

Independent Auditors' Report

To the Members of PS Toll Road Private Limited

Report on the Financial Statements

Opinion

We have audited the Financial Statements of **PS Toll Road Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in equity and Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the Financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the Financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in

accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to financial statements 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 the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to any of its directors during the year. Hence, the requirement of the Company for compliance under this section is not applicable.

- h) 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, 2019 on its financial position in its financial statements. - Refer Note 31 on Contingent Liabilities to the Financial statements;
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration No. 101720W/ W100355

Lalit R. Mhalsekar
Partner
Membership No. 103418

Place : Mumbai
Date : May 17, 2019

Annexure A to Auditors' Report**Referred to in our Auditors' Report of even date to the members of PS Toll Road Private Limited on the financial statements for the year ended March 31, 2019**

- (i) (a) The Company is maintaining proper showing full particulars, including quantitative details and situation of its fixed assets comprising of Intangible Assets and Intangible Assets under development.
- (b) As informed to us, the fixed assets included within the intangible assets have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
- (c) The title deed of immovable property included within the intangible assets, as disclosed in note no.4 to the financial statements is held in the name of the Company.
- (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) We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (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, goods and service tax, customs duty, excise duty, 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, goods and service tax, customs duty, excise duty, 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.

- (e) 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, goods and service-tax, customs duty, excise duty, as at March 31, 2019 which have not been deposited on account of a dispute.
- (vii) 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) According to the information and explanations given to us, the Company has not paid/provided any managerial remuneration as on March 31, 2019 and accordingly, paragraph 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 177 and section 188 of the Act where applicable and details of such transactions have been disclosed in the Financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given 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 LLP
Chartered Accountants
Firm's Registration No. 101720W/ W100355

Lalit R. Mhalsekar
Partner
Membership No. 103418

Place: Mumbai
Date: May 17, 2019

Annexure – B to Auditor's report

Annexure to the Independent Auditor's Report referred under the heading "Report on other legal and regulatory requirements" of our report of even date on the financial statements of PS 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 with reference to financial statements of PS Toll Road Private Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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 Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 with reference to financial statements and their operating effectiveness.

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

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

Meaning of Internal Financial Controls with reference to the Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to the Financial Statements

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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with respect to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements 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 & LLP

Chartered Accountants

Firm Registration No. 101720W/W100355

Lalit R. Mhalsekar

Partner

Membership No. 103418

Place : Mumbai

Date : May 17, 2019

PJ Toll Road Private Limited
Balance Sheet as at March 31, 2019

₹ Millions

Particulars	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
(a) Concession Intangible assets	4	25,207.09	26,838.66
(b) Intangible assets under development	4	9,336.83	8,132.20
(c) Other non - current assets	6	52.05	514.84
(d) Advance Tax Assets (Net)		28.43	10.73
Total Non-Current Assets		34,624.40	35,496.33
Current assets			
(a) Financial Assets			
(i) Cash and cash equivalents	5a	78.93	100.88
(ii) Bank balances other than (i) above	5b	40.58	39.40
(iii) Loans	5c	0.03	0.09
(iv) Other financial asset	5d	287.60	447.37
(b) Other current assets	7	112.13	129.77
Total Current Assets		519.27	717.51
Total Assets		35,143.67	36,213.84
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	8	0.11	0.11
(b) Subordinated debt (in nature of Equity)	9a	10,785.11	10,785.11
(c) Other equity	9	2,683.28	3,363.91
Total Equity		13,468.50	14,149.13
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	10a	7,228.04	7,140.59
(ii) Other financial liabilities	12b	11,322.70	11,224.74
(b) Provisions	13b	5.89	12.08
(c) Deferred tax liabilities (Net)	27	458.84	844.60
Total Non-Current Liabilities		19,015.47	19,222.01
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	10b	319.00	119.00
(ii) Trade payables			
Total outstanding due of micro enterprises & small enterprises			
Total outstanding dues of creditors other than micro enterprises & small enterprises	11	-	-
		250.63	197.38
(iii) Other financial liabilities	12a	2,079.69	2,517.14
(b) Other current liabilities	14	9.46	4.71
(c) Provisions	13a	0.92	4.47
Total Current Liabilities		2,659.70	2,842.70
Total Equity and Liabilities		35,143.67	36,213.84

The accompanying notes are an integral part of the financial statements

For Chaturvedi & Shah LLP
Chartered Accountants
Firm's Registration No:- 101720W/W100355

For and on behalf of the Board

Lalit R. Mhalsekar
Partner
Membership No. : 103418
Date: 17 MAY 2019
Place : Mumbai

Kaushik Pal
Director
DIN:05237230
Date:
Place : Mumbai

M. Dan Biyani
Director
DIN:07130371
Date:
Place : Mumbai

17 MAY 2019

PS Toll Road Private Limited
Statement of Profit and Loss for the year ended March 31, 2019

₹ Millions

Particulars	Note	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from Operations	15	3,520.15	3,462.40
Other Income	16	8.53	6.69
Total Income		3,528.68	3,469.09
Expenses			
Toll Operation and Maintenance expenses	17	306.76	306.57
Construction cost		692.91	910.90
Employee benefits expense	18	54.98	75.35
Finance costs	19	1,856.51	1,829.40
Amortization expense	4	1,631.46	1,631.46
Other expenses	20	59.42	78.22
Total expenses		4,602.04	4,831.90
Loss before tax		(1,073.36)	(1,362.81)
Tax expense			
Deferred tax charge/(credit)		(388.19)	(383.59)
Income tax for earlier years		-	128.81
Loss after tax		(685.17)	(1,108.04)
Other Comprehensive Income			
- Items that will not be reclassified to profit/loss			
Remeasurements of net defined benefit plans : Gains / (Loss)		6.97	1.60
- Income tax relating to above		2.43	0.56
Other Comprehensive Loss		4.54	1.04
Total Comprehensive Loss		(680.63)	(1,107.00)
Earnings/(loss) per equity share (Face value of Rs. 10 per share)			
Basic & Diluted	29	(63,890.87)	(103,323.37)

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

For Chaturvedi & Shah LLP
Chartered Accountants
Firm's Registration No:- 101720W/W100355

For and on behalf of the Board

Lalit R. Mhalsekar
Partner
Membership No. : 103418
Date: 17 MAY 2019
Place : Mumbai

Kaushik Pal
Director
DIN:05237230
Date: 17/5/19
Place : Mumbai

Madan Biyani
Director
DIN:07130371

PS Toll Road Private Limited
Cash flow Statement for the year ended March 31, 2019

₹ Millions

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A CASH FLOW FROM OPERATING ACTIVITIES:		
Loss before tax	(1,073.36)	(1,362.81)
Adjustments for:		
Amortisation expenses	1,631.46	1,631.46
Interest income	(2.85)	(5.36)
Interest expense	1,856.51	1,829.39
Provision for Gratuity and Leave encashment	5.14	5.00
	<u>2,416.91</u>	<u>2,097.77</u>
Cash Generated from Operations before working capital changes		
Adjustments for:		
(Increase)/decrease in financial assets	160.79	(287.21)
(Increase)/decrease in other current assets	14.80	(21.68)
Increase/(decrease) in trade payables	53.25	(16.19)
Increase/(decrease) in other financial liabilities	(4.21)	(0.48)
Increase/(decrease) in provisions	(7.91)	(3.30)
Increase/(decrease) in other current liabilities	4.74	(1.85)
	<u>221.46</u>	<u>(330.71)</u>
Cash generated from operations	<u>2,638.37</u>	<u>1,767.06</u>
Taxes (paid) net of refunds	(17.70)	(90.64)
Net cash generated from operating activities - [A]	<u>2,620.67</u>	<u>1,676.42</u>
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of intangible assets (including intangible asset under development, capital advance, capital creditors)	(2,104.38)	(1,427.00)
Investment in Fixed deposits with Banks	(1.18)	(4.39)
Interest received	1.89	5.36
Net cash (used in) / generated from investing activities - [B]	<u>(2,103.67)</u>	<u>(1,426.04)</u>
C CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from inter-corporate deposits (short term borrowings)	200.00	99.00
Proceeds from long term borrowings	110.40	410.60
Repayment of long term borrowings	(9.34)	(7.86)
Interest paid	(840.01)	(779.61)
Net cash used in financing activities - [C]	<u>(538.95)</u>	<u>(277.87)</u>
Net increase/(decrease) in cash and cash equivalents - [A+B+C]	<u>(21.95)</u>	<u>(27.48)</u>
Add: Cash and cash equivalents at the beginning of the year	<u>100.88</u>	<u>128.36</u>
Cash and cash equivalents at the end of the year	<u>78.93</u>	<u>100.88</u>
Components of Cash and cash equivalents		
Balances with banks - in Current accounts	58.79	84.82
Deposits with maturity of less than three months	-	10.11
Cash on hand	20.14	5.95
Total Cash and cash equivalents	<u>78.93</u>	<u>100.88</u>

The balance in current account with banks of Rs. 58.65 million (Rs. 79.53 million) lying in Escrow account with bank held as security against borrowings.

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

For Chaturvedi & Shah LLP
Chartered Accountants
Firm's Registration No:- 101720W/W100355

For and on behalf of the Board

Lalit R. Mhalsekar
Partner
Membership No. : 103418
Date: 17 MAY 2019
Place : Mumbai

Kaushik Pal
Director
DIN:05237230
Date:
Place : Mumbai

Madan Binyani
Director
DIN:07130371

PS Toll Road Private Limited
Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

₹ Millions

Particulars	Notes	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 31st March, 2018		0.11	-	0.11
For the year ended 31st March, 2019	8	0.11	-	0.11

₹ Millions

B. OTHER EQUITY

Particulars	Note	Equity Component of compound financial instruments	Reserves and Surplus	Total
			Retained Earnings (Note 9c)	
Balance at April 01, 2017		105.10	4,365.82	4,470.92
Profit for the year			(1,108.04)	(1,108.04)
Debenture Redemption Reserve				
Other comprehensive income for the year			1.04	1.04
Total comprehensive income for the year			(1,107.00)	(1,107.00)
Balance at 31st March, 2018		105.10	3,258.81	3,363.91
Balance at April 01, 2018		105.10	3,258.81	3,363.91
Profit for the year			(685.17)	(685.17)
Other comprehensive income for the year			4.54	4.54
Total comprehensive income for the year			(680.63)	(680.63)
Balance at 31st March, 2019		105.10	2,578.18	2,683.28

As per our report of even date attached

For Chaturvedi & Shah LLP
Chartered Accountants
Firm's Registration No:- 101720W/W100355

For and on behalf of the Board

Lalit R. Mhalsekar
Partner
Membership No. : 103418
Date:
Place : Mumbai 17 MAY 2019

Kaushik Pal
Director
DIN:05237230
Date:
Place : Mumbai

Madan Biyani
Director
DIN:07130371

Note 4 - Concession Intangible assets (Including Intangible assets under development)

₹ Millions

Particulars	Toll Collection rights (A)	NHAI Premium (B)	Total Concession Intangible assets (A+B)	Intangible assets under development
Year ended March 2018				
Opening gross carrying amount	19,727.41	11,012.98	30,740.39	0,712.89
Additions	-	-	-	1,419.31
Disposals	-	-	-	-
Closing gross carrying amount	19,727.41	11,012.98	11,012.98	0,132.20
Accumulated amortisation and impairment				
Opening accumulated amortisation and impairment	633.67	1,636.69	2,270.36	-
amortisation charge for the year	1,090.99	540.48	1,631.47	-
Disposals	-	-	-	-
Closing accumulated amortisation and impairment	1,724.66	2,177.17	2,177.17	-
Net carrying amount	18,002.75	8,835.81	8,835.81	0,132.20
Year ended March 2019				
Opening gross carrying amount	19,727.41	11,012.98	30,740.39	0,132.20
Additions	-	-	-	1,204.63
Disposals	-	-	-	-
Closing gross carrying amount	19,727.41	11,012.98	30,740.39	0,336.83
Accumulated amortisation and impairment				
Opening accumulated amortisation and impairment	1,724.66	2,177.17	3,901.83	-
amortisation charge for the year	1,090.99	540.48	1,631.46	-
Disposals	-	-	-	-
Closing accumulated amortisation and impairment	2,815.65	2,717.65	5,533.29	-
Net carrying amount	16,911.76	8,295.33	25,207.09	0,336.83

Note :

- (1) The above Intangible Asset are pledged as security with lenders
- (2) Flat at Vasai west, Thane district of ₹ 2.10 Million is included in gross block of Intangible assets.

PS Toll Road Private Limited
Notes to Financial Statements as of and for the year ended March 31, 2019

₹ Millions

Particulars	As at March 31, 2019	As at March 31, 2018
Note 5 - Financial Assets - Current		
Note 5 (a) - Cash and Cash equivalents		
Cash and cash equivalents		
Balances with banks		
- in current accounts	58.79	84.82
Cash on hand	20.14	5.95
Deposits with original maturity of less than three months	-	10.11
	78.93	100.88
Note 5 (b) - Other bank balances other than Cash and Cash equivalents*		
Deposits with original maturity of more than three months but less than twelve months	40.58	39.40
	40.58	39.40
* Cash balance not available for use:		
Company is required to maintain restricted cash which can only be used as a reserve for servicing the debt under financing arrangements. These restricted cash balances have not been included in the year end cash balances for the purposes of preparation of Cash Flow Statement.		
Cash held on restricted fixed deposits		
Fixed Deposits	40.58	39.40
	40.58	39.40
Note 5 (c) - Loans		
(Unsecured considered good)		
Security deposits	0.03	0.09
	0.03	0.09
Note 5 (d) - Other financial assets - current		
(Unsecured considered good)		
Interest accrued on fixed deposits	0.96	-
Retention money receivable from NHAI	76.07	74.42
Others	19.91	-
Claims receivable from NHAI	190.67	372.95
	287.60	447.37
Note 6 - Other non-current assets		
Capital Advance	49.21	514.84
Gratuity Advance	2.84	-
	52.05	514.84
Note 7 - Other Current assets		
(Unsecured considered good)		
Advance to vendors	91.07	106.66
Advance to employees	2.70	2.54
Prepaid Expenses	9.51	8.38
Duties and taxes receivable	8.85	12.17
	112.13	129.77

PS Toll Road Private Limited

Notes to Financial Statements as of and for the year ended March 31, 2019

₹ Millions

Particulars	Nos of Shares	As at March 31, 2019	As at March 31, 2018
Note 8 - Share Capital and Other equity			
Note 8a - Authorised Share Capital			
At the beginning of the year	100,000	1.00	1.00
Add : Increase during the year	of Rs.10 each	-	-
At the end of the year		1.00	1.00
Note 8b - Issued, subscribed and paid-up equity share capital			
At the beginning of the year	10,724	0.11	0.11
Add : Increase during the year	of Rs.10 each	-	-
At the end of the year		0.11	0.11

Note 8c - Terms and rights attached to equity shares

The Company has only one class of shares referred to as Equity Shares having a Par Value of Rs.10/-. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note 8d - Reconciliation of nos of Shares

Nos of Shares at the beginning of the year	10,724	10,724
Add : Nos of Shares issued during the year	-	-
Nos of Shares at the end of the year	10,724	10,724

Note 8e - Shares held by the holding Company or their subsidiaries/associates

Reliance Infrastructure Limited (Holding Company) & its nominees	7,936	7,936
Jiangsu Provincial Transportation Engineering Group Co.Ltd	2,788	2,788

Note 8f - Details of Shareholders holding more than 5% shares in the Company

Reliance Infrastructure Limited (Holding Company) & its nominees		
Nos of Shares	7,936	7,936
% of holding	74%	74%
Jiangsu Provincial Transportation Engineering Group Co.Ltd		
Nos of Shares	2,788	2,788
% of holding	26%	26%

The holding Company has pledged 7,935 (P.Y. 7,935) Equity Shares for availing various term loans.

PS Toll Road Private Limited

Notes to Financial Statements as of and for the year ended March 31, 2019

Particulars	As at March 31, 2019	₹ Millions As at March 31, 2018
Note 9a - Sub-ordinated debt (in nature of equity)		
At the beginning of the year	10,785.11	10,785.11
Increase / (decrease) during the year	-	-
At the end of the year	10,785.11	10,785.11
Terms and rights attached to Sub-ordinated debts infused by holding Company		
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.		
Note 9b - Corporate Guarantee (in nature of equity)		
At the beginning of the year	105.10	105.10
Increase / (decrease) during the year	-	-
At the end of the year	105.10	105.10
Note 9c - Retained Earnings		
At the beginning of the year	3,258.83	4,365.82
Net Loss for the year	(685.17)	(1,108.03)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment obligations (net of tax)	4.54	1.04
At the end of the year	2,578.20	3,258.83

PS Toll Road Private Limited
Notes to Financial Statements as of and for the year ended March 31, 2019

Note 10 (a) - Borrowings - Non current		₹ Millions	
Particulars	As at March 31, 2019	As at March 31, 2018	
Secured			
Term Loan from Banks	5,396.73	5,304.74	
Term Loan from Financial Institution	1,831.31	1,835.85	
Total	7,228.04	7,140.59	

1) Secured Term Loan from Banks & Financial Institutions of ₹ 7,351.40 million (Principal undiscounted amount) are secured as under:

(i) Mortgage, by way of first charge on all the company's immovable properties, tangible movable properties including plant and machinery, machinery spares, tools and accessories, vehicles and all other movable assets, both present and future, save and except the project assets.

(ii) A first charge over all the accounts of the company's including the escrow accounts and sub accounts (or any account in substitution thereof) that may be opened in accordance with this agreement, escrow agreement and the supplementary escrow agreement.

(iii) A first charge on all the company's intangible assets but not limited to goodwill, rights, undertaking and uncalled capital present and future except the project assets.

(iv) A first charge/assignment by way of the security in right, title, interests, benefits, claims and demands of the company in project documents, under all Government approvals, any letter of credit, guarantees including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents.

(v) A first charge/assignment by way of the security in right, title, interests, benefits, claims and demands of the company under all Insurance contracts.

(vi) Pledged by the promoters of 51% of the fully paid up capital of the company.

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

3) The applicable interest rate for Rupee term Loan varies from 10.80 % to 12.00% p.a

Maturity Profile of Secured loan from others (Principal undiscounted) is as under:

Particulars	₹ Millions	
	Loan from Banks	Loan from Financial Institutions
FY 2019-20	26.13	5.00
FY 2020-21	124.50	40.00
FY 2021-22	181.88	60.00
FY 2022-23	245.63	75.00
FY 2023-24 onwards	4,939.66	1,653.62
Total	5,517.78	1,833.62

Note 10 (b) - Borrowings - Current

Unsecured

(unsecured, repayable on demand and interest free)

Loan from related parties (refer note 26)	319.00	119.00
	319.00	119.00

Note 11 - Trade Payables

Total outstanding due of micro enterprises & small enterprises

Total outstanding dues of creditors other than micro enterprises & small enterprises

	250.63	197.38
	250.63	197.38

(a) 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.

PS Toll Road Private Limited
Notes to Financial Statements as of and for the year ended March 31, 2019

₹ Millions

Particulars	As at March 31, 2019	As at March 31, 2018
Note 12 (a) - Other financial liabilities - current		
Current Maturities of long term debt	31.13	7.90
NHAI Premium Payable	1,745.91	1,514.19
Security Deposits	0.90	0.97
Other payable	-	402.90
Interest Accrued on borrowings	24.93	23.15
Creditors for Capital expenditure	91.21	380.42
Employee benefits payable	10.82	14.96
Retention money payable	174.79	172.65
Total	2,079.69	2,517.14
Note 12 (b) - Other financial liabilities - Non - current		
Non - Current		
NHAI Premium Payable	11,322.69	11,224.74
Total	11,322.70	11,224.74
Note 13 (a) - Provisions - Current		
Current		
Provision for employee benefits		
- Gratuity	-	4.05
- Leave encashment	0.92	0.42
	0.92	4.47
Note 13 (b) - Provisions - Non - Current		
Provision for employee benefits		
- Leave encashment	5.89	12.08
	5.89	12.08
Note 14 - Other current liabilities		
Duties and taxes payable	9.46	4.71
	9.46	4.71

PS Toll Road Private Limited
Notes to Financial Statements as of and for the year ended March 31, 2019

₹ Millions

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Note 15 - Revenue		
Operating income		
- Construction income	706.75	929.10
- Income from toll collections	2,813.40	2,533.30
	3,520.15	3,462.40
Note 16 - Other income		
Interest income		
- On fixed deposits	2.85	5.36
- Others	-	1.32
Excess provision for Leave Encashment written back	5.68	-
Miscellaneous income	-	0.01
	8.53	6.69
Note 17 - Toll Operation and Maintenance expenses		
Subcontracting expenses	171.39	122.67
Maintenance of Roads	74.79	105.99
Electricity expenses	26.84	25.43
Handling Charges	3.74	3.76
Site and other direct expenses	30.00	48.72
	306.76	306.57
Note 18 - Employee benefits expenses		
Salaries wages and bonus	44.91	65.29
Contribution to provident funds and other funds	2.84	3.93
Gratuity	2.40	2.49
Leave encashment	2.74	2.60
Staff welfare expenses	2.09	1.04
	54.98	75.35
Note 19 - Finance Costs		
Interest on loan	650.33	627.58
Interest unwinding on NHA1 Premium	1,187.35	1,168.03
Other finance charges	18.83	20.06
Unwinding of discount on retention money	-	13.73
	1,856.51	1,829.40
Note 20 - Other expenses		
Rent	2.25	1.82
Rates & taxes	0.29	0.35
Insurance	20.90	17.68
Legal and Professional Charges	31.24	44.32
Expenditure toward Corporate Social responsibility	-	4.84
Auditors Remuneration		
- Audit Fees	0.24	0.24
- Certification Fees	0.14	0.10
Travelling and Conveyance	0.53	1.40
Other miscellaneous expenses	3.83	7.46
	59.42	78.22

PS Toll Road Private Limited
Notes to Financial Statements as of and for the year ended March 31, 2019

Note 21 - Fair value measurements
Financial Instruments by category
Significance of financial instruments

₹ Millions

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets		
At amortised Cost		
Security Deposits	0.03	0.09
Interest accrued on fixed deposits	0.96	-
Others	19.91	-
Retention Money receivable from NHAI	76.07	74.42
Cash and Cash equivalent	78.93	100.88
Other bank balances	40.58	39.40
Claims receivable from NHAI	190.67	372.95
Total financial assets	407.14	587.74
Financial liabilities		
At amortised Cost		
Floating Rate Borrowings	7578.16	7267.49
Trade Payables	250.63	197.38
Retention money payable	174.80	172.65
NHAI Premium Payable	13,068.60	12,738.93
Security Deposits	0.90	0.97
Other Payable	-	402.90
Interest Accrued but not due	24.93	23.15
Employee Benefits Payable	10.82	14.96
Creditors for capital expenditure	91.21	380.42
Total financial liabilities	21200.06	21198.84

PS Toll Road Private Limited
 Notes to Financial Statements as of and for the year ended March 31, 2019

Note 22 - Fair value Hierarchy

Particulars	₹ Millions	
	As at March 31, 2019	As at March 31, 2018
(a) Fair value hierarchy - Assets and liabilities which are measured at amortised cost for which fair values are disclosed		
Financial liabilities		
Level 3		
Floating Rate Borrowings	7,578.16	7,148.49
Retention money payable	174.80	172.65
NHAI Premium Payable	13,068.60	12,738.93
Total financial liabilities	20,821.57	20,060.07

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, Retention 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.

PS Toll Road Private Limited
Notes to Financial Statements as of and for the year ended March 31, 2019

(b) Fair value of financial assets and liabilities measured at amortised cost		₹ Millions
Particulars	As at March 31, 2019	As at March 31, 2018
Financial liabilities		
Carrying value of financial liabilities at amortised cost		
Floating rate borrowings	7,578.16	7,148.49
Retention money payable	174.80	172.65
NHAI Premium Payable	13,068.60	12,738.93
	<u>20,821.57</u>	<u>20,060.06</u>
Fair value of financial liabilities carried at amortised cost		
Floating rate borrowings	7,578.16	7,185.99
Retention money payable	174.80	172.65
NHAI Premium Payable	13,068.60	12,738.93
	<u>20,821.57</u>	<u>20,097.57</u>

The carrying value amounts of fixed deposits, security deposits, interest accrued on deposits, retention money 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 – 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 — interest rate	Long-term borrowings at variable	Sensitivity analysis	Actively Managed
Liquidity risk	Rates 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 under policies approved by board of directors. Company 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

Particulars	₹ Millions	
	As at March 31, 2019	As at March 31, 2018
Variable Rate Borrowings	7,578.16	7,148.49
Fixed Rate Borrowings	-	-
Total	7,578.16	7,148.49

b) Sensitivity analysis

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	As at March 31, 2019	As at March 31, 2018
Interest rates (increase) by 100 basis points	(59.87)	(56.47)
Interest rates decrease by 100 basis points	59.87	56.47

PS Toll Road Private Limited

Notes to Financial Statements as of and for the year ended March 31, 2019

Liquidity risk

The table below analyses the company'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, 2019	Less than 1 year	More than 1 year	Total
Non-derivatives			
Borrowings	31.13	7,320.28	7,351.41
Interest on Borrowings	827.55	4,709.72	5,537.26
Trade and other payables	250.63	-	250.63
Other financial liabilities	1,596.68	30,576.03	32,172.71
Total non-derivatives	2,705.98	42,606.02	45,312.01
As at March 31, 2018			
	Less than 1 year	More than 1 year	Total
Non-derivatives			
Borrowings	7.86	7,242.48	7,250.34
Interest on Borrowings	815.66	5,697.20	6,512.85
Trade and other payables	220.53	-	220.53
Other financial liabilities	1,934.47	32,275.40	34,209.86
Total non-derivatives	2,978.51	45,215.08	48,193.59

PS Toll Road Private Limited

Notes to Financial Statements as of and for the year ended March 31, 2019

Note 24 - 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, 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 year ended March 31, 2019 and March 31, 2018.

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).

Particulars	₹ Millions	
	As at March 31, 2019	As at March 31, 2018
Net debt (a)	7,499.23	7,166.61
Equity (b)	13,468.50	14,149.13
Net debt to equity ratio (a) / (b)	0.56	0.51

Particulars	₹ Millions	
	As at March 31, 2019	As at March 31, 2018
Net debt (a)	7,499.23	7,166.61
Equity (b)	13,468.50	14,149.13
Net debt plus Equity (c = a+b)	20,967.73	21,315.73
Gearing ratio (a) / c	0.36	0.34

PS Toll Road Private Limited
Notes to Financial Statements as of and for the year ended March 31, 2019

Note 25- Concession arrangements - Main features

₹ Millions

Name of entity	Description of the arrangement	Significant terms of the arrangement	Intangible Assets (including Intangible asset under Development)		Financial Asset
			Gross book value	Net book value	
PS Toll Road Private Limited	Financing, design, building and operation of 137 kilometre long six lane toll road between Pune and Satara on National Highway 4	Period of concession: 2010 - 2034	March 31, 2019	March 31, 2019	March 31, 2019
		Remuneration : Toll Investment grant from concession grantor : Nil	40,077.22	34,543.93	-
		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 : Yes	March 31, 2018	March 31, 2018	March 31, 2018
			38,872.59	34,970.76	-

PS Toll Road Private Limited

Notes to Financial Statements as of and for the year ended March 31, 2019

Note 26 -Related Party Schedule

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

(A) Parties where control exists

Holding Company - Reliance Infrastructure Limited

(B) Investing Party

Jiangsu Provincial Transportation Engineering Group Co.Ltd

Details of transactions and closing balance :

₹ Millions

Particulars	March 31, 2019	March 31, 2018
Transactions during the year :-		
Toll operation and maintainence expenses (including project execution support services)		
Reliance Infrastructure Limited	17.54	36.53
Reimbursement of expenditure paid by		
Reliance Infrastructure Limited	1.06	1.75
Sub-debts received (in nature of equity)		
Reliance Infrastructure Limited	-	-
Inter-corporate deposit received during the year		
Reliance Infrastructure Limited	200.00	99.00
Balances at the year end :-		
Inter-corporate deposit		
Reliance Infrastructure Limited	319.00	119.00
Trade payable		
Reliance Infrastructure Limited	102.61	86.60
Sub-debts (in nature of equity)		
Reliance Infrastructure Limited	10,785.11	10,785.11
Equity share capital (excluding premium)		
Reliance Infrastructure Limited	0.08	0.08
Jiangsu Provincial Transportation Engineering Group Co.Ltd	0.03	0.03
(C) Key Management Personnel (KMP) and details of transactions with KMP :		
Independent Director's Sitting fees		
Shri Anil Verdia	-	0.02

PS Toll Road Private Limited

Notes to Financial Statements as of and for the year ended March 31, 2019

Note 27: Income and deferred taxes

₹ Millions

27(a) Income tax expense

	March 31, 2019	March 31, 2018
(a) Income tax expense		
<i>Current tax</i>		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods	-	128.81
Total current tax expense	-	128.81
<i>Deferred tax</i>		
Decrease/(increase) in deferred tax assets	(209.17)	(296.74)
(Decrease)/increase in deferred tax liabilities	(176.59)	(86.28)
Total deferred tax expense/(benefit)	(385.76)	(383.03)
Income tax expense	(385.76)	(254.22)
Income tax expense is attributable to:		
Profit from continuing operations	(385.76)	(254.22)

27(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

	March 31, 2019	March 31, 2018
Profit from operations before income tax expense	(1,073.36)	(1,362.81)
Tax at the Indian tax rate of 34.644% (34.608%)	(371.85)	(471.64)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Other permanent differences	(13.91)	6.32
Corporate Social responsibility expenditure not allowable for tax purpose	-	1.67
Adjustment for current tax of prior period	-	128.81
Recognition of Deferred Tax asset on brought forward losses	-	80.62
Income tax expense charged to statement of Profit and Loss	(385.76)	(254.22)

27 (c) The balance comprises temporary differences attributable to :

Particulars	₹ Millions	
	As at March 31, 2019	As at March 31, 2018
Deferred tax liability on account of :		
Concession Intangible assets (including intangible asset under development)	2,402.89	2,387.26
NHAI Premium assets	2,898.72	3,087.59
Impact of effective interest rate on borrowings	32.23	35.59
Total Deferred tax Liabilities	5,333.85	5,510.44
Deferred tax asset on account of :		
Unabsorbed losses	423.26	268.39
NHAI Premium payable	3,956.60	4,202.12
Retention Money Payable	492.77	189.54
Retirement benefit obligation	2.38	5.78
Total Deferred tax Assets	4,875.01	4,665.84
Deferred Tax liabilities (Net)	458.84	844.60

Note 28-Gratuity and other post-employment benefit plans

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	₹ Millions	
	As at March 31, 2019	As at March 31, 2018
Contribution to provident fund and other funds	2.34	3.09
Total	2.34	3.09

a) Defined benefit plan

The company 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, 2019	March 31, 2018
Opening defined benefit liability / (assets)	13.75	13.18
Net employee benefit expense recognised in the employee cost		
Current service cost	2.12	2.21
Past service cost	-	-
Interest cost on benefit obligation	1.05	0.92
(Gain) / losses on settlement	-	-
Net benefit expense	3.17	3.12
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	(2.78)	2.10
Actuarial loss / (gain) arising on account of experience changes	(1.68)	-
Experience (gains)/losses	(2.91)	(3.50)
Amount recognized in OCI	(7.37)	(1.40)
Benefit Paid	(2.32)	(1.15)
Closing net defined benefit liability / (asset)	7.23	13.75

Particulars	As at	
	March 31, 2019	March 31, 2018
Opening fair value of plan assets	9.70	8.73
Net employee benefit expense recognised in the employee cost		
Interest cost on benefit obligation	0.77	0.63
(Gain) / losses on settlement	-	-
Net benefit expense	0.77	0.63
Amount recorded in Other Comprehensive Income (OCI)		
Measurement during the period due to :		
Return on plan assets, excluding amounts included in interest expense/(income)	(0.08)	0.20
Actuarial loss / (gain) arising from change in financial assumptions	-	-
Actuarial loss / (gain) arising on account of experience changes	-	-
Experience (gains)/losses	-	-
Asset ceiling not recognised as an asset	-	-
Amount recognized in OCI	(0.08)	0.20
Employer contributions/premiums paid	2.32	1.29
Benefits Paid	(2.32)	(1.15)
Closing fair value of plan assets	10.39	9.70

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Notes to Financial Statements as of and for the year ended March 31, 2019

The net liability disclosed above relates to funded plan is as follows:

₹ Millions

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of funded obligations	7.23	13.75
Fair value of plan assets	10.39	9.70
Amount not recognised as an asset (asset ceiling)	0.32	-
	(2.84)	4.05
Net liability is bifurcated as follows :		
Current	-	-
Non-current	(2.84)	4.05
Total	(2.84)	4.05

Particulars	As at March 31, 2019	As at March 31, 2018
Discount rate	7.50%	7.70%
Expected rate of return on plan assets (p.a.)		
Salary escalation rate (p.a.)	5.00%	9.75%
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, 2019	As at March 31, 2018
Assumptions -Discount rate		
Sensitivity Level	50 bp	50 bp
Impact on defined benefit obligation -in % increase	-3.29%	-5.17%
Impact on defined benefit obligation -in % decrease	3.46%	5.54%
Assumptions -Future salary increases		
Sensitivity Level	50 bp	50 bp
Impact on defined benefit obligation -in % increase	3.53%	5.41%
Impact on defined benefit obligation -in % decrease	-3.38%	-5.10%

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 employees as at the valuation date:

Particulars	As at March 31, 2019	As at March 31, 2018
Within the next 12 months (next annual reporting period)	0.68	0.35
Between 2 and 5 years	2.92	1.86
Between 6 and 9 years	4.00	5.12
For and Beyond 10 years	5.30	27.71
Total expected payments	12.90	35.04

The average duration of the defined benefit plan obligation at the end of the reporting period

6.75 years 10.71 years

Plan Assets Composition

Particulars	As at March 31, 2019	As at March 31, 2018
Non Quoted		
Insurer Managed Funds	10.39	9.70
	10.39	9.70

A reconciliation of the asset ceiling during the inter-valuation period is given below:

Opening value of asset ceiling	-	-
Add : Interest on opening balance on asset ceiling	-	-
Remeasurement due to :		
Changes in surplus/deficiet	0.32	-
closing value of asset ceiling	0.32	-

₹ Millions

Note 29 - Earnings per share

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit / (Loss) attributable to equity shareholders (Rs Millions) (A)	(685.17)	(1,108.04)
Weighted average number of equity shares for basic and diluted earnings per share (B)	10,724	10,724
Earnings / (Loss) per share (Basic and diluted) (Rupees) (A/B)	(63,890.87)	(103,323.37)
Nominal value of equity shares (Rupees)	10.00	10.00

Note 30 - Claim of Demonetisation

Consequent upon the de-monetisation of currency notes by the 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.

During the financial year 2017-18, amount of Rs. 64.59 millions claimed, being contractually enforceable and certain of recovery has been recognised as other operating income. However, Rs. 64.59 millions was adjusted by NHAI after 31st March 2018 against the proportionate NHAI premium payable related to the period of toll suspension due to demonetisation. As at March 31, 2019 Rs. 64.59 millions is adjusted from books of accounts.

Note 31 - Contingent liabilities

Particulars	₹ Millions	
	As at March 31, 2019	As at March 31, 2018
(A)		
1. Claims against the company not acknowledged as debts and under litigation		
Service Tax claims	117.18	117.18
2. Other claims		
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 company expect to settle these soon and do not anticipate any further liability on account of interest.	1.11	0.48

(B) There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated February 28th, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The Company is evaluating for further clarity and its impact on its financial statement. The Company, in respect of the above mentioned Contingent Liabilities has assessed that it is only possible but not probable that outflow of economic resources will be required.

Note 32- 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 33- Events after reporting period

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

PS Toll Road Private Limited

Notes to Financial Statements as of and for the year ended March 31, 2019

Note 34 : Assets pledged as security

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

	Note	March 31, 2019	March 31, 2018
₹ Million			
Current			
Financial assets			
<i>First charge</i>			
Cash and cash equivalents	5a	78.93	100.88
Other Financial Assets	5b	287.60	447.37
Non-financial assets			
<i>First charge</i>			
Other Current Assets	7	112.13	129.77
Total current assets pledged as security		478.66	678.02
Non-current			
<i>First charge</i>			
Intangible Asset	4	25,207.09	26,838.56
Other non current assets	6	52.05	514.84
Total non-current assets pledged as security		25,259.14	27,353.40
Total assets pledged as security		25,737.80	28,031.41

Note 35 : Disclosure pursuant to para 44 A to 44 E of Ind AS 7 -Cash flow Statements

Particulars	Year Ended March 31,2019	Year Ended March 31,2018
Long term Borrowings		
Opening Balance	7,148.49	6,719.89
Availed during the year	110.40	410.60
Changes in Fair Value		
- Impact of Effective Rate of Interest	9.61	25.85
Less : Repayment During the year	9.34	7.86
Add : Other adjustment		
Closing Balance	7,259.16	7,148.49

Short term Borrowings	Year Ended March 31,2019	Year Ended March 31,2018
Opening Balance	119.00	20.00
Add : Availed during the year	200.00	99.00
Less : Repaid During the year	-	-
Closing Balance	319.00	119.00

Interest Expenses	Year Ended March 31,2019	Year Ended March 31,2018
Opening Balance	23.15	-
Interest Charge as per Statement Profit & Loss/ intangible asset under development	2,038.75	2,014.08
Changes in Fair Value		
- Impact of Effective Rate of Interest	(9.61)	(25.85)
- Unwinding of Discount on NHAI premium	(1,187.35)	(1,168.03)
- Unwinding of Discount on retention money	-	(17.44)
Interest paid to Lenders	(840.01)	(779.61)
Closing Balance	24.93	23.15

PS Toll Road Private Limited

Notes to Financial Statements as of and for the year ended March 31, 2019

Note 36 Previous year figures have been regrouped and re-arranged wherever necessary to make them comparable to those for current year.

As per our attached report of even date

For Chaturvedi & Shah LLP
Chartered Accountants
Firm's Registration No:- 101720W/W100355

For and on behalf of the Board

Lalit R. Mhalsekar
Partner
Membership No. : 103418
Date: 17 MAY 2019
Place : Mumbai

Kaushik Pal
Director
DIN:05237230
Date: 17 MAY 2019
Place : Mumbai

Madan Biyani
Director
DIN:07130371