
Total	0.61	0.48

B Defined benefit plans - Gratuity benefit plan:

The Company has a Gratuity benefit plan. Every employee who has completed five years or more of service gets a gratuity on the termination of his employment at 15 days salary (last draw salary) for each completed year of service. The scheme is unfunded. The present value of obligation in respect of gratuity is determined based on actuarial valuation using the Project Unit Credit Method as prescribed by the Indian Accounting Standard - 19. Gratuity has been recognised in the financial statements as per details given below:

	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)
Defined benefit obligations as at beginning of the year - A	0.22	0.16
<u>Cost charged to statement of profit and loss</u>		
Current service cost	0.12	0.12
Interest cost	0.02	0.01
Sub-total included in statement of profit and loss - B	0.14	0.14
<u>Remeasurement gains/(losses) in other comprehensive income</u>		
Actuarial Loss/(Gain) due to change in financial assumptions	0.02	0.00
Actuarial Loss/(Gain) due to change in demographic assumptions	-	(0.04)
Actuarial Loss/(Gain) due to experience	0.07	(0.04)
Sub-total included in OCI - C	0.09	(0.08)
Defined benefit obligations as at end of the year (A+B+C)	0.45	0.22



Hyderabad- Yadgiri Tollway Private Limited
Notes to Financial Statements for the year ended March 31, 2017

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

	March 31, 2017	March 31, 2016	April 1, 2015
Discount rate	7.05%	7.60%	7.60%
Salary Growth Rate	6.00%	6.00%	6.00%
Withdrawal rate	15% at younger ages reducing to 3% at older ages	15% at younger ages reducing to 3% at older ages	15% at younger ages reducing to 3% at older ages
Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	March 31, 2017		March 31, 2016
	Sensitivity level	(INR In Million)	(INR In Million)
Discount rate	0.50% increase	0.02	0.01
	0.50% decrease	(0.02)	(0.01)
Salary Growth Rate	0.50% increase	(0.02)	(0.01)
	0.50% decrease	0.02	0.01
Withdrawal rate	10% increase	0.01	0.01
	10% decrease	(0.01)	(0.01)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of reporting period.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Since the obligation is unfunded, there is no Asset-Liability Matching strategy device for the plan. Accordingly, there is no expected contribution in the next annual reporting period.

C Maturity Profile of the Defined Benefit Obligation

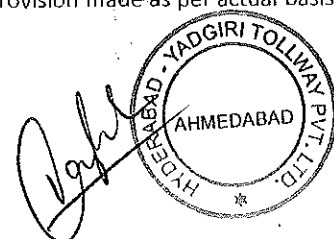
	As at March 31, 2017	
	INR In Million	%
2018	0.00	0.20%
2019	0.02	4.98%
2020	0.04	9.67%
2021	0.05	11.22%
2022	0.05	11.60%
2023 - 2027	0.28	62.33%

	As at March 31, 2016	
	INR In Million	%
2017	0.00	0.22%
2018	0.00	0.22%
2019	0.02	7.38%
2020	0.03	12.77%
2021	0.03	13.77%
2022 - 2026	0.14	63.97%

The average duration of the defined benefit plan obligation at the end of the end of the reporting period is 16.01 years (March 31, 2016: 17.12 years).

D Other employee benefit:

Salaries, Wages and Bonus include INR 0.44 million (Previous Year INR 0.40 million) towards provision made as per actual basis in respect of accumulated leave encashment/compensated absences.



Hyderabad- Yadgiri Tollway Private Limited
Notes to Financial Statements for the year ended March 31, 2017

34 Disclosure related to Periodical major maintenance provisions:

Provision for major maintenance in respect of toll roads maintained by the Company under service concession arrangements and classified as intangible assets represents contractual obligations to restore an infrastructure facility to a specified level of serviceability in respect of such asset. Estimate of the provision is measured using a number of factors, such as contractual requirements, road usage, expert opinions and expected price levels. Because actual cash flows can differ from estimates due to changes in laws, regulations, public expectations, prices and conditions, and can take place many years in future, the carrying amounts of provision is reviewed at regular intervals and adjusted to take account of such changes. Below is the movement in provision for the year:

	March 31, 2017
	(INR In Million)
Carrying amount as at 01.04.2016	191.16
Add: Provision made during the year	32.22
Add: increase during the Year in the discounted amount due to passage of time	19.50
Carrying amount as at 31.03.2017	242.88
Expected time of outflow	In the year 2018-19

35 Related Party Disclosures:

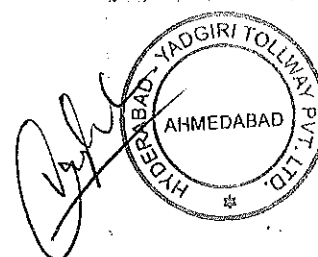
Related party disclosures as required under the Indian Accounting Standard – 24 on “Related Party Disclosures” are given below:

A Name of Related Parties and Nature of Relationship :

Description of Relationship	Name of the Related Party
Ultimate Holding Company	Sadbhav Engineering Limited (SEL)
Holding Company	Sadbhav Infrastructure Project Ltd (SIPL)

B Transactions with Related Parties during the Year:

	March 31, 2017	March 31, 2016
	(INR In Million)	(INR In Million)
Other equity (sub-ordinate debts)		
SIPL	1,297.69	1,297.69
Short Term Borrowings received		
SIPL	250.22	21.40
Short Term Borrowings repaid (including interest paid)		
SIPL	209.02	22.50
Interest on Short Term Borrowings		
SIPL	13.97	19.50
Management Support Services Availed		
SIPL	-	13.67
Operation and Maintenance Services Availed		
SIPL	14.10	14.11
Rent , Allocation & Reimbursement expenses		
SEL	1.35	1.03
SIPL	0.52	0.32



Hyderabad- Yadgiri Tollway Private Limited
Notes to Financial Statements for the year ended March 31, 2017

C Balances outstanding as at March 31, 2017 :	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)	April 1, 2015 (INR In Million)
Other Equity (Sub-ordinate debts)			
SIPL	1,297.69	1,297.69	1,297.69
Short Term Borrowings outstanding including interest payable			
SIPL	235.75	181.98	162.45
Payable for Capital expenditure			
SEL	35.47	35.47	35.47
Receivable for Change of Scope			
SEL	-	-	17.27
Trade Payables and other current liabilities (unsecured)			
SEL	0.47	0.55	0.12
SIPL	4.90	5.45	2.99

D Terms and conditions of the balance outstanding:

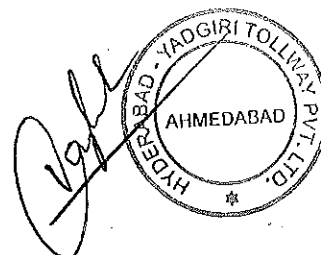
1. The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free excepts short term loan and settlement occurs in cash as per the terms of the agreement.
2. Short Term Loans (unsecured) in INR taken from the related party carries interest rate 9.35% to 9.70% (March 31, 2016 : 10.75% to 11.00% & April 1, 2015 : 10.75% - 11%)
3. The Company has not provided any commitment to the related party as at March 31, 2017 (March 31, 2016: INR Nil and April 1, 2015: INR Nil)

36 Segment Reporting

The operating segment of the company is identified to be "BOT", as the Chief Operating Decision Maker (CODM) reviews business performance at an overall company level as one segment and hence, does not have any additional disclosures to be made under Ind AS 108 Operating Segments. Further, the Company also primarily operates under one geographical segment namely India.

37 Operating Lease:

The Company has taken office space on operating lease basis. There are no sub-leases and the leases are cancellable in nature at any point of time by either of parties. There are no restrictions imposed under the lease arrangements. There are neither any contingent rent nor any escalation clause in the lease arrangements. During the year, the Company has incurred INR 1.03 million (March 31, 2016: INR 1.03 million) toward rent of office premises.



38 Financial instruments risk management objectives and policies

The Company's principal financial liabilities comprise borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include investments, other receivables and cash and bank balance that derive directly from its operations.

The Company's activities expose it to market risk, credit risk and liquidity risk. In order to minimise any adverse effects on the financial performance of the company, derivative financial instruments, such as foreign currency option contracts are entered to hedge certain foreign currency exposures and interest rate swaps to hedge certain variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading / speculative instruments.

The Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. Risk management systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Board of Directors oversee compliance with the Company's risk management policies and procedures, and reviews the risk management framework.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings, investments, other receivables, trade and other payables and derivative financial instruments.

Within the various methodologies to analyse and manage risk, Company has implemented a system based on "sensitivity analysis" on symmetric basis. This tool enables the risk managers to identify the risk position of the entities. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions. The risk estimates provided here assume:

- a parallel shift of 25-basis points of the interest rate yield curves in all currencies
- a simultaneous, parallel foreign exchange rates shift in which the INR appreciates / depreciates against all currencies by 2%

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of profit & loss may differ materially from these estimates due to actual developments in the global financial markets.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and provisions.

The following assumption has been made in calculating the sensitivity analyses:

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2017, March 31, 2016 and April 1, 2015.

Interest rate risk

Interest rate risk arises from the sensitivity of financial assets and liabilities to changes in market rates of interest. The Company seeks to mitigate such risk by entering into interest rate derivative financial instruments such as interest rate swaps. Interest rate swap agreements are used to adjust the proportion of total debt, that are subject to variable and fixed interest rates.

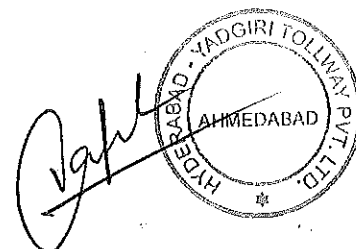
Under an interest rate swap agreement, the Company either agrees to pay an amount equal to a specified fixed-rate of interest times a notional principal amount, and to receive in return an amount equal to a specified variable-rate of interest times the same notional principal amount or, vice-versa, to receive a fixed-rate amount and to pay a variable-rate amount. The notional amounts of the contracts are not exchanged. No other cash payments are made unless the agreement is terminated prior to maturity, in which case the amount paid or received in settlement is established by agreement at the time of termination, and usually represents the net present value, at current rates of interest, of the remaining obligations to exchange payments under the terms of the contract.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Effect on loss before tax	
	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)
Increase in 25 basis point	(9.57)	(9.83)
Decrease in 25 basis point	9.57	9.83

The effect of interest rate changes on future cash flows is excluded from this analysis.



Hyderabad- Yadgiri Tollway Private Limited
Notes to Financial Statements for the year ended March 31, 2017

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currency, primarily in USD. The Company has obtained foreign currency loans and is, therefore, exposed to foreign exchange risk. The Company may use foreign exchange options towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate. These foreign exchange contracts, carried at fair value, may have varying maturities varying depending upon the primary host contract requirements and risk management strategy of the company.

The Company manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure, as approved by Board as per established risk management policy. Details of the hedge & unhedged position of the Company given in Note no. 36

Foreign currency sensitivity

As per the Company's policy, exchange rate differences of long-term foreign currency loans which are related to acquisition of depreciable fixed assets have been added to or deducted from the cost of the assets and depreciated over the balance life of the assets. Accordingly, the change in USD rate is not impacted directly on loss before tax and pre-tax equity for the year ending March 31, 2017 and March 31, 2016 and accordingly sensitivity analysis of change in USD rate has not been presented.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is not exposed to credit risk from its operating activities as the company is collecting toll in cash and does not have outstanding any receivables. However, The Company is exposed to credit risk related to financing activities, including temporary investment in mutual fund and other financial instruments.

Financial instruments and Temporary investment in Mutual Fund

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made only in accordance with company policy. The Company monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the Company adjusts its exposure to various counterparties. The Company's maximum exposure to credit risk for the components of the Balance sheet as of March 31, 2017 is Rs. 105.93 million, March 31, 2016 is Rs.26.32 million and April 1, 2015 is Rs. 27.03 million.

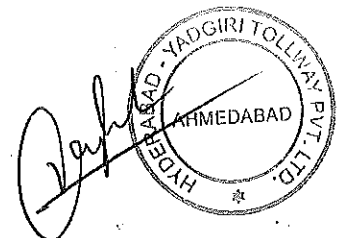
(c) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys cash management system. It maintains adequate sources of financing including debt at an optimised cost.

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

Particulars	(INR In Million)					
	Total Amount	On Demand	upto 1 year	1-2 years	2 - 5 years	> 5 years
As at March 31, 2017						
Non current borrowings#	3,829.02	-	76.13	1,480.42	231.91	2,040.56
Current borrowings	234.98	234.98	-	-	-	-
Trade Payables	13.08	-	13.08	-	-	-
Other Financial Liabilities#	4,129.99	-	72.81	-	110.60	3,946.58
Total	8,207.07	234.98	162.02	1,480.42	342.51	5,987.14
As at March 31, 2016						
Non current borrowings#	3,932.01	-	156.53	164.11	2,165.18	1,446.19
Current borrowings	177.64	177.64	-	-	-	-
Trade Payables	13.41	-	13.41	-	-	-
Other Financial Liabilities#	4,102.19	-	43.37	28.60	110.60	3,919.62
Total	8,225.25	177.64	213.31	192.71	2,275.78	5,365.81
As at April 01, 2015						
Non current borrowings#	3,927.25	-	101.50	138.08	1,996.24	1,691.43
Current borrowings	162.45	162.45	-	-	-	-
Trade Payables	11.80	-	11.80	-	-	-
Other Financial Liabilities#	4,101.01	-	58.68	-	28.60	4,013.73
Total	8,202.51	162.45	171.98	138.08	2,024.84	5,705.16

Current maturity of Non-current borrowings is included and Unamortised Processing fees excluded from above Non Current borrowing.



Hyderabad- Yadgiri Tollway Private Limited
Notes to Financial Statements for the year ended March 31, 2017

39 Derivative instruments:

Derivative outstanding as at the reporting date

Nature of instrument	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Swap contract - Interest Swap Amount in USD Millions	2.94	4.89	6.09
Option contracts to buy Amount in USD Millions	26.41	28.79	31.04

The Company has entered into Option contract over the borrowing terms for hedging foreign currency exchange risk against external Commercial borrowings. The company has also entered into Swap contract to hedge interest rate fluctuation over a borrowing terms. Derivative financial instruments such as foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

40 Capital Management

For the purpose of the Company's capital management, Capital consist of share capital, Securities Premium, Other equity in form of Subordinate Debt and all other reserves attributable to the equity holders of the Company.

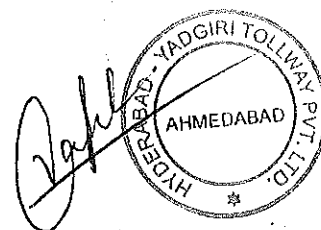
The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or obtained additional sub-ordinate debts. The Company monitors capital using debt equity ratio which does not exceed 3.802:1, which is total Borrowings divided by total equity excluding balance of deficit in statement of profit & loss.

The key performance ratios as at 31 March are as follows

	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)	April 1, 2015 (INR In Million)
Non Current Borrowings* (refer note 15)	3,791.91	3,888.99	3,872.38
Current Borrowings (refer note 16)	234.98	177.64	162.45
Total Debts - A	4,026.89	4,066.63	4,034.83
Equity Share Capital (refer note 13)	32.47	32.47	32.47
Other Equity (refer note 14)	67.36	299.61	599.62
Add: Deficit in statement of profit and loss (refer note 14)	1,371.09	1,138.84	838.83
Total Equity - B	1,470.93	1,470.92	1,470.93
Debt equity ratio (A/B)	2.74	2.76	2.74

* Non-current borrowings includes current maturities of non-current borrowings which has been classified under other current financial liabilities and the effect of transaction cost paid to lenders on upfront basis included in non-current borrowings.



41. Disclosure pursuant to Appendix - A to Ind AS 11 - " Service Concession Arrangements" ('SCA')

A. Description and classification of the arrangement

The Company has entered into Service Concession Agreement with NHAI for the purpose of four laning of Hyderabad- Yadgiri section of NH-202 from KM 18.60 to KM 54.00 in the state of Andhra Pradesh on Design, Build, Finance, Operate and Transfer ("DBFOT") basis. The Concession Period is of 23 years including construction period of 650 days. The Company obtained completion certificate on 10th December, 2012 from the National Highway Authority of India.

B. Significant Terms of the arrangements

i Revision of Toll Rate:

Toll rate shall be revised annually on April 01 subject to the provisions of the National Highways Fee (Determination of Rates and Collection) Rules, 2008.

ii Modification of Concession Period:

The Concession period shall be modified:

- a If Actual Average Traffic falls short of Target Traffic by more than 2.5%, the concession period shall be increased by 1.5% thereof for every 1% shortfall, but not more than 20% of the concession period.
- b If Actual Average Traffic exceeds Target Traffic by more than 2.5%, the concession period shall be reduced by 0.75% thereof for every 1% increase, but not more than 10% of the concession period.
- c If the average daily traffic exceeds the designed capacity of the project highway, the concession period shall be extended (not more than 5 years) in such a way so as to enable the concessionaire to yield Equity IRR of 16% p.a with an assumption of debt equity ratio of 70:30
- d If the additional tollway has been constructed, either the concession period shall be extended or compensation has been granted.

e the concessionaire has agreed to pay NHAI, on the COD date, a premium in the form of an additional concession fee equal to INR 117 Million during that year, for the period remaining in that year and for subsequent years of concession period, an premium increased by 5% of the premium paid in the immediately preceding year

f Authority (NHAI) has granted deferment of Premium payable to NHAI as per the deferment schedule upto year 2022-23 and entire deferred premium payable before end of one year from end of concession period

g In case of material default or breach of agreement by NHAI which causes suspension of or reduction in collection of Fees, it shall pay to the Concessionaire, the compensation for consequence of such material default or extend the concession period.

h If, due to change in the law, concessionaire suffers an increase in cost or reduction in net after-tax return or the other financial burden subject to the limits specified in the SCA, the SCA shall be modified in such a way that it nullifies such impact of cost increase, reduction in return or other financial burden. However if no such modification is done, concessionaire may require by notice to the authority to pay an amount that would place the concessionaire in the same financial position that it would have enjoyed, had there been no such change in the law. Any dispute in the said procedure shall be settled in accordance with the Dispute Resolution Procedure. Opposite will be the case, in case of reduction in cost.

iii Rights of the Concessionaire to use Project Highway

- a To demand, collect and appropriate, Fee from vehicles and Users liable for payment of Fee for using the Project Highway or any part thereof and refuse entry of any vehicle if the Fee due is not paid.
- b Right of Way, access and licence to the Site.

iv Obligation of the Concessionaire

a The concessionaire shall not assign, transfer or sublet or create any lien or Encumbrance on the SCA, or the Concession granted or on the whole or any part of the Project Highway nor transfer, lease or part possession thereof, save and except as expressly permitted by SCA or the Substitution Agreement. The project highway means site comprising the existing road comprising NH-202 from KM 18.60 to KM 54.00 and all Project asset, and its subsequent development and augmentation in accordance with the SCA.

b The concessionaire is under obligation to carry out the routine and periodic maintenance of Project Highway as per Schedule K of the SCA.

v Details of any assets to be given or taken at the end of concession period

At the end of the Concession period the company shall deliver the actual or constructive possession of the Project Highway, free and clear of all encumbrances.

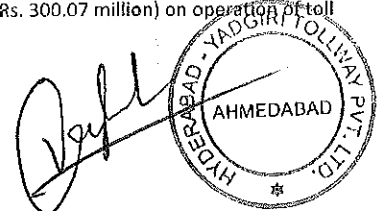
vi Details of Termination

SCA can be terminated on account of default of the company or NHAI in the circumstances as specified under article 37 of the SCA.

C There has been no change in the concession arrangement during the year.

D Below is details of revenue and Loss recognised in the year March 31, 2017 and March 31, 2016 on exchange of construction services for intangible assets

The Company has recognised revenue of Rs. 569.07 million (March 31, 2016: Rs. 543.35 million) on operation of toll road in form of Toll collection from users. The Company recognised loss of Rs. 232.16 million (March 31, 2016: Rs. 300.07 million) on operation of toll road.



42 First time adoption of Ind AS

These financial statements, for the year ended 31 March, 2017 are the first Ind AS financial statements, the company has prepared in accordance with Ind AS. For periods upto and including the year ended 31 March 2016, the company prepared its financial statements in accordance with accounting standards notified under section 133 of the companies Act, 2013 read with paragraph 7 of the companies (Account) Rules, 2014 (Previous GAAP). Accordingly, The company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March, 2017 together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet as prepared as at 1st April, 2015, the company's date of transition to Ind AS. This note explains the principle adjustments made by the company in restating its Previous GAAP financial statements including the balance sheet as at 1st April 2015, and the previously published Previous GAAP financial statements as at and for the year ended March 31, 2016.

A Exemptions applied

Ind AS 101 "First-time Adoption of Indian Accounting Standards" allows first-time adopter certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

Ind AS optional exemptions

a. Deemed cost

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its Property, Plant Equipments and investment property as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Accordingly, since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its Property, Plant Equipments and investment property, as recognised in its Previous GAAP financials, as deemed cost at the transition date.

b. Revenue based amortization of Toll Collection Rights

Ind AS 101 permits a first time adopter to continue policy adopted for amortization of Toll Collection Rights arising from service concession arrangements related to toll roads recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

Accordingly, the company has elected to continue with the Revenue based amortisation method prescribed under Schedule II to the Companies Act, 2013 for toll collection rights recognised under service concession arrangements, as per policy adopted by the company in the previous GAAP.

c. Long Term Foreign Currency Monetary Items

The Company has elected to avail exemption under Ind AS 101 to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items outstanding and recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

Ind AS mandatory exceptions

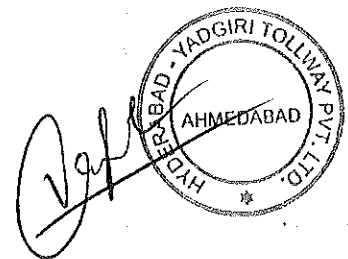
a. Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP; unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2015 are consistent with the estimates as at the same date made in the conformity with previous GAAP. The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2015, the date of transition to Ind AS and as of March 31, 2016.

b. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.



Hyderabad- Yadgiri Tollway Private Limited
Notes to Financial Statements for the year ended March 31, 2017

B Reconciliation between Previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS:

a. Reconciliation of Total Equity as at March 31, 2016 & April 1, 2015

Particulars	Note No.	March 31, 2016 (INR In Million)	April 1, 2015 (INR In Million)
Total Equity under previous GAAP	A	(679.12)	(470.97)
Equity Component of Financial Instrument	i	1,297.69	1,297.69
Finance cost on account of amortised cost of financial liability	ii	(39.37)	(27.52)
Reversal of major maintenance provision on account of discounting		76.69	55.92
Discounting/unwinding of liability / provision	iii	(513.59)	(344.45)
Reversal of amortisation of Intangible asset	iv	131.07	84.99
Impact of fair valuation of Financial Instruments	v	58.71	36.45
Total Ind AS Adjustments	B	1,011.20	1,103.07
Total Equity as per Ind AS	(C= A+B)	332.08	632.10

b. Reconciliation of Total Comprehensive Income for the year ended March 31, 2016

Particulars	Note No.	March 31, 2016 (INR In Million)
Profit after tax as per Previous GAAP		(208.15)
Adjustments as per Ind AS		
Recognition of Finance cost on account of amortised cost of financial liability	ii	(11.85)
Reversal of major maintenance provision on account of discounting		20.77
Discounting/unwinding of liability / provision	iii	(169.14)
Reversal of amortisation intangible assets	iv	46.10
Impact of fair valuation of Financial Instruments	v	22.26
Reclassification of Re-measurement gains / (losses) on defined benefit plans to OC	vi	(0.08)
Profit after tax as per Ind AS		(300.09)
Other Comprehensive income (net of tax)	vii	
Re-measurement gains / (losses) on defined benefit plans	vi	0.08
Total Comprehensive Income as per Ind AS		(300.01)

Impact of Ind AS adoption on statement of cash flows for the year ended March 31, 2016

Particulars	Previous GAAP	Adjustments	Ind AS (INR in Million)
Net Cash Flows from Operating Activities	438.13	35.51	473.64
Net Cash Flows from Investing Activities	2.78	(0.56)	2.22
Net Cash Flows from Financing Activities	(441.62)	(34.95)	(476.57)
Net Increase / (Decrease) in cash and cash equivalents	(0.71)	-	(0.71)
Cash and cash equivalents as at April 01, 2015	27.04	-	27.04
Cash and cash equivalents as at March 31, 2016	26.33	-	26.33

C Footnotes to the reconciliation of profit and loss for the year ended March 31, 2016 and equity as at April 01, 2015 and March 31, 2016 :

i. Equity Component of Financial Instrument

Under previous GAAP, Sub-debts loan received from promoters as promoter's contributions disclosed under long term borrowings. Under Ind AS, the Interest free sub-debts loan as promoter's contributions considered as equity component of compound financial instrument and classified as other equity based on terms of contract.

ii. Finance cost recognition on account of amortised cost of financial liability:

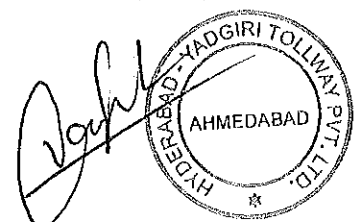
Under Previous GAAP, transaction costs incurred in connection with borrowings are charged off upfront basis to the statement of profit or loss account or capitalized in the Intangible assets. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

iii. Discounting / unwinding of Liability / Provision:

Under the previous GAAP, the provision of Major Maintenance expenses and the premium obligation payable to government authorities were recognised on undiscounted basis in the intangible assets. As required under Ind AS, the same have been recognised on discounted basis.

iv. Reversal of amortisation of intangible assets:

The transition impact of discounting of premium obligation and transaction cost of borrowing has results adjustment of intangible assets and reserve.



Hyderabad- Yadgiri Tollway Private Limited
Notes to Financial Statements for the year ended March 31, 2017

v. Impact of fair valuation of Financial Instruments

Under previous GAAP, the net mark to market losses on derivative financial instruments, other than those designated as cash flow hedges, as at the Balance Sheet date, were recognised in profit and loss, and the net gains, if any, were ignored. Under Ind AS, such derivative financial instruments are to be recognised at fair value and the movement is recognised in the statement of Profit and Loss.

vi. Re-measurement gain / loss on defined benefit plan

Under Ind AS, re-measurement i.e. actuarial gain loss excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these re-measurement were forming part of the profit or loss for the year.

vii. Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Item of income and expense that are not recognised in profit or loss but are shown in the Statement of profit and loss as "other comprehensive income" includes re-measurement of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

43 Standards issued but not yet effective

The standard issued, but not yet effective up to the date of issuance of the Company's financial statements is disclosed below. The Company intends to adopt this standard when it becomes effective.

Amendment to Ind AS 7 'Statement of cash flows':

The Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017 in March 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

This standard will come into force from accounting period commencing on or after 1 April 2017. The Company will adopt the new standard on the effective date. The company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

44 Disclosure of Specified Bank Notes (SBNs):-

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

Particular	(Amount in INR)		
	Specified Bank Notes (SBNs)*	Other Denomination Notes & coins	Total
Closing Cash in hand as on November 8, 2016	1,485,000	513,571	1,998,571
Add: Permitted Receipt	9,792,500	28,034,694	37,827,194
Less: Permitted Payments	-	(384,132)	(384,132)
Less: Amount deposited in Banks	(11,277,500)	(24,677,089)	(35,954,589)
Closing Cash in hand as on December 30, 2016	-	3,487,044	3,487,044

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

As per our report of even date

For S. R. Batliboi & Co LLP
Chartered Accountants
ICAI Firm Registration No.:301003E/E300005

per Arvind Sethi
Partner
Membership No.: 89802

Date :May 15, 2017
Place: Pune

For and on behalf of the Board of Directors of
Hyderabad Yadgiri Tollway Private Limited

Vikram R Patel
Director
DIN No.: 00048318

Date :May 15, 2017
Place: Ahmedabad

Vipul H Patel
Director
DIN No.: 06634262

