JR TOLL ROAD PVT LTD

FINANCIAL STATEMENTS

Year Ended March 31, 2018

CHATURVEDI & SHAH
Chartered Accountants

Independent Auditors' Report

To the Members of JR Toll Road Private Limited

Report on the Ind AS Financial Statements

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

Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of state of affairs (financial position), losses (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) prescribed 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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Branch : Bengaluru

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

Opinion

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

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. As required by Section 143(3) of the Act, we report that:

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

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

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

    d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

    e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act;

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";

    g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company has disclosed the impact of pending litigations as at March 31, 2018 on its financial position in its Ind AS financial statements. - Refer Note 26 on Contingent Liabilities to the Ind AS financial statements;

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

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No. 101720W

Lalit R. Mhalsekar
Partner
Membership No. 103418

Place : Mumbai
Date : April 21, 2018

Annexure A to Auditors' Report
Referred to in our Auditors' Report of even date to the members of JR Toll Road Private Limited on the Ind AS financial statements for the year ended March 31, 2018

(i) (a) The Company is maintaining proper showing full particulars, including quantitative details and situation of its fixed assets comprising of Intangible Assets.

(b) The Company has a program of verification of fixed assets included within the intangible assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties, hence the reporting requirements under clause (i)(c) of paragraph 3 of the Order is not applicable.

(ii) As explained to us, there is no physical inventory in existence and hence, paragraph 3(ii) of the Order is not applicable to the Company.

(iii) The Company has not granted any loan, secured or unsecured, to any company, firm Limited Liability Partnerships or other parties covered in the register maintained under section 189 of Act. Accordingly, provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable.

(iv) Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186(1) of the Act. Further, as the Company is engaged in the business of providing infrastructural facilities, the provisions of Section 186[except for sub-section(1)] are not applicable to it.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and rules framed there under.

(vi) In our opinion and according to information given to us, no cost records have been prescribed by the Central Government of India under sub-section (1) of Section 148 of the Act.

(vii)(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues as applicable were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, customs duty, excise duty, value added tax as at March 31, 2018 which have not been deposited on account of a dispute.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings from any financial institution, banks, government or debenture holders during the year.

(ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and in our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were raised.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) Since, the Company being the Private Limited Company the provision of section 197 is not applicable; hence the requirement of the clause 3(xi) of the Order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 188 of the Act and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards. Since, the Company being the Private Limited Company the provision of section 177 of the Act is not applicable.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Chaturvedi & Shah
Chartered Accountants
Firm's Registration No. 101720W

Lalit R. Mhalsekar
Partner
Membership No. 103418

Place: Mumbai
Date: April 21, 2018

Annexure - B to Independent Auditor's report

Annexure to the Independent Auditor's Report referred to in paragraph 10(f) under the heading "Report on other legal and regulatory requirements" of our report of even date on the Ind AS financial statements of JR Toll Road Private Limited

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

We have audited the internal financial controls over financial reporting of **JR Toll Road Private Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For Chaturvedi & Shah
Chartered Accountants
Firm's Registration No. 101720W

Lalit R Mhalsekar
Partner
Membership No. 103418

Place: Mumbai
Date: April 21, 2018

JR Toll Road Pvt Ltd
Balance Sheet as at March 31, 2018

₹ Millions

Particulars	Note	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
(a) Intangible assets	4	4,064.30	4,248.08
(b) Deferred tax assets (net)	27	450.00	380.87
(c) Other non - current assets	6	-	0.42
Total Non-Current Assets		4,514.30	4,629.37
Current assets			
(a) Financial Assets			
(i) Cash and cash equivalents	5a	7.32	47.06
(ii) Other financial assets	5b	14.93	14.82
(b) Current Tax Assets (Net)		3.18	3.12
(c) Other current assets	7	10.35	10.13
Total Current Assets		35.78	75.13
Total Assets		**4,550.08**	**4,704.50**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	8	0.11	0.11
(b) Subordinated debt (in nature of Equity)	9a	1,480.81	1,330.31
(c) Other equity	9	(819.64)	(611.28)
Total Equity		661.28	719.14
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
Borrowings	10	3,107.01	3,309.20
(b) Provisions	13b	319.01	282.94
Total Non-Current Liabilities		3,426.02	3,592.14
Current liabilities			
(a) Financial Liabilities			
(i) Trade payables	11	86.64	51.20
(ii) Other financial liabilities	12	373.84	339.97
(b) Other current liabilities	14	0.04	2.04
(c) Provisions	13a	2.26	0.01
Total Current Liabilities		462.78	393.22
Total Equity and Liabilities		**4,550.08**	**4,704.50**

The accompanying notes are an integral part of the Financial Statements.

As per our attached report of even date.

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No. 101720W

For and on behalf of the Board

Lalit R. Mhalsekar
Partner
Membership No. : 103418

Date: April 21, 2018
Place: Mumbai

Kaushik Pal
Director
DIN:05237230

Madan Biyani
Director
DIN:07130371

Date: April 21, 2018
Place: Mumbai

JR Toll Road Pvt Ltd

Statement of Profit and Loss for the year ended March 31, 2018

₹ Millions

Particulars	Note	Year Ended March 31, 2018	Year Ended March 31, 2017
Revenue from Operations	15	473.31	452.06
Other Income	16	0.54	0.98
Total Income		473.85	453.04
Expenses			
Toll Operation and Maintainence expenses	17	117.57	125.58
Employee benefits expense	18	5.75	3.53
Finance costs	19	427.32	464.60
Amortization expense	4	183.78	144.63
Other expenses	20	15.77	21.85
Total expenses		750.19	760.19
Profit / (Loss) before tax		**(276.34)**	**(307.15)**
Tax expense			
Current tax		-	-
Deferred tax charge/(credit)		(68.73)	(107.04)
Profit/(Loss) After Tax		**(207.61)**	**(200.11)**
Other Comprehensive Income/ (Loss)			
- Items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit plans		(1.15)	0.58
Income tax relating to above		(0.40)	0.20
Other Comprehensive Income/ (Loss)		**(0.75)**	**0.38**
Total Comprehensive Income/ (Loss)		**(208.36)**	**(199.73)**
Earning/ (loss) per equity share (Face Value per share ₹10 each)			
Basic & Diluted	26	(19,395.25)	(18,694.45)

The accompanying notes are an integral part of the Financial Statements.

This is the Statement of Profit and Loss referred to in our report of even date.

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No. 101720W

For and on behalf of the Board

Lalit R. Mhalsekar
Partner
Membership No. : 103418

Date: April 21, 2018
Place: Mumbai

Kaushik Pal
Director
DIN:05237230

Madan Biyani
Director
DIN:07130371

Date:
Place: Mumbai

JR Toll Road Pvt Ltd
Cash flow Statement for the year ended March 31,2018

₹ Millions

	Particulars	Year Ended March 31, 2018	Year ended March 31, 2017
A	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Profit / (Loss) before tax	**(276.34)**	**(307.15)**
	Adjustments for:		
	Depreciation and amortisation expenses	183.78	144.63
	Interest income	(0.53)	(0.36)
	Interest expense	427.32	464.60
		334.23	**301.72**
	Cash Generated from Operations before working capital changes		
	Adjustments for:		
	(Increase)/decrease in financial assets	(0.12)	(8.89)
	(Increase)/decrease in other current assets	(0.22)	8.92
	Increase/(decrease) in trade payables	35.44	23.61
	Increase/(decrease) in other financial liabilities	0.40	56.06
	Increase/(decrease) in provisions	33.66	44.43
	Increase/(decrease) in other current liabilities	(2.00)	0.37
		67.16	**124.50**
	Cash generated from operations	**401.39**	**426.22**
	Taxes (paid) net of refunds	(0.05)	(1.71)
	Net cash generated from operating activities - [A]	**401.34**	**424.51**
B	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Sale of proceeds of intangible assets (including Capital advances and capital creditors)	0.65	4.69
	Interest received	0.53	0.36
	Net cash (used in) / generated from investing activities - [B]	1.18	5.04
C	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds from Sub-debt	150.50	221.00
	Repayment of long term borrowings	(175.12)	(175.12)
	Interest paid	(417.63)	(438.92)
	Net cash used in financing activities - [C]	(442.25)	(393.04)
	Net increase/(decrease) in cash and cash equivalents - [A+B+C]	(39.74)	36.51
	Add: Cash and cash equivalents at the beginning of the year	47.06	10.54
	Cash and cash equivalents at the end of the year	7.32	47.06
	Components of Cash and cash equivalents		
	Balances with banks - in Current accounts	5.92	45.63
	Deposits with maturity of less than three months	-	-
	Cash on hand	1.40	1.43
	Total Cash and cash equivalents (Refer Note 5a)	7.32	47.06

The balance in current account with banks of Rs. 5.81 million (Rs. 44.51 million) lying in Escrow account with bank held as security against borrowings.

As per our attached report of even date.

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No. 101720W

Lalit R. Mhalsekar
Partner
Membership No. : 103418

Date: April 21, 2018
Place: Mumbai

Kaushik Pal
Director
DIN:05237230

Madan Biyani
Director
DIN:07130371

Date: April 21, 2018
Place: Mumbai

JR Toll Road Company Limited
Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

₹ Millions

Particulars	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
For the year ended March 31, 2017	0.11	-	0.11
For the half year ended March 31, 2018	0.11	-	0.11

B. OTHER EQUITY

₹ Millions

Particulars	Equity Component of compound financial instruments (Note 9b)	Reserves and Surplus	Total
		Retained Earnings (Note 9c)	
Balance at April 01, 2016	32.50	(444.05)	(411.55)
Profit for the year		(200.11)	(200.11)
Other comprehensive income for the year			
Remeasurement gains/ (loss) on defined benefit plans		0.38	0.38
Total comprehensive income for the year	-	(199.73)	(199.73)
Balance at 31st March 2017	32.50	(643.78)	(611.28)
Balance at April 01, 2017	**32.50**	**(643.78)**	**(611.28)**
Profit for the year		**(207.61)**	**(207.61)**
Other comprehensive income for the year			
Remeasurement gains/ (loss) on defined benefit plans		**(0.75)**	**(0.75)**
Total comprehensive income for the year	-	**(208.36)**	**(208.36)**
Balance at March 31, 2018	**32.50**	**(852.14)**	**(819.64)**

As per our attached report of even date.

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No. 101720W

For and on behalf of the Board

Lalit R. Mhalsekar
Partner
Membership No. : 103418

Date: April 21, 2018
Place: Mumbai

Kaushik Pal
Director
DIN:05237230

Madan Biyani
Director
DIN:07130371

Date: April 21, 2018
Place: Mumbai

Note 1: Corporate information

JR Toll Road Private Limited ("the Company") has been awarded on Build, Operate and Transfer (BOT) basis, strengthening of the existing carriageway from 246 Km. to 298 Km. on the Jaipur – Reengus section of National Highway No. 11 in the State of Rajasthan and widening thereof to 4 lanes and its improvement, operation and maintenance under the Concession Agreement dated February 19, 2010 with National Highways Authority of India. The Concession Agreement is for a period of 18 years from August 14, 2010, being the appointed Date.

The Company is wholly owned subsidiary of Reliance Infrastructure Limited. At the end of the Concession period, the entire facility will be transferred to NHAI.

The financial statements were authorized for issue by the Company's Board of Directors on April 21, 2018 Pursuant to the provisions of section 130 of the Act the Central Government, income tax authorities and other statutory regulatory body and section 131 of the Act the board of directors of the Company have powers to amend / re-open the financial statements approved by the board / adopted by the members of the Company.

The Company is a private limited company incorporated and domiciled in India. The registered office of the Company is located at at Block, 1st floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710.

Note 2: Basis of preparation

These Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. These Financial Statements have been prepared in accordance with the requirements of the information and disclosures mandated by Schedule III of the Act, applicable Ind AS, other applicable pronouncements and regulations.

These Financial Statements have been prepared on a historical cost basis, except for certain assets and liabilities which have been measured at fair value.

These Financial Statements are presented in ₹ Millions, except where otherwise indicated.

The financial statements have been prepared in accordance with the requirements of the information and disclosures mandated by Schedule III to the Act, applicable Ind AS, other applicable pronouncements and regulations.

Note 3: Summary of Significant accounting policies

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 treated as current when it is:

- Expected to be realised or intended to be sold or consumed in 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 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

All other liabilities are classified as non-current.

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

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 operating cycle.

3.2 Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional statements are presented in Indian Rupees (₹), which the company's functional and presentation currency.

3.3 Fair value measurement

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 is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits 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 prices 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 categorisation (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 and non – recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

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.

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 summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

Disclosures for valuation methods, significant estimates and assumptions of Financial instruments (including those carried at amortised cost (note 21) and Quantitative disclosures of fair value measurement hierarchy (note 22).

3.4 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. The Company recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for the Company's activities, as described below.

Toll revenue

The income from toll revenue from operations of the facility is accounted on receipt basis.

Others

Insurance and other claims are recognized as revenue on certainty of receipt basis.

Income on investment is recognized based on the terms of the investment. Income from mutual fund scheme having fixed maturity plans is accounted on declaration of dividend or on maturity of such investments. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rates applicable. For all other financial assets measured at amortised cost interest Income is recorded using the Effective Interest Rate (EIR).

3.5 Accounting of intangible assets under service concession arrangement

The Company has Toll Road Concession rights where it Builds; Operates and Transfers (BOT) infrastructure used to provide public service for a specified period of time. These arrangements may include Infrastructure used in a public-to-private service concession arrangement for its entire useful life.

These arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the Company receives a right (a license) to charge users of the public service. The financial asset model is used when the Company has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component. If the Company performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

The intangible assets is measured at the fair value of consideration transferred to acquire asset, which is the fair value of consideration received or receivable for the construction services delivered.

Amortization of concession intangible assets

The Intangible asset recognized are amortised over the concession period on the basis of projected toll revenue which reflects the pattern in which the assets economic benefits are consumed. The projected total toll revenue is based on the independent traffic volume projections; Amortization is revised in case of any material change in the expected pattern of economic benefits. Refer note 23 for description and significant terms of the concession agreements.

Financial assets model

The financial asset model applies when the operator has an unconditional right to receive cash or another financial asset from the grantor in remuneration for concession services. In the case of concession services, the operator has such an unconditional right if the grantor contractually guarantees the payment of amount specified or determined in the contract or the shortfall, if any, between amounts received from users of public service and amounts specified or determined in the Contract.

Financial Assets resulting from application of Appendix A and Appendix B of Ind AS 11 are recorded in the Balance Sheet under the heading "Other Financial Assets" and recognized at amortised cost.

However in case of certain arrangements, the contract may include a payment commitment on the part of the concession grantor covering only part of investment, with the balance to be recovered from by charging users of service . In such arrangements the investment amount guaranteed by the concession grantor is recognized under the financial asset model and the residual balance is recognized under the Intangible asset model.

Any asset carried under concession arrangements is derecognized on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expire.

Maintenance obligations

Contractual obligations to maintain, replace or restore the infrastructure (principally resurfacing costs and major repairs and unscheduled maintenance which are required to maintain the Infrastructure asset in operational condition except for any enhancement element) are recognized and measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date for which next resurfacing would be required as per the concession arrangement. The provision is discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

3.6 **Taxes**

Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income. Current income tax relating to items recognized outside the Statement of Profit and Loss is recognized outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Current tax items are recognized 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.

Minimum Alternate Tax ('MAT') under the provisions of Income-tax Act, 1961 is recognised as current tax in the statement of profit and loss. MAT paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is a convincing evidence that the Company will pay normal tax. Accordingly, MAT is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company.

Current tax assets and liabilities are offset only if, the Company:

a) has a legally enforceable right to set off the recognised amounts; and
b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is provided using the balance sheet approach 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 and assets are recognized for all taxable temporary differences

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and 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 utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists 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.

3.7 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 capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

3.8 Leases

Operating lease payments are recognized as an operating expense in the income statement on a straight line basis over the lease term.

3.9 Contingent liabilities and contingent Assets

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 recognised 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 recognised because it cannot be measured reliably. The contingent liability is not recognised in the books of accounts but its existence is disclosed in the Financial Statements. A Contingent asset is not recognized in financial statements, however, the same are disclosed where an inflow of economic benefit is probable.

3.10 Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

3.11 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, 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. When the Company expects some or all of a provision to be reimbursed the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and 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, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

3.12 Employee benefits

(i) Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Leave obligations

The Company provides sick leave and privilege leave to its employees.

Privilege and sick leave obligation is provided based on actuarial valuation which takes into account the estimated portion of leave that will be en-cashed, availed and the portion that will lapse. The portion that is expected to be en-cashed is provided for based on the basic salary of the employee and for the portion that is expected to be availed, the valuations are based on the employees' total compensation. The liability for earned leave is also classified as current where it is expected to be availed/ en-cashed during the next 12 months. The remaining portion is classified as non-current. The amounts of current and non-current liability are based on actuarial estimates.

(iii) Post - employment obligations

The Company operates various post-employment schemes, including
(a) defined benefit plans such as gratuity
(b) defined contribution plans such as provident fund.

Gratuity Obligations

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Defined Contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

3.13 Cash and cash equivalents

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

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.14 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.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at fair value through Statement of Profit and Loss, net of directly attributable transaction cost to the acquisition of the financial asset. 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.

For purposes of subsequent measurement, financial assets are classified in following categories;
- at amortised cost
- at fair value through profit or loss (FVTPL)
- at fair value through other comprehensive income (FVTOCI)

Financial Assets at amortised cost

Financial assets are measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. All the Loans and other receivables under financial assets (except Investments) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial measurement such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss. This category generally applies to loans and other receivables.

Financial Assets at Fair Value through Statement of Profit and Loss/Other Comprehensive Income

All investments in scope of Ind AS 109 are measured at fair value. The Company has investment in mutual funds which are held for trading, are classified as at FVTPL. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income. There is no recycling of the amounts from Other Comprehensive Income (OCI) to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of the Company's similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

The rights to receive cash flows from the asset have expired, or

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

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

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Company has three types of financial assets subject to Ind AS 109's expected credit loss model:

- Loans receivables measured at amortised cost
- Retentions receivable, grant receivable from NHAI
- Loans given to employees

The impairment methodology for each class of financial assets stated above is as follows:

Loans receivables measured at amortised cost: Loans receivables at amortised cost are generally short term in nature considered to be low risk, and thus the impairment provision is determined as 12 months expected credit losses.

Loans given to employees: For loans given to employees outstanding as on the reporting dates, the has determined reliably that assessing the probability of default at the initial recognition of each and every loan or receivable would result in undue cost and effort. As permitted by Ind AS 109, the credit provision will be determined based on whether credit risk is low only at each reporting date, until the loan is derecognized. Using the impairment methodology the Company has assessed that no loan loss allowance needs to be recorded in the books of accounts.

Expected credit loss ('ECL') impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortized cost and other contractual revenue receivables - ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through Statement of Profit and Loss, loans and borrowings, trade payables or other payables.

All financial liabilities are recognized initially at fair value.

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

Subsequent measurement

Financial liabilities at amortized cost: After initial measurement, such financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in finance costs in the Statement of Profit and Loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. However, the Company has borrowings at floating rates. The impact of restatement of effective interest rate, year on year due to reset of interest rate, is not material. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the transaction cost amortization process.

Trade Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

Retention money payable

This is the category most relevant to the Company. Retention moneys are measured at Fair value initially. Subsequently, they are measured at amortised cost using the EIR (Effective interest rate) method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. 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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

Offsetting of financial instruments

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

3.15 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). Chief operating decision maker's function is to allocate the resources of the entity and access the performance of the operating segment of the entity.

The Board assesses the financial performance and position of the Company and makes strategic decisions. It is identified as being the chief operating decision maker for the company.

3.16 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are disclosed below.

(I) Applicability of service concession arrangement accounting to toll roads concessionaire arrangements

The Company has determined that Appendix A of Ind AS 11 'Service concession arrangements' is applicable to the Company which provides on accounting by the operators for public-to-private service concession arrangements. The Company has entered into concession arrangement with NHAI as per which the Company would participate in the Design, Build, Finance, Operate and Transfer (DBFOT) basis the toll roads infrastructure. After the end of the concession arrangement, the Company has to transfer the infrastructure i.e. toll roads constructed to National Highway Authorities of India (NHAI).

Accordingly the Company has recognized the intangible assets recognized as per the accounting policy mentioned in Note no 3.5 'Accounting of intangible assets under service concessionaire arrangement'.

(ii) Income taxes

The Company has recognized deferred tax assets relating to carried forward tax losses to the extent there are sufficient taxable temporary differences relating to the same taxation authority against which the unused tax losses can be utilized. However, the utilization of tax losses also depends on the ability of the Company to satisfy certain tests at the time the losses are recouped. Management has forecasted future taxable profits and has therefore recognized deferred tax assets in relation to tax losses.

(iii) Amortization of concession intangible assets

The Intangible asset recognized are amortised over the concession period on the basis of projected toll revenue which reflects the pattern in which the assets economic benefits are consumed. The projected total toll revenue is based on the independent traffic volume projections; Amortization is revised in case of any material change in the expected pattern of economic benefits.

(iv) Provision for resurfacing obligation (major maintenance expenditure)

The Company records the resurfacing obligation for its present obligation as per the concession arrangement to maintain the toll roads at every five years during the concession period. The provision is included in the Financial Statements at the present value of the expected future payments. The calculations to discount these amounts to their present value are based on the estimated timing of expenditure occurring on the roads.

The discount rate used to value the resurfacing provision at its present value is determined through reference to the nature of provision and risk associated with the expenditure.

3.17 Recent accounting pronouncements

- **Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:** On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies(Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

  The amendment will come into force from April 1, 2018, Since the Company does not have any foreign currency transactions and advance consideration there is no impact of this on the financial statements.

- **Ind AS 115- Revenue from Contract with Customers:** 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 Company is evaluating the requirements of the amendment and the impact on the financial statements is being evaluated.

JR Toll Road Pvt Ltd

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

Note 4 - Intangible assets

₹ Millions

Particulars	Toll Collection rights
As at March 31, 2017	
Opening gross carrying amount	4,685.50
Additions	-
Disposals	-
Closing gross carrying amount	4,685.50
Accumulated amortization and impairment	
Opening accumulated amortization and impairment	292.79
Amortization expenses for the year	144.63
Disposals	-
Closing accumulated amortization and impairment	437.42
Net carrying amount as at March 31, 2017	**4,248.08**
As at March 31, 2018	
Opening gross carrying amount	4,685.50
Additions	-
Disposals	-
Closing gross carrying amount	4,685.50
Accumulated amortization and impairment	
Opening accumulated amortization and impairment	437.42
Amortization expenses for the year	183.78
Disposals	-
Closing accumulated amortization and impairment	621.20
Net carrying amount as at March 31, 2018	**4,064.30**

Note:

1) The above Intangible Asset are other than internally generated.

2) The above Intangible Asset are pledged as security with lenders.

₹ Millions

Particulars	As at March 31, 2018	As at March 31, 2017
Note 5 - Financial Assets - Current		
Note 5 (a) - Cash and Cash equivalents		
Balances with banks		
- in current accounts	5.92	45.63
Cash on hand	1.40	1.43
	7.32	**47.06**
Note 5 (b) - Other financial assets - current		
Security deposits	0.02	0.02
Retention money receivable from NHAI	5.90	5.90
Others	0.12	-
Claims receivable from NHAI	8.89	8.89
	14.93	**14.82**

₹ Millions

Particulars	As at March 31, 2018	As at March 31, 2017
Note 6 - Other non-current assets		
Gratuity Advance	-	0.42
	-	**0.42**
Note 7 - Other Current assets		
Advance to vendors	4.53	2.82
Advance to employees	0.86	0.82
Prepaid Expenses	0.47	0.52
Duties and taxes receivable	4.49	5.97
	10.35	**10.13**

JR Toll Road Pvt Ltd

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

Note 8 - Share Capital and Other equity

₹ Millions

Particulars	Nos of Shares	As at March 31, 2018	As at March 31, 2017
Note 8a - Authorised Share Capital			
At the beginning of the year	6,400,000	64.00	64.00
Add : Increase during the year	of ₹10 each	-	-
At the end of the year		64.00	64.00
Note 8b - Issued, subscribed and paid-up equity share capital			
At the beginning of the year	10,704	0.11	0.11
Add : Increase during the year	of ₹10 each	-	-
At the end of the year		0.11	0.11

Note 8c - Terms and rights attached to equity shares

(i). The Company has only one class of shares referred to as Equity Shares having a Par Value of Rs.10 per share. Each holder of equity share is entitiled to one vote per share.

(ii). In the event of liquidation of the company, the holders of the equity shares will be entitled to receive all of the remaining assets of the company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity share held by the shareholders

₹ Millions

Particulars	As at March 31, 2018	As at March 31, 2017
Note 8d - Reconciliation of nos of Shares		
Nos of Shares at the beginning of the year	10,704	10,704
Add : Nos of Shares issued during the year	-	-
Nos of Shares at the end of the year	10,704	10,704
Note 8e - Shares held by the Holding Company or their subsidiaries/associates		
Reliance Infrastructure Limited and its Nominees (Holding Company)	10,703	10,703
Note 8f - Details of Shareholders holding more than 5% shares		
Reliance Infrastructure Limited and its Nominees		
Nos of Shares	10,703	10,703
% of holding	100%	100%

The Holding Company has pledged 5,138 (PY 5138) Equity Shares of the Company for availing various term loans.

JR Toll Road Pvt Ltd
Notes to the Financial Statements as of and for the year ended March 31,2018

₹ Millions

Particulars	As at March 31, 2018	As at March 31, 2017
Note 9a - Sub-ordinated debt (in nature of equity)		
At the beginning of the year	1,330.31	1,109.31
Increase / (decrease) during the year	150.50	221.00
At the end of the year	1,480.81	1,330.31

Terms and rights attached to Sub-ordinated debts infused by Holding Company alongwith its Subsidiaries

i) Subordinated debt is the part of Equity from the promoters of the Company for the project, which is unsecured and interest free as per Common Loan agreement with the lenders;

ii) No repayment/redemption/interest servicing allowed during the moratorium period of the long term project loan.

- Other Equity

Note 9b - Corporate Guarantee (in nature of equity)		
At the beginning of the year	32.50	32.50
Increase / (decrease) during the year	-	-
At the end of the year	32.50	32.50
Note 9c - Retained Earnings		
At the beginning of the year	(643.78)	(444.05)
Net Profit/ (Loss) for the year	(207.61)	(200.11)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasuremens of post-employements obligations (net of tax)	(0.75)	0.38
At the end of the year	(852.14)	(643.78)

Financial Liabilities

Note 10 - Borrowings - Non current

₹ Millions

Particulars	As at March 31, 2018	As at March 31, 2017
Secured Term loans		
From banks	3,107.01	3,309.20
Total	3,107.01	3,309.20

1) Secured Term Loan from Bank of Rs. 3,335.44 million (Principal undiscounted amount) are secured as under :

The Borrowings are secured by the way of terms stated in Common Loan Agreement entered between the Company and Consortium of lenders:-
(i) a first ranking pari passu mortgage/charge over all the Borrower's immoveable and movable properties, both present and future, except the Project Assets. ;

(ii) a first ranking pari passu charge on all the Borrower's bank accounts including, but not limited to the Escrow Account/ its Sub-Accounts where all revenues, Disbursements, receivables shall be deposited and in all funds from time to time deposited therein and in all Permitted Investments or other securities representing all amounts credited to the Escrow Account.

(iii) a first ranking pari passu charge on all movable tangible and intangible assets of the Borrower (other than those specified in paragraphs (ii) above and (iv) below) including but not limited to its goodwill, undertaking and uncalled capital, both present and future, except the Project Assets.;

(iv) a first ranking pari passu charge over / assignment of the right, title, interests, benefits, claims and demands of the Borrower in, to and under any letter of credit, guarantees (except the guarantees issued in favour of NHAI) including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents.

2) The applicable interest rate for Rupee Term Loan varies from 11.00% to 13.00% p.a.

3) The Company has provided Corporate Guarantee in form and manner satisfactory to the lenders as per Common Loan Agreement.

Maturity Profile of Secured Term Loan (Principal undiscounted) are as under : ₹ Millions

Financial Year	Rupee Loan from Bank
2018-19	204.30
2019-20	262.66
2020-21	379.40
2021-22	622.60
2022-23	778.24
2023-24 on wards	1,088.24
Total	3,335.44

Note 11 - Trade Payables

₹ Millions

Particulars	As at March 31, 2018	As at March 31, 2017
Total outstanding due to Micro and small enterprises	-	-
Total outstanding due to others	86.64	51.20
	86.64	51.20

Dues to Micro and Small Enterprises

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the company. There are no overdue principal amounts/interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.

Note 12 - Other financial liabilities - current

₹ Millions

Particulars	As at March 31, 2018	As at March 31, 2017
Current Maturities of long term debt	204.30	175.12
Other Payable	61.64	61.24
Retention money payable	107.90	103.61
Total	373.84	339.97

₹ Millions

Particulars	As at March 31, 2018	As at March 31, 2017
Note 13 (a) - Provisions - Current		
Provision for employee benefits		
- Gratuity	0.75	-
- Leave encashment	1.51	0.01
	2.26	0.01
Note 13 (b) - Provisions - Non - Current		
Provision for employee benefits		
- Leave encashment	-	0.14
Others		
- Resurfacing expenses	319.01	282.80
	319.01	282.94

Movement of Resurfacing provisions is as follows:

At the beginning of the year	282.80	225.23
Charged / (credited) to profit or loss		
Provision made during the year	32.70	44.47
Unwinding of discount	3.51	13.10
At the end of the year	319.01	282.80

Resurfacing provisions - significant estimates

As per the service concession arrangement with NHAI, the Company Group is obligated to carry out resurfacing of the roads under concession. The Company Group estimates the likely provision required towards resurfacing and accrues the costs on a straight line basis over the period at the end of the which resurfacing would be required, in the Statement of Profit and Loss in accordance with Ind AS 37 ' Provisions, Contingent Liabilities and Contingent Assets.

Note 14 - Other current liabilities

₹ Millions

Particulars	As at March 31, 2018	As at March 31, 2017
Duties and taxes payable	0.04	2.04
	0.04	2.04

JR Toll Road Pvt Ltd

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

₹ Millions

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Note 15 - Revenue		
Operating income		
- Income from toll collections	473.31	415.90
Compensation towards toll suspension	-	36.16
	473.31	452.06
Note 16 - Other Income		
Interest income		
- On fixed deposits	0.53	0.22
- Others	-	0.14
Excess provision for Leave Encashment/Gratuity written back	-	0.62
Miscellaneous income	0.01	0.00
	0.54	0.98
Note 17 - Toll Operation and Maintainence expenses		
Subcontracting expenses	43.50	34.27
Maintainence of Roads	58.74	76.03
Electricity expenses	7.27	7.10
Handling Charges	1.03	0.95
Site and other direct expenses	7.03	7.23
	117.57	125.58
Note 18 - Employee benefits expenses		
Salaries wages and bonus	4.02	3.10
Contribution to provident funds and other funds	0.26	0.18
Contribution to Gratuity fund	0.03	0.15
Leave encashment	1.39	-
Staff welfare expenses	0.05	0.10
	5.75	3.53
Note 19 - Finance Costs		
Interest on loan from Banks	380.82	400.09
Unwinding of discount on provisions	3.51	13.10
Other finance charges	38.92	40.96
Unwinding of discount on retention money	4.07	10.45
	427.32	464.60
Note 20 - Other expenses		
Rates & taxes	0.16	0.46
Insurance	1.69	1.67
Legal and Professional Charges	11.68	16.91
Auditors Remuneration		
- Audit Fees	0.24	0.44
- Certification Fees	0.06	0.20
Travelling and Conveyance	0.61	0.71
Other miscellaneous expenses	1.23	1.46
	15.77	**21.85**

JR Toll Road Pvt Ltd
Notes to the Financial Statements as of and for the year ended March 31,2018

Note 21 - Fair value measurements

Financial Instruments by category
Signficance of financial instruments

₹ Millions

Particulars	As at March 31, 2018	As at March 31, 2017
Financial assets		
At amortised Cost		
Security Deposits	0.02	0.02
Other receivables	0.12	-
Retention Money receivable from NHAI	5.90	5.90
Cash and Cash equivalent	7.32	47.06
Claims receivable from NHAI	8.89	8.89
Total financial assets	22.25	61.87
Financial liabilities		
At amortised Cost		
Floating Rate Borrowings	3311.31	3484.32
Trade Payables	86.64	51.20
Retention money payable	107.90	103.61
Other Payable	61.64	61.24
Total financial liabilities	3567.49	3700.37

Note 22 - Fair value Hierarchy

(a) Fair value hierarchy - Assets and liabilities which are measured at amortised cost for which fair values are disclosed

₹ Millions

Particulars	As at March 31, 2018	As at March 31, 2017
Financial liabilities		
Level 3		
Floating Rate Borrowings	3,313.41	3,486.42
Retention money payable	107.90	103.61
Total financial liabilities	3421.31	3590.03

Recognised fair value measurements

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for borrowings, debentures, Rerention money payable and hedging derivative included in level 3

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

• the use of quoted market prices or dealer quotes for similar instruments

• the fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date

• the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

(b) Fair value of financial assets and liabilities measured at amortised cost

₹ Millions

Particulars	As at March 31, 2018	As at March 31, 2017
Financial liabilities		
Carrying value of financial liabilities at amortised cost		
Floating rate borrowings	3,311.31	3,484.32
Retention money	107.90	103.61
	3,419.21	**3,587.93**
Fair value of financial liabilities carried at amortised cost		
Floating rate borrowings	3,313.41	3,486.42
Retention money	107.90	103.61
	3,421.31	**3,590.03**

The carrying value amounts of fixed deposits, interest accrued on deposits, retention money receivable, insurance claim receivable, cash and cash equivalents,

trade payables, interest accrued, employee benefits payable and creditors for capital expenditure approximate their fair value due to their short term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Note 23 - Concession arrangements - Main features

₹ Millions

Name of entity	Description of the arrangement	Significant terms of the arrangement	Intangible Assets		Financial Asset
			Gross book value	Net book value	
JR Toll Road Private Limited	Financing, design, building and operation of 52 kilometre long four lane toll road between Jaipur and Reengus on National Highway 11	Period of concession: 2010 - 2028 Remuneration : Toll Investment grant from concession grantor : Yes Infrastructure return at the end of concession period : Yes Investment and renewal obligations : Nil Re-pricing dates : Yearly Basis upon which re-pricing or re-negotiation is determined : Inflation Premium payable to grantor : Nil	March 31, 2018 4,685.50 March 31, 2017 4,685.50	March 31, 2018 4,064.30 March 31, 2017 4,248.08	March 31, 2018 - March 31, 2017 -

JR Toll Road Pvt Ltd
Notes to the Financial Statements as of and for the year ended March 31,2018

Note 24 – Financial risk management

The Company activities exposes it to market risk, liquidity risk and credit risk.
This note explains the source of risk which the entity is exposed to and how the entity is manage the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Aging analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Market risk — foreign exchange	Recognized financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Actively Managed
Market risk — interest rate	Long-term borrowings at variable Rates	Sensitivity analysis	Actively Managed
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Company's risk management is carried out by a project finance team and central treasury team (group treasury) under policies approved by board of directors. Group treasury identifies, evaluates and hedges financial risk in close co-operation with the group's operating units. The Management of the Company provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk and credit risk, use of derivative financial instrument and non-derivative financial instrument, and investments of excess liquidity.

Commodity risk:

The Company requires for implementation (construction, operation and maintenance) of the projects, such as cement, bitumen, steel and other construction materials. For which, the Company entered into fixed price contract with the EPC contractor and O&M Contractor so as to manage our exposure to price increases in raw materials. Hence, the sensitivity analysis is not required

Market risk — interest rate risk

The Bank loans follows floating rates with resets defined under agreements. While interest rate fluctuations carry a risk on financials, the Company earn toll income which is linked to WPI thus providing a natural hedge to the interest rate risk.

a) Interest rate risk exposure

₹ Millions

Particulars	As at March 31, 2018	As at March 31, 2017
Variable Rate Borrowings	3,311.31	3,484.32
Fixed Rate Borrowings	-	-
Total	3,311.31	3,484.32

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Impact on profit/loss after tax

Interest rates (increase) by 1 basis points	(26.16)	(27.53)
Interest rates decrease by 1 basis points	26.16	27.53

JR Toll Road Pvt Ltd

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

Liquidity risk - Table

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 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 a robust cash management system. It maintains adequate sources of financing including debt from banks at an optimized cost. The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 30 to 60 days. The carrying amounts are assumed to be a reasonable approximation of fair value. The following table analyses financial liabilities by remaining contractual maturities.

The table below analyses the group's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

₹ Millions

As at March 31, 2018	Less than 3 months	Between 3 months and 1 year	Between 1 year and 2 years	Between 2 years and 5 years	Over 5 years	Total
Non-derivatives						
Borrowings	43.78	160.52	262.66	1,780.24	1,088.24	3,335.[illegible]
Interest on Borrowings	91.72	267.55	334.39	727.90	83.32	1,504.[illegible]
Trade and other payables	21.66	64.98				86.64
Other financial liabilities	107.90	61.64	-	-	-	169.[illegible]
Total non-derivatives	**265.06**	**554.69**	**597.05**	**2,508.14**	**1,171.56**	**5,096.5[illegible]**

As at March 31, 2017	Less than 3 months	Between 3 months and 1 year	Between 1 year and 2 years	Between 2 years and 5 years	Over 5 years	Total
Non-derivatives						
Borrowings	43.78	131.34	204.30	1,264.66	1,866.48	3,510.56
Interest on Borrowings	96.54	282.40	359.27	889.08	256.53	1,883.[illegible]
Trade and other payables	12.80	38.40	-	-	-	51.[illegible]
Other financial liabilities	107.68	61.24	-	-	-	168.[illegible]
Total non-derivatives	**260.80**	**513.38**	**563.57**	**2,153.74**	**2,123.01**	**5,61[illegible]**

Note 25 - Capital risk management

The Company objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Company capital management, capital includes issued equity capital, share premium, sub-debts and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue interest free sub-ordinate debt. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company policy is to keep optimum gearing ratio. The Company includes within net debt, interest bearing loans and borrowings, trade payables, less cash and cash equivalents.

In order to achieve this overall objective, the Company capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. No changes were made in the objectives, policies or processes for managing capital for nine month ended March 31, 2018 and March 31, 2017.

Consistent with others in the industry, the group monitors capital on the basis of the following gearing ratio:

Net debt including total borrowings (net of cash and cash equivalents)

divided by

Total 'equity' (as shown in the balance sheet).

₹ Millions

Particulars	As at March 31, 2018	As at March 31, 2017
Net debt (a)	3,303.99	3,437.27
Equity (b)	661.28	719.13
Net debt to equity ratio (a) / (b)	5.00	4.78

₹ Millions

Particulars	As at March 31, 2018	As at March 31, 2017
Net debt (a)	3,303.99	3,437.27
Equity (b)	661.28	719.13
Nebt debt plus Equity (c = a+b)	3,965.27	4,156.40
Gearing ratio (a) / c	0.83	0.83

Note 26 - Earning Per Share

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Profit / Loss attributable to equity shareholders (Rs Millions) (A)	(207.61)	(200.11)
Weighted average number of equity shares for basic and diluted earnings per share (B)	10,704	10,704
Earnings / (Loss) per share (Basic and diluted) (Rupees) (A/B)	**(19,395.25)**	**(18,694.45)**
Nominal value of equity shares (Rupees)	10.00	10.00

JR Toll Road Pvt Ltd
Notes to the Financial Statements as of and for the year ended March 31,2018

Note 27 - Income Tax Expense

The balance comprises temporary differences attributable to : ₹ Millions

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Income tax expense		
Current tax		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods	-	-
Total current tax expense	-	-
Deferred tax		
Decrease/(increase) in deferred tax assets	(142.98)	(165.80)
(Decrease)/increase in deferred tax liabilities	73.84	58.96
Total deferred tax expense/(benefit)	(69.13)	(106.84)
Income tax expense	**(69.13)**	**(106.84)**
Income tax expense is attributable to:		
Profit as per Ind AS before income tax expenses	(276.34)	(307.15)
Income Tax as per effective Tax Rate of 34.608%	(95.63)	(106.30)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Income not considered for Tax purpose		
Expesnes not allowed for tax purpose		
Other Items	26.50	(0.55)
Total Tax Expense	(69.13)	(106.84)

JR Toll Road Pvt Ltd

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

Note 27 (b) - Deferred tax (liability) / Asset

₹ Millions

The balance comprises temporary differences attributable to :

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred tax liability on account of:		
Intangible assets	287.28	213.08
Borrowings	8.43	9.08
Other	0.26	-
Deferred tax asset on account of:		
Unused tax losses carried forward	634.50	506.52
MMR Provision/ Retention Money	111.47	96.46
Retirement benefit obligation	-	0.05
Net deferred tax (liability)/asset	**450.00**	**380.87**

Movement in deferred tax liability / asset

₹ Millions

Particulars	Unused Tax Losses	Intangible assets - toll collection rights	Intangible assets under development	Other items	Total
As at April 01, 2016	230.71	(76.23)	(24.22)	19.42	149.68
Charged/(credited) during the year					
to profit or loss	275.81	(136.85)	24.22	68.21	231.39
to other comprehensive income	-	-	-	(0.20)	(0.20)
As at March 31, 2017	**506.52**	**(213.08)**	**(0.00)**	**87.43**	**380.87**
As at April 01, 2017	506.52	(213.08)	(0.00)	87.43	380.87
Charged/(credited) during the year					
to profit or loss	127.99	(74.20)	-	14.95	68.73
to other comprehensive income	-	-	-	0.40	0.40
As at March 31, 2018	**634.50**	**(287.28)**	**(0.00)**	**102.78**	**450.00**

JR Toll Road Pvt Ltd
Notes to the Financial Statements as of and for the year ended March 31,2018

Note 28 - Related Party Transactions

As per Ind AS-24 " Related Party Disclosure" the Company's related parties and trasnsactions with them in the ordinary course of business are disclosed below :

(A) Parties where control exists
Reliance Infrastructure Limited

Details of transactions and closing balance

₹ Millions

Particulars	March 31, 2018	March 31, 2017
Transactions during the year :		
Toll operation and maintainence expenses		
Reliance Infrastructure Limited	5.60	6.26
Reimbursement of expenditure paid by		
Reliance Infrastructure Limited	0.11	0.10
Sub-debts received (in nature of equity)		
Reliance Infrastructure Limited	150.50	221.00
Balances at the year end		
Retention Money		
Reliance Infrastructure Limited	96.24	96.24
Other current liabilities		
Reliance Infrastructure Limited	25.20	19.98
Sub-debts (in nature of equity)		
Reliance Infrastructure Limited	1,480.81	1,330.31
Equity share capital		
Reliance Infrastructure Limited	0.11	0.11
Sitting Fees of Independent Directors		
Yogendra Narain	0.05	-
Rashna Khan	0.05	-
Dinesh Modi	0.02	0.03
Anil Verdia	0.02	0.03

Note 29- Gratuity and other post-employment benefit plans ₹ Millions

a) Defined contribution plan

The following amount recognized as an expense in Statement of profit and loss on account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

Particulars	As at March 31, 2018	As at March 31, 2017
Contribution to provident fund and other funds	0.16	0.13
Total	0.16	0.13

a) Defined benefit plan
The Company Group has a defined benefit plan (Gratuity) for its employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service as per the provision of the Payment of Gratuity Act, 1972 with total ceiling on gratuity of Rs.1,000,000/-. The said gratuity plan is funded.

The following tables summaries the The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Opening defined benefit liability / (assets)	0.15	0.74
Net employee benefit expense recognised in the employee cost		
Current service cost	0.07	0.14
Past service cost	-	-
Interest cost on benefit obligation	0.01	0.06
(Gain) / losses on settlement	-	-
Net benefit expense	0.08	0.20
Amount recorded in Other Comprehensive Income (OCI)		
Measurement during the period due to :		
Return on plan assets, excluding amounts included in interest expense/(income)	-	-
Actuarial loss / (gain) arising from change in financial assumptions	0.29	0.02
Actuarial loss / (gain) arising on account of demographic assumptions	-	-
Experience (gains)/losses	1.10	(0.81)
Amount recognized in OCI	1.39	(0.79)
Benefits payments from plan		
Closing net defined benefit liability / (asset)	1.62	0.15

Particulars	As at March 31, 2018	As at March 31, 2017
Opening fair value of plan assets	0.57	0.73
Net employee benefit expense recognised in the employee cost		
Interest cost / (income) on plan asset	0.06	0.06
(Gain) / losses on settlement	-	-
Net benefit expense	0.06	0.06
Amount recorded in Other Comprehensive Income (OCI)		
Measurement during the period due to :		
Return on plan assets, excluding amounts included in interest expense/(income)	0.02	0.00
Actuarial loss / (gain) arising from change in financial assumptions	-	-
Actuarial loss / (gain) arising on account of demographic assumptions	-	-
Experience (gains)/losses	-	-
Asset ceiling not recognised as an asset	0.22	(0.22)
Amount recognized in OCI	0.24	(0.22)
Employer contributions/premiums paid	-	-
Benefits Paid	-	-
Closing fair value of plan assets	0.87	0.57

Note 29- Gratuity and other post-employment benefit plans ₹ Millions

The net (liability)/asset disclosed above relates to funded plan is as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of funded obligations	1.62	0.15
Fair value of plan assets	0.87	0.57
	0.75	(0.42)
Net liability is bifurcated as follows :		
Current	-	-
Non-current	0.75	(0.42)
Total	**0.75**	**(0.42)**

Particulars	As at March 31, 2018	As at March 31, 2017
Discount rate	7.70%	7.05%
Expected rate of return on plan assets (p.a.)		
Salary escalation rate (p.a.)	9.75%	7.50%
Mortality pre-retirement	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

A quantitative analysis for significant assumption is as shown below:

Particulars	As at March 31, 2018	As at March 31, 2017
Assumptions -Discount rate		
Sensitivity Level	50 bp	50 bp
Impact on defined benefit obligation -in % increase	-6.09%	-7.21%
Impact on defined benefit obligation -in % decrease	6.59%	7.93%
Assumptions -Future salary increases		
Sensitivity Level	50 bp	50 bp
Impact on defined benefit obligation -in % increase	6.43%	7.85%
Impact on defined benefit obligation -in % decrease	-6.01%	-7.21%

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the.

Particulars	As at March 31, 2018	As at March 31, 2017
Within the next 12 months (next annual reporting period)	0.04	0.00
Between 2 and 5 years	0.21	0.02
Between 6 and 9 years	0.35	0.02
For and Beyond 10 years	4.22	0.46
Total expected payments	**4.81**	**0.50**
The average duration of the defined benefit plan obligation at the end of the reporting period	12.67 years	15.11 years

Plan Assets Composition

Particulars	As at March 31, 2018	As at March 31, 2017
Non Quoted		
Insurer Managed Funds	0.87	0.57
	0.87	**0.57**

JR Toll Road Pvt Ltd
Notes to the Financial Statements as of and for the year ended March 31,2018

Note 30 - Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

₹ Millions

Particulars	Notes	March 31, 2018	March 31, 2017
Current			
Financial assets			
First charge			
Cash and cash equivalents	5a	7.32	47.06
Bank balances other than above	5b	-	-
Other Financial Assets	5c	14.93	14.82
Non-financial assets			
First charge			
Other Current Assets	7	10.35	10.13
Total current assets pledged as security		**32.60**	**72.01**
Non-current			
First charge			
Intangible Asset	4	4,064.30	4,248.08
Other non current assets	6	-	0.42
Total non-current assets pledged as security		**4,064.30**	**4,248.50**
Total assets pledged as security		**4,096.90**	**4,320.51**

Note 31: The Company is engaged in "Road Infrastructure Projects" which in the context of Ind AS 108 "Operating Segment" is considered as the only segment. The Company's activities are restricted within India and hence, no separate geographical segment disclosure is considered necessary.

Note 32 - Disclosure pursuant to para 44A to 44E of Ind AS 7 - Cash Flow Statement

₹ Millions

Particulars	**Year Ended March 31,2018**	Year Ended March 31,2017
Long term Borrowings		
Opening Balance	3,484.32	3,657.32
Availed during the year	-	-
Changes in Fair Value		
- Impact of Effective Rate of Interest	2.11	2.12
Repaid During the year	(175.12)	(175.12)
Closing Balance	**3,311.31**	3,484.32
Sub-ordinated debt (In nature of equity)		
Opening Balance	1,330.31	1,109.31
Availed during the year	150.50	221.00
Repaid During the year	-	-
Closing Balance	**1,480.81**	1,330.31
Interest Expenses		
Interest Charge as per Statement Profit & Loss	427.32	464.60
Changes in Fair Value		
- Impact of Interest unwinding on NHAI Premium		-
- Impact of Effective Rate of Interest	(2.11)	(2.12)
- Unwinding of Discount on provisions	(3.51)	(13.10)
-Unwinding of discount on retention money	(4.07)	(10.45)
Interest paid to Lenders	(417.63)	(438.92)
Closing Balance	-	-

Note 33 - Contingent liabilities

₹ Millions

	Particulars	March 31, 2018	March 31, 2017
1	Claims against the company not acknowledge as debts and under litigation		
	a) Service Tax Claims	23.79	-
2	Others Differences in balances as per bank loan confirmations and books of accounts mainly on account of interest rate resetting are under reconciliation with the bankers. The Companys expect to settle these soon and do not anticipate any further liability on account of interest.	0.20	0.13

Note 34 - Arbitration Claims

EPC Contractor has raised claims against the Company under the provisions of the EPC Agreement which primarily arose due to events attributed to NHAI. The claims were scrutinized by the Company and after due deliberations, it is agreed between the Company and the EPC Contractor that the claims which arose due to events attributed to NHAI shall be referred to NHAI for consideration.

Accordingly the Company along with its claims, submitted the claims of the EPC Contractor to NHAI for consideration. The claims were not accepted by NHAI and therefore were put forward for amicable settlement between the two Chairmen of NHAI and the Company under the Dispute Resolution procedure of the Concession Agreement.

The EPC Contractor has agreed to await the conclusion of process of amicable settlement under the Concession Agreement and/or Arbitration between the Company and NHAI in the event the Disputes are not resolved amicably before pursuing further action on the matter. It is agreed between the Company and the EPC Contractor that till such time as the matter between Company and NHAI is concluded with regard to its claims, no rights of the EPC Contractor with regard to Limitation on the claims will be affected. The Company will update the EPC Contractor with regard to the process of Dispute Resolution with NHAI.

The Claims referred to NHAI by the Company, which are under the process of Dispute Resolution of the Concession Agreement amounts to ₹ 1190.59 Million which also includes the claim of the EPC Contractor amounting to ₹ 783.92 Million.

The Company has also sought for compensation for the delay in reimbursement of such claims by way of interest at the rate of SBI PLR plus 5% on the claim amount.

Note 35 – Demonetisation

Consequent upon the de-monetisation of currency notes by Central government, toll collection had been suspended from November 9, 2016 to December 2, 2016 for which the company has raised claims on NHAI for reimbursement of the expenses incurred during this period as per the provisions of the Concession Agreement entered into between the company and NHAI read along with NHAI circular dated November 29,2016 and December 6, 2016 in this regard. Amount of Rs. 36.16 million claimed, being contractually enforceable and certain of recovery, has been recognised as Income; Out of above, the Company received an amount of ₹ 27.27 million and the balance amount of ₹ 8.89 millions is shown as recoverable from NHAI under the head other Curmet financial Assets as at March 31, 2018.

Note 36 – Events after reporting period

There are no subsequent event after the reporting period which required adjustments to the Financial Statements.

JR Toll Road Company Limited
Notes to the Financial Statements as of and for the year ended March 31,2018

Note 37 - Previous year figures have been regrouped and re-arranged wherever necessary to make them comparable to those for current period.

As per our attached report of even date

For Chaturvedi & Shah	**For and on behalf of the Board**	
Chartered Accountants		
Firm Registration No. 101720W		
Lalit R. Mhalsekar	**Kaushik Pal**	**Madan Biyani**
Partner	Director	Director
Membership No. : 103418	DIN:05237230	DIN:07130371
Date: April 21, 2018	Date: April 21, 2018	
Place: Mumbai	Place: Mumbai	