

S. R. Batliboi & CO. LLP
2nd Floor, Shivalik Ishan
Near CN Vidhyalaya
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Ahmedabad – 380 015

Manubhai & Shah LLP
2nd Floor, B Wing, Premium House
Near Gandhigram Railway Station
Navrangpura
Ahmedabad – 380 009

INDEPENDENT AUDITOR'S REPORT

To the Members of Hyderabad Yadgiri Tollway Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Hyderabad Yadgiri Tollway Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 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 thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



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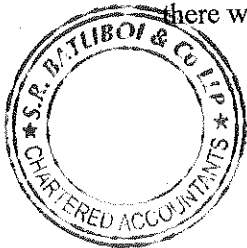
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Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, its loss, and its cash flows 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 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply 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 written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

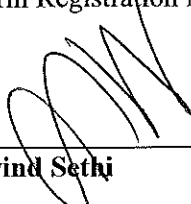


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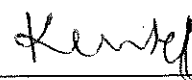
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For, **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E


per **Arvind Sethi**
Partner
Membership Number: 89802
Place of Signature: Ahmedabad
Date: April 22, 2016



For **Manubhai & Shah LLP**
Chartered Accountants
ICAI Firm Registration Number: 106041W

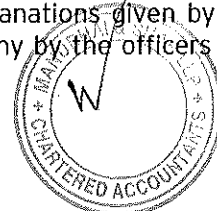
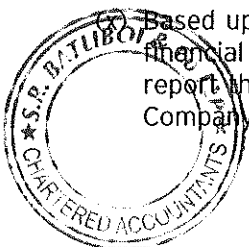

per **K. C. Patel**
Partner
Membership Number: 30083
Place of Signature: Ahmedabad
Date: April 22, 2016



Annexure 1 referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date of Hyderabad Yadgiri Tollway Private Limited for the year ended March 31, 2016

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (including intangible assets);
(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification;
(c) According to the information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the toll collection services, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, value added tax, cess and other material statutory dues applicable to it. The provisions relating to custom duty, excise duty, wealth tax and employees' state insurance are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, sales-tax, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no statutory dues which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution and bank. The Company does not have any dues payable to the government and it has not issued debentures.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised. The Company has not raised any money by way of initial public offer/ debt instruments and hence not commented upon.

Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.



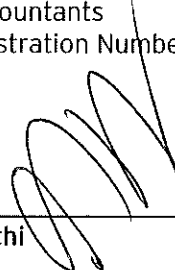
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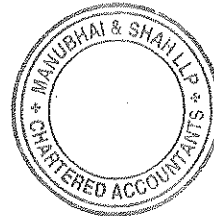
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act is not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon..
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For, S.R. Batliboi & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E

For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Registration Number: 106041W


per Arvind Sethi
Partner
Membership Number: 89802
Place of Signature: Ahmedabad
Date: April 22, 2016


per K.C. Patel
Partner
Membership Number: 30083
Place of Signature: Ahmedabad
Date: April 22, 2016



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ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF HYDERABAD YADGIRI TOLLWAY PRIVATE LIMITED

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

To the Members of Hyderabad Yadgiri Tollway Private Limited

We have audited the internal financial controls over financial reporting of Hyderabad Yadgiri Tollway Private Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 the 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.

Auditor's Responsibility

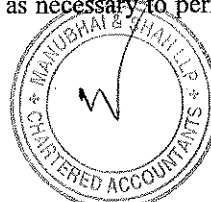
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of



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financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting


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

Opinion

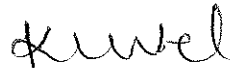
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E

For **Manubhai & Shah LLP**
Chartered Accountants
ICAI Firm Registration Number: 106041W



per Arvind Sethi
Partner
Membership Number: 89802
Place of Signature: Ahmedabad
Date: April 22, 2016



per K. C. Patel
Partner
Membership Number: 30083
Place of Signature: Ahmedabad
Date: April 22, 2016



Hyderabad- Yadgiri Tollway Private Limited
Balance Sheet as at March 31, 2016

(₹ in Million)

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
I Equity and Liabilities			
(1) Shareholders' funds			
Share capital	2	32.47	32.47
Reserves and surplus	3	(711.59)	(503.44)
		(679.12)	(470.97)
(2) Non-Current Liabilities			
Long-term borrowings (Including Sponsor's Contribution)	4	4,900.74	4,929.00
Other non current liabilities	5	4,057.33	4,040.84
Long-term provisions	6	256.05	173.86
		9,214.12	9,143.70
(3) Current liabilities			
Short-term borrowings	7	177.64	162.45
Trade Payables	8		
(a) total outstanding dues of micro enterprises and small enterprises; and		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		13.42	11.82
Other current liabilities	9	182.99	156.05
Short term provisions	10	0.11	0.11
		374.16	330.43
Total		8,909.16	9,003.16
II Assets			
(1) Non-current assets			
Fixed Assets	11		
- Tangible assets		27.23	27.57
- Intangible assets		8,809.43	8,883.90
Non-current investments	12	3.43	3.43
Long-term loans and advances	13	1.22	5.93
Other Non Current Asset	14	-	-
		8,841.31	8,920.83
(2) Current assets			
Cash and cash equivalents	15	26.32	27.03
Short-term loans and advances	16	5.57	2.18
Other Current Asset	17	35.96	53.12
		67.85	82.33
Total		8,909.16	9,003.16
Significant Accounting Policies	1		

Accompanying notes are an integral part of the financial statements

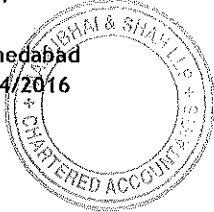
As per our report of even date

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



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

Place: Ahmedabad
Date :22/04/2016



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



(Arvind Sethi)
Partner
Membership No.: 89802

Place: Ahmedabad
Date :22/04/2016



For & on behalf of the Board of Directors of
Hyderabad Yadgiri Tollway Pvt Ltd.



(Vishnubhai M Patel)
Director
DIN No.: 00048287

Place: Ahmedabad
Date :22/04/2016



(Vasistha C Patel)
Director
DIN No.: 00048324



Hyderabad- Yadgiri Tollway Private Limited
Statement of Profit and Loss for year ended March 31, 2016

(₹ in Million)

Particulars	Note No.	Year ended March 31, 2016	Year ended March 31, 2015
I Revenue from operations	18	543.35	448.79
II Other income	19	7.56	2.18
III Total Revenue (I + II)		550.91	450.97
IV Expenses:			
Operating expenses	20	124.50	128.49
Employee benefits expense	21	11.43	11.49
Finance costs	22	430.73	417.60
Depreciation and amortisation	11	169.46	132.05
Other expenses	23	22.94	29.81
Total Expenses		759.06	719.44
V Loss before Exceptional Items & Tax (III-IV)		(208.15)	(268.47)
VI Exceptional Item (Refer Note 35)		-	(93.96)
VII Loss for the Year (V-VI)		(208.15)	(174.51)
VIII Earnings per share: (Nominal Value per share: ₹. 10)			
(1) Basic	29	(64.10)	(53.74)
(2) Diluted		(64.10)	(53.74)
Significant Accounting Policies	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

K Patel

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

Place: Ahmedabad
Date :22/04/2016

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

Arvind Sethi

(Arvind Sethi)
Partner
Membership No.: 89802

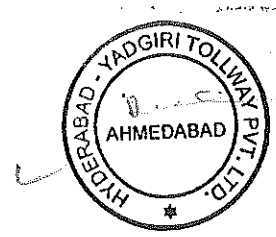
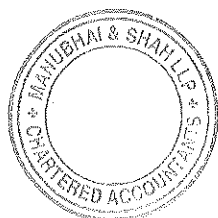
Place: Ahmedabad
Date :22/04/2016

For & on behalf of the Board of Directors of
Hyderabad Yadgiri Tollway Pvt Ltd.

Vishnubhai M Patel *Vasistha C Patel*

(Vishnubhai M Patel) (Vasistha C Patel)
Director Director
DIN No.: 00048287 DIN No.: 00048324

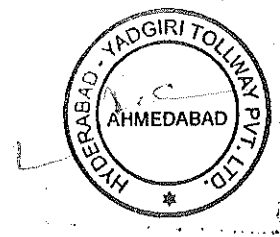
Place: Ahmedabad
Date :22/04/2016



Hyderabad- Yadgiri Tollway Private Limited
Cash Flow Statement for the year ended March 31, 2016

(₹ in Million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
(A) Cash flows from operating activities		
Net (Loss) Before Tax after exceptional items	(208.15)	(174.51)
Adjustments for:		
Depreciation and Amortisation	169.46	132.05
Exceptional Items (Refer Note 35)	-	(93.96)
Interest Expense	391.80	377.68
Profit on Sale of Asset	(0.62)	
Loss on sale of Assets	-	0.79
Dividend and Gain on sale of Investments (net)	(3.45)	(1.35)
Interest income	(0.42)	(0.69)
Operating profit before working capital changes	348.62	240.00
Adjustments for:		
Decrease in long- term loans and advances	4.71	7.44
(Increase) in short- term loans and advances	(3.39)	(0.37)
Decrease/(Increase) in other current assets	17.28	(17.27)
Increase/(Decrease) in trade payables	1.60	(20.41)
Increase/(Decrease) in other current liabilities	(12.88)	22.28
Increase in Long Term Provision	82.19	90.26
Net cash flow from operating activities (A)	438.13	321.93
(B) Cash Flows from investing activities		
Purchase of Fixed assets	(1.09)	(0.54)
Sale of Fixed assets	-	0.56
Additional Concession Fees Paid	-	(11.74)
Proceeds from sale of Units of Mutual Fund (net)	3.45	1.35
Interest income	0.42	0.69
Net cash generated / (used) in investing activities (B)	2.78	(9.67)
(C) Cash Flows from financing activities		
Repayment of Long-term Borrowings	(83.33)	(90.84)
Proceeds from Short-term borrowings	21.40	174.50
Repayment of Short-term borrowings	(6.22)	(12.45)
Interest Paid	(373.48)	(375.61)
Net cash (used) in financing activities (C)	(441.62)	(304.40)
Net (decrease)/increase in cash and cash equivalents (A + B + C)	(0.71)	7.86
Cash and cash equivalents at beginning of the year	27.03	19.17
Cash and cash equivalents at end of the year	26.32	27.03



Hyderabad- Yadgiri Tollway Private Limited
Cash Flow Statement for the year ended March 31, 2016

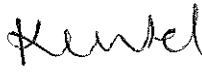
Notes:

(i) Components of cash and cash equivalents:	Year ended March 31, 2016	Year ended March 31, 2015
Cash on hand	3.77	2.03
Balances with banks in current accounts	22.55	25.00
Cash and Cash Equivalents as per Note 15	26.32	27.03

- (ii) The cash flow statement has been prepared under indirect method as per Accounting Standard -3 "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



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

Place: Ahmedabad
 Date :22/04/2016



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



(Arvind Sethi)
 Partner
 Membership No.: 89802

Place: Ahmedabad
 Date :22/04/2016



For & on behalf of the Board of Directors of
 Hyderabad Yadgiri Tollway Pvt Ltd.

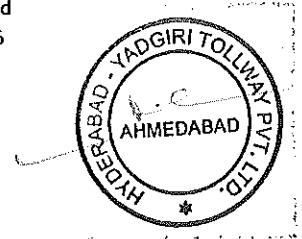


(Vishnubhai M Patel)
 Director
 DIN No.: 00048287

Place: Ahmedabad
 Date :22/04/2016



(Vasista C Patel)
 Director
 DIN No.: 00048324



Hyderabad- Yadgiri Tollway Private Limited

Notes on accounts forming part of Financial Statements:

Corporate Information:

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

1 Summary of Significant Accounting Policies :

1.1 Basis of preparation of Financial Statements

The Financial Statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these Financial Statements to comply in all material respects with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis under the historical cost convention. The accounting polices adopted in the preparation of financial statements are consistent with those of previous year.

1.2 Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates, judgments and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

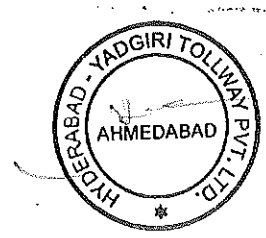
1.3 Fixed Assets

(i) Tangible Assets

Tangible assets are stated at cost, net of accumulated depreciation and accumulated impairment losses if any. The cost comprises the purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.



Hyderabad- Yadgiri Tollway Private Limited

Notes on accounts forming part of Financial Statements:

(ii) Intangible Assets- Toll Collection Rights

Intangibles are stated at cost, less accumulated amortization and impairment losses, if any. An intangible asset is recognised, only where it is probable that future economic benefits attributable to the asset will accrue to the enterprise and the cost can be measured reliably.

The company adjusts exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset subject to amortization to the cost of the asset after considering impact of option contract and depreciates the same over the remaining life of the asset. In accordance with MCA circular dated 09 August 2012, exchange differences adjusted to the cost of Toll Collection Right are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

Toll collection rights granted by National Highways Authority of India (NHAI) against construction service rendered by the Company on DBFOT basis include direct and indirect expenses on construction of roads, bridges, etc., infrastructure at the toll plazas and obligation towards additional concession fees (premium) payable to National Highway Authority of India (NHAI) in terms of Concession Agreement (which is the fair value of the consideration received or receivable for the construction service delivered). These have been recognised as Intangible Assets in accordance with provisions of Accounting Standard 26 "Intangible Assets" when the project is complete in all respects and when the Company receives the completion certificate from the authority as specified in the Concession Agreement.

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

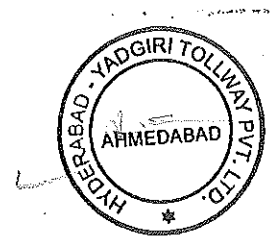
Subsequent expenditure related to an item of intangible assets is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing intangible assets are charged to the statement of profit and loss for the period during which such expenses are incurred.

1.4 Depreciation and Amortisation

(i) Depreciation

Depreciation on tangible assets, other than Project Assets is provided on the Written Down Value (WDV) method over the useful lives of assets as specified in Schedule II to the Companies Act, 2013. Project Assets are amortized on straight line basis over the useful lives of assets as specified in Schedule II of the Companies Act, 2013. Depreciation on assets purchased / sold during a period is proportionately charged.

The residual values, useful lives and methods of depreciation of tangible asset are reviewed at each financial year end and adjusted prospectively, if appropriate.



Hyderabad- Yadgiri Tollway Private Limited

Notes on accounts forming part of Financial Statements:

(ii) Amortisation

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

Total Projected Revenue shall be reviewed at the end of the each financial year if there has been significant changes in the expected pattern of economic benefits from the assets and accordingly the total projected revenue shall be adjusted to reflect any changes in the estimates which lead to the actual collection at the end of the concession period.

1.5 Impairment of Assets

- (i) The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets net selling price and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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 budget and forecast calculation. These budgets and forecasts calculations covers an entire concession period for which long term growth rate is calculated and applied to future cash flows.

- (ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

1.6 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. The following specific recognition criteria must also be met before revenue is recognised.

- (i) Toll Income:

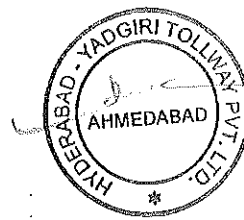
The revenue is recognized in the period of collection which generally coincide as and when the traffic passes through toll - plazas.

- (ii) Interest

Interest income is recognised on a time proportion basis taking into account the amounts outstanding and the applicable interest rate. Interest income is included under the head "other Income" in the statement of profit & loss

- (iii) Dividend income:

Dividend Income is recognised when the company's right to receive dividend is established by the reporting dates.



Hyderabad- Yadgiri Tollway Private Limited

Notes on accounts forming part of Financial Statements:

1.7 Foreign Currency Translation and balances

(i) Initial Recognition

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

(ii) Conversion:

Foreign currency monetary assets and liabilities are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(iii) Exchange Difference

The company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

- Exchange differences arising on 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.
- Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.
- All other exchange differences are recognized as income or as expenses in the period in which they arise.

For the purpose of above, the company treats a foreign monetary items as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular dated 09 August 2012, exchange differences for this purpose, are total differences arising on long term foreign currency monetary items for the period. In other words, the company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

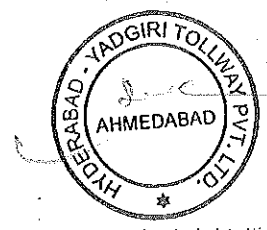
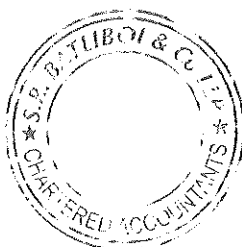
(iv) Exchange gain/loss on Long-term Foreign Currency Monetary items

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period. Any gain/ loss arising on forward contracts which are long-term foreign currency monetary items is recognized in accordance with paragraph (iii) above.

1.8 Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.



Hyderabad- Yadgiri Tollway Private Limited

Notes on accounts forming part of Financial Statements:

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

Investment Property

An investment in land, which is not intended to be occupied substantially for use by, or in the operations of, the company, is classified as investment property. Investment properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

1.9 Retirement and other employee benefits

- (i) Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when an employee renders the related services. The company has no obligation, other than the contribution payable to the provident fund.
- (ii) The company operates one defined benefit plan for its employees, viz., gratuity liability. The costs of providing benefits under this plan are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method made at the end of each reporting date. Actuarial gains and losses for the defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.
- (iii) Compensated absences which accrue to employees and which is expected to be utilized or encashed within the next 12 months from reporting date, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. As per Company policy, no leave are expected to be carried forward beyond 12 months from the reporting date.

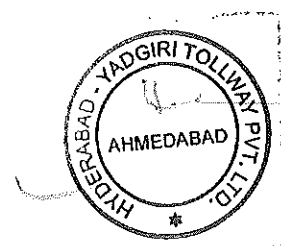
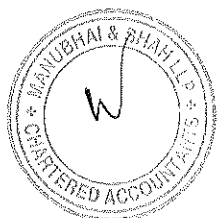
1.10 Borrowing Costs

Borrowing costs directly attributable to the acquisition and construction of qualifying assets are capitalized as part of cost of such assets till such time the asset is ready for its intended use. A qualifying asset is one that requires substantial period of time to get ready for its intended use. All other borrowing costs, if any, are charged to the Statement of Profit & Loss as period costs. Borrowing cost includes interest, commitment charges on borrowings and amortisation of ancillary cost incurred in connection with arrangement of borrowing.

1.11 Leases

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as expenditure during construction period pending allocation on a straight line basis over the lease term.



Hyderabad- Yadgiri Tollway Private Limited

Notes on accounts forming part of Financial Statements:

1.12 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number if shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares

1.13 Taxes on Income

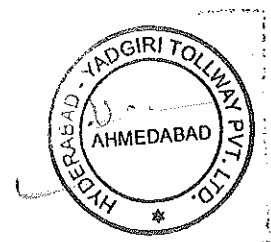
Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income originating during the current year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

As per provision of the Income Tax Act,1961, the company is eligible for a tax holiday under section 80IA for a block of 10 consecutive assessment years out of 20 years beginning of toll operation. The current year is fourth year of company's operation and it propose to start claiming tax holidays in the subsequent year only. No deferred tax (asset or liability) is recognised in respect of timing difference which reversed during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing difference which 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 reasonably certain or virtual certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax asset can be realised. For recognition of deferred tax, the timing difference which originate first are considered to reverse first.

At each reporting date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.



Hyderabad- Yadgiri Tollway Private Limited

Notes on accounts forming part of Financial Statements:

1.14 Provisions, Contingent Liabilities and Contingent Assets

- (i) A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
- (ii) Contractual Obligation to restore the Infrastructure to a specified level of serviceability.
The Company has contractual obligations to maintain the road / infrastructure to a specified level of serviceability or restore the road / infrastructure 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. In case of intangible assets, the timing and amount of such cost are estimated and determined by estimated cash flows, expected to be incurred in the year of overlay. Such costs are recognised by charging it to revenue on the basis of units of usage method i.e. on the number of vehicles expected to use the project facility, over the period at the end of which the overlay is estimated to be carried out based on management estimates.
- (iii) The company does not recognize a contingent liability but discloses its existence in the financial statements. contingent Assets are neither recognized nor disclosed in the financial statements.

1.15 Derivative Contracts

The Company uses derivative contracts such as Option Contracts to hedge foreign currency borrowings. It also uses Interest Rate Swaps to hedge Interest Rate risk arising from variable rate loans to hedge its risks. The outstanding derivative contracts at the balance sheet date are valued by marking them to market and losses, if any, are recognised in the Statement of Profit and Loss.

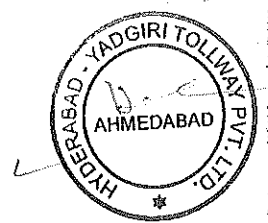
The option premium payable is recognised on an accrual basis during the tenure of the borrowing.

1.16 Cash and Cash Equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

1.17 General

Any other accounting policy not specifically referred to are consistent with generally accepted accounting principles.



Notes on accounts forming part of Financial Statements:

2 Share capital

(i) Authorised, Issued, Subscribed and Paid- Up Capital:

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Authorised		
5,000,000 Equity Shares of ₹10/- each (Previous Year 5,000,000 Equity Shares of ₹10/- each)	50.00	50.00
Total	50.00	50.00
Issued , Subscribed and Paid Up		
3,247,383 Equity Shares of ₹10 each (Previous Year 3,247,383 Equity Shares of ₹10/- each)	32.47	32.47
Total	32.47	32.47

(ii) 3,247,383 equity shares were outstanding as at beginning and end of the Year.

(iii) Terms/Rights attached to Equity Shares:

(a) The Company has only one class of equity shares having a par value of ₹ 10/-.

(b) Each holder of equity shares is entitled to one vote per share.

(c) In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive residual assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

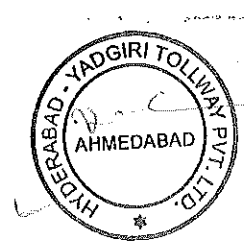
(iv) Out of issued, subscribed and paid up equity capital 3,247,383 shares (Previous Year 3,247,383 shares) are held by holding company - Sadbhav Infrastructure Project Limited and its nominees.

(v) The details of shareholders holding more than 5% of issued equity share capital as on March 31, 2016 is set out below:

Name of Shareholder	March 31, 2016		March 31, 2015	
	No. of Shares	% to Total	No. of Shares	% to Total
Sadbhav Infrastructure Project Limited**	3,247,383	100%	3,247,383	100%
	3,247,383	100%	3,247,383	100%

** Including nominees

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.



Notes on accounts forming part of Financial Statements:

3 Reserves and surplus

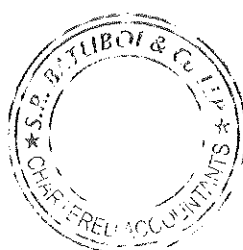
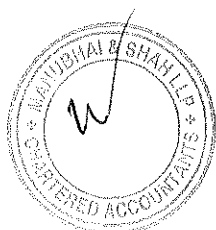
(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Securities Premium Reserve		
Balance as per last financial statement	140.76	140.76
(Deficit) in the statement of Profit & Loss		
Balance as per last financial statement	(644.20)	(469.69)
Add: Net (Loss) for the year	(208.15)	(174.51)
Net (Deficit) in the statement of Profit & Loss	(852.35)	(644.20)
Total	(711.59)	(503.44)

4 Long Term Borrowings

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Secured		
Indian Rupee Term Loans		
From Banks		
Non-Current Portion	1,986.96	2,049.69
Current Maturities	76.34	54.53
	2,063.30	2,104.22
From Financial Institution		
Non-Current Portion	247.01	254.80
Current Maturities	9.49	6.78
	256.50	261.58
Foreign Currency Loans		
From Banks		
Non-Current Portion	1,556.84	1,521.26
Current Maturities	55.37	40.19
	1,612.21	1,561.45
Less: Derivative Settlement Receivable		
Non-Current Portion (Refer Note 14)	(187.76)	(194.44)
Current Maturities (Refer Note 17)	(6.68)	(5.14)
	(194.44)	(199.58)
Sub Total	3,737.57	3,727.67
Less: Current maturities disclosed under the head -Other current liabilities	(134.52)	(96.36)
	3,603.05	3,631.31
Unsecured		
Sub-Ordinate Debt from Promoters (Refer Note 31)	1,297.69	1,297.69
Total	4,900.74	4,929.00



Notes on accounts forming part of Financial Statements:

(i) Security Details:

The details of Security in respect of Indian Rupee and Foreign Currency Loans are as under:

- 1 first mortgage and charge on all the Company's immovable (investment) properties, both present and future, save and except the Project Assets;
- 2 first charge on all the Company's tangible moveable assets, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future, save and except the Project Assets;
- 3 first charge over all accounts of the Company including the Escrow Account and the Sub-Accounts (or any account in substitution thereof) that may be opened in accordance with Common Rupee Loan Agreement and the Supplementary Escrow Agreement, or any other Project Documents and all funds from time to time deposited therein, including those arising out of realisation of Receivable and all Permitted Investments or other securities representing all amounts credited thereto.
- 4 first charge on all intangibles assets of the Company including but not limited to goodwill, rights, undertakings and uncalled capital present and future excluding the Project Assets .
- 5 first charge on assignment by way of security in:
 - all the right, title, interest, benefits, claims and demands whatsoever of the Company in the Project Documents;
 - the right, title and interest of the Company in, to and under all the Clearances;
 - all the right, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents;
 - all the right, title, interest, benefits, claims and demands whatsoever of the Company under all Insurance Contracts.
- 6 pledge of 51% (fifty one percent) of the paid up and voting equity share capital of the Company as held by Sadbhav Infrastructure Project Limited, for a year up to repayment of entire borrowings.

Notes:

- the aforesaid mortgages, charges, assignments and guarantees and the pledge of equity shares as stipulated in paragraph 6 above shall in all respects rank pari-passu inter-se amongst the Lenders, in accordance with the Concession Agreement, without any preference or priority to one over the other or others;
- the Security Interest stipulated in para 1 to 6 above shall exclude the Project Assets (as defined in and in accordance with the Concession Agreement), unless such security is consented to by NHAI pursuant to the Concession Agreement.

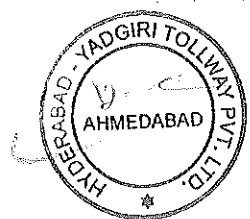
(ii) Terms of Repayment of Loans:

In respect of:

(a) Indian Rupee Term Loans:

The Principal Amounts of the Loan to each of the Lenders shall be repayable in 47 structured quarterly installments on the last day of each quarter, commencing from the expiry of Moratorium Period (33 months from initial drawdown date i.e. Sept 29th, 2010), such that the loan tenor (from initial drawdown to the date of repayment of the last repayment installment) does not exceed 14 years and 6 months.

Term loans carry interest of 10.95 to 11.50 per cent per annum.



Notes on accounts forming part of Financial Statements:

(b) Foreign Currency loan:

Foreign Currency loan from Bank shall be repayable in unequal 10 semi-annual installments. First repayment shall be made from the half year anniversary falling immediately after the date on which any scheduled repayment is made to the Rupee Lenders in accordance with the Common Rupee Loan agreement (scheduled repayment date of rupee loan is September 29,2013). At the end of payment of unequal 10 semi-annual instalments, the Company propose to convert balance loan amounting to USD 21.74 Million into a new Rupee Term Loan. The Company pays interest at LIBOR plus 470 basis points per annum on the foreign currency loan.

(c) Sub-ordinate debt from promoters:

The project of the Company has been funded through sub ordinate debt of ₹1,297.69 millions (31st March, 2015: ₹1,297.69 millions) from the then Sponsors in accordance with the Sponsor Support and Equity Contribution Agreement. The Unsecured Subordinate debt is considered as sponsor's contribution to ensure their commitment for the project. Sub-ordinate debt is interest free.The Subordinate debt shall be repayable only after entire repayment of external borrowings.

(iii) Company has entered into Common Loan Agreement dated March 31, 2016 with IDFC Bank Limited to refinance the existing Indian Rupee Loan of ₹ 2319.80 million. Subsequent to balance sheet date i.e. April 02, 2016, the existing rupee loan has been replaced by the new rupee loan.

5 Other Non Current Liabilities

(₹ in Million)

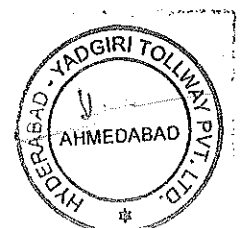
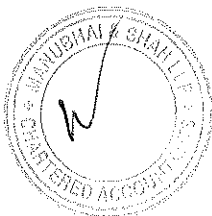
Particulars	As at March 31, 2016	As at March 31, 2015
Premium Obligation under Concession Agreement	4,035.72	4,035.72
Interest accrued on Premium Obligation**	21.61	5.12
Total	4,057.33	4,040.84

** As per the Ministry of Road Transport & Highways policy of NHAI, company is liable to make payment of interest on Deferment of Premium at Bank Rate + 2% p.a. which is charged to statement of profit & loss account for the year and obligation on the same has been recognised as liabilities. Premium obligation under the Concession Agreement has been deferred by NHAI vide its sanction letter dated June 10, 2014. According to the terms of the sanction letter company shall pay entire deferred premium of ₹ 1154.10 Million and interest thereon no later than one year prior to the expiry of the concession period. Amount of premium obligation which has not been deferred are payable in unequal monthly instalments, in terms of the sanction letter, during the concession period.

6 Long-Term Provisions

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for:		
Employee Benefits- Gratuity (Refer Note 28)	0.22	0.16
Periodic Major Maintenance Expense**	255.83	173.70
	256.05	173.86



Notes on accounts forming part of Financial Statements:

** Movement in Periodic Major Maintenance Provision:

(₹ in Million)

Particulars	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Carrying amount as at Beginning of the Year	173.70	83.50
Add: Additional provision made in the Year	82.13	90.20
Less: Amounts used (i.e. incurred and charged against the provision) during the Year	-	-
Carrying amount as at End of the Year	255.83	173.70

Note: As per Concession Agreement with NHAI the periodic maintenance is expected to occur over a period of 5 years which will be utilised from F.Y. 2018-19. The maintenance cost/cost of bituminous overlay may vary based on the actual usage during maintenance period

7 Short Term Borrowings

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
<i>Unsecured :</i>		
Loan from Holding Company* (Refer Note 31)	177.64	162.45
Total	177.64	162.45

* Loan is repayable on demand/call notice from the lender and it carry interest of 10.75 to 11.00 per cent per annum.

8 Trade Payables

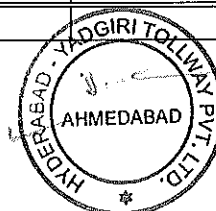
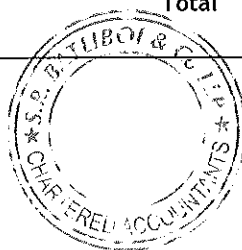
(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Outstanding dues to small, micro and medium enterprises (Refer Note 27)	-	-
Outstanding dues to others	13.42	11.82
Total	13.42	11.82

9 Other Current Liabilities

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Payable for Capital Expenditure (Refer Note 17 and 31)	35.47	35.64
Current Maturities of secured long-term borrowings	134.52	96.36
Interest accrued but not due on borrowings	2.01	1.45
Interest accrued and due on borrowings (Refer Note 31)	4.34	3.07
Payable to NHAI towards Change of Scope	-	16.92
Statutory dues	2.69	0.93
Employee Emoluments payable	0.71	0.76
Security Deposits	0.14	0.31
Option Premium Payable	0.79	0.61
Unearned Revenue	2.32	-
Total	182.99	156.05



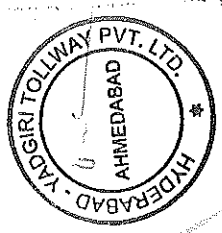
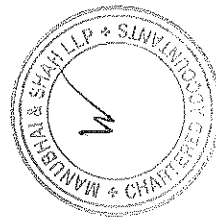
Hyderabad Yadgiri Tollway Private Limited
Notes forming part of Financial Statements:

11 Fixed Assets

Particulars	Gross Block				Depreciation / Amortisation				Net Block		
	As At April 1, 2015	Addition During the Year	Sale/Adjustment during the Year	Adjustment towards Exchange Difference	As At Mar 31, 2016	As At April 1, 2015	For The Year	Adjustment during the Year	Up to Mar 31, 2016	As At Mar 31, 2016	As At March 31, 2015
(i) Tangible Assets											
Land	17.17	-	0.51	-	17.68	-	-	-	-	17.68	17.17
Building	7.06	-	-	-	7.06	0.63	0.34	-	0.97	6.09	6.43
Plant and Equipments	0.70	-	-	-	0.70	0.05	0.06	-	0.11	0.59	0.64
Computers	0.30	0.03	-	-	0.33	0.13	0.12	-	0.25	0.08	0.18
Furniture & Fixtures	0.25	-	-	-	0.25	0.08	0.04	-	0.12	0.13	0.17
Vehicles	5.68	0.62	-	-	6.30	2.87	0.99	-	3.86	2.44	2.81
Office Equipments	0.31	0.17	-	-	0.48	0.15	0.11	-	0.26	0.22	0.17
Total (i)	31.47	0.82	0.51	-	32.80	3.91	1.66	-	5.57	27.23	27.57
(ii) Intangible Assets											
Toll Collection Rights (Refer Note 1)	9,158.91	-	-	93.22	9,252.13	275.01	167.77	-	442.78	8,809.35	8,883.90
Computer software	-	0.10	-	-	0.10	-	0.02	-	0.02	0.08	-
Total (ii)	9,158.91	0.10	-	93.22	9,252.23	275.01	167.79	-	442.80	8,809.43	8,883.90
Total (i) + (ii)	9,190.38	0.92	0.51	93.22	9,285.03	278.92	169.45	-	448.37	8,836.66	8,911.47
Previous Year	4,961.07	0.54	4,210.05	22.20	9,190.39	79.95	132.05	66.92	278.92	8,911.47	-

Notes:

1 Land, Borewells included under Building & certain Plant and Equipment are considered as "Project Assets".



Notes on accounts forming part of Financial Statements:

10 Short Term Provisions

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Compensated leave	0.11	0.11
Total	0.11	0.11

12 Non Current Investments

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Investment Properties (At Cost)		
Land	3.43	3.43
Total	3.43	3.43

Note: Of the above land measuring 166.25 sq. mtr (amounting to Rs.1.85 Million) situated at Raighad District, Maharashtra has been mortgaged against the Term Loans.

13 Long Term Loans and Advances

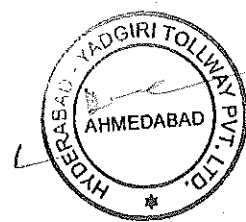
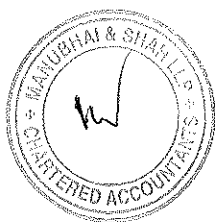
(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
<i>Unsecured, Considered Good</i>		
Deposits	0.04	1.38
Tax Credit Receivable	1.18	4.34
Income Tax paid under Dispute	-	0.21
Total	1.22	5.93

14 Other Non Current Assets

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Derivative Contract Settlement Receivable	187.76	194.44
(Less): Transferred to Long Term Borrowing (Refer Note 4)	(187.76)	(194.44)
	-	-



Notes on accounts forming part of Financial Statements:

15 Cash and Cash Equivalents

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Balance with Banks in Current Accounts*	22.55	25.00
Cash on hand	3.77	2.03
Total	26.32	27.03

Balance with Bank include balance of ₹ 6.97 Million (as at March 31,2015 ₹ 1.01 Million) are lying in the Escrow Accounts, as per terms of borrowings with the lenders.

16 Short Term Loans and Advances

(₹ in Million)

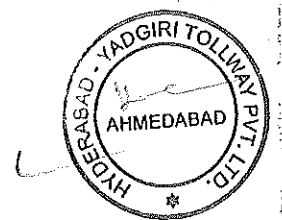
Particulars	As at March 31, 2016	As at March 31, 2015
<i>Unsecured, Considered Good</i>		
Prepaid expenses	1.06	1.46
Staff Advances	0.01	0.02
Income Tax Refund Receivable	3.90	-
Advances recoverable in cash or value to be received	0.60	0.70
Total	5.57	2.18

17 Other Current Assets

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
<i>Unsecured, Considered Good</i>		
Receivable from NHAI*	35.47	35.47
Receivable from EPC Contractor towards Change of Scope (Refer Note No. 31)	-	17.27
Other Receivable	0.49	0.38
Derivative Contract Settlement Receivable	6.68	5.14
(Less): Transferred to Long Term Borrowing (Refer Note 4)	(6.68)	(5.14)
Total	35.96	53.12

* The above amount is receivable from NHAI is outstanding since March 2013 towards Utility Shifting Expense incurred as per the Concession Agreement. The said amount is payable to Sadbhav Engineering Limited.



Hyderabad- Yadgiri Tollway Private Limited

Notes on accounts forming part of Financial Statements:

18 Revenue from operations (₹ in Million)

Particulars	For the Year ended March 31, 2016	For the year ended March 31, 2015
Revenue from Toll Collection	543.35	448.79
Total	543.35	448.79

19 Other income (₹ in Million)

Particulars	For the Year ended March 31, 2016	For the year ended March 31, 2015
Interest income on:		
- Income Tax Refund	0.42	0.69
Gain on sale of units of mutual funds (net)	3.45	1.35
Profit on sale of Assets	0.62	-
Dividend Income (amounting to Nil in C.Y & ₹ 2133 in P.Y.)	-	*
Insurance Claim	2.73	0.13
Miscellaneous Income	0.34	0.01
Total	7.56	2.18

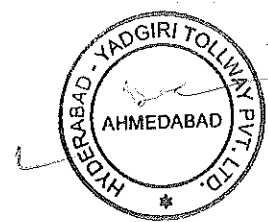
* Amount is below rounding off norm adopted by the Company.

20 Operating expenses (₹ in Million)

Particulars	For the Year ended March 31, 2016	For the year ended March 31, 2015
Toll Plaza and Road Operations & Maintenance expenses (including payment to sub contractors)	26.80	24.38
Periodic Major Maintenance Expense (Refer Note 6)	82.13	90.20
Power and Fuel	11.44	9.77
Security expenses	4.13	4.14
Total	124.50	128.49

21 Employee benefits expense (₹ in Million)

Particulars	For the Year ended March 31, 2016	For the year ended March 31, 2015
Salaries, wages and other allowances	9.49	9.23
Contribution to provident fund and other funds	0.48	0.46
Gratuity expense	0.06	0.09
Staff welfare expenses	1.40	1.71
Total	11.43	11.49



Hyderabad- Yadgiri Tollway Private Limited

Notes on accounts forming part of Financial Statements:

22 Finance costs

(₹ in Million)

Particulars	For the Year ended March 31, 2016	For the year ended March 31, 2015
Interest Expenses on		
Rupee Term Loans	260.88	276.66
Foreign Currency Loan	93.07	89.86
Short Term Borrowings	19.50	6.01
Deferment of Additional premium	18.32	5.13
Others	0.02	0.01
Other Borrowing costs		
Bank Charges	0.41	0.23
Ancillary Borrowing Fees	1.73	2.10
Option Premium	36.80	37.60
Total	430.73	417.60

23 Other expenses

(₹ in Million)

Particulars	For the Year ended March 31, 2016	For the year ended March 31, 2015
Rent	1.27	1.27
Rates and taxes (Amounting to ₹ 6380 in C.Y. & ₹ 4200 in P.Y)	*	*
Repairs and maintenance	1.68	1.52
Insurance	1.40	1.48
Legal and professional fees	2.69	9.22
Management Support Fees (Refer Note 31)	13.67	13.48
Communication Expense	0.60	0.26
Travelling and conveyance	0.15	0.32
Cash Collection charges	0.43	0.22
Auditors' remuneration (Refer Note below)	0.54	0.37
Loss on sale of Asset	-	0.79
Miscellaneous expenses	0.51	0.88
Total	22.94	29.81

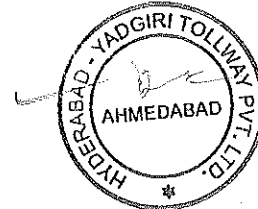
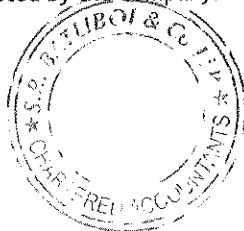
* Amount is below rounding off norm adopted by the Company.

Note :-

Auditors Remuneration (inclusive of Service Tax, wherever applicable) comprises of the following:

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Statutory Audit	0.52	0.28
Tax Audit and other tax matters	*	0.06
Certification Fees	0.02	0.03
Total	0.54	0.37

* Amount is below rounding off norm adopted by the Company.



Hyderabad- Yadgiri Tollway Private Limited

Notes on accounts forming part of Financial Statements:

24 Details of Expenditure in Foreign Currency

(₹ in Million)

Particulars	For the Year ended March 31, 2016	For the year ended March 31, 2015
Interest	85.88	80.50
Agency Fees	1.66	1.76
Total	87.54	82.26

- 25 The company has accumulated losses of ₹ 852.35/- Million (₹ 644.20/- Million as at March 31,2015) as at the March 31,2016 , which have resulted in erosion of the company's net worth, although, Sadbhav Infrastructure Project Limited, the holding company, Sponsor of the Company's project, has invested ₹ 1297.69/- Million as sub ordinate debt which is part of the Project Equity Capital as per terms of the Rupee Facility Agreement (Loan Agreement). The subordinate debt has certain repayment stipulations. The Company has been able to meet its obligations in the ordinary course of the business complimented by the continuing financial support offered from Sadbhav Infrastructure Project Limited (the Holding Company). The Sponsors viz., Sadbhav Infrastructure Project Limited and Sadbhav Engineering Limited have also entered into undertaking to support the Company for cost overrun and shortfall in cash flow. Accordingly, these financial statements have been prepared assuming that the Company will continue as a going concern.



Hyderabad- Yadgiri Tollway Private Limited

Notes on accounts forming part of Financial Statements:

26 Commitments :

(₹/USD in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
(i) Options outstanding (Principle Portion only)		
- Equivalent INR	1,417.77	1,361.87
- Equivalent USD	24.30	24.95
(ii) Interest rate swap outstanding		
- Equivalent INR	262.15	332.49
- Equivalent USD	4.49	6.09
(iii) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ Nil (P.Y ₹ Nil).		

27 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.

28 Employee Benefits (AS - 15):

Disclosure of provision for Gratuity as per AS - 15 on "Employee Benefit" for the year ended March 31, 2016 :

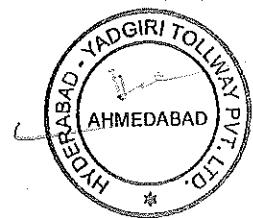
(₹ in Million)

Particulars	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Change in the defined benefit obligations		
Opening Defined benefit obligations	0.16	0.10
Current service cost	0.13	0.09
Interest cost (amounting to ₹ 12585 of C.Y. & ₹ 9057 of P.Y.)	0.01	0.01
Net actuarial loss / (gain) recognized	(0.08)	(0.03)
Present Value of Unfunded obligations as at end of the year	0.22	0.16

(₹ in Million)

Particulars	For the Year ended March 31, 2016	For the year ended March 31, 2015
Net amount Charged to Statement of Profit & Loss		
Current service cost	0.13	0.09
Interest cost (amounting to ₹ 12585 of C.Y. & ₹ 9057 of P.Y.)	0.01	0.01
Net actuarial loss / (gain) recognized	(0.08)	(0.03)
Net amount recognized in Statement of Profit & Loss	0.07	0.06
The principal actuarial assumptions used are as follows:		
Discount Rate	7.60%	7.80%
Rate of increase in compensation levels	6.00%	6.00%
Withdrawal rate	15% at younger ages, reducing to 3% at older ages	5% at younger ages, reducing to 1% at older ages
Mortality rate	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.

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.



Hyderabad- Yadgiri Tollway Private Limited

Notes on accounts forming part of Financial Statements:

29 Earning Per Share (EPS):

Earning per share is calculated by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year, as under:

Particulars	Unit	For the Year ended March 31, 2016	For the year ended March 31, 2015
Net (Loss) as per Statement of Profit & Loss	₹ in Million	(208.15)	(174.51)
Weighted average of number of equity shares outstanding during the year	No.	3,247,383	3,247,383
Basic & Diluted Profit/(Loss) per share of face value of ₹10/- Each	₹	(64.10)	(53.74)

30 Segment Reporting:

The Company is engaged in only one reportable segment viz DBFOT(Toll) projects. Therefore no disclosure of separate segment reporting as required in terms of Accounting Standard (AS) - 17 "Segment Reporting" is notified in Companies (Accounting Standards) Rules,2006 is given. The Company also primarily operates under one geographical segment namely India.

31 Related Party Disclosures:

Related party disclosures as required under the Accounting Standard (AS) - 18 on "Related Party Disclosures" are given below:

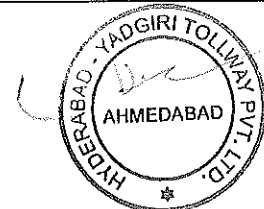
(a) Name of the related parties and description of relationship :

Sr. No.	Description of Relationship	Name of the Related Party
(A)	Ultimate Holding Company Holding Company	Sadbhav Engineering Limited (SEL) Sadbhav Infrastructure Project Ltd. (SIPL)
(B)	Enterprise having significant influence	GKC Projects limited (GKC)(till December 09,2014)

(b) Details of Transactions with Related Parties during the year:

(₹ in Million)

Sr. No.	Particulars	For the Year ended March 31, 2016	For the year ended March 31, 2015
(i)	Short Term Borrowings received SIPL	21.40	174.50
(ii)	Short Term Borrowings repaid (including interest paid amounting to ₹ 16.28 Million) SIPL	22.50	15.40
(iii)	Interest on Short Term Borrowings SIPL	19.50	6.01
(iv)	Road Maintenance Work Services Aailed GKC	-	0.58
(v)	Road Maintenance costs recoverable GKC	-	0.63
(vi)	Management Support Services Aailed SIPL	13.67	13.48
(vii)	Operation and Maintenance Services Aailed SIPL	14.11	12.68
(viii)	Rent , Allocation of Expenses & Reimbursement		
	SEL	1.03	1.01
	SIPL	0.32	0.01
	GKC	-	0.03
(ix)	Reimbursement of Expense incurred by the company		
	SEL	-	1.04



Hyderabad- Yadgiri Tollway Private Limited

Notes on accounts forming part of Financial Statements:

(c) Balances outstanding as at March 31, 2016 :

(₹ in Million)

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
(i)	Sub Ordinate Debt SIPL	1,297.69	1,297.69
(ii)	Short Term Borrowings outstanding including interest payable SIPL	181.98	162.45
(iii)	Payable towards Utility Shifting & EPC Variation SEL	35.47	35.47
(iv)	Receivable for Change of Scope SEL	-	17.27
(v)	Trade Payables and other current liabilities SEL SIPL	0.55 5.45	0.12 2.99

32 Operating Lease:

Office premises of the Company have been taken on operating lease basis. The lease rent paid during the year is ₹ 1.03 Millions (P.Y. ₹ 1.01 Millions). These operating lease agreement are cancellable by giving short period notice by either of the parties to the agreement.

33 Details of Deferred Tax Asset (net) :

(₹ in Million)

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
A	Deferred Tax Assets		
(i)	Carry forward business losses and unabsorbed depreciation as per Income Tax Act, 1961	579.05	542.69
(ii)	Provision for Gratuity	0.07	0.05
(iii)	Provision for Major Maintenance	79.05	-
(vi)	Preliminary Expenses written off (amounting to ₹ 1559 of C.Y. & ₹ 3118 of P.Y.)	*	*
	Deferred Tax Assets	658.17	542.74
B	Deferred Tax Liability		
(i)	Difference between book and tax Depreciation & Amortisation and Unrealised Foreign Exchange Loss	466.70	344.06
	Deferred Tax Liability	466.70	344.06
	Net Deferred tax asset/(liability) recognised in books	-	-

Note: (a) As a matter of prudence, the recognition of deferred tax asset has been restricted to the extent of deferred tax liability appearing in the books of accounts. Hence, as at 31st March, 2016, deferred tax in the books of accounts appears Nil.

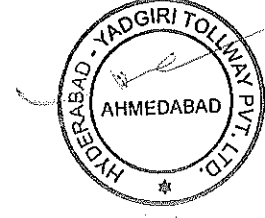
(b) * The amount is below rounding off norm adopted by the company

34 Derivative Transactions:

The Company has entered into Option contract over the borrowing term for hedging foreign currency exchange rate risk against External Commercial Borrowings. The receivable on derivative settlement as per the option contract are adjusted against the Loan Liability in the Financial Statements at the year end. The Company has also entered into Swap contract to hedge interest rate fluctuation related risk over the borrowing term.

35 Exceptional Item

Exceptional item in year 2014-15 represents accounting impact due to change in policy relating to accounting of premium payable to NHAI, which has been accounted on upfront basis as cost of Intangible Assets-Rights to Toll collection.



Hyderabad- Yadgiri Tollway Private Limited

Notes on accounts forming part of Financial Statements:

36 Previous Year Figures:

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

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

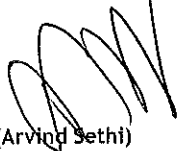


(K. C Patel)
Partner
Membership No.:30083

Place: Ahmedabad
Date :22/04/2016



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



(Arvind Sethi)
Partner
Membership No.: 89802

Place: Ahmedabad
Date :22/04/2016



For & on behalf of the Board of Directors of
Hyderabad Yadgiri Tollway Pvt Ltd.



(Vishnubhai M Patel)
Director
DIN No.: 00048287

Place: Ahmedabad
Date :22/04/2016



(Vasantha C Patel)
Director
DIN No.: 00048324

