Manubhai & Shah LLP
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Bhilwara Rajsamand Tollway Private Limited

Report on the Ind AS Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and

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perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its loss, total 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 Section 143 (11) of the Act, we give in the Annexure "A", a statement on the matters specified in the paragraphs 3 and 4 of the Order.

2. As required by Section143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

account.

(d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31st March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 – B".** Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's financial controls over financial reporting.

(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, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company did not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

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

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

Kuntel

(K.C Patel)
Partner
MembershipNo.30083

Place: Ahmedabad
Date: May 03, 2018

ANNEXURE - A

TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report the members of Bhilwara Rajsamand Tollway Private Limited of even date)

Report on the Companies (Auditor' Report) Order, 2016, issued in terms of section 143 (11) of the Companies Act, 2013('the Act') of Bhilwara Rajsamand Tollway Private Limited ('the Company')

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified during the year by the Management in accordance with programme of physical verification, which in our opinion, provides for physical verification of all fixed assets at a reasonable intervals having regard to size of the Company and nature of fixed assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The title deeds of the immoveable property are held in the name of the Company.

(ii) The Company had no inventory during and at the year end. Therefore, the reporting requirements of paragraph 3(ii) of the Order is not applicable.

(iii) The Company has not granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Therefore, the reporting requirements of paragraph 3 (iii) of the Order are not applicable.

(iv) The Company has not given loans, made investments or provided guarantees or security, attracting the provisions of sections 185 and 186 of the Act. Hence the reporting requirements of paragraph 3(iv) of the Order are not applicable.

(v) The Company has not accepted deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.

(vi) The Company has made and maintained the cost records prescribed by the Central Government under section 148(1) of the Act.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, value added tax, cess and other material statutory dues as applicable have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, service tax, value added tax, cess and other material statutory dues were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.

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

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

(viii) Based on our audit procedure and the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks and debenture holders.

(ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). The Company has refinanced rupee term loan by availing term loans during the year. In our opinion and according to the information and explanations given by the management, the company has utilized the monies raised by term loans for the purposes for which they were raised.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the Management, we report that no material fraud on or by the Company has been noticed or reported during the year.

(xi) No managerial remuneration has been paid or provided by the Company during the year. Accordingly the reporting requirement of paragraph 3(xi) of the Order is not applicable.

(xii) In our opinion the Company is not a Nidhi Company. Therefore the provisions of Clause 3(xii) of the Order are not applicable to the Company.

(xiii) According to the information and explanation given to us and on the basis of our examination of the records of the Company, all the transactions with related parties are in compliance with Sections 177 and 188 of the Act where applicable and also the details which have been disclosed in the Financial Statements are in accordance with the applicable Indian Accounting Standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Hence reporting requirement of paragraph 3(xiv) of the Order are not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly reporting requirement of paragraph 3(xv) of the Order are not applicable to the Company.

(xvi) According to the information given and as explained to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

(K C Patel)
Partner
Membership No. 30083

Place : Ahmedabad
Date : May 03, 2018

Manubhai & Shah LLP
Chartered Accountants

ANNEXURE - B

TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report the members of Bhilwara Rajsamand Tollway Private Limited of even date)

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

In conjunction with our audit of the financial statements of Shreenathji Udaipur Tollway Private Limited (The Company) as of and for the year ended March 31, 2018, we have also audited the internal financial controls over financial reporting of the Company.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the 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 ICAI.

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

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

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

Place: Ahmedabad
Date: May 03, 2018

Bhilwara Rajsamand Tollway Private Limited
Balance Sheet as at March 31, 2018

Particulars	Note No.	As at March 31, 2018 INR in Million	As at March 31, 2017 INR in Million
ASSETS			
1 Non-current Assets			
(a) Property, Plant and Equipments	5	2.08	1.51
(b) Investment Property	6	2.27	2.27
(c) Intangible Assets	7	4,035.42	4,066.55
(d) Financial Assets			
(i) Investments	8	0.02	0.02
(ii) Other Financial Assets	10	0.01	0.01
(e) Other Non Current Assets	11	31.78	52.67
Total Non Current Assets		4,071.58	4,123.03
2 Current Assets			
(a) Financial Assets			
(i) Cash and Cash Equivalents	9	5.37	7.23
(ii) Other Current Financial Assets	10	16.21	33.98
(b) Other Current Assets	11	5.49	0.94
Total Current Assets		27.07	42.15
Total Assets		4,098.65	4,165.18
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	12	173.40	173.40
Other Equity	13	954.63	1,060.95
Total Equity		1,128.03	1,234.35
LIABILITIES			
1 Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	2,718.51	2,741.03
(b) Provisions	15	113.22	44.04
Total Non-current liabilities		2,831.73	2,785.07
2 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	76.58	96.85
(ii) Trade Payables	17	25.04	28.83
(iii) Other Financial Liabilities	18	20.16	4.13
(b) Other Current Liabilities	19	1.72	0.59
(c) Provisions	15	15.39	15.36
Total Current liabilities		138.89	145.76
Total Equity and Liabilities		4,098.65	4,165.18
Summary of significant accounting policies	3		

The accompanying notes are in integral part of the financial statements
As per our report of even date
For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Registration No. 106041W/W100136

K. C. Patel
Partner
Membership No.30083

Place: Ahmedabad
Date: May 03, 2018

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

For & On behalf of the Board of Directors of
Bhilwara-Rajsamand Tollway Private Limited

Shashin Patel	Gunvantray Trivedi
Director	Director
DIN: 00048328	DIN:07559109

Place: Ahmedabad
Date: May 03, 2018

BHILWARA-RAJSAMAND TOLLWAY PVT. LTD. AHMEDABAD

Bhilwara Rajsamand Tollway Private Limited
Statement of Profit and Loss For the year ended March 31, 2018

Particulars	Note No.	For the Year ended March 31, 2018	For the Year ended March 31, 2017
		INR in Million	INR in Million
INCOME			
I Revenue From Operations	20	496.62	625.85
II Other Income	21	4.89	0.86
III Total Income (I+II)		**501.51**	**626.71**
EXPENSES			
Construction Expense	22	58.60	240.13
Operating Expense	23	158.23	103.10
Employee Benefits Expenses	24	18.55	13.73
Finance Cost	25	324.31	324.78
Depreciation and Amortization Expenses	5 & 7	31.48	21.27
Other Expenses	26	16.73	20.02
IV Total Expenses		**607.90**	**723.03**
V Loss For the year (III-IV)		**(106.39)**	**(96.32)**
VI Other Comprehensive Income		0.07	-
VII Total Comprehensive Income for the year, net of tax (V+VI)		**(106.32)**	**(96.32)**
(Loss) Per Share (Nominal Value of share INR 10/-) (31 March 2017: INR 10/-)			
Basic & Diluted		**(6.14)**	**(5.55)**
Summary of significant accounting policies	3		

The accompanying notes are in integral part of the financial statements
As per our report of even date
For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Registration No. 106041W/W100136

Kuntel

K. C. Patel
Partner
Membership No.30083

Place: Ahmedabad
Date: May 03, 2018

MANUBHAI & SHAH LLP * CHARTERED ACCOUNTANTS *

For & On behalf of the Board of Directors of
Bhilwara-Rajsamand Tollway Private Limited

S V Patel

Shashin Patel
Director
DIN: 00048328

Gunvantray Trivedi
Director
DIN:07559109

Place: Ahmedabad
Date: May 03, 2018

BHILWARA-RAJSAMAND TOLLWAY PVT. LTD. * AHMEDABAD

Bhilwara Rajsamand Tollway Private Limited
Cash Flow Statement For the year ended March 31, 2018

Particulars			March 31, 2018 INR in Million	March 31, 2017 INR in Million
(A)	**Cash flows from operating activities**			
	Net (Loss) Before Tax after exceptional items		(106.39)	(96.32)
	Adjustments for:			
	Depreciation and Amortisation		31.48	21.27
	Interest Expense		324.31	324.78
	Dividend and Gain on sale of Investments (net)		(0.86)	(0.86)
	Actuarial Gain		0.07	-
	Major Maintenance Expense		63.94	43.90
	Operating profit before working capital changes		312.54	292.76
	Adjustments for:			
	(Increase)/Decrease in financial asset		17.77	106.34
	(Increase)/Decrease in other current asset		(4.54)	(0.94)
	Increase/(Decrease) in Non Current Provisions		0.15	0.15
	Increase/(Decrease) in other current financial liabilities		5.60	(157.39)
	Increase/(Decrease) in other current liabilities		1.13	(10.88)
	Increase/(Decrease) in Short Term Provisions		0.03	15.36
	Cash generated from Operations		332.68	245.40
	Direct Taxes Paid (net of Refund)		20.90	(8.11)
	Net cash flow from operating activities	(A)	353.57	237.30
(B)	**Cash Flows from investing activities**			
	Purchase of Fixed assets		(0.92)	(60.17)
	Investment in Mutual Fund		(350.27)	(239.12)
	Redemption of Mutual Fund		351.13	256.35
	Net cash (used) in investing activities	(B)	(0.06)	(42.94)
(C)	**Cash Flows from financing activities**			
	Repayment of Long-term Borrowings		(2,271.50)	-
	Proceeds of Long-term Borrowings		2,248.30	163.90
	Proceeds from Unsecured Loan in lieu of Grant from Holding company		-	270.93
	Repayment of Unsecured Loan in lieu of Grant from Holding company		-	(400.93)
	Proceeds from Short-term borrowings from Holding company		16.58	104.02
	Repayment of Short-term borrowings from Holding company		(36.84)	(7.17)
	Interest and other borrowing cost Paid		(311.90)	(323.26)
	Net cash (used) in financing activities	(C)	(355.37)	(192.51)
	Net (decrease)/increase in cash and cash equivalents	(A + B + C)	(1.85)	1.86
	Cash and cash equivalents at beginning of the year		7.23	5.37
	Cash and cash equivalents at end of the year		5.38	7.23

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	1.69	1.94
Balances with banks in current accounts	3.68	5.29
Cash and Cash Equivalents	5.37	7.23

Note: Balances with banks include balance of INR 2.31 million (March 31, 2017 INR 3.01 million) lying in the escrow accounts as per terms of borrowings with the lenders

(ii) **Reconciliation of Financial liabilities**

	March 31, 2017	Net Cash flows	Non-cash adjustment Transaction Cost	March 31, 2018
Long Term Borrowings	2,742.04	(23.20)	6.03	2,724.87
Short Term Borrowings	96.85	(20.27)	-	76.58
Interest accrued and due on borrowings	2.20	1.29	-	3.49

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

(iv) Figures in brackets represent outflows.

The accompanying notes are in integral part of the financial statements
As per our report of even date
For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Registration No. 106041W/W100136

K. C. Patel
Partner
Membership No.30083

Place: Ahmedabad
Date: May 03, 2018

For & On behalf of the Board of Directors of
Bhilwara-Rajsamand Tollway Private Limited

Shashin Patel	**Gunvantray Trivedi**
Director	**Director**
DIN: 00048328	**DIN:07559109**

Place: Ahmedabad
Date: May 03, 2018

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

BHILWARA-RAJSAMAND TOLLWAY PVT. LTD. AHMEDABAD

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

A Equity Share Capital

	No. of shares	INR in Million
At 1 April 2017	1 73 40 000	173.40
Changes during the year	-	-
At 31 March 2018	1 73 40 000	173.40

B Other Equity

INR in Million

Particulars	Equity Component of Compound Financial Instrument (sub ordinate debt)*	Reserves and Surplus	Total
		Retained Earning	
As at April 1, 2016	1159.60	(2.35)	1157.25
(Loss) for the year	-	(96.32)	(96.32)
As at March 31, 2017	**1159.60**	**(98.67)**	**1060.95**
As at April 1, 2017	1159.60	(98.67)	1060.95
(Loss) for the year	-	(106.39)	(106.39)
Other Comprehensive income	-	0.07	0.07
As at March 31, 2018	**1159.60**	**(204.97)**	**954.63**

* The Project of the Company has been funded through sub ordinate debt from the Sponsors in accordance with Sponsor Support and Equity Contribution Agreement / Sponsor Undertaking. As per Common Loan Agreement, such sub ordinate debts is considered as sponsor's contribution to ensure Promoter's 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.

As per our report of even date
For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Registration No. 106041W/W100136

K. C. Patel
Partner
Membership No.30083

Place: Ahmedabad
Date: May 03, 2018

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

For & On behalf of the Board of Directors of
Bhilwara-Rajsamand Tollway Private Limited

Shashin Patel
Director
DIN: 00048328

Gunvantray Trivedi
Director
DIN:07559109

Place: Ahmedabad
Date: May 03, 2018

BHILWARA-RAJSAMAND TOLLWAY PVT. LTD. AHMEDABAD

Bhilwara - Rajsamand Tollway Private Limited
Notes to Financial statement for the year ended March 31, 2018

1. Company information:

Bhilwara-Rajsamand 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 a wholly owned subsidiary of Sadbhav Infrastructure Project Limited which is listed on two recognized stock exchanges in India. The registered office of the company is located at Ellisbridge, Ahmedabad – 380 006.

The Company was incorporated as a Special Purpose Vehicle (SPV) in December, 2012, for the purpose of Four Laning of Rajsamand (NH-8) - Gangapur-Bhilwara (NH-79) in the section of NH-758 (from km 0.000 to km 86.400) in the state of Rajasthan 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 30 years including construction period of 910 days w.e.f. 9th October, 2013. The Company had received provisional completion certificate dated 4th June, 2016 from NHAI. The toll collection had commenced from 09th June, 2016.

The financial statements were authorized for issue in accordance with a resolution of the directors on May 03, 2018.

2. Basis of preparation

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

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

The financial statements are presented in INR, which is the functional currency 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

• cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

• it is expected to be settled in the normal operating cycle;

• it is due to be settled within twelve months after the reporting period; or

• there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

Operating cycle

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

3.2 Foreign Currencies

Transactions and balances

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

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement of such transaction and on translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are recognised in profit or loss with the exception of long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.

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

3.3 Revenue Recognition

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

(i) Toll collection income

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

(ii) 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.

(iii) Dividend

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

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Revenue from Service Concession Arrangement:

(i) Construction Revenue:

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

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

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

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

Government Grants

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

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.

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Derecognition

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

Depreciation

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

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

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

3.5 Toll collection right arising from service concession arrangement

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

Under the Concession Agreements, where the Company has received the right to charge users of the public service, such rights are recognised and classified as "Intangible Assets" in accordance with Appendix A to Ind AS 11. Such right is not an unconditional right to receive consideration because the amounts are contingent to the extent that the public uses the service and thus are recognised and classified as intangible assets. Such an intangible asset is recognised by the Company at cost (which is the fair value of the consideration received or receivable for the construction services delivered) and is capitalized when the project is complete in all respects and when the company receives the completion 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.

Amortization

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

As required, total Projected Revenue is 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.

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3.6 Intangible assets:

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

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

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

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

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

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

3.7 Impairment – Non-financial assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognised in the statement of profit and loss.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level, as appropriate and when circumstances indicate that the carrying value may be impaired

3.8 Investment Property

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

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

3.9 Borrowing costs

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

3.10 Leases

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

Company as lessee

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the Statement of Profit and Loss on a straight-line basis over the lease term except the case where incremental lease reflects inflationary effect and lease expense is accounted in such case by actual rent for the period.

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3.11 Financial Instruments

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

a) Financial assets

i. Initial recognition and measurement of financial assets

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets that are not at fair value through profit or loss are added to the fair value on initial recognition. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date i.e. the date that the Company commits to purchase or sell the asset.

ii. Subsequent measurement of financial assets

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

- Financial assets at amortized cost
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)

- **Financial assets at amortized cost :**

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

- **Financial assets at fair value through other comprehensive income:**

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

- **Financial assets at fair value through profit or loss:**

  FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortized cost or as FVTOCI is classified as at FVTPL.

iii. De-recognition of financial assets

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

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

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

iv. **Impairment of financial assets**

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

b) **Financial Liabilities**

i. **Initial recognition and measurement of financial liabilities**

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

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

ii. **Subsequent measurement of financial liabilities**

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

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

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

  Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

- **Loans and Borrowings**

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

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

iii. Derecognition of financial liabilities

A financial liability (or a part of a financial liability) is derecognised from its balance sheet when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

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

c) 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.

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

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

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

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

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

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

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

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

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

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

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

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

(ii) Defined benefit plan

The employee's gratuity fund scheme is Company's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on the net basis.

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

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

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

3.14 Income tax

Income tax expense comprises current tax and deferred tax.

Current Tax

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

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

Deferred Tax

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

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

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

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

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

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

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

3.15 Provisions

General

Provision is recognized when the company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

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

3.16 Contingent liabilities

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

3.17 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value and bank overdrafts.

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3.18 Earnings per share

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

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

3.19 Segment reporting

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

4. Significant accounting judgements, estimates and assumptions

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

Estimates and assumptions

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

Fair value measurement of financial instruments

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

Taxes

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

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Impairment of non-financial assets

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

Property, plant and equipment

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

Intangible Assets

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

Provision for periodical Major Maintenance

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

4.1 Standards issued but not yet effective

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. The Company will adopt the standard on April 1, 2018. Appendices D and E to Ind AS 115 prescribe accounting principles for services concession arrangements (SCA) which are similar to Appendices A and B to Ind AS 11. Hence, there is unlikely be a principle change in overall accounting for SCA. The effect on adoption of Ind AS 115 is expected to be insignificant.

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Bhilwara Rajsamand Tollway Private limited
Notes to Financial Statements for the year ended March 31, 2018

5 **Property, Plant and Equipment**

(INR in Million)

Particulars	Plant and Equipments	Furniture & Fixtures	Computers	Vehicles	Office Equipments	Total Tangible Assets
Cost						
As at April 1, 2016	1.37	-	-	-	-	1.37
Addition	-	0.34	-	-	0.24	0.57
Disposal	-	-	-	-	-	-
As at March 31, 2017	1.37	0.34	-	-	0.24	1.94
As at April 01, 2017	1.37	0.34	-	-	0.24	1.94
Addition	-	-	0.26	0.66	-	0.92
Disposal	-	-	-	-	-	-
As at March 31, 2018	1.37	0.34	0.26	0.66	0.24	2.86
Accumulated Depreciation						
As at April 1, 2016	0.04	-		-	-	0.04
Depreciation for the year	0.24	0.07	-	-	0.08	0.40
Disposal	-	-		-	-	-
As at March 31, 2017	0.28	0.07	-	-	0.08	0.44
As at April 01, 2017	0.28	0.07		-	0.08	0.44
Depreciation for the year	0.20	0.07	0.01	0.00	0.07	0.35
Disposal	-	-		-	-	-
As at March 31, 2018	0.48	0.14	0.01	0.00	0.15	0.78
Net Block						
As at March 31, 2017	1.09	0.26	-	-	0.15	1.51
As at March 31, 2018	0.89	0.19	0.25	0.66	0.08	2.08

Notes:

1 The aggregate depreciation has been included under depreciation and amortization expense in the statement of Profit and Loss.

2 Property Plant and Equipments have been pledged against secured 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	2.27	2.27
Addition	-	-
Disposal	-	-
As at March 31, 2017	2.27	2.27
As at April 01, 2017	2.27	2.27
Addition	-	-
Disposal	-	-
As at March 31, 2018	2.27	2.27

Notes:

1 There is no income arising from above investment properties. Further, the company has not incurred any expenditure for above properties.

2 The above land which is situated at Sudhagad (Pali), Maharashtra, has been mortgaged against secured borrowings in order to fulfill the collateral requirement of the Lenders. (refer note 14)

3 The Company has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

4 The fair value disclosure for investment property is not presented as the property is specifically acquired for offering as security for borrowings and based on the information available with the management that there are no material development in the area where land is situated. Accordingly, Management believes that there is no material difference in fair value and carrying value of property.

7 Intangible Assets :

Particulars	(INR in Million) Toll Collection Rights
Cost	
As at April 1, 2016	-
Addition	4,087.42
Disposal	-
As at March 31, 2017	4,087.42
As at April 01, 2017	4,087.42
Addition	-
Adjustment During the Year	-
As at March 31, 2018	4,087.42
Accumulated Amortisation	
As at April 1, 2016	-
Charge for the Year	20.87
Disposal	-
As at March 31, 2017	20.87
As at April 01, 2017	20.87
Charge for the Year	31.13
Disposal	-
As at March 31, 2018	52.01
Net Book Amount	
As at March 31, 2017	4,066.55
As at March 31, 2018	4,035.42

1 Toll collection rights of four laning of Rajsamand- Bhilwara section of NH-758 section were capitalised when the project was complete in all respects and when the Company received the completion certificate from the authority as specified in the Concession Agreement and not on completion of component basis as the intended purpose of the project is to have the complete length of the road available for use.

2 Toll collection right has been pledged against Secured borrowings in order to fulfill the collateral requirement of the Lenders. (refer note 14)

3 Refer Note 40 For Disclosure pursuant to Appendix - A to Ind AS 11 - " Service Concession Arrangements" ('SCA')

4 The remaining amortisation period for the Toll collection rights at the end of the reporting period is 26.54 years (March 31, 2017: 27.54 years)

5 The Amortisation has been included under depreciation and amortization expense in the statement of Profit and Loss.

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8	Investments		March 31, 2018 INR in Million	March 31, 2017 INR in Million
	Non Current			
	National Saving certificate		0.02	0.02
		Total	0.02	0.02

9	Cash and Cash Equivalents		March 31, 2018 INR in Million	March 31, 2017 INR in Million
	Cash on Hand		1.69	1.94
	Balances with Banks			
	in Current Accounts		3.68	5.29
		Total	5.37	7.23

Note: Balances with banks include balance of INR 2.31 million (March 31, 2017 INR 3.01 million) lying in the escrow accounts as per terms of borrowings with the lenders

10	Other Financial Assets		March 31, 2018 INR in Million	March 31, 2017 INR in Million
	Non Current			
	Interest Accrued but not due on NSC (refer note 3 below)		0.01	0.01
		Total	0.01	0.01
	Current			
	Receivable from NHAI towards Utility Shifting		7.95	12.10
	Receivable from NHAI - toll suspension (refer note 1 below)		6.49	21.83
	Security Deposits		0.04	0.04
	Toll receivable		1.66	0.01
	Receivable other than trade		0.06	-
		Total	16.21	33.98
		Total	16.21	33.99

Note:

1.Pursuant to demonetisation, concessioning authorities had announced suspension of toll collection at all roads from November 09, 2016 until December 02, 2016. based on subsequent notification and provisions of concession agreement with the relevant authorities, the company had claimed and recognised revenue of 31.28 million during the previous year. Up to March 31, 2018, the company has received INR 24.79 million against the claim from NHAI.

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

3. Amount of Interest accrued but not due on NSC is INR 8551/- (P.Y. INR 6487/-)

11	Other Assets		March 31, 2018 INR in Million	March 31, 2017 INR in Million
	Non Current			
	Tax Credit Receivable		31.78	52.67
		Total	31.78	52.67
	Current			
	Prepaid expenses		0.54	0.44
	Tax Credit Receivable - GST		0.21	
	Advances		3.54	0.50
	Unbilled Revenue		1.19	-
		Total	5.49	0.94
		Total	37.26	53.61

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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		26,700,000	267.00	26,700,000	267.00
	Total	26,700,000	267.00	26,700,000	267.00
Issued, Subscribed and fully paid					
Equity Shares of INR 10 each		17,340,000	173.40	17,340,000	173.40
	Total	17,340,000	173.40	17,340,000	173.40

(ii) **Reconciliation of number of equity shares outstanding as at beginning and 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	17,340,000	173.40	17,340,000	173.40
Add: Issue during the year	-	-	-	-
outstanding at the end of the year	17,340,000	173.40	17,340,000	173.40

(iii) **Terms/ Rights attached to the equity shares:**

The Company has only one class of shares referred to as equity shares having a par value of INR 10 each.Each shareholder of equity shares 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, in proportion to the number of equity shares held by the shareholders.

(iv) **Shares held by holding company**

Out of issued, subscribed and paid up equity capital 17,340,000 shares (P.Y. 17,340,000 shares) are held by Sadbhav Infrastructure Project Limited- holding company and its nominees. This includes, 100 shares are held by Sadbhav Engineering Limited- Ultimate Holding Company, on behalf of Sadbhav Infrastructure Project Limited which is the beneficial owner.

(v) **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
<u>Equity shares of INR 10 each fully paid</u>				
Sadbhav Infrastructure Project Limited including its Nominees**	17340000	100%	17340000	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 (refer note below)			
Balance as per last financial statement		1159.60	1159.60
Retained Earning			
(Deficit) as at the beginning of the year		(98.65)	(2.35)
Add: Net loss transferred from Statement of Profit and Loss		(106.39)	(96.32)
Add: Other Comprehensive Income		0.07	
(Deficit) as at the end of the year		(204.97)	(98.65)
	Total	954.63	1060.95

Note:

The Project of the Company has been funded through sub ordinate debt 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 Promoter's 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.

14	Non Current Borrowings	March 31, 2018 INR in Million	March 31, 2017 INR in Million
	From Banks - Secured		
	Rupee Term Loan *	2724.87	2742.04
		2724.87	2742.04
	Less :: Current Maturity of Secured borrowings*	(6.36)	(1.01)
		(6.36)	(1.01)
	Total	2718.51	2741.03

* Includes the effect of unamortised processing fee paid to lenders on upfront basis.

(i) **The details of Security in respect of Term Loans are as under:**

1 first ranking 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 moveable assets, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future, save and except the Project Assets;

3 first charge over all bank 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 Loan Agreement and the Supplementary Escrow Agreement or any other Project Documents and all funds from time to time deposited therein, including those arising out of realisation of Receivable and all Permitted Investments or other securities representing all amounts credited thereto.

4 first charge on all intangibles assets of the Company including but not limited to goodwill, rights, undertakings and uncalled capital present and future excluding the Project Assets .

5 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 a first ranking pledge of shares equivalent to 51% of the paid- up share capital held by the Promoters in compliance with the requirements of Sections 19(2) and 19(3) of the Banking Regulation Act ,1949 till the Final Settlement date.
Notes:
- the aforesaid mortgages, charges, assignments and guarantees and the pledge of equity shares as stipulated in paragraph 6 above, shall in all respects rank pari-passu inter-se amongst the Lenders, in accordance with the Concession Agreement, without any preference or priority to one over the other or others;
- the Security interest stipulated in para 1 to 6 above shall exclude the Project Assets (as defined in and in accordance with the Concession Agreement).

(ii) **Terms of Repayment :**
In respect of:
Term Loans from Banks:
The Principal amount of the Loan is repayable to the Lenders in 73 structured quarterly installments, commenced from March 31, 2018. Term loans carry average interest rate of 9.55 per cent per annum as at March 31, 2018.

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15 Provisions

		March 31, 2018 INR in Million	March 31, 2017 INR in Million
Non Current			
For Employee Benefits (refer note 31)		0.29	0.14
Major Maintenance Expenses (refer note 29)		112.93	43.90
	Total	113.22	44.04
Current			
For Employee Benefits		0.11	0.08
Provision for Incomplete work (refer note 29)		15.28	15.28
	Total	15.39	15.36
	Total	128.61	59.40

16 Current Borrowings

		March 31, 2018 INR in Million	March 31, 2017 INR in Million
Loans - Unsecured			
Loan from Holding Company* (refer note 32)		76.58	96.85
	Total	76.58	96.85

* Loan is repayable on demand from the lender.

17 Trade Payables

		March 31, 2018 INR in Million	March 31, 2017 INR in Million
Due to Related Parties* (refer note 32, 35 and 36)		15.59	10.45
Due to Others* (refer note 35 and 36)		9.45	18.38
	Total	25.04	28.83

18 Other Financial Liabilities

		March 31, 2018 INR in Million	March 31, 2017 INR in Million
Current Maturities of Secured Non Current borrowings*		6.36	1.01
Interest accrued and due on borrowings (refer note 32)		3.49	2.20
Employee Emoluments payable		1.13	0.80
Security & Other Deposits (refer note 32)		9.18	0.12
	Total	20.16	4.13

* includes the effect of unamortised processing fee paid to lenders on upfront basis in current maturities.

19 Other Current Liability

		March 31, 2018 INR in Million	March 31, 2017 INR in Million
Statutory dues		1.67	0.55
Unearned revenue		0.06	0.04
	Total	1.73	0.59

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		March 31, 2018 INR in Million	March 31, 2017 INR in Million
20	**Revenue From Operations**		
	Revenue from Toll Collection (refer note below)	438.02	329.24
	Utility Shifting Income	57.41	-
	Construction Contract Revenue (Notional)	-	59.60
	Grant - Consideration From NHAI	-	237.01
	Change Of Scope Income	1.19	-
	Total	496.62	625.85

Note: Pursuant to demonetisation, concessioning authorities had announced suspension of toll collection at all roads from November 09, 2016 until December 02, 2016. based on subsequent notification and provisions of concession agreement with the relevant authorities, the company had claimed and recognised revenue of 31.28 million during the previous year. The company has received INR 24.79 million against the claim, till 31st March, 2018.

21	**Other Income**	March 31, 2018 INR in Million	March 31, 2017 INR in Million
	Gain on Sale of Mutual Funds (Net)	0.86	0.86
	Interest Income on Income tax refund	4.03	-
	Total	4.89	0.86

22	**Construction Expense**	March 31, 2018 INR in Million	March 31, 2017 INR in Million
	Construction Expense	58.60	240.13
	Total	58.60	240.13

23	**Operating Expense**	March 31, 2018 INR in Million	March 31, 2017 INR in Million
	Toll Plaza and Road Operations & Maintenance expenses (including payment to sub contractors)(refer note 32)	60.81	32.02
	Periodic Major Maintenance Expense (refer note 29)	63.94	43.90
	Power and Fuel	16.15	14.10
	Security expenses	14.75	11.90
	Vehicle expenses	2.59	1.18
		158.23	103.10

24	**Employee Benefits Expenses**	March 31, 2018 INR in Million	March 31, 2017 INR in Million
	Salaries, wages and other allowances (refer note 29)	13.99	9.99
	Contribution to provident fund and other fund (refer note 29)	1.65	0.98
	Gratuity Expense (refer note 29)	0.22	0.14
	Staff welfare expenses	2.69	2.62
	Total	18.55	13.73

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25 Finance Cost

	March 31, 2018 INR in Million	March 31, 2017 INR in Million
Interest Expenses on:		
Rupee Term Loans	302.91	317.99
Short Term Borrowings (refer note 32)	9.75	4.93
Other Borrowing costs		
Amortisation of Processing Fees	6.03	1.52
Notional Interest on MMR	5.09	-
Others	0.53	0.34
Total	**324.31**	**324.78**

26 Other Expenses

	March 31, 2018 INR in Million	March 31, 2017 INR in Million
Rent (refer note 32)	1.43	1.34
Repairs and maintenance	0.35	0.02
Insurance	2.35	1.96
Legal and professional fees	10.21	12.92
Communication Expense	0.43	0.28
Travelling and conveyance	0.07	0.07
Cash Collection charges	0.84	0.69
Auditors' remuneration (refer note below)	0.22	0.08
Advertisement Expense	0.47	0.76
Miscellaneous expenses	0.35	1.90
Total	**16.73**	**20.02**

26.1 Payment to auditors:

	March 31, 2018 INR in Million	March 31, 2017 INR in Million
As Statutory Auditor	0.17	0.08
For Certification	0.01	-
Total	**0.18**	**0.08**

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27 A) Due to losses ,the company has not recognised any tax expense in statement of profit and loss account, So reconciliation between tax expense and accounting profit is not required.

B) Deferred tax

INR in Million

Particulars	Balance sheet		Statement of Profit and Loss (refer note 2 below)	
	March 31,2018	March 31,2017	17-18	16-17
Expenditure allowable over the period	8.57	6.79	(1.78)	0.47
Expenditure allowable on payment basis	(39.58)	(16.61)	22.97	9.35
Unused losses available for offsetting against future taxable income	31.01	9.82	(21.19)	(9.82)
Deferred tax expense/(income)			-	-
Net deferred tax assets/(liabilities)	-	-		
Deferred tax asset not recognised (refer note 2 below)	61.69	36.47		

Note

1 The Company offsets tax assets and liabilities if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

2 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 deferred tax assets on account of those temporary differences, losses and tax credit can be utilized.

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28 Earnings / (Loss) Per Share (EPS):

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

Particulars	Unit	March 31, 2018	March 31, 2017
Net (Loss) as per Statement of Profit & Loss	INR Million	(106.39)	(96.32)
Weighted average of number of equity shares outstanding during the year	Nos.	17,340,000	17,340,000
Nominal value of equity shares	INR	10	10
Basic & Diluted (Loss) per share	INR	**(6.14)**	**(5.55)**

29 Provisions

Movement in Provisions:

		March 31, 2018
A)	**Major Maintenance Reserve (Refer note nos. 15 & 23)**	
	Carrying amount as at 01.04.2017	43.90
	Add: Provision made during the Year	63.94
	Add: increase during the year in the discounted amount due to passage of time	5.09
	Less: Amounts used during the Year	-
	Less: Unused amounts reversed during the Year	-
	Carrying amount as at 31.03.2018	**112.93**
	Expected time of outflow	F.Y. 2023 - 2024

		March 31, 2018
B)	**Provision of Incomplete work**	
	Carrying amount as at 01.04.2017	15.28
	Add: Provision made during the Year	-
	Add: increase during the year in the discounted amount due to passage of time	-
	Less: Amounts used during the Year	-
	Less: Unused amounts reversed during the Year	-
	Carrying amount as at 31.03.2018	**15.28**
	Expected time of outflow	F.Y. 2018-19

***Periodical Major Maintenance**

Provision for major maintenance in respect of toll roads maintained by the Company under service concession arrangements and classified as intangible assets represents contractual obligations to restore an infrastructure facility to a specified level of serviceability in respect of such asset. Estimate of the provision is measured using a number of factors, such as contractual requirements, road usage, expert opinion and expected price levels.

30 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.

		2017-18	2016-17
I	Contract revenue recognized as revenue in the year (including Government Grant in previous year)	58.60	296.61
II	For Contracts that are in progress:-		
	a. Contract costs incurred and recognized up to reporting date	(58.60)	(296.61)
	b. Profits (less recognized losses) up to reporting	-	-
	c. Advances received	-	-
	d. Retention Money	-	-
III	Unbilled Revenue	1.19	-
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.

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31 **Employee Benefits Note**

31.1 Defined Contribution Plans

Amount of INR 1.65 million (March 31, 2017: 0.98 million) is recognised as expenses and included in Note No. 24 "Employee Benefits Expenses".

Particulars	March 31, 2018	March 31, 2017
Contribution to Provident Funds	1.09	0.68
Contribution to ESIC	0.54	0.27
Contribution to Benevolent Fund	0.02	0.02
Total	**1.65**	**0.98**

31.2 **Information about the characteristics of defined benefit plan - Gratuity benefit plan.**

The benefit is governed by the Payment of Gratuity Act, 1972. The Key features are as under:

Features of the defined benefit plan	Remarks
Benefit offered	15 / 26 × Salary × Duration of Service
Salary definition	Basic Salary including Dearness Allowance (if any)
Benefit ceiling	Benefit ceiling of Rs. 20,00,000 was applied
Vesting conditions	5 years of continuous service (Not applicable in case of death / disability)
Benefit eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement age	58 years or 31/10/2044 whichever is earlier

31.3 **The company is responsible for the governance of the plan.**

31.4 **Risk to the Plan**

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

A **Actuarial Risk:**

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

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

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

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

B **Liquidity Risk:**

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

C **Market Risk:**

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

D **Legislative Risk:**

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

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31.5 The present value of obligation in respect of gratuity is determined based on actuarial valuation using the Project Unit Credit Method as prescribed by the Indian Accounting Standard - 19. Gratuity has been recognised in the financial statements as per details given below:

	March 31, 2018 INR in Million	March 31, 2017 INR in Million
Defined benefit obligations as at beginning of the year - A	0.14	-
Cost charged to statement of profit and loss		
Current service cost	0.21	0.14
Interest cost	0.01	
Sub-total included in statement of profit and loss - B	0.22	0.14
Remeasurement gains/(losses) in other comprehensive income		
Actuarial Loss/(Gain) due to change in financial assumptions	(0.01)	
Actuarial Loss/(Gain) due to change in demographic assumptions		
Actuarial Loss/(Gain) due to experience	(0.06)	
Sub-total included in OCI - C	(0.07)	-
past service cost*+	0.00	
Defined benefit obligations as at end of the year (A+B+C)	0.29	0.14

*Amount 914 is below rounding of norm adopted by company
+Past Service cost is on account of increase in Gratuity Ceiling from INR 10,00,000 to INR 20,00,000.

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%	7.15%
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)

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	0.01	0.01
	0.50% decrease	(0.02)	(0.01)
Salary Growth Rate	0.50% increase	(0.02)	(0.01)
	0.50% decrease	0.01	0.01
Withdrawal rate	10% increase	0.01	0.01
	10% decrease	(0.01)	(0.01)

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

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

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

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31.6 Maturity Profile of the Defined Benefit Obligation

March 31,2018	INR in Million
2019*	0.00
2020*	0.00
2021*	0.00
2022	0.03
2023	0.04
2024 - 2028	0.18

March 31,2017	INR in Million
2018*	0.00
2019*	0.00
2020*	0.00
2021*	0.00
2022	0.02
2023 - 2027	0.09

*Amount is below rounding of norm adopted by company

The average duration of the defined benefit plan obligation at the end of the reporting period is 25.11 years (March 31, 2017 : 25.76 years.)

31.7 Other employee benefit:

Salaries, Wages and Bonus include INR 0.11 million (Previous Year INR 0.08) towards provision made in respect of accumulated leave encashment/compensated absences.

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Notes to Financial Statements for the year ended March 31, 2018

32 Related Party Disclosures:

Related party disclosures as required under the Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" are given below:

32.1 Name of the related parties and description of relationship :

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

32.2 Transactions with Related Parties during the Year:

No.	Particulars	March 31, 2018 INR in Million	March 31, 2017 INR in Million
(i)	Unsecured Loan received -SIPL	10.25	104.02
(ii)	Unsecured Loan repaid along with interest thereon -SIPL	39.17	9.40
(iii)	Interest on Unsecured Loan -SIPL	9.75	-
(iv)	Road Development work -SEL	-	63.31
(v)	Office Rent -SEL	1.06	1.04
(vi)	Utility Shifting, reimbursement of Expenses -SEL	57.41	37.51
(vii)	Operating Expense & Rehabilitation Expense -SIPL	32.11	181.75

32.3 Balance outstanding as at the Year end:

	Particulars	March 31, 2018 INR in Million	March 31, 2017 INR in Million
(i)	Other Equity (Sub ordinate Debt) -SIPL	1,159.60	1,159.60
(ii)	Unsecured Loan -SIPL	76.58	96.85
(iii)	Payable towards Rent, Utility & Reimbursement of Expenses -SEL	12.49	13.64
(iv)	Payable towards Operating Expenses -SIPL	10.99	10.29
(v)	Interest Payable -SIPL	2.32	2.20

32.4 Terms and conditions:

Terms and conditions of the balance outstanding:

1. The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free excepts short term loan and settlement occurs in cash as per the terms of the agreement.
2. Short Term Loans (unsecured) in INR taken from the related party carries interest rate 9.05% to 11.00% (March 31, 2017 :11.00% to 11.10%).
3. The Company has not provided any commitment to the related party as at March 31, 2018 (March 31, 2017: INR Nil).

33 Segment Reporting

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

34 Operating Lease:

Office premise of the Company have been taken on operating lease basis. The lease rent paid during the year INR 1.06 million (March 31, 2017: INR 1.04 million). These operating lease agreement are cancellable by giving short period notice by either of the parties to the agreement.

35 Dues to MSME:

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

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36 Financial Instruments

36.1 Disclosure of Financial Instruments by Category

INR in Million

Financial instruments by categories	Note no.	March 31,2018 FVTPL	March 31,2018 FVTOCI	March 31,2018 Amortized cost	March 31,2017 FVTPL	March 31,2017 FVTOCI	March 31,2017 Amortized cost
Financial asset							
Investments in NSC	8	-	-	0.02	-	-	0.02
Cash and cash equivalent	9	-	-	5.37	-	-	7.23
Other financial asset	10	-	-	16.21	-	-	33.98
Total		-	-	**21.60**	-	-	**41.23**
Financial liability							
Non Current Borrowing	14	-	-	2,724.87	-	-	2,742.04
Loan From Holding company	16	-	-	76.58	-	-	96.85
Trade Payables	17	-	-	25.04	-	-	28.83
Other financial liabilities	18	-	-	13.80	-	-	3.12
Total		-	-	**2,840.29**	-	-	**2,870.84**

36.2 Fair value of Financial asset and liabilities and fair value hierarchy

a. The management assessed that the fair values of cash and cash equivalents, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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

c. Investment in units of mutual funds, which are not traded in active market, is determined using closing NAV.

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37 Financial Risk Management

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

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

(a) Market risk

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

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

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

The following assumption has been made in calculating the sensitivity analyses:
- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018 and March 31, 2017

i Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

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:

Sensitivity analysis	Impact on profit/ loss after tax	
	31.03.2018	31.03.2017
increase by 25 basis point	(8.18)	(7.08)
decrease by 25 basis point	8.18	7.08

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

(b) Liquidity risk

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

The Table below summarises the maturity profile of company's financial liabilities on contractual undiscounted payments

INR in Million

Particulars	Total Amount	On Demand	up to 1 year	1 - 2 years	2 - 5 years	> 5 years
As at March 31, 2018						
Rupee Term Loan	2,752.60	-	8.20	39.85	323.34	2,381.20
Trade Payables	25.04	-	25.04	-	-	-
Short term Borrowings	76.58	76.58	-	-	-	-
Total	2,854.21	76.58	33.24	39.85	323.34	2,381.20
As at March 31, 2017						
Rupee Term Loan	2,764.00	-	2.53	7.83	297.82	2,455.82
Trade Payables	28.83	-	28.83	-	-	-
Short term Borrowings	96.85	96.85	-	-	-	-
Total	2,889.68	96.85	31.36	7.83	297.82	2,455.82

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(c) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is not exposed to credit risk from its operating activities as the company is collecting toll in cash and does not have outstanding any receivables. However, The Company is exposed to credit risk related to financing activities, including temporary Investment in mutual fund 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 21.60 INR million , March 31, 2017 is 41.23 INR million.

38 Collateral

The Company's all financial assets and other Assets have been pledged against Secured borrowings in order to fulfill the collateral requirement of the Lenders. The fair value of such financial asets disclosed in the note 36.

39 Capital Management

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

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

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or obtain additional sub-ordinate debts. The Company monitors capital using debit equity ratio which does not exceed 41:59, which is total Borrowings divided by total equity excluding balance of deficit in statement of profit & loss.

The key performance ratios as at 31 March are as follows

		March 31, 2018 INR in Million	March 31, 2017 INR in Million
Secured Borrowings (refer note 14)		2,752.60	2,764.00
	Total Debts - A	**2,752.60**	**2,764.00**
Equity Share Capital (refer note 12)		173.40	173.40
Other Equity (refer note 13)		1159.60	1159.60
Grant from NHAI		2664.00	2664.00
	Total Equity - B	**3,997.00**	**3,997.00**
	Debt equity ratio (A/B)	**0.69**	**0.69**

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

40.1 Description and classification of the arrangement

The Company has entered into Service Concession Agreement ('SCA') with National Highway Authority of India (NHAI) dated December 14, 2012 for the purpose of four laning of Rajsamand- Bhilwara section of NH-758 from KM 00 to KM 87.250 in the state of Rajasthan on Design, Built, Finance, Operate and Transfer (DBFOT) Toll basis. The Concession Period is of 30 years including construction period of 910 days. The Company obtained completion certificate on 4th June 2016 from the NHAI. As per the SCA, the company is entitled to charge toll to users of the public service. Hence the service arrangement has been classified as Intangible Asset.

40.2 Significant Terms of the arrangements

40.2.1 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.

40.2.2 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 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.

f 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.

40.3 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.

40.4 Obligation of the Company

a The company shall not assign, transfer or sublet or create any lien or encumbrance on the SCA, or the concession granted or on the whole or any part of the Project Highway nor transfer, lease or part possession thereof, save and except as expressly permitted by SCA or the Substitution Agreement. The project highway means site comprising the existing road comprising NH-758 from KM 00 to KM 87.250 and all Project asset, and its subsequent development and augmentation in accordance with the SCA.

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

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40.5 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.

40.6 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.

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

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

As per our report of even date
For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Registration No. 106041W/W100136

K. C. Patel
Partner
Membership No.30083

Place: Ahmedabad
Date: May 03, 2018

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

For & On behalf of the Board of Directors of
Bhilwara-Rajsamand Tollway Private Limited

Shashin Patel	Gunvantray Trivedi
Director	Director
DIN: 00048328	DIN:07559109

Place: Ahmedabad
Date: May 03, 2018

BHILWARA-RAJSAMAND TOLLWAY PVT. LTD. AHMEDABAD