

**ROHTAK PANIPAT
TOLLWAY PRIVATE LIMITED**

**Ind AS financial statement
for the year ended March 31, 2018**

INDEPENDENT AUDITOR'S REPORT

To the Members of Rohtak Panipat Tollway Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Rohtak Panipat Tollway Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein referred to as 'Ind AS financial statements').

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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 thereunder. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 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 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 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

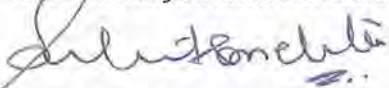
In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of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



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 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 including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 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 has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer note 35 to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - 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/E300005



per Sukrut Mehta
Partner
Membership Number: 101974

Place of Signature: Ahmedabad
Date: May 05, 2018



Annexure 1 referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date of Rohtak Panipat Tollway Private Limited for the year ended March 31, 2018

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property plant & equipment;
- (b) The property plant & equipment has been physically verified by the management during the year which in our opinion is reasonable considering the nature and size of its assets. No material discrepancies were noticed on such verification;
- (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company is in the business of development, construction as well as operation & maintenance of road infrastructure projects, which does not require it to hold any inventory. Accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company and hence not commented upon.
- (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 Act. Accordingly, the provisions of clause 3(ii)(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 of the Companies Act 2013 are applicable and hence not commented upon. Further, based on the information and explanations given to us, being an infrastructure company, provision of section 186 of the Act is not applicable to the Company and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of section 73 to 76 of the Act and the Companies (Acceptance of deposits) rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the order are not applicable and hence not commented upon.
- (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) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions relating to custom duty and excise duty 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, employees' state insurance, income-tax, service tax, sales-tax, value added tax, goods and service 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, explanation and records of the Company, the dues outstanding of income-tax, sales tax, service tax, value added tax, goods and service tax and cess on account of any dispute, are as follows:



S.R. BATLIBOI & Co. LLP

Chartered Accountants

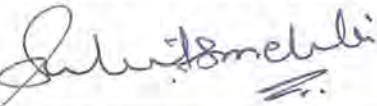
Name of the statute	Nature of the dues	Amount (INR in million)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	13.73	Assessment Year 2013-14	Income Tax Appellate Tribunal

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans to bank. The Company does not have any dues payable to the financial institution, debenture holders and government.
- (ix) According to the information and explanations given by the management during the year, the Company has not raised any money way of initial public offer or further public offer (including debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) 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.
- (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 Ind AS 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 company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For S.R. Batliboi & Co LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Sukrut Mehta

Partner

Membership Number: 101974

Place of Signature: Ahmedabad

Date: May 05, 2018



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 Rohtak Panipat Tollway Private Limited ("the Company") as of March 31, 2018 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. 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 Act.

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 Act, 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 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 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 (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 authorisations of management and directors of the company; and (3) provide reasonable assurance



S.R. BATLIBOI & Co. LLP

Chartered Accountants

regarding prevention or timely detection of unauthorised 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.

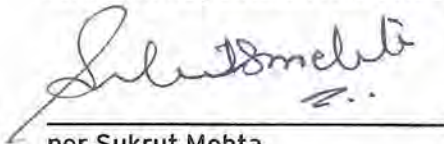
Opinion

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, 2018, 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/E300005



per Sukrut Mehta

Partner

Membership Number: 101974

Place of Signature: Ahmedabad

Date: May 05, 2018



Rohtak Panipat Tollway Private Limited
Balance Sheet as on March 31, 2018

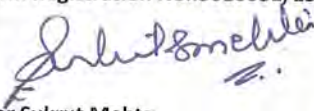
Particulars	Note No.	As at	As at
		March 31, 2018	March 31, 2017
		INR In Million	INR In Million
ASSETS			
1 Non-Current Assets			
(a) Property, plant and equipments	5	2.41	1.33
(b) Investment property	6	1.03	1.03
(c) Intangible assets	7	17,088.36	17,395.26
(d) Financial assets			
(i) Other financial assets	10	137.24	171.16
(e) Other assets	11	4.11	3.36
Total Non-current assets		17,233.15	17,572.14
2 Current Assets			
(a) Financial Assets			
(i) Investments	8	31.96	30.04
(ii) Cash and cash equivalents	9	14.34	23.38
(iii) Other financial assets	10	982.46	92.87
(b) Other assets	11	10.68	6.39
Total Current assets		1,039.44	152.68
Total Assets		18,272.59	17,724.82
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12	21.86	21.86
Other equity	13	(3,821.22)	(2,373.02)
Total equity		(3,799.36)	(2,351.16)
LIABILITIES			
1 Non-Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	14	9,719.67	9,933.78
(ii) Other financial liabilities	18	8,947.77	8,158.85
(b) Provisions	16	712.92	465.68
Total Non-current liabilities		19,380.36	18,558.31
2 Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	15	1,372.62	961.00
(ii) Trade payables	17	32.19	28.67
(iii) Other financial liabilities	18	1,268.26	512.60
(b) Other liabilities	19	18.37	15.27
(c) Provisions	16	0.15	0.12
Total Current liabilities		2,691.59	1,517.67
Total Equity and Liabilities		18,272.59	17,724.82

Summary of significant accounting policies

3

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

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


per Sukrut Mehta
Partner

Membership No.: 101974

Date: May 05, 2018
Place: Ahmedabad



For and on behalf of the Board of Directors of
Rohtak Panipat Tollway Private Limited


Vikram Patel
Director
DIN No.: 00048318


Vipul Patel
Director
DIN No.: 06634262

Date: May 05, 2018
Place: Ahmedabad

Rohtak Panipat Tollway Private Limited
Statement of Profit and Loss for the year ended March 31, 2018

Particulars	Note No.	March 31, 2018	March 31, 2017
		INR In Million	INR In Million
INCOME			
I Revenue from operations	20	1,832.83	908.42
II Other Income	21	135.47	115.69
III Total Income (I+II)		1,968.30	1,024.11
EXPENSES			
a. Construction expenses		522.25	-
b. Operating expenses	22	259.57	216.17
c. Employee benefits expenses	23	26.29	21.49
d. Finance cost	24	2,256.99	2,019.06
e. Depreciation and amortization	25	316.08	277.90
f. Other expenses	26	35.42	72.25
IV Total Expenses		3,416.60	2,606.87
V Loss for the year (III-IV)		(1,448.30)	(1,582.76)
Other Comprehensive Income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Remeasurements (losses)/gain on defined benefit plans (refer note 32)		0.10	(0.08)
Income tax effect		-	-
VI Total Comprehensive Income for the year		0.10	(0.08)
VII Total Comprehensive Income for the year, net of tax (V+VI)		(1,448.20)	(1,582.84)
Earning per share [Nominal value of share INR 10/-]	31		
Basic and Diluted (in INR)		(662.40)	(723.90)
Summary of significant accounting policies	3		

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

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

Sukrut Mehta
per Sukrut Mehta
Partner
Membership No.: 101974

Date: May 05, 2018
Place: Ahmedabad

For and on behalf of the Board of Directors of
Rohtak Panipat Tollway Private Limited



Vikram Patel
Vikram Patel
Director
DIN No.: 00048318

Date: May 05, 2018
Place: Ahmedabad

Vipul Patel
Vipul Patel
Director
DIN No.: 06634262



Rohtak Panipat Tollway Private Limited
Statement of Changes in Equity for the year ended March 31, 2018

A Equity Share Capital

Equity shares of INR 10 each issued, subscribed and fully paid	Number of shares	INR In Million
As at April 1, 2016	21,86,445	21.86
Add/(Less): Changes during the year	-	-
As at March 31, 2017	21,86,445	21.86
Add/(Less): Changes during the year	-	-
At 31 March 2018	21,86,445	21.86

B Other Equity

(INR In Million)

Particulars	Equity Component of Compound Financial Instrument (Note 13)	Reserves and Surplus		Total
		Securities Premium (Note 13)	Retained Earning (Note 13)	
As at April 1, 2016	2,209.06	195.88	(3,195.12)	(790.18)
Loss for the year	-	-	(1,582.76)	(1,582.76)
Other comprehensive income for the year	-	-	(0.08)	(0.08)
As at March 31, 2017	2,209.06	195.88	(4,777.96)	(2,373.02)
As at April 1, 2017	2,209.06	195.88	(4,777.96)	(2,373.02)
Loss for the year	-	-	(1,448.30)	(1,448.30)
Other comprehensive income for the year	-	-	0.10	0.10
As at March 31, 2018	2,209.06	195.88	(6,226.16)	(3,821.22)

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

As per our report of even date

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



per Sukrut Mehta
Partner
Membership No.: 101974

Date: May 05, 2018
Place: Ahmedabad



For and on behalf of the Board of Directors of
Rohtak Panipat Tollway Private Limited


Vikram Patel
Director
DIN No.: 00048318

Date: May 05, 2018
Place: Ahmedabad


Vipul Patel
Director
DIN No.: 06634262

Rohtak Panipat Tollway Private Limited
Cash Flow Statement for the year ended March 31, 2018

Particulars	March 31, 2018	March 31, 2017
	INR in Million	INR in Million
(A) Cash flows from operating activities		
Net (Loss) before tax	(1,448.30)	(1,582.76)
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation and amortisation	316.08	277.89
Interest and other borrowing cost	2,256.99	2,019.06
Interest Income	(128.40)	-
Gain on sale of units in mutual funds	(1.94)	(1.83)
Periodic major maintenance expense	188.80	155.42
Unrealised gain on fair value of financial instruments	-	(116.42)
Operating profit before working capital changes	1,183.23	751.36
<i>Working capital changes:</i>		
(Increase) in financial assets	(749.63)	(92.90)
(Increase) / Decrease in current assets	(4.28)	0.02
Increase / (Decrease) in financial liabilities	481.70	(9.12)
Increase in trade payables	3.52	6.90
Increase in current liabilities	3.10	5.82
Increase in provisions	0.50	0.34
Cash generated from operating activities	918.14	662.42
Direct taxes paid (net of income tax refund)	(0.76)	6.88
Net cash flow generated from operating activities	(A) 917.38	669.29
(B) Cash flows from investment activities		
Purchase of tangible assets	(1.48)	(0.69)
Purchase of units in mutual funds	(39.00)	(30.00)
Proceeds from sale of units in mutual funds	39.02	-
Gain on sale of units in mutual fund	-	1.83
Net cash flow (used) in investing activities	(B) (1.48)	(28.86)
(C) Cash flows from financing activities		
Repayment of non-current borrowings	(119.49)	(20.84)
Proceeds from current borrowings	411.62	405.70
Interest and other borrowing cost paid	(1,217.07)	(1,070.48)
Net cash (used) in financing activities	(C) (924.94)	(685.62)
Net (decrease) in cash and cash equivalents	(A + B + C) (9.04)	(45.19)
Cash and cash equivalents at beginning of the year	23.38	68.57
Cash and cash equivalents at end of the year	14.34	23.38



Rohtak Panipat Tollway Private Limited
Cash Flow Statement for the year ended March 31, 2018

Notes:

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

	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
Cash on hand	3.15	2.93
Balances with banks in current accounts	11.19	20.45
Cash and cash equivalents	14.34	23.38

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

(iii) **Amendments to Indian Accounting Standard 7 "Statement of Cash flows":**

The Company applied for the first time amendments to Indian Accounting Standard 7 "Statement of Cash Flows", which is effective for annual periods beginning on or after April 1, 2017. The amendments require the Company to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as fair value changes). The Company has provided the information for current year which given as below:

Changes in liabilities arising from financing activities:

Particulars					(INR In Million)
	April 1, 2017	Net cash flow	Change in fair value	Others	March 31, 2018
Non-current borrowings (including current maturities)	10,035.03	(119.49)	18.31	8.78	9,942.64
Current borrowings	961.00	411.62	-	-	1,372.62
Interest accrued	491.87	(1,217.07)	-	1,419.19	693.99
Total	11,487.90	(924.94)	18.31	1,427.98	12,009.25

Others represent exchange difference on external commercial borrowing as well as interest accrued during the year.

(iv) Figures in brackets represent outflows.

As per our report of even date

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

Sukrut Mehta

per Sukrut Mehta
Partner
Membership No.: 101974

Date: May 05, 2018
Place: Ahmedabad



For and on behalf of the Board of Directors of
Rohtak Panipat Tollway Private Limited

Vikram Patel

Vikram Patel
Director
DIN No.: 00048318

Date: May 05, 2018
Place: Ahmedabad

Vipul Patel

Vipul Patel
Director
DIN No.: 06634262



Rohtak Panipat Tollway Private Limited
Notes to Financial Statement for the year ended March 31, 2018

1. Company information:

Rohtak Panipat Tollway Private Limited ("the Company") is a private company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. It is whole owned subsidiary of Sadbhav Infrastructure Project Limited which is listed on two recognized stock exchanges in India. The registered office of the company is located at "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380 006.

The Company was incorporated as a Special Purpose Vehicle (SPV) in January, 2010, for the purpose of four laning of Rohtak Panipat section of NH-10 from KM 63.30 to KM 83.50 of NH-1 in the state of Haryana 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 25 years w.e.f. 09th March, 2010. The Company had received provisional completion certificate dated 6 January'2014 from NHAI. The toll collection had commenced from that date.

The financial statements were authorized for issue in accordance with a resolution of the directors on May 05, 2018.

2. Basis of preparation:

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

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

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

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

3. Summary of significant accounting policies

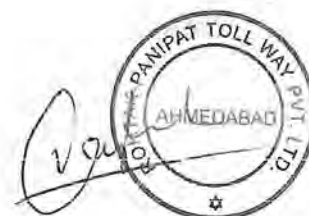
The following are the significant accounting policies applied by the company in preparing its financial statements:

3.1 Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Expected to be realised within twelve months after the reporting period; or
- Held primarily for the purpose of trading; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.



Rohtak Panipat Tollway Private Limited
Notes to Financial Statement for the year ended March 31, 2018

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
- Held primarily for the purpose of trading; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

Operating cycle

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

3.2 Foreign Currencies

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

Transactions and balances

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

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

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

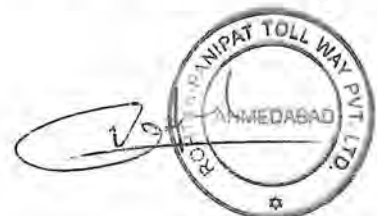
Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

3.3 Service Concession Arrangement

Toll collection rights

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

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



Rohtak Panipat Tollway Private Limited
Notes to Financial Statement for the year ended March 31, 2018

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

Premium Capitalization in Toll collection rights

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

Amortization of Toll collection rights

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

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

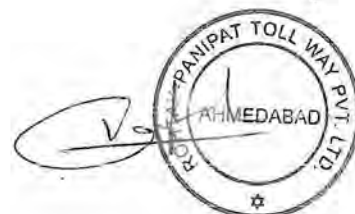
Construction revenue:

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

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

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

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



Rohtak Panipat Tollway Private Limited
Notes to Financial Statement for the year ended March 31, 2018

3.4 Property, Plant and Equipment

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

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

Derecognition

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

Depreciation

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

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

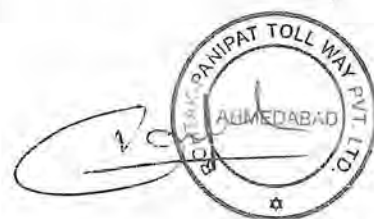
The estimated useful lives, residual values and method of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.5 Intangible assets:

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

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

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



Rohtak Panipat Tollway Private Limited
Notes to Financial Statement for the year ended March 31, 2018

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.

Amortization

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

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

3.6 Impairment – Non-financial assets

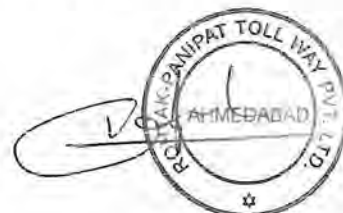
The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. The recoverable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

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

Intangible assets with indefinite useful lives are tested for impairment annually as and when circumstances indicate that the carrying value may be impaired and charges to statement of profit and loss accounts.

3.7 Revenue Recognition

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



Rohtak Panipat Tollway Private Limited
Notes to Financial Statement for the year ended March 31, 2018

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

Toll collection income

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

Gain or loss on sale of Mutual Fund

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

Dividend

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

3.8 Investment Property

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

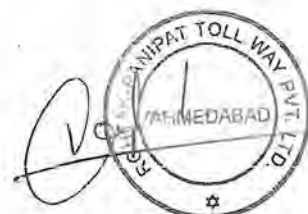
An investment property is derecognised on disposal or on permanently withdrawal from use or when no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of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

3.9 Borrowing costs

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

3.10 Leases

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



Rohtak Panipat Tollway Private Limited
Notes to Financial Statement for the year ended March 31, 2018

Company as lessee

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

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.

ii. Subsequent measurement of financial assets

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

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

• Financial assets at amortized cost :

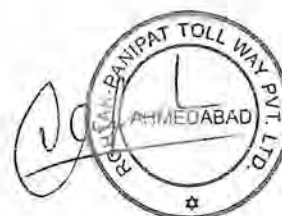
A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal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

• Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the above conditions mentioned in "Financial assets at amortised cost" are met. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

• 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.



Rohtak Panipat Tollway Private Limited
Notes to Financial Statement for the year ended March 31, 2018

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 recognized as an impairment gain or loss in profit or loss.

The company follows 'simplified approach' for recognition of impairment loss allowance on:

- Other receivables

The application of simplified approach does not require the company to track changes in credit risk. Rather it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

b) Financial Liabilities

i. Initial recognition and measurement of financial liabilities

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

All financial liabilities are recognized initially at fair value in case of loan and borrowings and payable, fair value is reduced by directly attributable transaction costs.



Rohtak Panipat Tollway Private Limited
Notes to Financial Statement for the year ended March 31, 2018

ii. Subsequent measurement of financial liabilities

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

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

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

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

• **Loans and Borrowings**

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

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

• **Equity component of Compound financial instruments**

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

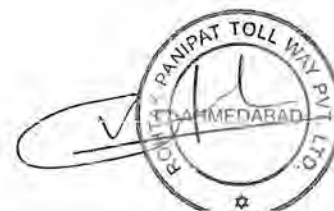
iii. Derecognition of financial liabilities

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

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

c) Derivative financial instruments

The Company uses derivative financial instruments, such as options and interest rate swaps, to hedge its foreign currency risks and interest rate risks. These derivative contracts do 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



Rohtak Panipat Tollway Private Limited
Notes to Financial Statement for the year ended March 31, 2018

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



Rohtak Panipat Tollway Private Limited
Notes to Financial Statement for the year ended March 31, 2018

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

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

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

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

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

3.13 Employee Benefits

a) Short Term Employee Benefits

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

b) Post-Employment Benefits

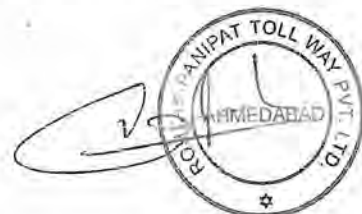
(i) Defined contribution plan

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 and charged to statement of profit & loss account during the period in which the employee renders the related service.

(ii) Defined benefit plan

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

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive



Rohtak Panipat Tollway Private Limited
Notes to Financial Statement for the year ended March 31, 2018

Income (OCI) in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

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

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

c) Other Employment benefits

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

3.14 Income tax

Income tax expense comprises current tax and deferred tax.

Current Tax

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

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

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 except 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 except when the



Rohtak Panipat Tollway Private Limited
Notes to Financial Statement for the year ended March 31, 2018

deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

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

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

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

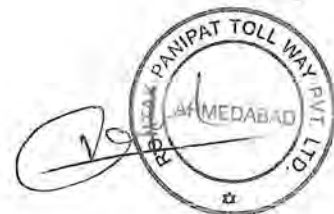
Deferred tax assets and deferred tax liabilities are offset, where company has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.15 Provisions

General

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Provision are reviewed at each balance sheet and adjusted to reflect the current best estimates.



Rohtak Panipat Tollway Private Limited
Notes to Financial Statement for the year ended March 31, 2018

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

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

3.16 Contingent liabilities

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

3.17 Cash and cash equivalents

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

3.18 Earnings per share

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

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

3.19 Segment reporting

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

4. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities



Rohtak Panipat Tollway Private Limited
Notes to Financial Statement for the year ended March 31, 2018

and the accompanying disclosure, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

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

Fair value measurement of financial instruments

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

Taxes

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

Property, plant and equipment

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

Intangible Assets

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

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.

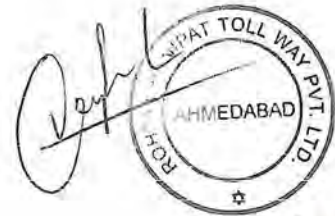


Rohtak Panipat Tollway Private Limited
Notes to Financial Statement for the year ended March 31, 2018

Revenue and expenses of construction contracts

As described in Note 3.3, Revenue recognition using the percentage-of-completion method which involves the use of estimates of certain key elements of the construction contracts, such as total estimated contract costs, allowances or provisions related to the contract, period of execution of the contract and recoverability of the claims. As far as practicable, the Group applies past experience in estimating the main elements of construction contracts and relies on objective data such as physical inspections or third parties confirmations. Nevertheless, given the highly tailored characteristics of the construction contracts, most of the estimates are unique to the specific facts and circumstances of each contract.

Although estimates on construction contracts are periodically reviewed on an individual basis, we exercise significant judgments and not all possible risks can be specifically quantified.



Rohtak Panipat Tollway Private Limited
Notes to financial statements for the year ended March 31, 2018

5 Property, Plant and Equipments	(INR In Million)					
Particulars	Equipments	Computers	Furniture & Fixtures	Vehicles	Office Equipments	Total
Cost						
As at April 01, 2016	0.11	0.33	0.05	0.69	0.03	1.21
Addition	0.61	-	0.02	-	0.06	0.69
Disposal/adjustment	-	-	-	-	-	-
As at March 31, 2017	0.72	0.33	0.07	0.69	0.09	1.90
Addition	0.27	-	-	0.67	0.54	1.48
Disposal/adjustment	-	-	-	-	-	-
As at March 31, 2018	0.99	0.33	0.07	1.36	0.63	3.38
Accumulated Depreciation						
As at April 01, 2016	0.07	0.12	0.04	0.09	0.03	0.35
Charge for the year	0.05	0.07	0.00	0.09	0.01	0.22
On disposal / adjustment	-	-	-	-	-	-
As at March 31, 2017	0.12	0.19	0.04	0.18	0.04	0.57
Charge for the year	0.07	0.07	0.00	0.16	0.10	0.40
On disposal / adjustment	-	-	-	-	-	-
As at March 31, 2018	0.19	0.26	0.04	0.34	0.14	0.97
Net Block						
As at March 31, 2017	0.60	0.14	0.04	0.51	0.05	1.33
As at March 31, 2018	0.80	0.07	0.04	1.02	0.49	2.41

Notes:

- The Company has elected to continue with the carrying value for all of its property, plant and equipments as recognised in its previous GAAP financial (Indian accounting principle generally accepted in India as prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014), as deemed cost at the transition date i.e. April 1, 2015 as per option permitted under Ind AS 101 for the first time adoption.
- Property plant and equipments has been pledged against non-current borrowings in order to fulfill the collateral requirement for the lenders. (refer note 14)

6 Investment Property	(INR In Million)	
Particulars	Land	Total
Cost		
As at April 1, 2016	1.03	1.03
Addition	-	-
Disposal / adjustment	-	-
As at March 31, 2017	1.03	1.03
Addition	-	-
Disposal / adjustment	-	-
As at March 31, 2018	1.03	1.03
Accumulated Depreciation		
As at April 1, 2016	-	-
Charge for the year	-	-
On disposal / adjustment	-	-
As at March 31, 2017	-	-
Charge for the year	-	-
On disposal / adjustment	-	-
As at March 31, 2018	-	-
Net Block		
As at March 31, 2017	1.03	1.03
As at March 31, 2018	1.03	1.03

Notes:

- There are no income arise from above investment properties. Further, the company has not incurred any expenditure for above properties.
- The above consist of 2 land which are situated at Kadi District and Haryana District which has been mortgaged against non-current borrowings to fulfil the collateral requirement of lenders. (refer note 14)
- The Company has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
- The fair value disclosure for investment property is not presented as the property specifically acquired for offering as security for non-current borrowings and based on the information, there are no material development in the area where land is situated and accordingly, they believe that there is not material difference in fair value and carrying value of property.



Rohtak Panipat Tollway Private Limited
Notes to financial statements for the year ended March 31, 2018

7 Intangible Assets :	(INR In Million)		
Particulars	Computer software	Toll collection rights	Total
Cost			
As at April 1, 2016	0.27	18,367.07	18,367.34
Addition	-	-	-
Disposal	-	-	-
Adjustment during the year			
Foreign exchange difference (refer note 3 below)	-	(56.37)	(56.37)
As at March 31, 2017	0.27	18,310.70	18,310.97
Addition	-	-	-
Disposal	-	-	-
Adjustment during the year			
Foreign exchange difference (refer note 3 below)	-	8.78	8.78
As at March 31, 2018	0.27	18,319.48	18,319.75
Accumulated Depreciation			
As at April 1, 2016	0.03	638.00	638.03
Charge for the year	0.09	277.59	277.68
On disposal / adjustment	-	-	-
As at March 31, 2017	0.12	915.59	915.71
Charge for the year	0.09	315.59	315.68
On disposal / adjustment	-	-	-
As at March 31, 2018	0.21	1,231.18	1,231.39
Net Block			
As at March 31, 2017	0.15	17,395.11	17,395.26
As at March 31, 2018	0.06	17,088.30	17,088.36

Notes:

- 1 Toll collection rights of four laning of Rohtak -Panipat section from Km 63.30 of NH-10 to Km 83.50 on NH-1 in the state of Haryana on Design, Built, Finance, Operate and Transfer (DBFOT) basis 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 42 for detail additional disclosure pursuant to Appendix - A to Ind AS 11 - " Service Concession Arrangements" ('SCA').
- 2 Toll collection rights also include present value of premium payable under the concession agreement of INR 6,248.53 million at the time of receipt of completion certificate from the authority .
- 3 The Company had adopted an option under Para 46A of AS 11 under previous GAAP which the company has elected to continue as per para D13AA of Ind AS 101 'First time adoption Indian Accounting Standard". Accordingly, the exchange difference arising on reporting of long-term foreign currency monetary items, in so far as they relate to the acquisition of depreciable asset, is added or deducted from the cost of the asset and shall be amortised over the balance life of the asset.
- 4 Toll collection right has been pledged against non current borrowings in order to fulfil the collateral requirement of the Lenders.(refer note 14)
- 5 The remaining amortisation period for the Toll collection rights at the end of the reporting period is 18.06 years (March 31, 2017: 19.06 years).



Rohtak Panipat Tollway Private Limited
Notes to financial statements for the year ended March 31, 2018

8 Investments (Current)	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
Unquoted		
Investments carried at fair value through profit or loss		
11,313.86 units (March 31, 2017: 11,313.86 units) in UTI Floating Rate Fund - Direct Growth	31.96	30.04
Total	31.96	30.04
Aggregate amount of unquoted investments	31.96	30.04
Fair value disclosures for financial assets are given in note 29		

9 Cash and cash equivalents	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
Cash on hand	3.15	2.93
Balance with bank in current accounts #	11.19	20.45
Total	14.34	23.38

Balance with bank includes balance of INR 0.05 million (March 31, 2017: INR 17.60 million) lying in the Escrow accounts which is usable as per terms of borrowings arrangement with the lenders.

10 Other financial assets (unsecured, considered good)	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
Non current		
Security deposits	0.01	0.01
Derivatives not designated as hedges	137.23	171.15
Total (A)	137.24	171.16
Current		
Toll receivable	1.24	1.18
Receivable from NHAI - Toll suspension (refer note 1 below)	91.69	91.69
Receivable from NHAI - Arbitration claim (refer note 44 below)	889.53	-
Total (B)	982.46	92.87
Total (C = A + B)	1,119.70	264.03

Note:

- Pursuant to demonetisation, concessioning authorities had announced suspension of toll collection at all roads from November 09, 2016 until December 2, 2016. Based on notification and provisions of concession agreement with the relevant authorities, the Company has claimed and recognised revenue of INR 126.04 millions during the earlier year. As at March 31, 2018, the company has received INR 34.35 million against such claim from NHAI and the balance still receivable.
- Fair value disclosures for financial assets are given in note 29

11 Other assets	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
Non current		
Advance Income tax (net of provision)	4.11	3.36
Total (A)	4.11	3.36
Current		
Prepaid expenses	6.24	5.83
Staff advances	0.01	-
Advances to suppliers	0.45	0.56
Unbilled revenue (refer note 38)	3.11	-
Tax credit receivable	0.87	-
Total (B)	10.68	6.39
Total (C = A + B)	14.79	9.75



Rohtak Panipat Tollway Private Limited
Notes to Financial Statements for the year ended March 31, 2018

12 Equity share capital	March 31, 2018		March 31, 2017	
	No. of shares	(INR in Million)	No. of shares	(INR in Million)
Authorized share capital				
Equity shares of INR 10 each	50,00,000	50.00	50,00,000	50.00
	50,00,000	50.00	50,00,000	50.00
Issued, subscribed and fully paid up				
Equity shares of INR 10 each	21,86,445	21.86	21,86,445	21.86
	21,86,445	21.86	21,86,445	21.86

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

Particulars	March 31, 2018		March 31, 2017	
	No. of shares	(INR in Million)	No. of shares	(INR in Million)
At the beginning of the year	21,86,445	21.86	21,86,445	21.86
Add: Issue during the year	-	-	-	-
Outstanding at the end of the year	21,86,445	21.86	21,86,445	21.86

(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 INR 10 each. Each shareholder is entitled to one vote per share held. In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the residual assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

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

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

	March 31, 2018 (INR in Million)	March 31, 2017 (INR in Million)
Sadbhav Infrastructure Project Limited - Holding Company 2,186,445 (March 31, 2017: 2,186,445) equity shares	21.86	21.86

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

Particulars	March 31, 2018		March 31, 2017	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Equity shares of INR 10 each fully paid				
Sadbhav Infrastructure Project Limited and its nominees	21,86,445	100%	21,86,445	100%

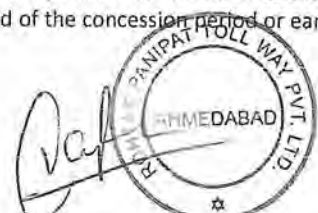
As per the records of the company, including its registers of shareholders/member and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

13 **Other equity**

	March 31, 2018 (INR in Million)	March 31, 2017 (INR in Million)
Equity component of compound financial instrument - Sub Ordinate debts (refer note below & 35)		
Balance at the beginning of the year	2,209.06	2,209.06
Balance at the end of the year	Total (A) 2,209.06	2,209.06
Security premium account		
Balance at the beginning of the year	195.88	195.88
Balance at the end of the year	Total (B) 195.88	195.88
(Deficit) in statement of profit and loss		
Balance at the beginning of the year	(4,777.96)	(3,195.12)
Add: (Loss) for the year	(1,448.30)	(1,582.76)
(Less): Other comprehensive income for the year	0.10	(0.08)
Balance at the end of the year	Total (C) (6,226.16)	(4,777.96)
Total (A + B + C)	(3,821.22)	(2,373.02)

Note

- 1 The Project of the company has been funded through sub ordinate debt of INR 2,209.06 million from the Sponsors in accordance with Sponsor Support and Equity Contribution Agreement / Sponsor Undertaking. Such sub ordinate debts is considered as sponsor's contribution to ensure promoters' commitment for the project. Sub-ordinate debt is interest free and shall be repayable at the end of the concession period or earlier at the option of the company in accordance with terms of contract.



Rohtak Panipat Tollway Private Limited
Notes to Financial Statements for the year ended March 31, 2018

14 Non-current borrowings

	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
Secured*		
Term loan from banks		
Indian rupee	6,416.33	6,505.10
Foreign currency	2,430.68	2,421.31
Loan from financial institution	1,095.63	1,108.62
Total (A)	9,942.64	10,035.03
Less: Current maturities of non-current borrowing* (refer note 18)		
Term loan from banks		
Indian rupee	159.18	86.02
Foreign currency	35.95	-
Loan from financial institution	27.84	15.23
Total (B)	222.97	101.25
Total Non-current borrowings (C=A-B)	9,719.67	9,933.78

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



Rohtak Panipat Tollway Private Limited
Notes to Financial Statements for the year ended March 31, 2018

(ii) Terms of repayment of loans:

(a) Indian rupee term loans from banks and financial institution:

The Principal Amounts of the Loan to each of the Lenders shall be repayable in 43 structured quarterly instalments on the last day of each quarter, commencing from the expiry of moratorium period (22 quarters from initial drawdown date i.e. March 30, 2011). The last date of instalment is March 31, 2027.

Term loans carry interest at bank base rate plus 200 basis point as spread i.e. 11.60 to 12.10 per cent per annum as on March 31, 2018.

(b) Foreign currency loan:

Foreign Currency loan from bank shall be repayable in 6 unequal semi-annual instalments. First repayment shall be made from the half year anniversary falling immediately after the date on which any scheduled repayment is made to the Rupee Lenders in accordance with the Common Rupee Loan agreement (scheduled repayment date of rupee loan is September 28, 2016). At the end of payment of 5 unequal semi-annual instalments, the Company propose to convert balance loan amounting to USD 37.83 Million into a new Rupee Term Loan. The Company pays interest at LIBOR plus 4.70 basis points per annum on the foreign currency loan.

(iii) Loan Covenants

Non current borrowings contain debt covenants relating to debt-equity ratio and debt service coverage ratio. The Company has not been able to meet one of the covenants viz debt service coverage ratio as at the end of the year. In the opinion of the management, this does not have any financial or other implication as regards these financial statement.

(iv) Fair value disclosures for financial assets are given in note 29

15 Current borrowings

	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
Loans repayable on demand		
Related parties (unsecured)* (refer note 34)	1,372.62	961.00
Total	1,372.62	961.00

*Loan is repayable on demand / call notice from the lender and it carry interest of 11.15% per annum

16 Provisions

	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
Non-current		
Provision for employee benefits - Gratuity (refer note 32)	0.90	0.60
Provision for periodical major maintenance (refer note 33)	712.02	465.08
Total non-current (A)	712.92	465.68
Current		
Provision for employee benefits - Leave encashment	0.15	0.12
Total current (B)	0.15	0.12
Total (C = A + B)	713.07	465.80

17 Trade payables

	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
Trade payables* (refer note 34)	32.19	28.67
Total	32.19	28.67

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



Rohtak Panipat Tollway Private Limited
Notes to Financial Statements for the year ended March 31, 2018

18 Other financial liabilities

	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
Non current		
Premium obligation payable to NHAI	6,785.05	6,630.42
Less : current maturity of premium obligation	(51.51)	(89.15)
Total	6,733.54	6,541.27
Deferred premium obligation (refer note 1 below)	1,898.86	1,440.18
Interest accrued on deferred premium obligation (refer note 1 below)	315.37	177.40
Total (A)	8,947.77	8,158.85
Current		
Current maturities of non-current borrowings (refer note 14)	222.97	101.25
Current maturities of premium obligation (refer above)	51.51	89.15
Interest accrued but not due on borrowings	53.91	50.14
Interest accrued and due on borrowings (refer note 34)	324.71	264.33
Employee emoluments payable	1.51	1.20
Deferred option premium	4.88	4.86
Payable towards capital goods (refer note 34 and 44)	607.20	-
Payable towards utility shifting work (refer note 34)	1.56	1.56
Others non trade payable	0.01	0.11
Total (B)	1,268.26	512.60
Total (C = A + B)	10,216.03	8,671.45

Note:

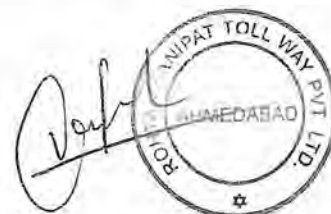
1 Premium obligation under the Concession Agreement has been deferred by NHAI vide its sanction letter dated June 10, 2014. According to the terms of the sanction letter, the company shall pay entire deferred premium and interest thereon no later than one year prior to the expiry of the concession period. 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. Accordingly, the deferred obligation has been classified as non current liabilities.

As per the Ministry of Road Transport & Highways policy of NHAI, the company is also 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.

2 Fair value disclosures for financial assets are given in note 29

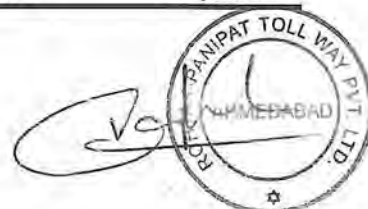
19 Other current liability

	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
Statutory dues	17.86	14.82
Advance from customers	0.51	0.45
Total	18.37	15.27



Rohtak Panipat Tollway Private Limited
Notes to Financial Statements for the year ended March 31, 2018

20 Revenue from operations	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
Revenue from Toll collection (refer note 38)	1,310.58	908.42
Construction revenue (refer note 38)	522.25	-
Total	1,832.83	908.42
21 Other Income	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
Interest income		
on income tax refund	-	0.41
on arbitration claim (refer note 44)	128.40	-
Income on change in fair valuation of financial instruments	-	112.14
Insurance claim received	5.13	0.65
Gain on sale of mutual funds	1.94	1.83
Miscellaneous income	-	0.66
Total	135.47	115.69
22 Operating expenses	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
Toll plaza and road operations & maintenance expenses (including payment to sub contractors)	50.18	43.21
Periodical major maintenance (refer note 33)	188.80	155.42
Power and fuel	9.13	7.19
Security expenses	11.46	10.35
Total	259.57	216.17
23 Employee benefits expenses	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
Salaries, wages and other allowances (refer note 32)	19.99	16.68
Contribution to provident fund and other fund (refer note 32)	1.77	1.02
Gratuity expense (refer note 32)	0.40	0.25
Staff welfare expenses	4.13	3.54
Total	26.29	21.49
24 Finance cost	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
Interest expenses on:		
Rupee term loans	900.61	904.85
Foreign currency loan	153.24	148.05
Short term borrowings (refer note 34)	154.92	100.41
Deferment of Premium Obligation	153.31	109.31
EPC contractors' claim (refer note 44)	88.06	-
Unwinding of discount on provision of MMR (refer note 33)	58.14	34.41
Unwinding of discount on NHAI premium	650.95	640.00
Loss on change in fair valuation of financial instruments	22.35	-
Amortisation of processing fees	18.31	18.31
Other borrowing costs	57.10	63.72
Total	2,256.99	2,019.06



Rohtak Panipat Tollway Private Limited
Notes to Financial Statements for the year ended March 31, 2018

25 Depreciation and amortization

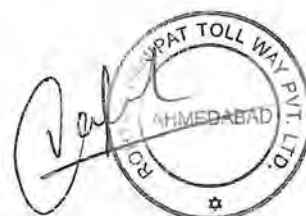
	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
Depreciation on tangible assets (refer note 5)	0.40	0.22
Amortisation on intangible assets (refer note 7)	315.68	277.68
Total	316.08	277.90

26 Other Expenses

	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
Rent (refer note 34 and 37)	1.14	1.12
Repairs and maintenance	14.91	48.65
Insurance	7.03	5.53
Professional fees	8.79	14.02
Communication Expense	0.31	0.28
Travelling and conveyance	0.42	0.37
Cash Collection charges	1.42	1.33
Auditors' remuneration (Refer note below)	0.63	0.28
Miscellaneous expenses	0.77	0.67
Total	35.42	72.25

Payment to Auditors:

	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
Statutory audit fees	0.48	0.28
Certification fees	0.09	-
Others	0.06	-
Total	0.63	0.28



27 Income tax

The major component of Income tax expenses for the year ended March 31, 2018 and March 31, 2017 are as under:

a) Profit and loss section

Current tax
Deferred tax
Total

March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
-	-
-	-
-	-

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

Accounting profit before tax
Statutory income tax rate
Expected income tax expenses
Tax effect of adjustments to reconcile expected income tax expenses to reported income tax expenses
Tax losses not recognised due to absence of probable certainty of reversal
At the effective income tax rate of Nil (March 31, 2017: Nil)

March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
(1,448.30)	(1,582.76)
30.90%	30.90%
(447.52)	(489.07)
447.53	489.08
-	-

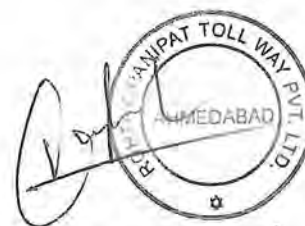
B) Deferred tax

(INR In Million)

Particulars	Balance sheet		Statement of Profit and Loss	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Impact of fair valuation of investment	(0.60)	(0.01)	0.59	0.01
Impact of fair valuation of derivative contract	(42.41)	(52.88)	(10.47)	69.80
Expenditure allowable over the period	2,284.89	2,608.99	324.10	315.69
Expenditure allowable on payment basis	(2,727.23)	(3,004.88)	(277.65)	(256.44)
Unused losses available for offsetting against future taxable income	2,328.63	1,836.56	(492.07)	(600.37)
Deferred tax expense/(income)			(455.50)	(471.31)
Deferred tax expense/(income) recognised in statement of profit & loss (refer note below)			-	-
Net deferred tax assets/(liabilities)	1,843.28	1,387.78		
Net deferred tax assets/(liabilities) recognised in balance sheet (refer note below)	-	-		

Notes

- 1 As a matter of prudence, the company has recognised deferred tax assets on deductible temporary differences and carry forward of unused tax losses in the books to the extent of deferred tax liability balance as it is not probable that future taxable profit will be available against which those temporary differences, losses and tax credit against which deferred tax assets can be utilized. Accordingly, INR 1,843.28 million (31st March 2017: INR 1,387.79 million) has not recognised as deferred tax assets in the books as at reporting date.



28 Disclosure of financial instruments by category

Particulars	Note no.	(INR In Million)					
		March 31, 2018			March 31, 2017		
		FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
Financial asset							
Investment in mutual fund	8	31.96	-	-	30.04	-	-
Cash and cash equivalents	9	-	-	14.34	-	-	23.38
Other financial assets	10	137.23	-	982.46	171.15	-	92.88
Total financial asset		169.19	-	996.80	201.19	-	116.26
Financial liabilities							
Non current borrowings	14	-	-	9,719.67	-	-	9,933.78
Loans repayable on demand	15	-	-	1,372.62	-	-	961.00
Trade payables	17	-	-	32.19	-	-	28.05
Financial liabilities	18	-	-	10,216.03	-	-	8,672.07
Total financial liabilities		-	-	21,340.51	-	-	19,594.90

29 Fair value disclosures for financial assets and financial liabilities

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

Particular	(INR In Million)			
	March 31, 2018		March 31, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Investment in mutual fund	31.96	31.96	30.04	30.04
Derivatives not designated as hedges	137.23	137.23	171.15	171.15
Total financial assets	169.19	169.19	201.19	201.19
Financial liabilities				
Other financial liabilities - premium obligation	6,785.05	6,949.55	6,630.42	7,197.25
Total financial liabilities	6,785.05	6,949.55	6,630.42	7,197.25

Notes:

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

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

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

- The Company has entered into derivative financial instruments with Bank. Interest rate swaps, option contract are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques includes forward pricing and swap models, using present value calculations. The modes incorporate various inputs included currency spot rate, risk free interest rate of respective currency, currency volatility and interest rate curves. The derivative instrument fair value is arrived using mark-to-market valuation as at March 31, 2018.
- The fair value of Premium Obligation is calculated by discounting future cash flows using rates as per RBI Bank rate + 2%.

30 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, 2018 and March 31, 2017

Particulars	Note No.	(INR In Million)	
		Fair value measurement using Significant observable inputs (Level 2)	
		March 31, 2018	March 31, 2017
Assets measured at fair value			
Fair value through profit & loss			
Investment in mutual fund	8	31.96	30.04
Derivatives not designated as hedges	10	137.23	171.15
Liabilities measured at fair value			
Liabilities for which fair values are disclosed			
Other financial liabilities - premium obligation	18	6,949.55	7,197.25

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



31 Earning per share (EPS):

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

	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
Net (Loss) attributable to equity shareholders:	(1,448.30)	(1,582.76)
Number of equity shares at the end of the year	21,86,445	21,86,445
Weighted average number of equity shares for basic and diluted EPS	21,86,445	21,86,445
Nominal value of equity shares	10	10
Basic and diluted (loss) per share	(662.40)	(723.90)

32 Employee benefits disclosure:

A Defined contribution plans:

The following amount recognised as expenses in statement of profit and loss on account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
Contribution to provident funds	1.36	0.99
Contribution to ESI funds	0.38	-
Contribution to benevolent funds	0.03	0.03
Total	1.77	1.02

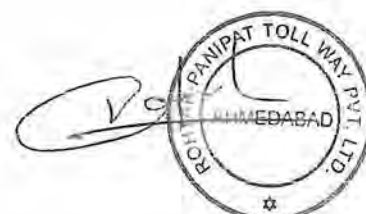
B Defined benefit plans - Gratuity benefit plan:

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

	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
Defined benefit obligations as at beginning of the year - A	0.60	0.27
<u>Cost charged to statement of profit and loss</u>		
Current service cost	0.36	0.23
Interest cost	0.04	0.02
Sub-total included in statement of profit and loss - B	0.40	0.25
<u>Remeasurement losses/(gains) in other comprehensive income</u>		
Actuarial loss/(gain) due to change in financial assumptions	0.03	(0.02)
Actuarial loss/(gain) due to experience	0.07	(0.06)
Sub-total included in other comprehensive income - C	0.10	(0.08)
Defined benefit obligations as at end of the year (A+B-C)	0.90	0.60

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

	March 31, 2018	March 31, 2017
Discount rate	7.55%	7.05%
Salary growth rate	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
Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)



Rohtak Panipat Tollway Private Limited
Notes to Financial Statements for the year ended March 31, 2018

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

Particulars	Sensitivity level	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
Discount rate	0.50% increase	(0.02)	(0.01)
	0.50% decrease	0.04	0.03
Salary growth rate	0.50% increase	0.04	0.03
	0.50% decrease	(0.02)	(0.01)
Withdrawal rate	10% increase	(0.01)	(0.01)
	10% decrease	0.02	0.02

C Maturity profile of the defined benefit obligation

	As at March 31, 2018	
	INR in Million	%
2019	0.00	0.30%
2020	0.07	7.76%
2021	0.08	8.91%
2022	0.09	10.16%
2023	0.13	14.43%
2024 - 2028	0.53	59.01%

	As at March 31, 2017	
	INR in Million	%
2018	0.00	0.29%
2019	0.00	0.20%
2020	0.05	9.06%
2021	0.06	10.41%
2022	0.07	11.59%
2023 - 2027	0.41	68.46%

The average duration of the defined benefit plan obligation at the end of the end of the reporting period is 17.42 years (March 31, 2017: 18.42 years).

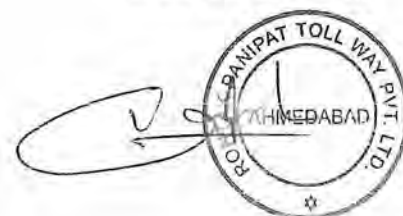
D Other employee benefit:

Salaries, Wages and Bonus include INR 0.58 million (March 31, 2017 INR 0.54 million) towards provision made as per actual basis in respect of accumulated leave encashment/compensated absences, bonus and leave travel allowance.

33 Disclosure related to periodical major maintenance provisions:

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

	March 31, 2018 (INR In Million)
Carrying amount as at April 01, 2017	465.08
Add: provision made during the year	188.80
Add: increase during the year in discounted amount due to passage of time	58.14
Carrying amount as at March 31, 2018	712.02
Expected time of outflow	In the year 2019-2020



Rohtak Panipat Tollway Private Limited
Notes to Financial Statements for the year ended March 31, 2018

34 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 party and nature of relationship:

Related parties where control exists:

Description of relationship

Ultimate Holding Company

Holding Company

Name of the related party

Sadbhav Engineering Limited (SEL)

Sadbhav Infrastructure Project Ltd (SIPL)

B Transactions with related parties during the year:

Short term borrowings received

	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
SIPL	411.62	405.70
Short term borrowings repaid (including interest paid)		
SIPL	-	15.00
Interest on short term borrowings		
SIPL	154.92	100.41
Operation and maintenance services availed		
SIPL	36.41	33.45
Rent expenses		
SEL	1.06	1.03
Reimbursement of expenses		
SIPL	-	0.53
Construction expenses (including interest)		
SEL	607.20	-

C Balances outstanding:

Other equity (Sub-ordinate debts)

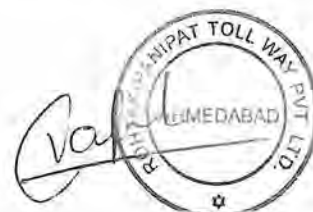
	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
SIPL	2,209.06	2,209.06
Short term borrowings outstanding (including interest payable)		
SIPL	1,697.34	1,146.28
Payable towards utility shifting		
SEL	1.56	1.56
Payable towards EPC cost, operation & maintenance		
SIPL	21.72	16.72
Rent and reimbursement of expenses		
SEL	1.12	0.16
Payable towards EPC contractor claim (including interest payable)		
SEL	607.20	-

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. Loans in INR taken from the related party carries interest rate 11.15% (March 31, 2017 : 11.15%)

3. The Company has not provided any commitment to the related party as at March 31, 2018 (March 31, 2017: INR Nil)



Rohtak Panipat Tollway Private Limited
Notes to Financial Statements for the year ended March 31, 2018

35 Contingent liabilities

March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
13.73	13.73

Income tax*

* Toward Income tax demand from authorities for income earned during project implementation period for FY 2012-13. In respect of said matter, the Company has preferred appeal with Tribunal. The matter is pending with Tribunal as at reporting date.

36 Segment reporting

The operating segment of the company is identified to be "BOT", as the Chief Operating Decision Maker (CODM) reviews business performance at an overall company level as one segment and hence, no additional disclosures are require to be made under Ind AS 108 Operating Segments. Further, the company also primarily operates under one geographical segment namely India.

37 Operating lease:

The Company has taken office space on operating lease basis. There are no sub-leases and the leases are cancellable in nature at any point of time by either of parties. There are no restrictions imposed under the lease arrangements. There are neither any contingent rent nor any escalation clause in the lease arrangements. During the year, the Company has incurred INR 1.05 million (March 31, 2017: INR 1.03 million)

38 Disclosure in respect of Construction Contracts

Revenue from fixed price construction contracts are recognized on the percentage of completion method, measured by reference to the percentage of cost incurred up to the year end to estimated total cost for each contract.

March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
------------------------------------	------------------------------------

I. Contract revenue recognized as revenue in the year

522.25

-

II. For Contracts that are in progress:-

a. Contract costs incurred and recognized upto reporting date

522.25

-

b. Profits (less recognized losses) upto reporting

-

-

c. Advances received

-

-

d. Retention Money

-

-

III. Unbilled Revenue

3.11

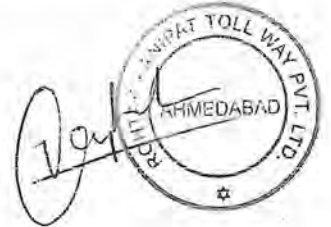
-

IV. Unearned Revenue

-

-

Percentage completion method for income recognition on long term contracts involves technical estimates by engineers/technical officials, of percentage of completion and costs to completion of each project/contract on the basis of which profit/loss is allocated.



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 Company's activities expose it to market risk, credit risk and liquidity risk. The company's focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance.

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 and derivative financial instruments.

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

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

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

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

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

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held as at March 31, 2018 and March 31, 2017.

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, 2018 (INR in Million)	March 31, 2017 (INR in Million)
Increase in 25 basis point	(25.01)	(25.29)
Decrease in 25 basis point	25.01	25.29

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

Foreign currency risk

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

The Company manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure, as approved by Board as per established risk management policy. Details of the hedge & unhedged position of the Company given in Note no. 39



Foreign currency sensitivity

As per the Company's policy, exchange rate differences of long-term foreign currency loans which are related to acquisition of depreciable fixed assets have been added to or deducted from the cost of the assets and depreciated over the balance life of the assets. Accordingly, the change in USD rate is not impacted directly on loss before tax and pre-tax equity for the year ending March 31, 2018 and March 31, 2017 and accordingly sensitivity analysis of change in USD rate has not been presented.

(b) Credit risk

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

Financial instruments and temporary investment in mutual fund

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made only in accordance with company policy. The Company monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the Company adjusts its exposure to various counterparties. The Company's maximum exposure to credit risk for the components of the Balance sheet as of March 31, 2018 is INR 46.29 million (March 31, 2017 is INR 53.41 million).

(c) Liquidity risk

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

The company measures the risk by forecasting cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient fund to meet expected operational expenses, servicing of financial obligations.

Particulars	Total Amount	On Demand	upto 1 year	1-2 years	2 - 5 years	(INR in millions)
						> 5 years
As at March 31, 2018						
Non current borrowings#	10,003.42	-	214.29	3,033.09	2,324.65	4,431.39
Current borrowings	1,372.62	1,372.62	-	-	-	-
Trade payables	32.19	-	32.19	-	-	-
Other Financial Liabilities#	9,993.06	-	1,045.30	147.30	810.80	7,989.66
Total	21,401.29	1,372.62	1,291.78	3,180.39	3,135.45	12,421.05
As at March 31, 2017						
Non current borrowings#	10,114.11	-	101.25	222.80	3,553.73	6,236.34
Current borrowings	961.00	961.00	-	-	-	-
Trade payables	28.05	-	28.05	-	-	-
Other financial liabilities#	8,570.82	-	411.97	-	694.70	7,464.15
Total	19,673.98	961.00	541.27	222.80	4,248.43	13,700.49

Current maturity of non-current borrowings is included and unamortised transaction cost paid to lenders on upfront basis is excluded.

40 Derivative instruments:

Derivative outstanding as at the reporting date

Nature of instrument	(INR in millions)	
	As at March 31, 2018	As at March 31, 2017
Swap contract - Interest Swap		
Notional amount of USD millions	3.64	6.11
Notional amount of INR millions	236.87	396.04
Option contracts to buy		
Notional amount of USD millions	41.23	43.90
Notional amount of INR millions	329.84	351.19

The Company has entered into option contract over the borrowing terms for hedging foreign currency exchange risk against external Commercial

borrowings. The company has also entered into swap contract to hedge interest rate fluctuation over a borrowing terms.

Derivative financial instruments such as foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.



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

A Description and classification of the arrangement

The Company has entered into Service Concession Agreement ('SCA') with National Highway Authority of India (NHAI) dated March 09, 2010 for the purpose of four laning of Rohtak -Panipat section from Km 63.30 of NH-10 to Km 83.50 on NH-1 in the state of Haryana on Design, Built, Finance, Operate and Transfer (DBFOT) basis. The Concession period is of 25 years including construction period of 910 days. The Company obtained completion certificate on 6th January, 2014 from NHAI.

B Significant terms of the arrangements

i Revision of fees:

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

ii Modification of concession period:

The Concession period shall be modified:

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

d

If the additional tollway has been constructed, either the concession period shall be extended or compensation has been granted.

- e The concessionaire shall pay Additional Concession fees of INR 450.00 Million for each year of concession period out of the gross revenue of the project as share of Authority from COD, Premium shall be determined by increasing the amount of premium in the respective year by an additional 5% as compared to preceding year.

- f Authority (NHAI) has granted deferment of Premium payable to NHAI as per the deferment schedule upto year 2026-27 and entire premium payable before end of one year from end of concession period.

g

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

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

iii Rights of the company to use project highway

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

iv Obligation of the company

a

The Concessionaire shall not assign, transfer or sublet or create any lien or Encumbrance on the SCA, or the Concession granted or on the whole or any part of the Project Highway nor transfer, lease or part possession thereof, save and except as expressly permitted by SCA or the Substitution Agreement. The project highway means site comprising the existing road comprising from KM 63.30 of NH-10 to KM 83.50 of NH-1 and all Project asset, and its subsequent development and augmentation in accordance with the SCA.

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

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

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

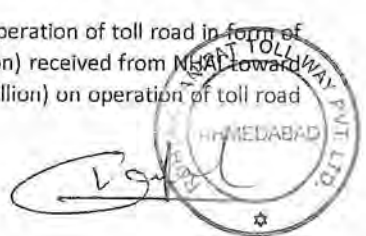
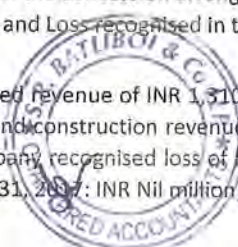
vi Details of termination

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

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

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

The Company has recognised revenue of INR 1,310.58 million (March 31, 2017: INR 908.42 million) on operation of toll road in form of toll collection from users and construction revenue of INR 522.25 million (March 31, 2017: INR Nil million) received from NHAI towards change in scope. The Company recognised loss of INR 1,448.31 million (March 31, 2017: INR 1,582.76 million) on operation of toll road and INR Nil million (March 31, 2017: INR Nil million) from construction operations.



- 43 The company has accumulated losses of INR 6,226.18 million (March 31, 2017: INR 4,777.96 million) as at the March 31, 2018, which have resulted in erosion of the company's net worth, although Sadbhav Infrastructure Project Limited, the holding company, Sponsors of the Company's project, has invested INR 2,209.06 million as sub ordinate debt which is part of the Project Equity Capital as per terms of the Rupee Facility Agreement (Loan Agreement). 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. Further, the Company is at a very nascent stage of its operation and as per its projection submitted to lenders, traffic growth as well as repayment of loan over gestation period will turn the Company into profitable. Accordingly, these financial statements have been prepared assuming that the Company will continue as a going concern.
- 44 The Company has received favourable arbitration award dated October 6, 2017 under the Arbitration & Conciliation Act, 1956 towards additional cost on transportation of material due to ban on the quarrying of stone and loss of revenue due to delay in granting Provisional Completion Certificate by NHAI during the year. Total award received along with interest amounted to INR 885.38 million. The Company however received an corresponding claim from its EPC contractors and consequently, an amount of INR 607.21 million is payable towards such claims upone final settlement of the company's claim.
The management has accounted the aforesaid claim receivable amounting to INR 756.98 million and interest income amounting to INR 128.40 million and consequent claim payable to EPC contractors INR 519.15 million and interest expense amounting to INR 88.06 million respectively in the financial statements.
- 45 **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.

Ind AS 115, revenue from contract with customers:

Ind AS 115 was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the Company. Ind AS 115 is effective for the Company from April 1, 2018 using either one of two methods: (i) retrospectively to each prior reporting period presented in accordance with *Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors*, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (1 April 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the company has concluded its evaluation.

46 Previous year comparatives:

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


per Sukrut Mehta
Partner
Membership No.: 101974

Date: May 05, 2018
Place: Ahmedabad



For and on behalf of the Board of Directors of
Rohtak Panipat Tollway Private Limited


Mikram Patel
Director
DIN No.: 00048318

Date: May 05, 2018
Place: Ahmedabad


Vipul Patel
Director
DIN No.: 06634262