

# **Manubhai & Shah LLP**

Chartered Accountants

## **INDEPENDENT AUDITOR'S REPORT**

To The Members of Aurangabad - Jalna Tollway Limited

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

We have audited the accompanying Ind AS financial statements of Aurangabad - Jalna Tollway Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial

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statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March, 2017 and its financial performance including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.



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- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure - A"
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements Refer Note 28 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The Company has provided requisite disclosures in the Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management. Refer Note 44 to the Ind AS financial statements.



Place: Ahmedabad  
Date: May 17, 2017

For Manubhai & Shah LLP  
Chartered Accountants  
Firm's Registration No 106041W/W100136

A handwritten signature in black ink, appearing to read "K.C. Patel".

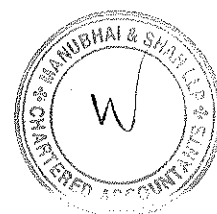
(K.C Patel)  
Partner  
MembershipNo.30083

## **Annexure to the Independent Auditors' Report**

The Annexure referred to in our Independent Auditors' Report to the members of the Aurangabad - Jalna Tollway Limited on the financial statements for the year ended 31<sup>st</sup> March 2017, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified during the year by the Management in accordance with programme of physical verification, which in our opinion, provides for physical verification of all fixed assets at a reasonable intervals having regard to size of the Company and nature of fixed assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The title deeds of the immoveable property are held in the name of the Company.
- (ii) The Company had no inventory during and at the year end. Therefore, the reporting requirements of paragraph 3(ii) of the Order is not applicable.
- (iii) The Company has not granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Therefore, the reporting requirements of paragraph 3 (iii) of the Order are not applicable.
- (iv) The Company has not given loans, made investments or provided guarantees or security, attracting the provisions of sections 185 and 186 of the Act. Hence the reporting requirements of paragraph 3(iv) of the Order are not applicable.
- (v) The Company has not accepted deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
- (vi) The Company has made and maintained the cost records prescribed by the Central Government under section 148(1) of the Act.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, value added tax, cess and other material statutory dues as applicable have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, service tax, value added tax, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March 2017 for a period of more than six months from the date they became payable.



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(b) According to the information and explanations given to us, there are no material dues of income tax, wealth tax, duty of excise, duty of customs, sales tax or service tax or value added tax or cess which has not been deposited with the appropriate authorities on account of any dispute.

Name of the Statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute if pending
Income Tax Act, 1961	Income Tax	1.43 Million	Financial Year 2007-08 Assessment Year 2008-09	ITAT Ahmedabad
Income Tax Act, 1961	Income Tax	2.77 Million	Financial Year 2008-09 Assessment Year 2009-10	ITAT Ahmedabad

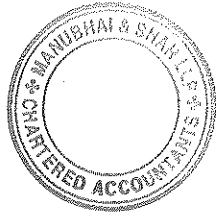
- (viii) Based on our audit procedure and the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks and debenture holders.
- (ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by term loans for the purposes for which they were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the Management, we report that no material fraud on or by the Company has been noticed or reported during the year.
- (xi) No managerial remuneration has been paid or provided by the Company during the year. Accordingly the reporting requirement of paragraph 3(xi) of the Order is not applicable.
- (xii) In our opinion the Company is not a Nidhi Company. Therefore the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanation given to us and on the basis of our examination of the records of the Company, all the transactions with related parties are in compliance with Section 177 and 188 of the Act where applicable and also the details which have been disclosed in the Financial Statements are in accordance with the applicable Indian Accounting Standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence the reporting requirement of paragraph 3(xiv) of the Order are not applicable to the Company.



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- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly reporting requirement of paragraph 3(xv) of the Order are not applicable to the Company.
- (xvi) According to the information given and as explained to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place : Ahmedabad  
Date : May 17, 2017



For Manubhai and Shah LLP  
Chartered Accountants  
Firm's Registration No.106041W/W100136

*K Patel*  
(K C Patel)  
Partner  
Membership No. 30083

# Manubhai & Shah LLP

Chartered Accountants

## Report on Internal Financial Controls over Financial Reporting

Annexure 'A' To the Independent Auditor's Report Of Even Date On The Ind AS Financial Statements Of Aurangabad - Jalna Tollway Limited

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

We have audited the internal financial controls over financial reporting of Aurangabad - Jalna Tollway Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

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

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

### Meaning of Internal Financial Controls over Financial Reporting

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

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

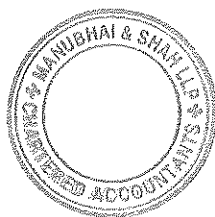
**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Ahmedabad  
Date: May 17, 2017



For Manubhai & Shah LLP  
Chartered Accountants  
Firm's Registration No. 106041W/W100136

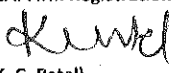
*K. C. Patel*  
(K.C. Patel)  
Partner  
Membership No. 30083



Aurangabad Jalna Tollway Limited				
Balance Sheet as at March 31, 2017				
Particulars	Note No.	As at	As at	As at
		March 31, 2017	March 31, 2016	April 01, 2015
		(INR In Million)	(INR in Million)	(INR In Million)
<b>ASSETS</b>				
<b>1 Non-current Assets</b>				
(a) Property, Plant and Equipments	5	28.38	29.07	19.57
(b) Capital WIP	6	-	-	6.68
(c) Other Intangible Assets	7	2,271.61	2,353.05	2,426.06
(d) Financial Assets				
(i) Other Financial Assets	10	0.56	0.69	0.69
(e) Other Non Current Assets	11	-	0.01	-
<b>Total Non-current assets</b>		<b>2300.55</b>	<b>2382.82</b>	<b>2453.00</b>
<b>2 Current Assets</b>				
(a) Financial Assets				
(i) Investments	8	-	12.19	11.03
(ii) Trade Receivables	12	-	0.10	-
(iii) Cash and Cash Equivalants	9	9.82	22.78	9.67
(iv) Other Current Financial Assets	10	197.72	37.50	-
(b) Other Current Assets	11	1.30	0.71	0.85
<b>Total Current assets</b>		<b>208.84</b>	<b>73.28</b>	<b>21.55</b>
<b>Total Assets</b>		<b>2,509.39</b>	<b>2,456.10</b>	<b>2,474.55</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity Share Capital	13	19.71	19.71	19.71
Other Equity	14	(116.20)	(8.59)	186.47
<b>Total Equity</b>		<b>(96.49)</b>	<b>11.12</b>	<b>206.18</b>
<b>LIABILITIES</b>				
<b>1 Non-current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	15	2,191.55	1,365.75	1,539.44
(ii) Other Financial Liabilities	19	0.46	0.32	0.16
(b) Provisions	17	33.67	1.01	60.75
<b>Total Non-current liabilities</b>		<b>2,225.68</b>	<b>1,367.08</b>	<b>1,600.35</b>
<b>2 Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	16	264.43	546.47	508.77
(ii) Trade Payables	18	58.04	40.76	32.45
(iii) Other Financial Liabilities	19	55.10	215.80	124.91
(b) Other Current Liabilities	20	2.11	1.77	1.70
(c) Provisions	17	0.51	273.08	0.19
<b>Total Current liabilities</b>		<b>380.19</b>	<b>1,077.88</b>	<b>668.02</b>
<b>Total Equity and Liabilities</b>		<b>2509.39</b>	<b>2456.10</b>	<b>2474.55</b>
Significant Accounting Policies		3.1		

Accompanying notes are an integral part of the financial statements  
As per our report of even date

For Manubhai & Shah LLP  
Chartered Accountants  
ICAI Firm Registration No. 106041W/W100136

  
(K. C. Patel)  
Partner  
Membership No.30083

Place: Ahmedabad  
Date: 17th May 2017

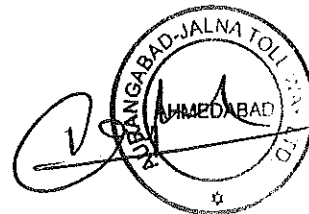


For & On behalf of the Board of Directors of  
Aurangabad Jalna Tollway Limited

  
(Vikram Patel)  
Director  
DIN: 00048318

  
(Vipul Patel)  
Director  
DIN: 06634262

Place: Ahmedabad  
Date: 17th May 2017




**Aurangabad Jalna Tollway 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)
<b>INCOME</b>			
I Revenue From Operations	21	508.56	419.64
II Other Income	22	2.37	2.71
III Total Income (I+II)		510.93	422.35
<b>EXPENSES</b>			
Operating Expense	23	243.41	262.11
Employee Benefits Expenses	24	20.47	19.86
Finance Cost	25	259.79	246.40
Depreciation and Amortization Expenses	5 & 7	82.76	77.41
Other Expenses	26	11.16	24.36
IV Total Expenses		617.59	630.15
V Loss before tax for the year (III-IV)		(106.67)	(207.80)
VI Tax Expense		-	12.74
Excess/(short) provision for income tax for earlier years			
Loss for the year (V-VI)		(106.67)	(195.06)
<b>Other Comprehensive Income</b>			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Remeasurements (losses)/gain on defined benefit plans (refer note 30)		(0.94)	0.01
VI Total Comprehensive Income for the year		(0.94)	0.01
VII Total Comprehensive Income for the year, net of tax (V+VI)		(107.62)	(207.79)
<b>Earning per share [Nominal Value of share Rs. 10/-] (31 March 2016: Rs 10/-)</b>			
Basic and Diluted	29	(54.12)	(105.43)
Summary of significant accounting policies	3.1		

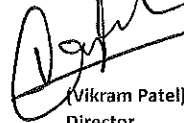

The accompanying notes are an integral part of the financial statements.  
As per our report of even date

For Manubhai & Shah LLP  
Chartered Accountants  
ICAI Firm Registration No. 106041W/W100136

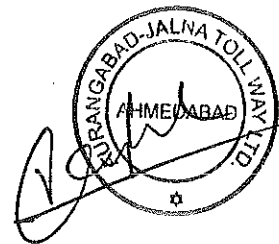
  
(K. C. Patel)  
Partner  
Membership No.30083

Place: Ahmedabad  
Date: 17th May 2017

For & On behalf of the Board of Directors  
Aurangabad Jalna Tollway Limited

   
(Vikram Patel) (Vipul Patel)  
Director Director  
DIN: 00048318 DIN: 06634262

Place: Ahmedabad  
Date: 17th May 2017



**Aurangabad Jaina Tollway Limited**  
**Cash Flow Statement for the Year ended 31st March 2017**

Particulars	March 31, 2017	March 31, 2016
	INR In Million	INR In Million
<b>(A) Cash flows from operating activities</b>		
(Loss) Before Tax	(106.67)	(207.80)
Adjustments for:		
Depreciation and amortisation	82.76	77.42
Major Maintenance Expense	218.05	220.73
Finance Costs	259.79	246.40
Interest Income	(0.03)	(0.01)
Excess Provision written back	(1.09)	(0.05)
Gain on sale of Units of Mutual fund Investments (net)	(1.24)	(1.97)
<b>Cash generated before Effect of Working capital</b>	<b>451.57</b>	<b>334.72</b>
Adjustments for:		
(Increase)/Decrease in Financial Assets	(160.08)	(37.49)
(Increase)/Decrease in Current Assets	(0.58)	0.13
(Decrease)/Increase in Other financial liabilities	40.18	5.93
(Increase)/ Decrease in Trade Receivables	0.10	(0.10)
(Decrease)/Increase in current liability	0.34	0.07
(Decrease)/Increase in long-term provisions	(457.94)	0.31
<b>Cash generated from Operating Activity</b>	<b>(126.43)</b>	<b>303.56</b>
(+)/(-) : Tax Paid(Net of Refund)	-	-
<b>Net cash flow from operating activities</b>	<b>(A) (126.40)</b>	<b>303.56</b>
<b>(B) Cash Flows from investing activities</b>		
Interest Income	0.03	0.01
Redemption / (Purchase) of units in mutual funds	12.19	(1.17)
Purchase of Fixed Assets	(0.63)	(7.22)
Gain on Sale of Units of Mutual Fund	1.24	1.97
<b>Net cash from/ (used in) investing activities</b>	<b>(B) 12.84</b>	<b>(6.41)</b>
<b>(C) Cash Flows from financing activities</b>		
Repayment of long term borrowings	(1,581.82)	(116.40)
Proceeds from Long term borrowings	2,244.98	-
Proceeds from Current borrowings	28.10	63.90
(Repayment) from Current borrowings	(310.14)	(26.19)
Interest and other Finance cost paid	(280.52)	(205.35)
<b>Net cash used in financing activities</b>	<b>(C) 100.60</b>	<b>(284.03)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(A+B+C) (12.96)</b>	<b>13.11</b>
Cash and cash equivalents at beginning of the year	22.78	9.67
<b>Cash and cash equivalents at end of the year</b>	<b>9.82</b>	<b>22.78</b>

**Notes:**

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

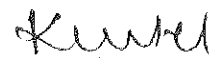
	March 31, 2017	March 31, 2016
	INR In Million	INR In Million
Cash on hand	1.53	1.77
Balances with banks in current accounts	8.29	21.01
<b>Cash and cash equivalents</b>	<b>9.82</b>	<b>22.78</b>

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

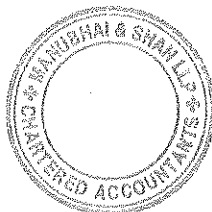
(iii) Figures in brackets represent outflows.

As per our report of even date

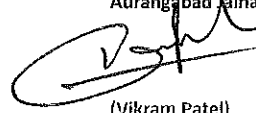

For Manubhai & Shah LLP  
Chartered Accountants  
ICAI Firm Registration No. 106041W/W100136

  
(K. C. Patel)  
Partner  
Membership No.30083

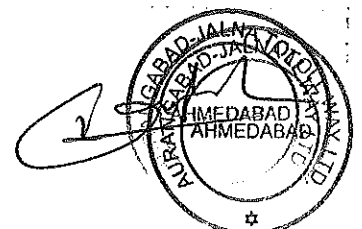
Place: Ahmedabad  
Date: 17th May 2017



For & On behalf of the Board of Directors  
Aurangabad Jaina Tollway Limited

   
(Vikram Patel) (Vipul Patel)  
Director Director  
DIN: 00048318 DIN: 06634262

Place: Ahmedabad  
Date: 17th May 2017



**Aurangabad Jalna Tollway 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.	Amount (INR in Million)
At 1 April 2015	1,971,053	19.71
At 31 March 2016	1,971,053	19.71
At 31 March 2017	1,971,053	19.71

**B Other Equity**

Particulars	Reserves and Surplus		Equity Component of Compound Financial (INR in Million)	Total (INR in Million)
	Securities Premium (INR in Million)	Retained Earning (INR in Million)		
As at April 1, 2015	528.29	(623.82)	282.00	186.47
Profit/(Loss) for the year	-	(195.06)	-	(195.06)
Other Comprehensive Income for the year	-	0.01	-	0.01
As at March 31, 2016	528.29	(818.88)	282.00	(8.59)
As at April 1, 2016	528.29	(818.88)	282.00	(8.59)
Profit/(Loss) for the year	-	(106.67)	-	(106.67)
Other Comprehensive Income for the year	-	(0.94)	-	(0.94)
As at March 31, 2017	528.29	(926.49)	282.00	(115.20)

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

For Manubhai & Shah LLP  
Chartered Accountants  
ICAI Firm Registration No. 106041W/W100136

*K. C. Patel*  
(K. C. Patel)  
Partner  
Membership No.30083

Place: Ahmedabad  
Date: 17th May 2017

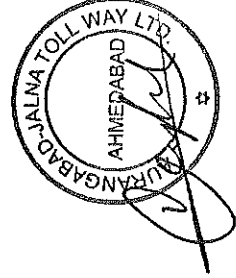


For & On behalf of the Board of Directors of  
Aurangabad Jalna Tollway Limited

*Vipul Patel*  
(Vipul Patel)  
Director  
DIN: 06634262

*Vikram Patel*  
(Vikram Patel)  
Director  
DIN: 00048318

Place: Ahmedabad  
Date: 17th May 2017



## Aurangabad – Jalna Tollway Limited

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

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#### 1. Company information:

Aurangabad -Jalna Tollway Limited ("the Company") is a company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. It's 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 Ellisbridge, Ahmedabad – 380 006.

The Company was incorporated as a Special Purpose Vehicle (SPV) in January, 2007, for the purpose of four laning of Aurangabad -Jalna section of MSH-6 from KM 10.400 to KM 60.200 Beed Bypass KM 292.500 to 305.650 and Zalta Bypass KM 0.00 to 2.850 in the state of Maharashtra on Build, Operate and Transfer ("BOT") basis. The Company has entered into Concession Agreement with the Government of State of Maharashtra with a Concession Period of 23 years and 6 months w.e.f 01st February, 2007. The Company had received concurrence of the Government of Maharashtra for collections of Toll Fee on the project road vide Notification No.PSP-2006/CR/Road-9, issued on July 24, 2009. Accordingly the company has commenced collection of toll fee with effect from July 28, 2009.

The financial statements were authorized for issue in accordance with a resolution of the directors on May 17, 2017.

#### 2. Basis of preparation

The financial statements 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 statements 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 historical cost basis, except certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

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

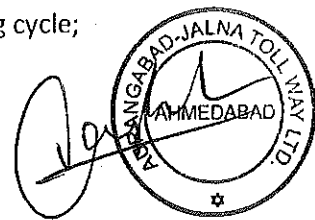
#### 3. Summary of significant accounting policies

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;
- Expected to be realised within twelve months after the reporting period; or



## Aurangabad – Jalna Tollway Limited

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

- 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 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 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.

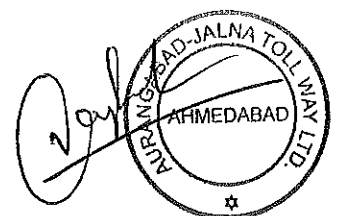
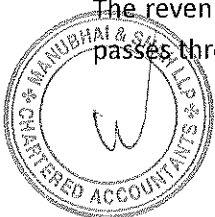
Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

### 3.3 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.

#### Toll collection income

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



## Aurangabad – Jalna Tollway Limited

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

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#### (i) 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.

#### (ii) Dividend

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

#### Revenue from Service Concession Arrangement:

##### a. Construction Revenue:

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the percentage of completion of the contract activity at the reporting date. The percentage of completion of a contract is determined considering the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs

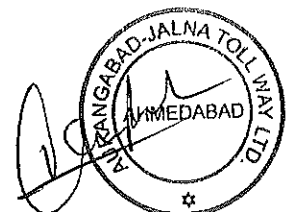
Contract revenue comprises the initial amount of revenue agreed in the contract, the variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured. Contract revenue is measured at the fair value of the consideration received or receivable.

Percentage of completion is determined based on the proportion of actual cost incurred to the total estimated cost of the project. The percentage of completion method is applied on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs. The effect of a change in the estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and the effect of which is recognised in the Statement of Profit and Loss in the period in which the change is made and in subsequent periods.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred of which recovery is probable and the related contract costs are recognised as an expense in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense in the Statement of Profit and Loss in the period in which such probability occurs

#### Government Grant

Government Grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on systematic basis over the periods that the related cost, for which it is intended to compensate, are expensed. When the grant relates to asset, it is as income in equal amounts over the expected useful life of the related asset:-



**Aurangabad – Jalna Tollway Limited**  
**Notes to Financial statement for the year ended March 31, 2017**

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**3.4 Property, Plant and Equipments**

Property, Plant and Equipments 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 equipments, 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.

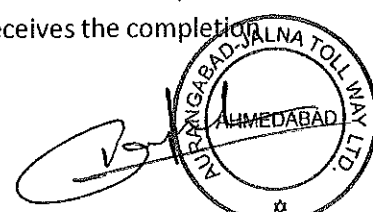
**Transition to Ind AS**

The Company has elected to continue with the carrying value of all of its property plant and equipment as at the date of transition measured as per the previous GAAP and used that as deemed cost as at the date of transition i.e. April 1, 2015.

**3.5 Toll collection right arising from service concession arrangement**

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 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





## Aurangabad – Jalna Tollway Limited

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

certificate/provisional completion certificate from the authority as specified in the Concession Agreement.

#### Amortization

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.

#### Transition to Ind AS

The Company has elected to continue with the revenue based amortization method for amortization of its toll collection right as at the date of transition i.e. April 1, 2015.

#### 3.6 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.

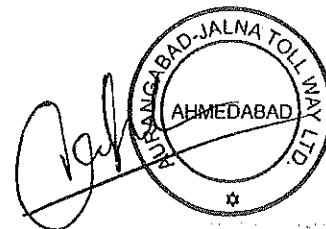
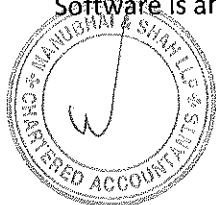
Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed 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.

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.



**Transition to Ind AS**

The Company has elected to continue with the carrying value of all of its intangible assets as at the date of transition measured as per the previous GAAP and used that as deemed cost as at the date of transition i.e. April 1, 2015.

**3.7 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, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. 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 recognised in the statement of profit and loss.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the 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.

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 either individually or at the CGU level, as appropriate and when circumstances indicate that the carrying value may be impaired

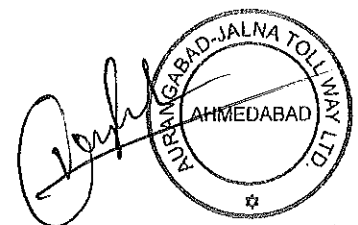
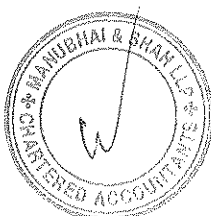
**3.8 Investment Property**

Investment Property is measured initially at cost including related transaction costs. Such cost comprises the purchase price, borrowing cost if capitalization criteria are met. 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.

**Transition to Ind AS**

The carrying value of Investment Property under previous GAAP as on 01 April 2015 is regarded as its cost. The carrying value was original cost less accumulated depreciation and cumulative impairment, if any.



### **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. 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. Investment income earned on temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

### **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**

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating 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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date i.e. the date that the Company commits to purchase or sell the asset.

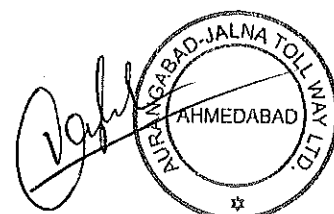
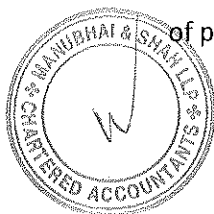
##### **ii. Subsequent measurement of financial assets**

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

- Financial assets at amortized cost
- Financial assets at fair value through other comprehensive income (FVTOCI)
- 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 other comprehensive income:**

A financial asset is measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

• **Financial 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.

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.

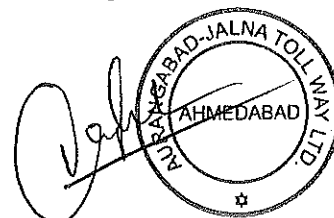
**iv. Impairment of financial assets**

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.



## Aurangabad – Jalna Tollway Limited

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

All financial liabilities are recognised initially at fair value. 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.

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 attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

##### • Loans and Borrowings

This is the category most relevant to the Company. 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.

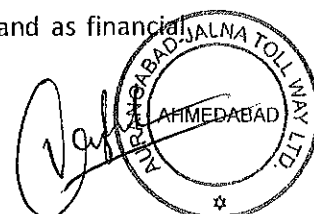
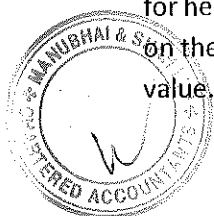
#### iii. Derecognition of financial liabilities

A financial liability (or a part of a financial liability) is derecognised from its balance sheet when, and only when, it is extinguished i.e. 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.

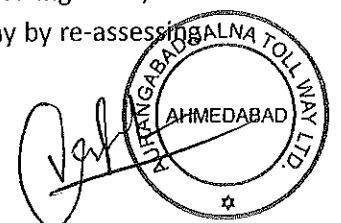
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefit by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Significant accounting judgements, estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortized cost)

### **3.13 Employee Benefits**

#### **a) Short Term Employee Benefits**

All employee benefits payable, 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.

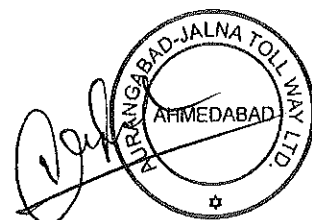
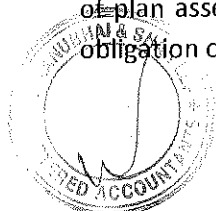
#### **Post-Employment Benefits**

##### **(i) Defined contribution plan**

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 recognised during the period in which the employee renders the related service.

##### **(ii) Defined benefit plan**

The employee's gratuity fund scheme is Company's defined benefit plans. 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. In case of funded plans, the fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on the net basis.



## Aurangabad – Jalna Tollway Limited

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

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 and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. 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

#### 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.

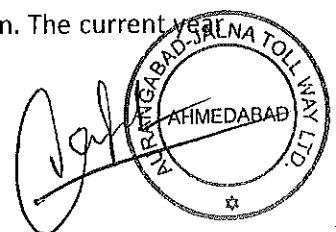
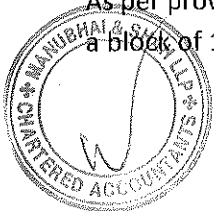
##### Deferred Tax

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





## Aurangabad – Jalna Tollway Limited

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

is eighth 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

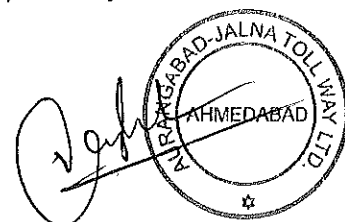
##### General

Provision is 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 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 any reimbursement.

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.

##### **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.

**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 a maturity of three months or less, which are subject to an insignificant risk of changes in value and bank overdrafts.

**3.18 Earnings per share**

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

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

**3.19 Segment reporting**

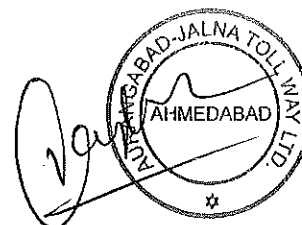
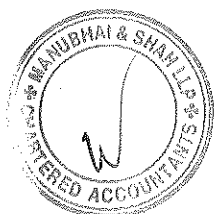
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

**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.

**Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget generally covering a period of the concession agreements using long terms growth rates and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

**Property, plant and equipment**

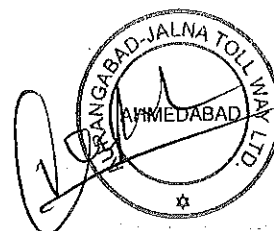
Refer Note 3.4 for the estimated useful life of Property, plant and equipment. The carrying value of Property, plant and equipment has been disclosed in Note 5

**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

**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.



Aurangabad Jaina Tollway Limited

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

5 Property, Plant and Equipment		(INR in Million)						
Particulars	Land	Building	Plant and Equipments	Computers	Furniture & Fixtures	Vehicles	Office Equipments	Total Tangible Assets
Cost								
As at April 01, 2015	11.07	0.03	6.41	0.06	0.07	1.88	0.04	19.57
Addition	13.48	-	0.10	0.10	-	-	0.01	13.69
Disposal	-	-	-	-	-	-	-	-
As at March 31, 2016	24.55	0.03	6.51	0.16	0.07	1.88	0.05	33.26
Addition	-	0.60	-	0.03	-	-	-	0.63
Disposal	-	-	-	-	-	-	-	-
As at March 31, 2017	24.55	0.63	6.51	0.19	0.07	1.88	0.05	33.89
Accumulated Depreciation								
As at April 01, 2015	-	-	-	-	-	-	-	-
Depreciation for the year	-	0.02	3.46	0.05	0.02	0.62	0.02	4.19
Disposal	-	-	-	-	-	-	-	-
As at March 31, 2016	-	0.02	3.46	0.05	0.02	0.62	0.02	4.19
Depreciation for the year	-	0.21	0.61	0.07	0.02	0.41	0.00	1.32
Disposal	-	-	-	-	-	-	-	-
As at March 31, 2017	-	0.23	4.07	0.12	0.04	1.03	0.03	5.51

Net Block	
As at April 01, 2015	11.07
As at March 31, 2016	24.55
As at March 31, 2017	24.55

**Notes:**

- The Company has elected to continue with the carrying value for all of its Property, Plant Equipment 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.
- The aggregate depreciation has been included under depreciation and amortisation expense in the Statement of Profit and Loss.
- 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)



6 Capital Work in Progress (INR In Million)

Particulars	Building
Cost	
As at April 1, 2015	6.68
Addition	-
Adjustment	6.68
As at March 31, 2016	-

7 Intangible Assets : (INR in Million)

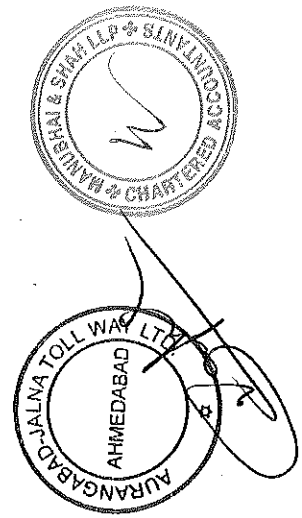
Particulars	Toll		Total
	Computer Software	Collection Rights	
Cost			
As at April 01, 2015	-	2,710.16	2,710.16
Addition	0.22	-	0.22
Adjustment During the year	-	-	-
As at March 31, 2016	0.22	2,710.16	2,710.38
Addition	-	-	-
Adjustment During the year	-	-	-
As at March 31, 2017	0.22	2,710.16	2,710.38
Accumulated Amortization			
As at April 01, 2015	-	284.10	284.10
Charge for the Year	0.05	73.18	73.23
Disposal	-	-	-
As at March 31, 2016	0.05	357.28	357.33
Charge for the Year	0.11	81.33	81.44
Disposal	-	-	-
As at March 31, 2017	0.16	438.61	438.77

Net Book Amount

As at April 01, 2015	-	2,426.06	2,426.06
As at March 31, 2016	0.17	2,352.88	2,353.05
As at March 31, 2017	0.06	2,271.55	2,271.61

Note:

- Toll collection rights of four laning of Aurangabad-Jalna of MSH-6 is capitalised 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 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 disclosure under Service Concession Arrangement.
- The aggregate amortisation has been included under depreciation and amortisation expense in the Statement of Profit and Loss.
- Toll collection right has been pledged against Secured borrowings in order to fulfill the collateral requirement of the Lenders. (refer note 41)
- Refer Note 41 For Disclosure pursuant to Appendix - A to Ind AS 11 - "Service Concession Arrangements" ('SCA')
- The Remaining Amortisation period for the Toll collection rights at the end of the reporting period is 13.34 years (March 31, 2016: 14.34 years and April 1, 2015: 15.34 years)



**Aurangabad Jalna Tollway 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 01, 2015 (INR In Million)
Unquoted Investments carried at fair value through profit or loss			
Units in 2016: 7534.25 in IDBI Liquid Fund	-	12.19	11.03
Units in 2015: 7367.38 in IDBI Liquid Fund			
<b>Total</b>	<b>-</b>	<b>12.19</b>	<b>11.03</b>
Aggregate amount of Unquoted Investments	-	12.19	11.03

Fair value disclosures for financial assets are given in Note 36.

9 Cash and Cash Equivalents	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)	April 01, 2015 (INR In Million)
Cash on Hand	1.53	1.77	1.84
Balance with Banks			
in Current Accounts	8.29	21.01	7.80
in Fixed Deposit	-	-	0.03
<b>Total</b>	<b>9.82</b>	<b>22.78</b>	<b>9.67</b>

Note: Balance with bank includes balance of Rs. 6.05 million (March 31, 2016: Rs. 19.42 million, April 1, 2015: Rs. 1.81 million) are lying in the Escrow Accounts, as per terms of borrowings with the lenders.

10 Financial Assets	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)	April 01, 2015 (INR In Million)
<b>Non Current Financial Assets</b>			
Security Deposits	0.56	0.69	0.69
<b>Total</b>	<b>0.56</b>	<b>0.69</b>	<b>0.69</b>
<b>Current Financial Assets</b>			
Receivable from PWD (refer Note-1 below)	175.50	37.50	-
Receivable from PWD - Toll Suspension (refer Note-2 below)	22.21	-	-
Interest accrued but not due on FD*	-	-	-
Toll Receivable-Mswipe & Pay TM	0.01	-	-
<b>Total</b>	<b>197.72</b>	<b>37.50</b>	<b>-</b>
	<b>198.28</b>	<b>38.19</b>	<b>0.69</b>

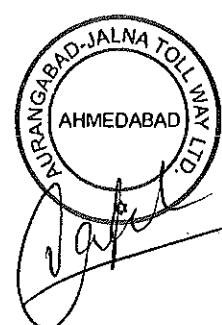
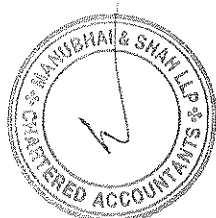
\* Interest accrued but not due on FD Rs.2602 rounded off in million

**Note:**

- Government of Maharashtra, has vide Notification dated 26th May 2015 exempted Light Motor Vehicles, buses of Maharashtra State Road Transport Corporation (MSRTC) from payment of toll, w.e.f 01-06-2015. However the government has not prepared any policy or modalities by which the Company will be reimbursed for the losses. Pending the announcement by the government of its policy/modalities for reimbursement of losses, the said Company has recognised revenue of toll collection 228.45 Million for the period 01-06-2015 to 31-03-2017, which includes 137.99 Million for the year ended March 31, 2017, in respect of exempted vehicles based on the projections submitted to Maharashtra government under the concession agreement. The Government of Maharashtra has paid amount of ` 52.95 Million till March 31, 2017 in this respect and AJTL expects to receive the balance amount.
- 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. 22.21 Millions during the year. As at March 31, 2017, the company has not received any amount against such claim from Government of Maharashtra.
- Fair value disclosures for financial assets are given in Note No. 36

11 Other Assets	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)	April 01, 2015 (INR In Million)
<b>Non Current Assets</b>			
Tax Credit Receivable	-	0.01	0.00
<b>Total</b>	<b>-</b>	<b>0.01</b>	<b>0.00</b>
<b>Current Assets</b>			
Prepaid expenses	1.30	0.71	0.83
Advances Recoverable in Cash	-	-	0.02
<b>Total</b>	<b>1.30</b>	<b>0.71</b>	<b>0.85</b>

12 Trade Receivables	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)	April 01, 2015 (INR In Million)
Trade Receivable	0.17	0.10	-
Provision for Doubtful Debts	(0.17)	-	-
Net Balance	-	0.10	-
<b>Total</b>	<b>-</b>	<b>0.10</b>	<b>-</b>



**Aurangabad Jalna Tollway 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	2,000,000	20.00	2,000,000	20.00	2,000,000	20.00
	<b>2,000,000</b>	<b>20.00</b>	<b>2,000,000</b>	<b>20.00</b>	<b>2,000,000</b>	<b>20.00</b>
Issued, Subscribed and fully paid up Equity Shares of Rs 10 each	1,971,053	19.71	1,971,053	19.71	1,971,053	19.71
	<b>1,971,053</b>	<b>19.71</b>	<b>1,971,053</b>	<b>19.71</b>	<b>1,971,053</b>	<b>19.71</b>

(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	1,971,053	19.71	1,971,053	19.71	1,971,053	19.71
Add: Issue during the year	-	-	-	-	-	-
Outstanding at the end of the year	<b>1,971,053</b>	<b>19.71</b>	<b>1,971,053</b>	<b>19.71</b>	<b>1,971,053</b>	<b>19.71</b>

(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, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) **Share held by holding Company:**

Out of issued, subscribed and paid up equity capital 2,186,445 (March 31, 2016: 2,186,445 and April 1, 2015: 2,186,445) are held by Sadbhav Infrastructure Project Limited - Holding Company.

(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
<b>Equity Shares of Rs 10 each fully paid</b>						
Sadbhav Infrastructure Project Limited and its nominees	1,971,053	100%	1,971,053	100%	1,971,053	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.

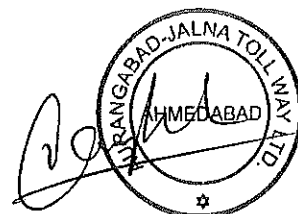
14 **Other Equity**

**12.1 Equity Component of Compound Financial Instrument - Sub Ordinate debts (refer note below & 32)**

	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)	April 1, 2015 (INR In Million)
Balance as per last financial statement		282.00	282.00
Balance at the end of the year		<b>282.00</b>	<b>282.00</b>
<b>Security Premium Reserve</b>			
Balance as per last financial statement		528.29	528.29
Balance at the end of the year		<b>528.29</b>	<b>528.29</b>
<b>(Deficit) in statement of profit and loss</b>			
Balance as per last financial statement		(818.88)	(623.82)
Add: loss for the year		(106.67)	(195.06)
Add / (Less): OCI for the year		(0.94)	0.01
Balance at the end of the year		<b>(926.49)</b>	<b>(623.82)</b>
<b>Total</b>		<b>(116.20)</b>	<b>186.47</b>

**Note**

- The Project of the Company has been funded through sub ordinate debt of Rs. 282 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.
- 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.



**Aurangabad Jalna Tollway Limited**  
**Notes to Financial Statements for the year ended March 31, 2017**

15 Non-Current Borrowings	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)	April 01, 2015 (INR In Million)
<b>Secured*</b>			
Term Loan from Banks	2,213.55	1,141.09	1,226.63
Loan from financial institution	-	398.36	428.30
<b>Total</b>	<b>2213.55</b>	<b>1539.44</b>	<b>1654.93</b>
<b>Less: Current maturities of non-current borrowing*</b>			
<b>Secured</b>			
Term Loan from Banks	22.00	128.74	85.54
Loan from Financial institution	-	44.95	29.95
<b>Total</b>	<b>22.00</b>	<b>173.69</b>	<b>115.49</b>
<b>Total</b>	<b>2191.55</b>	<b>1365.75</b>	<b>1539.44</b>

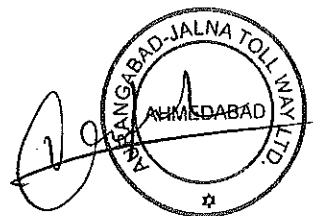
\* includes the effect of transaction cost paid to Lenders on upfront basis.

**(i) Nature of security:**

The details of Security in respect of Term loans are as under:

- 1 First ranking pari passu charge- by way of hypothecation of following assets of the company:-
- 2 all the Company's movable assets, including current and non-current assets, movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all movable assets, both present and future save and except the Project Assets;
- 3 all bank accounts of the Company, including without limitation, the Escrow Account, the Escrow Sub-Accounts (or any account in substitution thereof) and any other bank accounts, all funds from time to time deposited therein and all permitted investments or other securities representing all amounts credited thereto or lying to the credit thereof;
- 4 all present and future tangible and intangible assets of the Company including but not limited to goodwill, undertaking of the Company, uncalled capital, trademarks, patents, present and future, however shall exclude the Project Assets;
- 5 all present and future current assets, operating cash flows, receivables, commissions, revenues of whatsoever nature and whenever arising but exclude Project Assets;
- 6 all the right, title, interest, benefits, claims and demands whatsoever of the Company in the Project Documents, all as amended, varied or supplemented from time to time;
- 7 the right, title, interest, benefits, claims and demands whatsoever of the Company in any Clearances procured in respect of the Project;
- 8 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 including on the termination payments arising from the Concession Agreement;
- 9 all the right, title, interest, benefits, claims and demands whatsoever of the Company under all Insurance Contracts including, in respect of the insurance proceeds arising thereunder;
- 10 pledge of equity shares held by Sadbhav Infrastructure Project Ltd. aggregating to 30% of the paid up and voting equity share capital of the Company for a period upto repayment of entire borrowings.

*(Below space is intentionally left blank)*





(ii) Terms of Repayment of Loans:

(a) Indian Rupee Term Loans from Banks and Others

The Company had Refinance option from ICICI Bank of Rs.2244.98 Millions. In Refinance option the Principal Amounts of the Loan to each of the Lenders are repayable in 53 equal quarterly installments commencing from September 30, 2016. As per the repayment schedule of the loan agreement, all the principal amount outstanding under the said agreement shall be repaid by March 31, 2030. Similarly, the Company also has the option to prepay the loans. Term loans carry interest rate of 9.35 per cent to 10.05 per cent per annum.

16 Current Borrowings

Loans Repayable on Demand - Unsecured

Loan from Holding Company(Refer Note 32)

	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)	April 01, 2015 (INR In Million)
	264.43	546.47	508.77
<b>Total</b>	<b>264.43</b>	<b>546.47</b>	<b>508.77</b>

\*Loan is repayable on demand / call notice from the lender and it carry interest of 9.55% to 10.85% per annum

17 Provisions

Non Current

Provision for Employee Benefits-Gratuity (Refer Note 30)  
Provision for Periodical Major Maintenance (Refer Note 31)  
Provision for Income Tax

	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)	April 01, 2015 (INR In Million)
	2.04	1.01	0.85
	31.63	-	47.18
	-	-	12.72
<b>Total</b>	<b>33.67</b>	<b>1.01</b>	<b>60.75</b>

Current

Provision for Employee Benefits-Gratuity  
Provision for Periodical Major Maintenance (Refer Note 31)

	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)	April 01, 2015 (INR In Million)
	0.51	0.34	0.19
	-	272.74	-
<b>Total</b>	<b>0.51</b>	<b>273.08</b>	<b>0.19</b>

18 Trade Payables

Trade Payables (Refer Note No. 32 & 35)

	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)	April 01, 2015 (INR In Million)
	58.04	40.76	32.45
<b>Total</b>	<b>58.04</b>	<b>40.76</b>	<b>32.45</b>

19 Financial Liabilities

Non Current Financial Liabilities

Security & Other Deposits from Contractor(Retention Money)

	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)	April 01, 2015 (INR In Million)
	0.46	0.32	0.16
<b>Total</b>	<b>0.46</b>	<b>0.32</b>	<b>0.16</b>

Current financial Liabilities

Current Maturities of secured long-term borrowings (Refer Note 15)  
Current Maturities of Unamortised Processing Fees- Banks  
Net Balance  
Interest accrued and due on borrowings (Refer Note 32)  
Employee Emoluments payable  
Security & Other Deposit from Subcontractor  
Payable towards Capital Expenditure

	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)	April 01, 2015 (INR In Million)
	22.67	174.60	116.40
	(0.67)	(0.91)	(0.91)
	22.00	173.69	115.49
	7.70	39.48	4.25
	2.00	2.07	1.79
	23.39	0.56	3.10
	-	-	0.29
<b>Total</b>	<b>55.10</b>	<b>215.80</b>	<b>124.92</b>

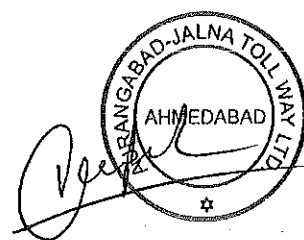
Note:

Fair value disclosures for financial liabilities are given in Note 36

20 Other Current Liability

Statutory dues  
Advance from Customers

	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)	April 01, 2015 (INR In Million)
	2.07	1.73	1.70
	0.04	0.05	-
<b>Total</b>	<b>2.11</b>	<b>1.77</b>	<b>1.70</b>



**Aurangabad Jalna Tollway 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*	508.46	419.24
Advertisement Income	0.10	0.40
<b>Total</b>	<b>508.56</b>	<b>419.64</b>

\* 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. 22.21 Millions during the year which is included in revenue from toll collection.

22 Other Income	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)
Gain on Sale of Mutual Funds ( Net )	1.25	1.97
Miscellaneous Income	1.09	0.05
Sundry balances written back	-	0.68
Insurance Claim	-	-
Other Interest	0.03	0.01
Interest Income	0.03	0.01
<b>Total</b>	<b>2.37</b>	<b>2.71</b>

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)	13.57	29.88
Periodic Major Maintenance Expense (Refer Note 31)	218.05	220.73
Power and Fuel	1.92	1.86
Security expenses	6.90	7.32
Vehicle Expenses	2.97	2.32
<b>Total</b>	<b>243.41</b>	<b>262.11</b>

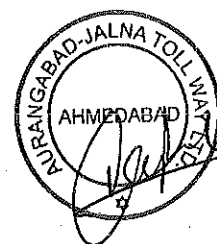
24 Employee Benefits Expenses	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)
Salaries, wages and other allowances	17.95	17.70
Contribution to provident fund and other fund	1.31	0.89
Gratuity Expense	0.38	0.33
Staff welfare expenses	0.83	0.94
<b>Total</b>	<b>20.47</b>	<b>19.86</b>

25 Finance Cost	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)
Interest Expenses on:		
Rupee Term Loans	197.20	180.77
Short Term Borrowings (Refer Note 16)	49.97	58.72
	<b>247.17</b>	<b>239.49</b>
Unwinding of Discount on Provision	-	4.84
Amortisation of Processing Fees	10.94	0.91
Other Borrowing costs		
Bank Charges	0.01	0.16
Trust & Retention Fees	-	0.34
Others	1.67	0.66
	<b>1.68</b>	<b>1.16</b>
<b>Total</b>	<b>259.79</b>	<b>246.40</b>

26 Other Expenses	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)
Rent (Refer Note 31)	1.33	1.28
Repairs and maintenance & Vehicle Expenses	-	0.17
Rates and taxes	-	0.04
Insurance	1.29	1.02
Stamp duty and filing fees	3.43	0.01
Legal and professional fees	3.61	19.82
Communication expense	0.30	0.31
Travelling and conveyance	0.29	0.20
Printing and stationery	0.05	0.30
Cash Collection Expense	0.40	0.70
Auditors Remuneration	0.16	0.13
Donation	0.04	0.04
Miscellaneous expenses	0.26	0.36
<b>Total</b>	<b>11.16</b>	<b>24.36</b>

**26.1 Auditors' remuneration comprises following:**

	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)
Statutory Audit fees	0.14	0.13
Certification Fees	0.02	0.00
<b>Total</b>	<b>0.16</b>	<b>0.13</b>





**Aurangabad Jalna Tollway Limited**  
**Notes to Financial Statements for the year ended March 31, 2017**

**28 Contingent Liability**

- (a) In respect of Assessment Years 2008-09 and 2009-10, Income tax department has rejected the claim of refund for an amount of ` 1.43 Million and ` 2.77 Million, respectively. The Company had filed an appeal before CIT (Appeal) for the same which was not favorably decided. Against the said order the Company has filed an appeal before the Income Tax Appellate Tribunal.
- (b) In respect of Assessment Year 2008-09, the DCIT Central Circle 1(1), Ahmedabad passed an order (the "Penalty Order") under section 271(1)(c) imposing a penalty along with a demand on the Company for an amount of ₹ 1.43 million. Subsequently, the Company preferred an appeal before the CIT, Appeals- 11, Ahmedabad against the Penalty Order. The amount involved in the matter is ₹ 1.43 million. The appeal was decided in company's favour. However, Income Tax Department has filed appeal against the order of CIT(A) before ITAT.
- (c) In respect of Assessment Year 2009-10, the DCIT Central Circle 1(1), Ahmedabad passed an order (penalty order) under section 271(1)(c) imposing penalty along with a demand on the Company for an amount of ₹ 2.77 Million. The Company preferred an appeal before the CIT, Appeals- 11, Ahmedabad against the Penalty Order. The amount involved in the matter is ₹ 2.77 million. The appeal was decided in company's favour. However, Income Tax Department has filed appeal against the order of CIT(A) before ITAT.

**29 Earning Per Share (EPS):**

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

Particulars	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)
Net (Loss) attributable to Equity Shareholders:	(106.67)	(207.80)
Total no. of equity shares at the end of the year	1,971,053	1,971,053
Weighted average number of equity shares for basic and diluted EPS	1,971,053	1,971,053
Nominal value of equity shares	10	10
Basic and Dilluted earnings/(loss) per share	(54.12)	(105.43)

**30 Employee Benefits Disclosure:**

**A Defined Contribution Plans:**

Amount of Rs. 0.38 million (March 31, 2016: Rs. 0.33 million) is recognised as expenses and included in Note No.23

"Employee Benefits Expenses"

	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)
Contribution to Provident Funds	1.11	0.87
Contribution to Benevolent Fund	0.02	0.02
Contribution to ESI	0.18	-
<b>Total</b>	<b>1.32</b>	<b>0.89</b>

**B Defined benefit plans - Gratuity benefit plan:**

Features of the defined benefit plan	Remarks
Benefit offered	15 / 26 × Salary × Duration of Service
Salary definition	Basic Salary including Dearness Allowance (if any)
Benefit ceiling	Benefit ceiling of Rs. 10,00,000 was applied
Vesting conditions	5 years of continuous service ( Not applicable in case of death /
Benefit eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement age	58 years or 31/07/2030 whichever is earlier

The company is responsible for the governance of the plan

**Risk to the Plan**

Following are the risk to which the plan exposes the entity :

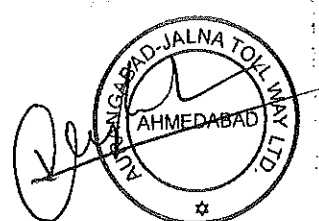
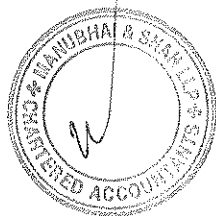
**Actuarial Risk:**

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

**Adverse Salary Growth Experience:** Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

**Variability in mortality rates:** If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

**Variability in withdrawal rates:** If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.



**Liquidity Risk:**

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be strain on the cashflows.

**Market Risk:**

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

**Legislative Risk:**

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

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)
<b>Defined benefit obligations as at beginning of the year - A</b>	<b>1.14</b>	<b>0.85</b>
<b>Cost charged to statement of profit and loss</b>		
Current service cost	0.26	0.26
Interest cost	0.08	0.06
<b>Sub-total included in statement of profit and loss - B</b>	<b>0.34</b>	<b>0.32</b>
<b>Remeasurement gains/(losses) in other comprehensive income</b>		
Actuarial Loss/(Gain) due to change in financial assumptions	0.12	(0.00)
Actuarial Loss/(Gain) due to change in demographic	-	0.03
Actuarial Loss/(Gain) due to experience	0.83	(0.03)
Benefits Paid	(0.09)	(0.02)
<b>Sub-total included in OCI - C</b>	<b>0.86</b>	<b>(0.03)</b>
<b>Defined benefit obligations as at end of the year (A+B+C)</b>	<b>2.34</b>	<b>1.14</b>

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%	7.85%	7.80%
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)

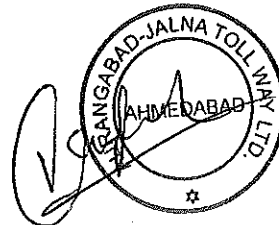
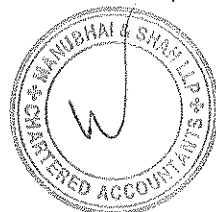
A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	Sensitivity level	March 31, 2017 (INR In Million)	March 31, 2016 (INR In Million)
Discount rate	0.50% increase	2.27	1.10
	0.50% decrease	2.42	1.17
Salary Growth Rate	0.50% increase	2.42	1.17
	0.50% decrease	2.27	1.10
Withdrawal rate	10% increase	2.34	1.14
	10% decrease	2.34	1.13

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	0.21	5.50%
2019	0.23	6.10%
2020	0.21	5.70%
2021	0.22	5.70%
2022	0.20	5.20%
2023 - 2027	0.95	24.90%

As at March 31, 2016	INR in Million	%
2017	0.13	6.39%
2018	0.15	7.46%
2019	0.12	5.76%
2020	0.11	5.27%
2021	0.11	5.17%
2022 - 2026	0.44	21.49%

The average duration of the defined benefit plan obligation at the end of the end of the reporting period is 18.42 years (March 31, 2016: 19.22 years).

**D Other employee benefit:**

Salaries, Wages and Bonus include INR 0.86 million (Previous Year INR 0.83 million) towards provision made as per actual basis in respect of accumulated leave encashment/compensated absences.

**31 Movement in Provisions:**

**Major Maintenance Reserve (Refer note no.17)**

	March 31, 2017 (INR In Million)
Carrying amount as at 01.04.2016	272.74
Add: Provision made during the Year	218.05
Add: increase during the year in the discounted amount due to passage of time	-
Less: Amounts used during the Year	459.16
Less: Unused amounts reversed during the Year	-
<b>Carrying amount as at 31.03.2017</b>	<b>31.63</b>
Expected time of outflow	2022-2023

**Periodical Major Maintenance**

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.

**32 Related Party Disclosures:**

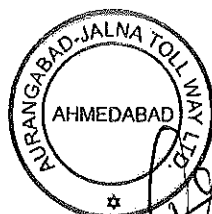
Related party disclosures as required under the Indian Accounting Standard – 24 on “Related Party Disclosures” are given below:

**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 (INR In Million)	March 31, 2016 (INR In Million)
<b>Short Term Borrowings received</b>		
SIPL	28.1	63.9
<b>Short Term Borrowings repaid</b>		
SIPL	310.14	26.19
<b>Interest on Short Term Borrowings</b>		
SIPL	34.63	58.72
<b>Management Support Services Availed</b>		
SIPL	-	13.67
<b>Operation and Maintenance Services Availed</b>		
SIPL (Incl Major Maint+Road Management)	461.22	13.8
<b>Rent , Allocation of Expenses &amp; Reimbursement</b>		
SEL	1.03	1.03



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)
<b>Other Equity (Sub-ordinate debts )</b>			
SIPL	282.00	282.00	282.00
<b>Short Term Borrowings outstanding including interest payable</b>			
SIPL	272.13	585.96	551.33
<b>Payable towards Operation &amp; Manitenance &amp; Project</b>			
SIPL	47.88	4.15	3.36
<b>Trade Payables and other current liabilities (unsecured)</b>			
SEL	1.33	1.22	0.38
SIPL	29.53	32.63	24.58

**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. Loan in INR taken from the related party carries interest rate 9.55% (March 31, 2016 : 9.55% to 10.25% & April 1, 2015 : 10.85%)

3. The Company has not provided any commitment to the related party as at March 31, 2017 (March 31, 2016: Rs.Nil and April 1, 2015: Rs.Nil)

**33 Segment Reporting**

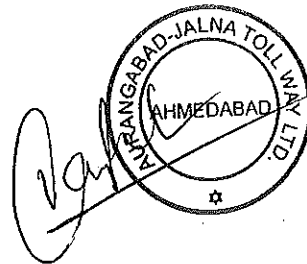
The operating segment of the company is identified to be "BOT (Toll Basis)", as the Chief Operating Decision Maker (CODM) reviews business performance at an overall company level as one segment and hence, does not have any additional disclosures to be made under Ind AS 108 Operating Segments. Further,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

**34 Operating Lease:**

Office premise of the Company have been taken on operating lease basis. The lease rent paid during the year Rs. 1.03 million (March 31, 2016: Rs. 1.03 million). These operating lease agreement are cancellable by giving short period notice by either of the parties to the agreement.

**35 There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days at the balance sheet date. This is based on the information available with the Company.**

*(Below space is intentionally left blank)*



Aurangabad Jalna Toliway Limited  
Notes to Financial Statements for the year ended March 31, 2017

36 Disclosure of Financial Instruments by Category

Financial instruments by categories	Note no.	(INR In Million)								
		March 31, 2017			March 31, 2016			April 01, 2015		
		FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
<b>Financial asset</b>										
Security Deposits	5	-	-	0.56	-	-	0.69	-	-	0.69
Investment in Mutual Fund	7	-	-	-	12.19	-	-	11.03	-	-
Cash and Cash Equivalent	9	-	-	9.82	-	-	22.78	-	-	9.67
Trade Receivables	8	-	-	-	-	-	0.10	-	-	-
Other Financial Assets	5	-	-	198.28	-	-	38.18	-	-	0.69
<b>Total Financial Asset</b>		-	-	<b>208.65</b>	<b>12.19</b>	-	<b>61.75</b>	<b>11.03</b>	-	<b>11.05</b>
<b>Financial liability</b>										
Non Current Borrowings	10	-	-	2,191.55	-	-	1,365.75	-	-	1,539.44
Loans Repayable on Demand	13	-	-	264.43	-	-	546.47	-	-	508.77
Trade Payables	14	-	-	58.04	-	-	40.76	-	-	32.45
Other Financial Liabilities	11	-	-	55.55	-	-	216.12	-	-	125.08
<b>Total Financial Liabilities</b>		-	-	<b>2,569.58</b>	-	-	<b>2,169.10</b>	-	-	<b>2,205.75</b>

37 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 (INR In Million)

Particular	March 31, 2017		March 31, 2016		April 01, 2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Assets</b>						
Investment in Mutual Fund	-	-	12.19	12.19	11.03	11.03
<b>Total Financial Assets</b>	-	-	<b>12.19</b>	<b>12.19</b>	<b>11.03</b>	<b>11.03</b>

**Notes:**

- The management assessed that the fair values of Investment in mutual fund, cash and cash equivalents, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- The carrying value of Company's interest-bearing borrowings are reasonable approximations of fair values as the borrowing carry floating interest rate.
- 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:

- Investments in units of Mutual Funds which are not traded in active market is determined using closing NAV

38 Fair value hierarchy

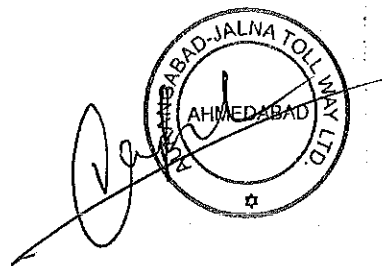
The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

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

(INR In Million)

Note No.	Fair value measurement using Significant observable inputs (Level 2)		
	March 31, 2017	March 31, 2016	April 01, 2015
<b>Assets measured at fair value</b>			
<b>Fair value through profit &amp; loss</b>			
Investment in Mutual Fund	8	12.19	11.03
<b>Liabilities measured at fair value</b>			
<b>Assets for which fair values are disclosed</b>			

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





**Aurangabad Jalna Tollway Limited**  
**Notes to Financial Statements for the year ended March 31, 2017**

**39 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 Board of Directors has 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.

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

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.

**(b) 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 (Rs. In Million)	March 31, 2016 (Rs. In Million)
Increase in 25 basis point	(5.53)	(3.85)
Decrease in 25 basis point	5.53	3.85

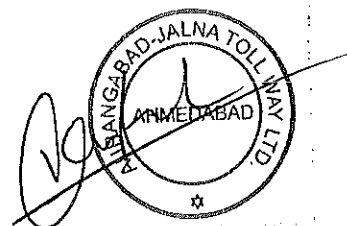
The effect of interest rate changes on future cash flows is excluded from this analysis.

**(c) 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

**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, 2016 is Rs.12.19 million and April 1, 2015 is Rs.11.03 million.



(d) 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	(Rs. In Million)					
	Total Amount	On Demand	upto 1 year	1-2 years	2 - 5 years	> 5 years
<b>As at March 31, 2017</b>						
Non current borrowings#	2,222.29	-	22.00	22.67	169.05	2,008.57
Current borrowings	264.43	264.43	-	-	-	-
Trade Payables	58.04	-	58.04	-	-	-
Other Financial Liabilities#	55.55	-	55.55	-	-	-
<b>Total</b>	<b>2,600.31</b>	<b>264.43</b>	<b>135.60</b>	<b>22.67</b>	<b>169.05</b>	<b>2,008.57</b>
<b>As at March 31, 2016</b>						
Non current borrowings#	1,546.04	-	173.69	174.60	567.45	630.30
Current borrowings	546.47	546.47	-	-	-	-
Trade Payables	40.76	-	40.76	-	-	-
Other Financial Liabilities#	216.12	-	216.12	-	-	-
<b>Total</b>	<b>2,349.39</b>	<b>546.47</b>	<b>430.57</b>	<b>174.60</b>	<b>567.45</b>	<b>630.30</b>
<b>As at April 01, 2015</b>						
Non current borrowings#	1,662.44	-	115.49	174.60	548.05	824.30
Current borrowings	508.77	508.77	-	-	-	-
Trade Payables	32.45	-	32.45	-	-	-
Other Financial Liabilities#	125.08	-	125.08	-	-	-
<b>Total</b>	<b>2,328.75</b>	<b>508.77</b>	<b>273.02</b>	<b>174.60</b>	<b>548.05</b>	<b>824.30</b>

# Current maturity of Non-current borrowings is included in Non-current borrowing part in above note from other financial liabilities.

**Collateral**

The Company's all financial assets has been pledged against Non-current borrowings in order to fulfill the collateral requirement of the Lenders. The fair value of such financial assets disclosed in the note 36.

**40 Capital Management**

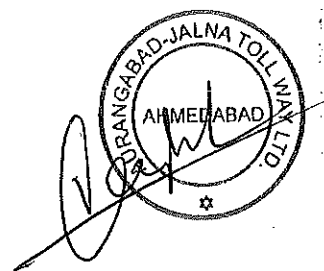
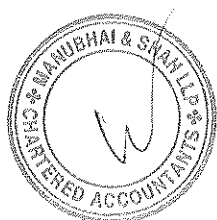
For the purpose of the Company's capital management, Capital consist of share capital, Securities Premium, Other equity in form of Subordinate Debt and all other reserves attributable to the equity holders of the Company.

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 obtain additional sub-ordinate debts. The Company monitors capital using debt equity ratio which does not exceed 3.00, 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 (Rs. In Million)	March 31, 2016 (Rs. In Million)	April 1, 2015 (Rs. In Million)
Non Current Borrowings (refer note 15)	2,222.29	1,546.04	1,662.44
Current Borrowings (refer note 16)	264.43	546.47	508.77
<b>Total Debts - A</b>	<b>2,486.72</b>	<b>2,092.51</b>	<b>2,171.22</b>
Equity Share Capital (refer note 13)	19.71	19.71	19.71
Securities Premium	528.29	528.29	528.29
Equity Sub Debt	282.00	282.00	282.00
<b>Total Equity - B</b>	<b>830.00</b>	<b>830.00</b>	<b>830.00</b>
<b>Debt equity ratio (A/B)</b>	<b>3.00</b>	<b>2.52</b>	<b>2.62</b>



**Aurangabad Jalna Tollway Limited**  
**Notes to Financial Statements for the year ended March 31, 2017**

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**41 Disclosure pursuant to Appendix - A to Ind AS 11 - " Service Concession Arrangements"**

**A Description and classification of the arrangement**

- (i) The Company has entered into Service Concession Agreement ('SCA') with the Government of Maharashtra in January, 2007 for the purpose of development, implementation as well as operation & maintenance of the Aurangabad Jalna Road Project. The project involves four laning of 50 kms existing two lanes Aurangabad Jalna Road (MSH 6) Km 10.400 to 60.200, Beed Bypass km 292/500 to 305/650 and Zalta Bypass km 0/00 to 2/850 in Maharashtra on Build Operate and Transfer (BOT) basis. The project is awarded under concession agreement for a period of twenty three years and six months from date of work order given on February 1, 2007.
- (ii) The company has received concurrence of the Government of Maharashtra for collections of Toll Fee on the project road vide Notification No.PSP-2006/CR/Road-9, issued on July 24, 2009. Accordingly the company has commenced collection of toll fee with effect from July 28, 2009.
- Government of Maharashtra, has vide Notification dated 26th May 2015 exempted Light Motor Vehicles, buses of Maharashtra State Road Transport Corporation (MSRTC) from payment of toll, w.e.f 01-06-2015.

**B Significant Terms of the arrangements**

**(i) Revision of Fees:**

Fees shall be revised as per the Schedule of Toll Rates. Previous revision was on April 01, 2016 for the period of 3 years, next revision will be done on April 01, 2019.

- (ii) Only in the case of Extension in Concession period in accordance with the provisions of the agreement, the Government of Maharashtra shall issue the revised toll notifications taking into account increase in Toll rates

**C Other Terms**

- (i) If for any reasons, the Government causes the Company to abandon the project mid-way, than the Cost of Construction incurred by the Company shall be repaid by the Government. The valuation shall be based at the rates of the items included with this agreement and in absence of these at the D.S.R rates applicable plus 15 percent

**D Rights of the Company to use Project Highway**

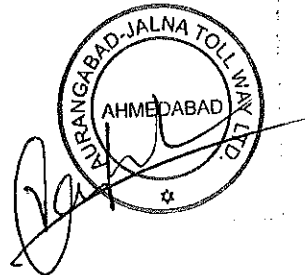
- (i) To demand, collect and appropriate, Fee from vehicles and Users liable for payment of Fee for using the Project Highway or any part thereof and refuse entry of any vehicle if the Fee due is not paid.
- (ii) Right of Way, access and licence to the Site.

**E Obligation of the Company**

- (i) The company 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 (MSH-6) from KM 10.400 TO 60.200, Beed Bypass KM 292.500 to 305.650 and Zalta Bypass KM 0.00 to 2.850 and all Project asset, and its subsequent development and augmetation in accordance with the SCA.

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

- (i) At the end of the Concession period the company shall hand over the vacant and peaceful possession of the Project Assets including Project Site/Facility at no cost to the GDM.



**Aurangabad Jalna Tollway Limited**  
**Notes to Financial Statements for the year ended March 31, 2017**

**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 availed 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.

**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**

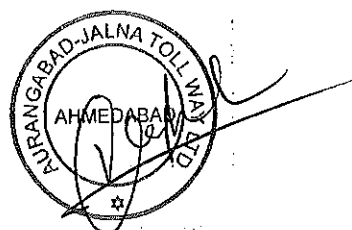
Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

**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 equity as at March 31, 2016 & April 1, 2015**

Particulars	Note No.	March 31, 2016 (INR in Million)	April 1,2015 (INR in Million)
Equity under previous GAAP	A	(279.85)	(79.12)
Equity Component of Financial Instrument	i	282.00	282.00
Finance cost on account of amortised cost of financial liability	ii	(6.07)	(5.16)
Discounting/unwinding of liability / provision	iii	13.65	7.44
Remeasurement of Intangible Asset	iv	0.38	-
Impact of fair valuation of Financial Instruments	v	1.02	1.02
<b>Total Ind AS Adjustments</b>	<b>B</b>	<b>290.98</b>	<b>285.30</b>
<b>Total Equity as per Ind AS</b>	<b>C=A+B</b>	<b>11.13</b>	<b>206.18</b>



**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		(200.73)
Adjustments as per Ind AS		
Recognition of Finance cost on account of amortised cost of financial liability (note ii)	i	(5.75)
Reclassification of Re-measurement gains / (losses) on defined benefit plans to OCI	ii	(0.01)
Discounting/unwinding of liability / provision	iii	11.04
Reversal of amortisation intangible assets	iv	0.38
Impact of measuring derivative financial instruments	v	-
Total Ind AS Adjustments		5.66
Profit after tax as per Ind AS		(195.07)
Other Comprehensive income		
Re-measurement gains / (losses) on defined benefit plans	vi	0.01
Total Comprehensive Income as per Ind AS		(195.06)

Impact of Ind AS adoption on statement of cash flows for the year ended March 31, 2016		(INR In Million)	
Particulars	Previous GAAP	Adjustments	Ind AS
Net Cash Flows from Operating Activities	303.13	93.93	397.06
Net Cash Flows from Investing Activities	(6.41)	(0.01)	(6.42)
Net Cash Flows from Financing Activities	(283.61)	(93.92)	(377.53)
Net Increase / ( Decrease ) in cash and cash equivalents	13.11	-	13.11
Cash and cash equivalents as at April 01, 2015	9.67	-	9.67
Cash and cash equivalents as at March 31, 2016	22.78	-	22.78

**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 amortised upfront and charged to profit or loss / 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 were recognised on undiscounted basis in the intangible assets. As required under Ind AS, the same have been recognised on discounted basis.

**iv. 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.

**v. 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.

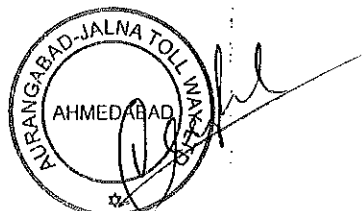
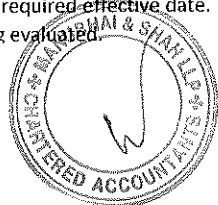
**43 Standards issued but not yet effective**

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

Particular	Specified Bank Notes (SBNs)*	(Amount in INR)	
		Other Denomination Notes & coins	Total
Closing Cash in hand as on November 8, 2016	1,538,000	137,050	1,675,050
Add: Permitted Receipt	1,089,500	27,118,507	28,208,007
Less: Permitted Payments	-	287,780	287,780
Less: Amount deposited in Banks	2,627,500	25,835,788	28,463,288
Closing Cash in hand as on December 30, 2016	-	1,131,989	1,131,989


\* 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.

45 Previous year figures:

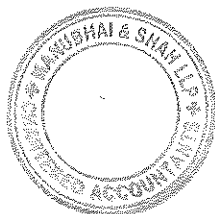
Previous year figures have been regrouped/reclassified wherever necessary, to facilitate comparability with current year's classification.

As per our report of even date

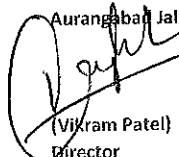
For Manubhai & Shah LLP  
Chartered Accountants  
ICAI Firm Registration No. 106041W/W100136

  
(K. C. Patel)  
Partner  
Membership No.30083

Place: Ahmedabad  
Date: 17th May 2017



For & On behalf of the Board of Directors of  
Aurangabad Jalna Tollway Private Limited

  
(Vikram Patel)  
Director  
DIN: 00048318

Place: Ahmedabad  
Date: 17th May 2017

  
(Vipul Patel)  
Director  
DIN: 06634262

