Deloitte
Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SMS SHIVNATH INFRASTRUCTURE PRIVATE LIMITED (now known as DURG SHIVNATH EXPRESSWAYS PRIVATE LIMITED)

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **SMS SHIVNATH INFRASTRUCTURE PRIVATE LIMITED (now known as DURG SHIVNATH EXPRESSWAYS PRIVATE LIMITED)** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and 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.

Management's Responsibility for the Ind AS Financial Statements

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

Auditor's Responsibility

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

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

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.

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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Regd. Office: Indiabulls Finance Centre, Tower 3, 27th - 32nd Floor, Senapati Bapat Marg, Elphinstone Road (W), Mumbai 400 013, India.
(LLP Identification No. AAB-8737)

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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, of the state of affairs of the Company as at 31st March, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable 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 including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant 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.

   e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 28(a) 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.

      iv. The Company has provided requisite disclosures in Note 40 to the Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the Management, we

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report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

2. 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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rajesh K. Hiranandani
(Partner)
(Membership No. 36920)

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Mumbai : 30 OCT 2017

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Deloitte Haskins & Sells LLP

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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of SMS Shivnath Infrastructure Private Limited (now known as Durg Shivnath Expressways Private Limited)]

Report on the Internal Financial Controls Over Financial Reporting 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 **SMS SHIVNATH INFASTRUCTURE PRIVATE LIMITED (now known as DURG SHIVNATH EXPRESSWAYS PRIVATE LIMITED)** ("the Company") as of 31st March, 2017 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 (the "Guidance Note"). 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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(LLP Identification No. AAB-8737)

Deloitte Haskins & Sells LLP

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us 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 31st March, 2017, 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 DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rajesh K. Hiranandani
(Partner)
(Membership No. 36920)

Mumbai : 30 OCT 2017

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Deloitte Haskins & Sells LLP

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ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of SMS Shivnath Infrastructure Private Limited (now known as Durg Shivnath Expressways Private Limited)]

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

(b) The fixed assets were physically verified during the year by the Management which, in our opinion, is reasonable. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed (entered into by the Company subsequent to the year-end) provided to us, we report that, the title to the immovable properties of land which are freehold, were held in the name of the Company as at the balance sheet date. However, the title deeds have not been provided to us for our examination.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of paragraph 3 of the Order is not applicable.

(iii) According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, during the year, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 ("the Act"), and hence reporting under clause (iii) of paragraph 3 of the Order is not applicable.

(iv) The Company has not granted any loans, made investments or provided guarantees or securities during the year covered under Section 185 and 186 of the Act and hence reporting under clause (iv) of paragraph 3 of the Order is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder and hence reporting under clause (v) of paragraph 3 of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Service-tax, cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Service Tax, cess and other material statutory dues in arrears as at 31st March, 2017 for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax which have not been deposited on 31st March, 2017 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs. in Lakhs)#	Amount paid / adjusted under protest (Rs. Lakhs)
Income Tax Act, 1961	Income Tax	Assistant Commissioner of Income Tax, Bhilai	AY 2011-2011	292.08	50.53
Income Tax Act, 1961	Income Tax	Deputy Commissioner of Income Tax, Bhilai	AY 2012-13	333.18	10.00
Income Tax Act, 1961	Income Tax	Assistant Commissioner of Income Tax, Bhilai	AY 2014-15	340.12	52.71

Net of amount paid / adjusted under protest

Having regard to the nature of the Company's business / activities / results during the year, statutory dues in respect of Sales Tax, Customs Duty, Excise Duty and Value Added Tax are not applicable to the Company.

(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 to a bank. The Company does not have any dues to financial institutions and government and has not issued any debentures.

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(ix) In our opinion and according to the information and explanations given to us, in respect of loan outstanding at the beginning of the year of Rs. 12,441.74 lakhs, in the absence of any stipulation regarding the utilisation of loans from the lender, we are unable to comment as to whether the term loans have been applied for the purposes for which they were obtained. The Company has not raised money by way of initial public offer, further public offer (including debt instruments) during the year.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us, the Company has not paid / provided managerial remuneration and the provisions of section 197 read with Schedule V to the Act, are not applicable and hence reporting under clause (xi) of paragraph 3 of the Order is not applicable.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of paragraph 3 of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence provisions of Section 192 of the Act are not applicable.

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

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rajesh K. Hiranandani
(Partner)
(Membership No. 36920)

Mumbai : 30 OCT 2017

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SMS SHIVNATH INFRASTRUCTURE PRIVATE LIMITED (NOW KNOWN AS DURG SHIVNATH EXPRESSWAYS PRIVATE LIMITED)
BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note No.	As at 31st March, 2017 ₹ in lakhs	As at 31st March, 2016 ₹ in lakhs	As at 1st April, 2015 ₹ in lakhs
Assets				
(1) Non-Current Assets				
(a) Property, Plant and Equipment	3A	152.87	51.23	70.16
(b) Intangible Assets	3B	25,551.54	4,831.45	5,020.59
(c) Intangible Assets under Development		-	21,802.09	9,568.79
(d) Financial Assets				
(i) Loans	4	-	-	7,329.88
(ii) Other Financial Assets	5	253.82	699.71	174.39
(e) Income Tax Assets (Net)	6	278.13	98.27	89.50
(f) Other Non-Current Assets	7	-	32.74	856.01
Total Non-Current Assets		**26,236.36**	**27,515.49**	**23,109.32**
(2) Current Assets				
(a) Financial Assets				
(i) Investments	8	926.44	-	-
(ii) Cash and cash equivalents	9	229.26	428.36	192.78
(iii) Bank balances other than (ii) above	10	570.66	116.79	494.70
(iv) Loans	11	-	-	0.15
(v) Other Financial Assets	12	60.08	6.91	93.61
(b) Other Current Assets	13	19.50	8.19	8.06
Total Current Assets		**1,805.94**	**560.25**	**789.30**
Total Assets		**28,042.30**	**28,075.74**	**23,898.62**
Equity and Liabilities				
(1) Equity				
(a) Equity Share Capital	14	2,361.69	2,361.69	2,361.69
(b) Other Equity	15	7,432.63	6,958.02	1,575.01
Total Equity		**9,794.32**	**9,319.71**	**3,936.70**
(2) Non-Current Liabilities				
(a) Financial Liabilities				
Borrowings	16	16,393.36	17,713.74	18,137.74
(b) Provisions	17	157.14	74.14	-
(c) Deferred Tax Liabilities (Net)	18	302.89	150.93	114.93
Total Non-Current Liabilities		**16,853.39**	**17,938.81**	**18,252.67**
(3) Current liabilities				
(a) Financial Liabilities				
(i) Trade Payables	33	67.26	26.78	14.74
(ii) Other Financial Liabilities	19	1,320.00	565.96	953.20
(b) Provisions	20	0.77	5.37	501.80
(c) Other Current Liabilities	21	6.56	219.11	239.51
Total Current liabilities		**1,394.59**	**817.22**	**1,709.25**
Total Liabilities		**18,247.98**	**18,756.04**	**19,961.92**
Total Equity and Liabilities		**28,042.30**	**28,075.74**	**23,898.62**

See accompanying notes (1 to 47) forming part of the financial statements

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rajesh K. Hiranandani
Partner
Mumbai: 30 OCT 2017

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For and on behalf of the Board of Directors

Neeraj Toshniwal
Director
(DIN No: 06938824)
Mumbai: 30 OCT 2017

Kavin Mirchandani
Director
(DIN No: 07785949)

SMS SHIVNATH INFRASTRUCTURE PRIVATE LIMITED (NOW KNOWN AS DURG SHIVNATH EXPRESSWAYS PRIVATE LIMITED)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Note No.	For the Year ended 31st March, 2017 ₹ in lakhs	For the Year ended 31st March, 2016 ₹ in lakhs
I. Revenue from operations	22	4,796.30	16,811.25
II. Other income	23	127.16	3,604.30
III. Total income (I) +(II)		**4,923.46**	**20,415.55**
IV. Expenses			
Construction Costs		-	11,673.11
Employee benefits expense	24	113.60	128.00
Depreciation and amortisation expense	3A & 3B	1,101.90	207.52
Finance costs	25	2,174.30	1,989.13
Other expenses	26	735.53	527.50
Total expenses		**4,125.33**	**14,525.26**
V. Profit before tax (III - IV)		**798.13**	**5,890.29**
VI. Tax expense			
Current tax	27	181.88	468.91
Deferred tax	27	151.96	36.00
		333.84	**504.91**
VII. Profit for the year (V - VI)		**464.29**	**5,385.38**
VIII. Other comprehensive income (OCI)			
Items that will not be reclassified to Statement of Profit or Loss			
Remeasurement benefit of defined benefit plans		10.32	(2.37)
Total other comprehensive income		10.32	(2.37)
IX. Total comprehensive income for the year (VII + VIII)		474.61	5,383.01
X. Earnings per equity share:			
Basic and Diluted (in ₹)	37	1.97	22.80
Nominal value per equity share (in ₹)		10.00	10.00

See accompanying notes (1 to 47) forming part of the financial statements

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rajesh K. Hiranandani
Partner
Mumbai: 30 OCT 2017

For and on behalf of the Board of Directors

Neeraj Toshniwal
Director
(DIN No: 06938824)

Kavin Mirchandani
Director
(DIN No: 07785949)
Mumbai: 30 OCT 2017

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SMS SHIVNATH INFRASTRUCTURE PRIVATE LIMITED (NOW KNOWN AS DURG SHIVNATH EXPRESSWAYS PRIVATE LIMITED)
STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH, 2017

A. EQUITY SHARE CAPITAL

Particulars	As at 31st March, 2017 ₹ in lakhs	As at 31st March, 2016 ₹ in lakhs
Balance at the beginning of the reporting year	2,361.69	2,361.69
Changes in Equity Share capital during the year	-	-
Balance at the end of the reporting year	2,361.69	2,361.69

B. OTHER EQUITY

(₹ in lakhs)

Particulars	Reserves and Surplus		Total
	General reserve	Retained earnings	
As at 1st April, 2015	**136.95**	**1,438.06**	**1,575.01**
Profit for the year	-	5,385.38	5,385.38
Other comprehensive income*		(2.37)	(2.37)
Total comprehensive income	-	5,383.01	5,383.01
As at 31st March, 2016	**136.95**	**6,821.07**	**6,958.02**
Profit for the year	-	464.29	464.29
Other comprehensive income*	-	10.32	10.32
Total comprehensive income	-	474.61	474.61
As at 31st March, 2017	**136.95**	**7,295.68**	**7,432.63**

* Represents remeasurement of defined benefit plans

See accompanying notes (1 to 47) forming part of the financial statements

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

Rajesh K. Hiranandani
Partner
Mumbai: 30 OCT 2017

AHS RKH

For and on behalf of the Board of Directors

Neeraj Toshniwal
Director
(DIN No: 06938824)
Mumbai: 30 OCT 2017

Kavin Mirchandani
Director
(DIN No: 07785949)

SMS SHIVNATH INFRASTRUCTURE PRIVATE LIMITED (NOW KNOWN AS DURG SHIVNATH EXPRESSWAYS PRIVATE LIMITED)
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

Particulars	For the Year ended 31st March, 2017 ₹ in lakhs	For the Year ended 31st March, 2016 ₹ in lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	798.13	5,890.29
Adjustments for :		
Depreciation and amortisation expense	1,101.90	207.52
Provision for Overlay Expenses	71.36	68.65
Interest income	(65.52)	(3,507.57)
Property,plant and equipment written off	4.11	-
Gain arising on financial assets measured at fair value through profit or loss	(22.59)	-
Construction income as per Ind AS 11	-	(233.46)
Profit on sale of property, plant and equipement	-	(78.78)
Net gain on sale of investments	(38.35)	(14.38)
Liabilities no longer required written back	-	(2.92)
Interest expenses	2,174.14	1,989.13
Operating profit before working capital changes	**4,023.18**	**4,318.48**
Movement in working capital		
Adjustments for (increase) / decrease in operating assets:		
Loans	-	0.15
Other Financial Assets	(2.17)	-
Other Current Assets	(0.96)	(2.51)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	40.48	14.97
Provisions	-	(501.80)
Other current liabilities	(212.55)	215.70
Cash generated from operations	**3,847.98**	**4,044.99**
Net income tax paid (net of refunds and adjustments)	(366.35)	(472.31)
Net cash flow from operating activities	**3,481.63**	**3,572.68**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Bank balances not considered as cash and cash equivalents		
-Placed	(125.45)	(620.95)
-Matured	116.79	494.70
Payment for purchase of property, plant and equipment (including intangible assets, intangible assets under development and capital advances)	(94.43)	(11,242.20)
Proceeds from disposal of property, plant and equipment	-	80.00
Purchase of investments	(3,908.09)	(3,480.60)
Proceeds from sale of investments	3,042.59	3,494.98
Interest received	15.20	132.99
Net cash used in investing activities	(953.39)	**(11,141.08)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	136.00
Repayment of borrowings	(560.38)	(560.00)
Repayment of Inter Corporate Deposit	-	10,770.00
Interest expenses	(2,166.96)	(2,305.93)
Dividend distribution tax paid	-	(236.10)
Net cash flow (used in) / from financing activities	**(2,727.34)**	**7,803.97**
Net (Decrease) / increase in cash and cash equivalents	(199.10)	**235.57**

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SMS SHIVNATH INFRASTRUCTURE PRIVATE LIMITED (NOW KNOWN AS DURG SHIVNATH EXPRESSWAYS PRIVATE LIMITED)
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	For the Year ended 31st March, 2017 ₹ in lakhs	For the Year ended 31st March, 2016 ₹ in lakhs
CASH AND CASH EQUIVALENTS (Refer Note 9)		
As at the commencement of the year	428.36	192.79
As at the end of the year	229.26	428.36
Net increase / (decrease) as disclosed above	(199.10)	235.57

See accompanying notes (1 to 47) forming part of the financial statements

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

Rajesh K. Hiranandani
Partner
Mumbai: 30 OCT 2017

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For and on behalf of the Board of Directors

Neeraj Toshniwal
Director
(DIN No: 06938824)

Kavin Mirchandani
Director
(DIN No: 07785949)

Mumbai: 30 OCT 2017

1. General information

SMS Shivnath Infrastructure Private Limited (Now Known as Durg Shivnath Infrastructure Private Limited) is a private company domiciled in India and incorporated on 13th August, 1997 under the provisions of the Companies Act, 1956. The company is engaged in the business of toll collections from the users and operation and maintenance of total stretch of 18.5 kms at NH-6, Durg Bypass as agreed between the Company and National Highways Authority of India (NHAI) on Build, Operate and Transfer [BOT] basis. The concession period ends in the year 2031.

2. Significant accounting policies

2.1 Statement of compliance

These financial statements are separate financial statements of the Company (also called financial statements). The Company has prepared financial statements for the year ended 31st March, 2017 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) together with the comparative period data as at and for the year ended 31st March, 2016. Further, the Company has prepared the opening balance sheet as at 01st April, 2015 (the transition date) in accordance with Ind AS.

For all the periods up to the year ended 31st March, 2016, the Company had prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended).

These are the Company's first Ind AS financial statements. Refer Note 43 for the details of first-time adoption exemptions availed by the Company.

2.2 Basis of preparation and presentation

These financial statements for the year ended 31st March, 2017 are the first financial statements, the Company has prepared in accordance with Ind AS.

The financial statements have been prepared on the historical cost basis, except for: (i) certain financial instruments that are measured at fair values at the end of each reporting period; and (ii) defined benefit plans – plan assets that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

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- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

a. Operating Cycle

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of classifications of its assets and liabilities as current and non-current.

b. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

c. Property, plant and equipment

Items of property, plant and equipment are stated in balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is not depreciated.

Properties in the course of construction for administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of property, plant and equipment and is recognised in profit or loss.

Items of property, plant and equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the acquired asset is measured at the carrying amount of the asset given up.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and Capital work-in-progress) less their residual values on straight-line method over their useful lives as indicated in Part C of Schedule II of the Companies Act, 2013. Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

d. Service Concession Arrangements

The company has entered into concession agreements under public-to-private Service Concession Arrangements (SCAs) to construct, operate and transfer infrastructural facilities. The Company recognises an intangible asset arising from a SCA to the extent it has a right to charge for use of the concession infrastructure. With respect to service concession arrangements, revenue and costs are

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allocated between those relating to construction services and those relating to operation & maintenance services, and are accounted for separately.

e. Intangible assets

The intangible rights relating to infrastructure assets, which are recognized in the form of right to charge users of the infrastructure asset are amortized by taking proportionate of actual traffic count for the period over total projected traffic count from project to cost of intangible assets; i.e. proportionate of actual traffic for the period over total projected traffic count from the intangible assets expected to be earned over the balance concession period as estimated by the management. However, with respect to toll road assets constructed and in operation as at March 31, 2016, the amortization of such intangible rights are based on actual revenue earned compared to total projected revenue from the project over the balance concession period to cost intangible assets, instead of traffic count

Total projected revenue / traffic count is reviewed at the end of each financial year and is adjusted to reflect any changes in the estimates which lead to the actual collection at the end of the concession period

Intangible assets under development comprise expenditure incurred on Roads and Bridge on NH 6 in respect of which the company has a contractual agreement with National Highways Authority of India, granting it the right to collect toll on the road on NH6 up to year 2031. Such expenditure on roads and bridge are eligible for capitalisation and are carried as Intangible assets under development where such assets are not yet ready for their intended use.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 01, 2015 i.e. transition date, measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

f. Impairment of non-financial assets

The carrying amounts of the Company's tangible and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit for which the estimates of future cash flows have not been adjusted. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised in the profit or loss if the estimated recoverable amount of an asset or its cash generating unit is lower than its carrying amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

In respect of other asset, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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g. 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

Classification

The Company shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable 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.

Subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is 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.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Other Income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI

A 'debt instrument' is measured as at FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The contractual terms of the instrument give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

.Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income

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(OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL.However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch')

Equity instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. 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 equity instrument as at FVTOCI, then all fair value changes on the instrument, including foreign exchange gain or loss and excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss.

Derecognition

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

- The contractual rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive contractual 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 recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises 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.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

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Impairment of financial assets

Financial assets of the Company comprise of other receivables consisting of debt instruments e.g., loans, and bank balance. Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. An impairment loss other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Impairment losses if any, are recognised in profit or loss for the period.

Financial liabilities
Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Initial recognition and measurement

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

Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or is designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred principally for the purpose of repurchasing in the near term or on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking. This category also includes derivative entered into by the Company that are not designated and effective as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For non-held-for-trading financial liabilities designated as at FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI, unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. These gains/ loss are not subsequently transferred to profit or loss. All other changes in fair value of such liability are recognised in the statement of profit or loss.

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Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost in subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate (EIR) method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item in the profit or loss.
After initial recognition, such financial liabilities are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the profit or loss.

Derecognition

A financial liability is derecognised 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 derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.
Dividend distribution to equity holders of the Company

The Company recognises a liability to make dividend distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

h. Leases

A lease that transfers substantially all the risks and rewards incidental to ownership to the lessee is classified as a finance lease. All other leases are classified as operating leases.

Company as a lessee

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in profit or loss as finance costs, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

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Operating lease payments are generally recognised as an expense in the profit or loss on a straight-line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are also recognised as expenses in the periods in which they are incurred.

Company as a lessor

Rental income from operating lease is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

i. Cash and cash equivalents

Cash and cash equivalent 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.

j. Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of 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 obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefit expected to be received from the contract.

Contingent liabilities and contingent assets

Contingent liability is disclosed for,

(i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company, or

(ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent Assets are not recognised in the financial statements.

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k. Revenue

The Company has constructed a bypass road over the river Shivnath in Durg district in Chhattisgarh state. The Company collects toll from the users of the facility. Toll revenue is recognised upon collections, which coincides with the usage of the toll roads.

Revenue from construction contracts

The Company recognizes and measures revenue, costs and margin for providing construction services during the period of construction of the infrastructure in accordance with Ind AS 11 'Construction Contracts.

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

For the purposes of recognizing revenue, contract revenue comprises the initial amount of revenue agreed in the contract, the variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

The percentage of completion method is applied on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs. The effect of a change in the estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and the effect of which are recognized in the Statement of Profit and Loss in the period in which the change is made and in subsequent periods.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognized only to the extent of contract costs incurred of which recovery is probable and the related contract costs are recognized as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense in the Statement of Profit and Loss in the period in which such probability occurs.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

l. Borrowing cost related to SCA's

In case of concession arrangement under intangible asset model, borrowing costs attributable to the construction of infrastructure assets are capitalized up to the date of the final completion certificate of the asset /facility received from the authority for its intended use specified in the Concession Agreement. All borrowing costs subsequent to the capitalization of the intangible assets are charged to the Statement of Profit and Loss in the period in which such costs are incurred.

m. Employee benefits

Short term employee benefits

Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss in the year in which the related service is rendered.

Compensated absences:

The Company does not have a policy of encashment of leave of employees and hence no liability for the same has been provided for in the books of account.

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Long term employee benefits:

- *Defined benefit plans:*

  The liability in respect of defined benefit plans is calculated using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period. 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. The currency and term of the government bonds shall be consistent with the currency and estimated term of the post-employment benefit obligations. The current service cost of the defined benefit plan, recognised in the profit or loss as employee benefits expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognised in profit or loss in the period of a plan amendment. 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 profit or loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to OCI in the period in which they arise and is reflected immediately in retained earnings and is not reclassified to profit or loss.

- *Defined contribution plans:*

  The Company's contributions to defined contribution plans are recognised as an expense as and when the services are received from the employees entitling them to the contributions.

n. Income tax

Income tax expense consists of current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised in OCI or directly in equity, in which case it is recognised in OCI or directly in equity respectively. Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company
A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Withholding tax arising out of payment of dividends to shareholders under the Indian Income tax regulations is not considered as tax expense for the Company and all such taxes are recognised in the statement of changes in equity as part of the associated dividend payment.

Minimum Alternate Tax ('MAT') credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

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o. Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential ordinary shares.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

p. Recent Accounting pronouncements

Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendment to Ind AS 7, 'Statement of cash flows'. This amendment is in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. The amendment is applicable to the Company from April 01, 2017.

The amendments to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

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3A Property, plant and equipment

Following are the changes in the carrying value of property, plant and equipment

(₹ in lakhs)

Particulars	Freehold Land	Plant and Machinery	Office Equipments	Computers	Furniture and Fixture	Vehicle	Total
At cost or deemed cost							
As at 1st April, 2015	5.61	32.01	1.28	0.82	0.93	29.51	70.16
Additions	-	-	0.08	-	0.59	-	0.67
Disposals	1.22	-	-	-	-	-	1.22
As at 31st March, 2016	**4.39**	**32.01**	**1.36**	**0.82**	**1.52**	**29.51**	**69.61**
Additions	-	125.31	-	0.28	0.06	-	125.65
At 31st March 2017	**4.39**	**157.32**	**1.36**	**1.10**	**1.58**	**29.51**	**195.26**
Accumulated depreciation and impairment							
As at 1st April, 2015	-	-	-	-	-	-	-
Depreciation expense	-	13.00	0.47	0.54	0.30	4.07	18.38
As at 31st March, 2016	-	**13.00**	**0.47**	**0.54**	**0.30**	**4.07**	**18.38**
Depreciation expense	-	14.78	0.37	0.51	0.18	4.06	19.90
Property, plant and equipment written off	-	4.11	-	-	-	-	4.11
At 31st March 2017	-	**31.89**	**0.84**	**1.05**	**0.48**	**8.13**	**42.39**
Carrying amount							
As at 1st April, 2015	**5.61**	**32.01**	**1.28**	**0.82**	**0.93**	**29.51**	**70.16**
As at 31st March, 2016	**4.39**	**19.01**	**0.89**	**0.28**	**1.22**	**25.44**	**51.23**
As at 31st March, 2017	**4.39**	**125.43**	**0.52**	**0.05**	**1.10**	**21.38**	**152.87**

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3B **Intagible Assets**

Following are the changes in the carrying value of intangible assets

(₹ in lakhs)

Particulars	Road and Bridge on NH6 (Refer Foot Note 1)	Total
At cost or deemed cost		
As at 1st April, 2015	5,020.59	5,020.59
As at 31st March, 2016	**5,020.59**	**5,020.59**
Additions	21,802.09	21,802.09
As at 31st March 2017	**26,822.68**	**26,822.68**
Accumulated depreciation		
As at 1st April, 2015	-	-
Amortisation expense	189.14	189.14
As at 31st March, 2016	**189.14**	**189.14**
Amortisation expense	1,082.00	1,082.00
At 31st March 2017	**1,271.14**	**1,271.14**
Carrying amount		
As at 1st April, 2015	**5,020.59**	**5,020.59**
As at 31st March, 2016	**4,831.45**	**4,831.45**
As at 31st March, 2017	**25,551.54**	**25,551.54**

Foot Notes

1 The company has a contractual agreement with National Highways Authority of India, a Government of India Undertaking, granting it the right to collect toll on the road on NH 6 upto year 2031.

2 Refer Note 35

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	Particulars	As at 31st March, 2017 ₹ In lakhs	As at 31st March, 2016 ₹ In lakhs	As at 1st April, 2015 ₹ In lakhs
4	**Loans (Non-current)**			
	(At amortised cost)			
	(Unsecured, considered good)			
	Inter Corporate Deposit to SMS Tolls and Developers Limited, a related party (in respect of which there was no stipulation for interest and no interest was being charged; was payable in one installment on 2nd May, 2020 or any other date as mutually agreed; repaid during the year ended 31st March, 2016) (Refer Notes 29 and 34)	-	-	7,329.88
	TOTAL	-	-	7,329.88
5	**Other Financial assets (Non-current)**			
	(At amortised cost)			
	Bank deposits with more than 12 months maturity (under lien with State Bank of Hyderabad against term loan)	231.98	677.19	173.03
	Interest accrued on bank deposits	21.84	22.52	1.36
	TOTAL	253.82	699.71	174.39
6	**Income tax assets (Net) (Non-current)**			
	Advance income tax [net of provisions ₹ 1,823.90 lakhs (31st March, 2016: ₹ 1,799.69 lakhs; 1st April,2015: 1,799.69 lakhs)]	278.13	98.27	89.50
	TOTAL	278.13	98.27	89.50
7	**Other Non-Current Assets**			
	Capital advances :			
	- to a related party	-	-	856.01
	- to others	-	32.74	-
	TOTAL	-	32.74	856.01

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SMS SHIVNATH INFRASTRUCTURE PRIVATE LIMITED (NOW KNOWN AS DURG SHIVNATH EXPRESSWAYS PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

	Particulars		As at 31st March, 2017 ₹ in lakhs	As at 31st March, 2016 ₹ in lakhs	As at 1st April, 2015 ₹ in lakhs
8	**Investments (Current)**				
	(At fair vaue through profit or loss)				
	(Unquoted, fully paid up)				
	- In Mutual Funds *				
	a) 28,831.674 units (31st March, 2016: Nil; 1st April, 2015: Nil) of Face value of ₹ 1,000 each in Franklin India Treasury Management Account - Super Institutional Plan - Growth		699.47	-	-
	b) 10,19,407.785 units (31st March, 2016: Nil; 1st April, 2015: Nil) of Face value of ₹ 1,000 each in Franklin India Ultra Short Bond - Super Institutional Plan - Growth		226.97	-	-
		TOTAL	**926.44**	-	-
	* Investments in mutual funds have been fair valued at closing net asset value(NAV)				
9	**Cash and cash equivalents**				
	(At amortised cost)				
	(a) Balances with banks in current accounts		198.96	397.24	162.75
	(b) Cash on hand		30.30	31.12	30.04
		TOTAL	**229.26**	**428.36**	**192.79**
10	**Bank balances other than disclosed in Note 9 above**				
	(At amortised cost)				
	Deposit accounts under lien with State Bank of Hyderabad against term loan		570.66	116.79	494.70
		TOTAL	**570.66**	**116.79**	**494.70**
11	**Loans (Current)**				
	(At amortised cost)				
	(Unsecured, considered good)				
	Advance to employees		-	-	0.15
		TOTAL	-	-	**0.15**
12	**Other financial assets (Current)**				
	(At amortised cost)				
	Interest accrued on bank deposits		56.98	5.98	92.68
	Security deposits		1.01	0.93	0.93
	Other receivables		2.09	-	-
		TOTAL	**60.08**	**6.91**	**93.61**
13	**Other current assets**				
	Amount recoverable from gratuity fund		12.85	2.48	3.64
	Prepaid expenses		6.65	4.62	4.42
	Others		-	1.09	-
		TOTAL	**19.50**	**8.19**	**8.06**

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Particulars	As at 31st March, 2017 ₹ in lakhs	As at 31st March, 2016 ₹ in lakhs	As at 1st April, 2015 ₹ in lakhs
14 Equity Share capital			
Authorised			
23,999,900 (31st March, 2016: 23,999,900; 1st April, 2015: 23,999,900) Class A Equity shares of ₹10 each	2,399.99	2,399.99	2,399.99
100 (31st March, 2016: 100; 1st April, 2015: 100) Class B Equity shares of ₹10 each	0.01	0.01	0.01
	2,400.00	2,400.00	2,400.00
Issued			
23,616,890 (31st March, 2016: 23,616,890; 1st April, 2015: 23,616,890) Class A Equity shares of ₹10 each	2,361.69	2,361.69	2,361.69
100 (31st March, 2016: 100; 1st April, 2015: 100) Class B Equity shares of ₹10 each	0.01	0.01	0.01
	2,361.70	2,361.70	2,361.70
Subscribed			
23,616,890 (31st March, 2016: 23,616,890; 1st April, 2015: 23,616,890) Class A Equity shares of ₹10 each fully paid-up	2,361.69	2,361.69	2,361.69
49 (31st March, 2016: 49; 1st April, 2015: 49) Class B Equity shares of ₹10 each fully paid-up #	#	#	#
# amounting to ₹490 TOTAL	2,361.69	2,361.69	2,361.69

(a) Rights, preferences and restrictions attached to equity shares

Class A Equity shares:

The Company has Class A Equity shares having a par value of ₹10 per share. Each holder of Class A Equity shares is entitled to one vote per share. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after payment of dividend to Class B shareholders as detailed below and all claims/liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the year, SMS Tolls transferred all the Class A equity shares of ₹ 10 each fully paid-up amounting to ₹ 59.04 lakhs to SMS Limited.

Class B Equity shares:

The Company has Class B Equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The original holder of Class B equity shares carry a preferential right by way of a priority to dividends upto ₹ 107.87 lakhs per share. Such priority to dividend is conditional on the Company giving an inter corporate deposit to SMS Limited (Formerly SMS Infrastructure Limited) and/or SMS Tolls and Developers Limited (wholly owned subsidiary of SMS Limited) (SMS Tolls) and/or any of their affiliates. After receipt by the Original Shareholder of aforesaid ₹ 107.87 lakhs per share there will be no further dividend payment.

If Class B Equity Shares are transferred by the Original Shareholder, then the total amount of ₹ 107.87 lakhs per share will be paid by way of dividends or otherwise to the new shareholder:

- In the year of termination or expiration of the Concession Agreement executed on 5th November, 1997*, whichever is earlier; or
- At the time of winding up or liquidation of the Company; or
- At any time if the shareholders by special resolution agree to the distribution of dividend to the holder of Class B Equity Shares.

* i.e. the agreement entered with National Highways Authority of India for the construction, operation and maintenance of the Durg Bypass, which in the normal course will terminate in the year 2031.

In the year ended 31st March, 2011, 49 Class B Equity shares of ₹ 10 each fully paid-up amounting to ₹ 490 were initially allotted to India Infrastructure fund, which were subsequently transferred by the said Fund to SMS Tolls under a share purchase and put option agreement dated 6th May, 2010 between these two entities and the Company. During the year, SMS Tolls transferred all the Class B equity shares of ₹ 10 each fully paid-up amounting to ₹ 490 to SMS Limited.

The Company had given an unsecured inter corporate deposit of ₹ 10,770.00 lakhs to SMS Tolls, in respect of which there is no stipulation for interest. During the year ended 31st March, 2016, the Company has received the inter corporate deposit from SMS Tolls. (Refer Note 30)

(b) Details of shareholders holding more than 5% shares in the company

Particulars	31st March, 2017 Numbers	31st March, 2017 % holding in the class	31st March, 2016 Numbers	31st March, 2016 % holding in the class	1st April, 2015 Numbers	1st April, 2015 % holding in the class
Class A Equity shares of ₹10 each fully paid-up						
SMS Limited (SMSL)**	12,183,544	51.59%	6,279,322	26.59%	6,279,322	26.59%
SMS Tolls and Developers Limited, a wholly owned subsidiary of SMSL	-	-	5,904,222	25.00%	5,904,222	25.00%
Highway Concessions One Private Limited	11,433,334	48.41%	11,433,334	48.41%	11,433,334	48.41%
Class B Equity shares of ₹10 each fully paid-up						
SMS Limited	49	100%	-	-	-	-
SMS Tolls and Developers Limited, a wholly owned subsidiary of SMSL	-	-	49	100%	49	100%

** the Company had received intimation from SMS Ltd regarding creation of a Trust 'SMS Infrastructure Trust' dated 22nd April, 2010, settling 472,338 Equity shares forming 2% of the total equity share capital of the Company, for a period of 2 years, to provide benefits to certain employees of SMSL. During FY 2012-13, the aforesaid Trust was dissolved and consequently SMSL became the Holding Company of the Company. (Refer Note 29)

(c) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year:

Class A Equity Shares	31st March, 2017 Number of shares	31st March, 2017 ₹ in lakhs	31st March, 2016 Number of shares	31st March, 2016 ₹ in lakhs
Shares outstanding at the beginning of the year	23,616,890	2,361.69	23,616,890	2,361.69
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	23,616,890	2,361.69	23,616,890	2,361.69

Class B Equity Shares	31st March, 2017 Number of shares	31st March, 2017 ₹ in lakhs	31st March, 2016 Number of shares	31st March, 2016 ₹ in lakhs
Shares outstanding at the beginning of the year	49	#	49	#
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	49	#	49	#

amounting to ₹490

(d) The Company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been brought back during the period of five years immediately preceding the Balance Sheet date.

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	Particulars	As at 31st March, 2017 ₹ in lakhs	As at 31st March, 2016 ₹ in lakhs	As at 1st April, 2015 ₹ in lakhs
15	**Other Equity**			
	Refer statement of changes in equity for detailed movement in other equity balances			
	Reserve and Surplus			
	(i) General Reserve	136.95	136.95	136.95
	(ii) Retained Earnings	7,295.68	6,821.07	1,438.06
	TOTAL	**7,432.63**	**6,958.02**	**1,575.01**

Nature and purpose of each reserve

General reserve - the general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

	Particulars	As at 31st March, 2017 ₹ in lakhs	As at 31st March, 2016 ₹ in lakhs	As at 1st April, 2015 ₹ in lakhs
16	**Borrowings (Non-Current)**			
	(At amortised cost)			
	Term loan from State Bank of Hyderabad (SBH) - Secured	16,393.36	17,713.74	18,137.74
	TOTAL	**16,393.36**	**17,713.74**	**18,137.74**

(a) Secured by:

(i) hypothecation by way of first charge on all movable assets, bank accounts including all receivables and revenues both present and future;

(ii) lien on fixed deposits of ₹ 802.64 lakhs (31st March, 2016: ₹ 793.98 lakhs; 1st April, 2015: ₹ 667.73 lakhs);

(iii) first charge on the Company's right under the project documents, concession agreement, contracts and all licenses, permits, approvals, consent and insurance policies in respect of the four laning project;

(iv) corporate guarantee by SMS Limited ;

(v) pledge of Equity shares held in the Company by:

(I) SMS Limited - 7,085,067 Class A Equity shares (pledge yet to be created on 5,904,222 shares) (31st March, 2016 and 1st April, 2015: 1,180,845 Class A Equity shares); and

(II) SMS Tolls and Developers Limited - Nil (31st March, 2016 and 1st April, 2015: 5,904,222) Class A Equity shares; and

(vi) pledge of 15 Class B Equity shares held in the Company by SMS Limited (31st March, 2016 and 1st April, 2015: SMS Tolls and Developers Limited) (pledge yet to be created)

(b) Terms of Repayment:

Repayable in 30 (31st March, 2016: 34; 1st April, 2015: 38) quarterly installments ranging from ₹ 330 lakhs to ₹ 800 lakhs. Last installment is due in September, 2024. Monthly payment of interest at the rate of SBH Bank's Base rate plus 2.50%. Rate of Interest in the range of 11.75% to 12.00% p.a.(31st March, 2016: 12.00% to 12.70% p.a.; 1st April, 2015: 12.70 % to 12.95% p.a.).

(c) Installments falling due in respect of the above loan upto 31st March, 2017 (previous year: 31st March 2016; 1st April, 2015) have been grouped under "Current maturities of long-term borrowings". (Refer Note 19)

(d) The Company has met all its repayment obligation on time. During the month of September, 2015, the Company was having an amount of ₹ 136.00 lacs as undisbursed amount in the loan account and requested the bank to appropriate the same towards repayment of loan installment of ₹ 140.00 lacs. However, due to some technical error, there was a delay of 8-12 days in the apportionment which has led to delay in repayment of loan installment during the year ended 31st March, 2016.

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	Particulars	As at 31st March, 2017 ₹ in lakhs	As at 31st March, 2016 ₹ in lakhs	As at 1st April, 2015 ₹ in lakhs
17	**Provisions (Non-Current)**			
	Provision for overlay expenses (Refer Note 32)	157.14	74.14	-
	TOTAL	**157.14**	**74.14**	**-**

18 Deferred tax liabilities

The break-up of deferred tax liabilities is as under:

Nature of timing difference	Deferred tax liability as at 1st April, 2015	Charge/ (Credit) for the current year	Deferred tax liability as at 31st March, 2016
	₹ in lakhs	₹ in lakhs	₹ in lakhs
Depreciation and amortisation	114.93	36.00	150.93

Nature of timing difference	Deferred tax liability as at 31st March, 2016	Charge/ (Credit) for the current year	Deferred tax liability as at 31st March, 2017
	₹ in lakhs	₹ in lakhs	₹ in lakhs
Depreciation and amortisation	150.93	151.96	302.89

Deductible unused tax credits for which no deferred tax assets have been recognised are attributable to the following	As at 31st March, 2017 ₹ in lakhs	As at 31st March, 2016 ₹ in lakhs	As at 1st April, 2015 ₹ in lakhs
Unused tax credits(MAT credit entitlement)	2,504.60	2,077.40	1,682.49

The unused tax credits will expire from financial year 2017-18 to financial year 2031-32

	Particulars	As at 31st March, 2017 ₹ in lakhs	As at 31st March, 2016 ₹ in lakhs	As at 1st April, 2015 ₹ in lakhs
19	**Other financial liabilities (Current)**			
	(At amortised cost)			
	Current maturities of long-term borrowings :			
	-Term loan from State Bank of Hyderabad (Secured)	1,320.00	560.00	560.00
	Interest accrued but not due on term loan	-	4.45	-
	Retention money	-	-	393.20
	Payable on purchase of property,plant and equipment	-	1.51	-
	TOTAL	**1,320.00**	**565.96**	**953.20**
20	**Provisions**			
	Provision for tax [net of advance tax ₹ 468.14 lakhs (31st March, 2016: ₹ 463.54 lakhs; 1st April, 2015: ₹ Nil)]	0.77	5.37	-
	Provision for overlay expenses (Refer Note 32)	-	-	501.80
	TOTAL	**0.77**	**5.37**	**501.80**
21	**Other Current liabilities**			
	Statutory remittances	6.56	219.11	239.51
	TOTAL	**6.56**	**219.11**	**239.51**

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	Particulars	For the year ended 31st March, 2017 ₹ in lakhs	For the year ended 31st March, 2016 ₹ in lakhs
22	**Revenue from operations**		
	Sale of services		
	- Toll receipts [Refer Note 2(k)]	4,796.30	4,904.68
	- Construction Income	-	11,906.57
	TOTAL	4,796.30	16,811.25
23	**Other income**		
	a) Interest income		
	(i) Interest income on bank deposits	65.52	67.45
	(ii) Interest income on loan to a related party	-	3,440.12
	b) Net gain on sale of investments	38.35	14.38
	c) Gain arising on financial assets measured at fair value through profit or loss	22.59	-
	d) Other non-operating income:		
	- Profit on sale of property, plant and equipment	-	78.78
	- Liabilities no longer required written back	-	2.92
	- Miscellaneous income	0.71	0.65
	TOTAL	127.17	3,604.30

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	Particulars		For the year ended 31st March, 2017 ₹ in lakhs	For the year ended 31st March, 2016 ₹ in lakhs
24	**Employee benefits expense**			
	Salaries and Wages		96.50	115.02
	Contribution to provident and other funds		11.73	7.88
	Staff welfare expenses		5.37	5.10
		TOTAL	113.60	128.00
25	**Finance costs**			
	Interest expense on			
	- Borrowings (Refer Note 38)		2,162.50	1,977.69
	- Delayed/ deferred payment of income tax		0.16	5.95
	- Unwinding of discounts on provision		11.64	5.49
		TOTAL	2,174.30	1,989.13
26	**Other expenses**			
	Fees to NHAI		62.66	56.96
	Power and fuel		12.85	9.90
	Rent		4.84	4.43
	Hire charges		0.12	0.15
	Repairs and maintenance			
	-Roads and Bridge (Refer Note 32)		71.36	353.62
	-Others		13.03	3.90
			84.39	357.52
	Insurance		6.66	5.03
	Property,plant and equipment written off		4.11	-
	Work Contract Tax not recovered [Refer footnote (i) to note 36]		360.64	-
	Communication		1.50	1.67
	Travelling and conveyance		5.58	4.58
	Legal and professional fees (Refer Note 31)		149.84	41.32
	Rates and taxes		1.18	-
	Security charges		3.80	7.76
	Coin commission		7.51	13.95
	Expenditure on Corporate Social Responsibility		5.00	-
	Miscellaneous expenses		24.86	24.23
		TOTAL	735.54	527.50
27	**Tax Reconciliation**			
	Reconciliation of tax expense			
	Profit before tax		798.13	5,890.29
	Enacted income tax rate(%) applicable to the Company		34.608%	34.608%
	Income tax credit calculated at enacted income tax rate		276.22	2,038.51
	Effect of expenses not deductible for tax purposes		134.42	163.23
	Effect of deduction claimed under chapter VIA of income tax act, 1961		(213.46)	(2,113.09)
	Tax payable under MAT		190.38	468.91
	Others		(45.21)	(52.65)
	Income tax expense recognised in profit or loss		342.34	504.91

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28 **Contingent liabilities and Capital Commitment**

a) Contingent liabilities:- Income tax demand in respect of assessment year 2011-12 ₹ 342.61 lakhs (31st March, 2016: ₹ Nil; 1st April, 2015: ₹ Nil), 2012-13 ₹ 343.18 lakhs (31st March, 2016: ₹ 343.18 lakhs; 1st April, 2015: ₹ 343.18 lakhs) and 2014-15 ₹ 392.83 lakhs (31st March, 2016: ₹ Nil; 1st April, 2015: ₹ Nil) where the company is in appeal. Future cash outflow in respect of the above is determinable only on receipt of judgement/decision pending at various income tax authorities.

b) Capital commitement:- Estimated amount of contracts remaining to be executed on capital account (Intangible assets) and not provided for ₹ Nil (net of advance) [31st March, 2016: ₹ Nil ; 1st April, 2015: ₹ 833.11 lakhs]

29 SMS Limited (SMSL), a public company, and its wholly owned subsidiary, SMS Tolls and Developers Limited, together, used to hold more than half of the voting power at 51.59 % in the Company. SMSL had intimated to the Company, of their creation of a Trust named 'SMS Infrastructure Trust', dated 22nd April, 2010, settling 472,338 Equity shares, forming 2 % of the total equity share capital of the Company, for a period of 2 years, to provide benefits to certain employees of SMSL. In view of this, the Company had been legally advised that the Company was not a subsidiary of SMSL, a public company and accordingly, the transaction referred in Note 29 below, in the year ended 31st March, 2011, is in accordance with the requirements of the Companies Act, 1956 (the Act). Notwithstanding the dissolution of the Trust during the FY 2012-13 and the Company becoming a subsidiary of a public company from the FY 2012-13, the Company continues to be legally advised that the said transaction, in respect of which the inter corporate deposit referred therein was outstanding until 30th March, 2016, continued to be in accordance with the requirements of the Act.

30 During the year ended 31st March, 2011, the Company had given an unsecured inter corporate deposit of ₹10,770.00 lakhs to SMS Tolls and Developers Limited ('SMS Tolls'), repayable after ten years or any other date as mutually agreed, in respect of which interest was neither stipulated nor being charged. During the year ended 31st March, 2016, the Company has received entire inter corporate deposit of ₹10,770.00 lakhs.

31 Legal and professional fees includes payment to the auditors (including service tax)

	Year ended 31st March, 2017 ₹ in lakhs	Year ended 31st March, 2016 ₹ in lakhs
As auditors		
- Statutory audit	17.25	11.79
- Audit of Special purpose financial statements	6.90	-
- Taxation matters	18.98	4.03
- Other Services	3.97	-
- Out of pocket expenses	0.22	-
	47.32	15.82

32 As per the best estimate of the management, provision is been made, towards cost of overlay of the Roads and Bridge on NH6. Such overlay was executed during the year and the next overlay is to be executed in the Financial Year 2019-20 in terms of the agreement entered into with National Highways Authority of India.

	As at 31st March, 2017 ₹ in lakhs	As at 31st March, 2016 ₹ in lakhs
Opening balance	74.14	501.80
Add: Provision for the year	71.36	68.65
Add: Unwinding of discounts on provision	11.64	5.49
Less: Utilisation / Settlement	-	501.80
Closing balance	157.14	74.14

33 There are no amounts due to the suppliers covered under Micro, Small and Medium Enterprises Development Act, 2006; this information takes into account only those suppliers who have responded to the enquiries made by the Company for this purpose. This has been relied upon by the auditors.

34 As the Company's business activity falls within a single segment viz. "Infrastructure", and the services rendered being in the domestic market, the disclosure requirements of Ind AS - 108 "Operating Segments", are not applicable.

35 Significant terms of the Service Concession Arrangements (SCA) of the company are provided below:

Description and right to use specified asset :	Toll collection from the users and operation and maintenance of total stretch of 18.5 Kms at NH-6, Durg Bypass as agreed between the company and National Highway Authority of India (NHAI) on Built, Operate and Transfer(BOT) basis.
Project	Durg Bypass
Nature of Asset	Intangible
Year when SCA granted	1998
Period	32 years and 6 months
Extension of Period	Nil
Stage of Completion	Completed
Premature Termination	On force majeure event or parties defaulting on their obligations
Obligation to provide service :	To establish, develop, finance and design and construct the roads and bridges on NH-6 and to operate and maintain the project.
Obligation to deliver specified assets at the end of concession period:	On transfer date, the concessionare shall transfer and assign to Ministry of Surface Transport(MOST) or its nominated agency, free and clear of any encumbrances created or suffered by the Concessionare, all of the concessionare rights, title and interest in and to the Project site and project assets for sum of ₹ 1.00(Rupee one only). The Concessionare shall also deliver to MOST on such date all proprietary material and all correspondence and documents concerning the project and such operating manuals, plans, design drawings and other information as may reasonably by required by MOST to enable it to continue the operation of the project site either directly or by its nominated agency.
Major Overlays :	In terms of concession agreement, the concessionare is obligated to carry out overlay of the roads at the end of specified periods.

Income recognised and cost incurred for SCA: (₹ in lakhs)

Particulars	Year ended 31st March, 2017 ₹ in lakhs	Year ended 31st March, 2016 ₹ in lakhs
Construction Income	-	11,906.57
Less: Construction expenses	-	(11,673.11)
Profit for the year	-	233.46

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36 **IND AS-24 - "RELATED PARTY DISCLOSURES"**

Name of related parties and description of relationship:
Holding Company
SMS Limited (also Refer Note 29)

Fellow Subsidiary (where there are transactions)
SMS Tolls and Developers Limited (also Refer Note 30)

Entities with significant influence over the entity
Highway Concessions One Private Limited

Key management personnel:
Anand S. Sancheti, Managing Director
Sushant S. Mukherjee, Executive Director
Narayanan S. Gopalkrishnan, Non Executive Director
Pramod I. Bongirwar, Non Executive Director
Ravindra J. Chand, Non Executive Director
Kushal R. Raichada, Chief Financial Officer (w.e.f. 1st October, 2016)
Kamlesh Agarwal, Chief Financial Officer (upto 31st March, 2016)

Transactions with related parties:
a)

Name of the related party	Nature of transactions	Volume of transactions during the year ₹ in lakhs	Outstanding balance as at the end of the year Receivable ₹ in lakhs	Outstanding balance as at the end of the year Payable ₹ in lakhs
SMS Limited	Payment for construction of Roads and Bridges on NH-6.	- (11,206.85)	- (-)	- (-)
	Repairs and Maintenance - Road and bridges - Includes ₹ Nil (31st March, 2016: ₹ 501.80 lakhs) utilised out of provision for overlay expenses (Refer Note 32)	- (786.78)	- (-)	- (-)
	Retention monies [Refer Footnote (iii)]	- (41.65)	- (-)	- (-)
	Travelling and conveyance	- (0.30)	- (-)	- (-)
	Payable on purchase of property, plant and equipement	125.31 (-)	- (-)	- 1.51
	Reimbursment of legal and professional fees	1.00 (-)	- (-)	- (-)
SMS Tolls and Developers Limited	Inter Corporate Deposit received back, in respect of which there was no stipulation for interest and no interest was being charged [Refer Footnote (iv)]	- (10,770.00)	- (-)	- (-)
Highway Concessions One Private Limited	Reimbursement of legal and professional fees	12.87 (-)	1.72 (-)	14.59 (-)
Pramod I. Bongirwar	Director sitting fees	1.00 (0.25)	- (-)	0.25 (-)
Ravindra J. Chand	Director sitting fees	0.75 (-)	- (-)	0.25 (-)
Sushant S. Mukherjee	Reimbursement of expenses	0.10 (0.15)	- (-)	- (-)
Kushal R. Raichada	Salary and Wages	2.63 (-)	- (-)	0.40 (-)
Kamlesh Agarwal	Salary and Wages	- (12.78)	- (-)	- (1.27)

Footnotes:

(i) Amounts pertaining to related parties provided for as doubtful or written off / written back during the year:
Works Contract Tax not recovered in respect of payments made to the Holding Company written off ₹ 360.64 lakhs (31st March, 2016: ₹ Nil) in the Statement of Profit and Loss for the year ended 31st March, 2017.

(ii) Figures in brackets are the corresponding figures in respect of the year ended and as on 31st March, 2016.

(iii) As at 1st April, 2015, Retention money payable of ₹ 393.20 Lakhs and Capital advance given of ₹ 856.01 Lakhs to SMS Limited

(iv) As at 1st April, 2015, Intercorprate Deposit Receievable from SMS Tolls and Developers Limited of ₹ 10,770.00 Lakhs

b) SMS Limited has given a corporate guarantee to State Bank of Hyderabad against the term loan raised by the company for ₹20,000 lakhs (31st March, 2016: ₹20,000 lakhs).

37 The Company has not issued any potential equity shares and accordingly, the basic earnings per share and diluted earnings per share are the same. Values used in calculating earnings per share are as under:

		Year ended 31st March, 2017	Year ended 31st March, 2016
(a)	Numerator: Profit after tax (₹ in lakhs)	464.29	5,385.38
(b)	Denominator:		
	Weighted average number of equity shares	23,616,890	23,616,890
(c)	Basic, as well as diluted, earnings per equity share (in ₹)	1.97	22.80

Class B Equity shares are not considered for weighted average number of equity shares, as such Shares do not have specific right towards dividend out of current year profits.

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38 Intangible assets under development includes borrowing costs (Interest expense) capitalised during the year of ₹ Nil (31st March, 2016: ₹ 326.74 lakhs ; 1st April, 2015: ₹ 651.42 lakhs)

39 In view of demonitsation of currency notes of denominations of ₹ 500 and ₹ 1,000 with effect from midnight of 8th November, 2016, the Central Government had exempted toll collection on national highways from 9th November, 2016 till midnight of 2nd December, 2016. As a result, the operations of the Company have been adversely affected. The loss of revenue on account of the above, as estimated by the management , for the year ended 31st March, 2017 is ₹ 347.72 lakhs.

40 Details of Specified Bank Notes(SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 is as follows:

All amounts in aboslute ₹

Particulars	Specified Bank Notes (SBN)*	Other denomination notes	Total
Closing cash in hand as on 08th November, 2016	2,681,000	1,001,747	3,682,747
(+) Permitted receipts during 08th November to 30th December, 2016	5,674,000	30,998,736	36,672,736
(-) Permitted payments during 08th November to 30th December, 2016	-	318,367	318,367
(-) Amount deposited in Banks	8,355,000	29,946,000	38,301,000
Closing cash in hand as on 30th December, 2016	-	1,736,116	1,736,116

* Specified bank notes are currency notes of ₹ 500 and ₹ 1,000 discontinued vide notification S.O. 3407 (E) dated 8th November, 2016.

41 Employee Benefits

Defined contribution plan

Contribution to defined contribution plan, recognised in the statement of profit and loss under employee benefit expense, contribution to providend and other funds in Note 24 for the year as under:

(₹ in lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Employers contribution to Provident Fund and Regional Commissioner	2.03	1.85
Employers contribution to Family Pension Fund	4.40	4.01

Defined benefit plan

In respect of Gratuity, a defined benefit plan, contributions are made to LIC's Recognised Group Gratuity Fund Scheme. It is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employement. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination age. Provision for Gratuity is based on actuarial valuation done by an independent actuary as at the year end. Each year, the Company reviews the level of funding in gratuity fund. The Company decides its contribution based on the results of its annual review. The Company aims to keep annual contributions relatively stable at a level such that the fund assets meets the requirements of gratuity payments in short to medium term.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

i) Investment risk - The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit. However, the risk is partially mitigated by investment in LIC managed fund.

ii) Interest rate risk - A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.

iii) Longevity risk - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

iv) Salary risk - The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Obligation in respect of defined benefit plan is actuarially determined as at the year end using the 'Projected Unit Credit' method. Gains and losses on changes in actuarial assumptions relating to defined benefit obligation are recognised in other comprehensive income

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(₹ in lakhs)

Particulars	Year ended March 31, 2017 Gratuity (Funded)	Year ended March 31, 2016 Gratuity (Funded)
Expense recognised in the statement of profit and loss (Refer Note 24)		
Current service cost	0.15	1.84
Interest cost	(0.20)	(0.43)
Expense charged to the statement of profit and loss	**(0.05)**	**1.41**
Remeasurement of defined benefit obligation recognised in other comprehensive income		
Actuarial gain / (loss) on defined benefit obligation	10.38	(2.41)
Actuarial gain / (loss) on asset	(0.06)	0.04
Expense/(income) charged to other comprehensive income	**10.32**	**(2.37)**
Reconciliation of defined-benefit obligations		
Obligation as at the beginning of the year	9.95	6.02
Current service cost	0.15	1.84
Interest cost	0.81	0.48
Benefits paid	-	(0.81)
Actuarial (Gains) / loss on obligations	(10.38)	2.41
- due to change in demographic assumptions	-	-
- due to change in financial assumptions	0.04	(1.65)
- due to experience	(10.42)	4.06
Obligation as at the year end	**0.53**	**9.94**

(₹ in lakhs)

Particulars	As at March 31, 2017 Gratuity (Funded)	As at March 31, 2016 Gratuity (Funded)
Reconciliation of liability/(asset) recognised in the Balance sheet		
Present value of commitments (as per Actuarial Valuation)	0.53	9.94
Fair value of plan assets	13.38	12.42
Net liability / (asset) recognised in the Balance sheet	**(12.85)**	**(2.48)**
Reconciliation of plan assets		
Plan assets as at the beginning of the year	12.42	11.42
Actuarial gain / (loss)	(0.06)	0.04
Expected returns on plan assets	1.02	0.91
Employer's Contribution during the year	-	0.86
Benefits paid	-	(0.81)
Plan assets as at the year end	**13.38**	**12.42**

(₹ in lakhs)

Particulars	Year ended March 31, 2017 Gratuity (Funded)	Year ended March 31, 2016 Gratuity (Funded)
Discount rate	7.50%	8.13%
Expected return on plan assets	8.13%	8.00%
Expected rate of salary increase	7.00%	6.00%
Interest rate guarantee	N.A.	N.A.
Mortality	100% of IALM 2006-08	100% of IALM 2006-08
Withdrawal	0-30 years 3%, 31-44 years 2% Above 44 Years 1%	0-30 years 3%, 31-44 years 2% Above 44 Years 1%
Retirement Age (years)	60	60

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(₹ in lakhs)

Particulars	Year ended March 31, 2017 Gratuity (Funded)	Year ended March 31, 2016 Gratuity (Funded)
Sensitivity Analysis:		
Impact on defined benefit obligation		
Delta effect of +0.50% change in discount rate	(0.03)	(0.74)
Delta effect of -0.50% change in discount rate	0.04	0.82
Delta effect of +1% change in salary escalation rate	0.07	1.73
Delta effect of -1% change in salary escalation rate	(0.06)	(1.44)
Delta effect of +1% change in rate of employee turnover (₹-471)	0.00	0.16
Delta effect of -1% change in rate of employee turnover (₹422)	0.00	(0.19)
Maturity analysis of projected benefit obligation		
31-Mar-17	-	0.25
31-Mar-18	0.01	0.54
31-Mar-19	0.01	0.28
31-Mar-20	0.01	0.30
31-Mar-21	0.01	0.59
31-Mar-22	0.01	-
Thereafter	1.76	34.50
The major categories of plan assets are as under :		
Insurer managed funds (Funded with LIC, break-up not available)	100%	100%
The contribution expected to be made by the company for gratuity during the financial year ending 31st March, 2018 is ₹ 0.02 lakhs (31st March, 2017: ₹ Nil)		

42 Pursuant to the resolution passed at the board meeting of the company held on 26th April, 2017, the board of directors have approved transfer of class A and class B equity shares from SMS Limited, Highway Concession One Private Limited and other individual shareholders to TRPL Roadways Private Limited pursuant to the share purchase agreement dated 23rd November, 2016 and amendment and supplementary agreement dated 21st April, 2017 between the aforesaid parties.

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43 FIRST TIME IND AS ADOPTION RECONCILIATION

i Explanation to transition to Ind AS

Ind AS 101 -"First-time Adoption of Indian Accounting Standards" requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS consolidated financial statements which is for the year ended 31st March, 2017 for the Company, be applied retrospectively and consistently for all financial years presented. Except for the Company has availed certain exemptions and complied with the mandatory exceptions provided in Ind AS 101, as described below. The Company has recognised all assets and liabilities whose recognition is required by Ind AS and has not recognised items of assets or liabilities which are not permitted by Ind AS, reclassified items from previous GAAP to Ind AS as required under Ind AS and applied Ind AS in measurement of recognised assets and liabilities.

Set out below are the Ind AS 101 optional exemptions availed as applicable and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

ii Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after the transition date.

iii Classification and measurement of financial assets

The Company has assessed conditions for classification of the financial assets on the basis of the facts and circumstances that were exist on the date of transition to Ind AS.

iv Deemed cost of property, plant and equipment and intangible asset

On transition to Ind AS, the Company have elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment. The Company has claimed an exemption to determine the fair value of the intangible asset retrospective as it is impractical to determine the fair value of the intangible asset as capitalised in FY 1999-2000.

v Amortisation method of intangible assets under Service Concession Arrangement

For all intangible road assets capitalised up to 31st March, 2016, the Company has elected to continue the previous GAAP method of amortising the intangible asset.

vi Fair value measurement of financial assets and financial liabilities at initial recognition

The Company has applied the requirements in paragraph B5.1.2A (b) of Ind AS 109 prospectively to transactions entered into on or after the date of transition to Ind AS. This exemption has been availed by the Company.

(₹ in lakhs)

Reconciliation of total equity	Footnote No.	As at 31st March, 2016	As at 1st April, 2015
Equity as per previous GAAP *		8,902.24	7,219.54
Add / (Less) : Adjustments for GAAP Differences			
Discount / (Unwinding of discount) on provisions	a	26.73	-
Effect of interest on loan given to related party	b	-	(3,440.12)
Accounting as per Ind AS 11 - Service Concession Arrangement	d	390.74	157.28
Equity as per Ind AS		9,319.71	3,936.70

* Equity as per previous GAAP includes share capital and reserves and surplus.

(₹ in lakhs)

Reconciliation of total comprehensive income	Footnote No.	Year ended March 31, 2016
Profit for the year as per previous GAAP		1,682.70
Add / (Less) : Adjustments for GAAP Differences		
Discount / (Unwinding of discount) on provisions	a	26.73
Remeasurement of defined benefit obligation recognised in OCI under Ind AS	c	2.37
Interest income on loan given to related party	b	3,440.12
Accounting as per Ind AS 11 - Service Concession Arrangement	d	233.46
Profit for the year as per Ind AS		5,385.38
Other comprehensive income		(2.37)
Total comprehensive income as per Ind AS		5,383.01

Notes on reconciliations between previous GAAP and Ind AS

a. Discounting / (unwinding of discount) of provisions
Under previous GAAP, provision for major maintenance (overlay) are recorded on undiscounted basis, whereas under Ind AS, they are recorded at present value of the future obligation.

b. Interest income recognised under Ind AS on interest free loan to related party
Under previous GAAP, there was no interest income recognised on interest free loan given to related party.

c. Employee benefits

Under previous GAAP, actuarial gains and losses were recognised in statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of net defined benefit liability / asset, which is recognised in other comprehensive income in the respective periods.

d. In accordance with Ind AS 11, the company has made adjustments for service concession accounting i.e. additional construction service revenue recognised for service concession agreement as per Ind AS 11 for Built-Operate-Transfer (BOT) contracts with corresponding recognition of construction cost.

e. Effect of transition to Ind AS on Cash Flow Statement for the year ended March 31, 2016
Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities and has no impact on the net cash flow for the year ended 31st March, 2016 as compared with the previous GAAP.

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44 Categories of financial instruments and fair value hierarchy

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Financial Assets			
At Amortised Cost			
Loans	-	-	7,329.88
Interest accrued on bank deposits	78.82	28.50	94.04
Cash and cash equivalents	229.26	428.36	192.79
Bank balance other than above	570.66	116.79	494.70
Advance to employees	-	-	0.15
Other Financial Assets			
Bank deposits with more than 12 months maturity	231.98	677.19	173.03
Security deposits	1.01	0.93	0.93
Other receivables	2.09	-	-
At Fair value through profit or loss (Level 1)			
Investments			
In Mutual funds	926.44	-	-
Financial Liabilities			
At Amortised Cost			
Borrowings	16,393.36	17,713.74	18,137.74
Trade Payables	67.26	26.78	14.74
Other Financial Liabilities			
Current maturities of long-term debt	1,320.00	560.00	560.00
Interest accrued	-	4.45	-
Retention money	-	-	393.20
Payables on purchase of property, plant and equipment	-	1.51	-

The financial instruments are categorized based on the inputs used to arrive at fair value measurements as described below:
Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

The management considers that the carrying amount of financial assets and financial liabilities carried as amortised cost approximates their fair value.

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45 Capital Management

a The Company's capital management objectives are:
- to ensure the Company's ability to continue as a going concern; and
- to provide an adequate return to shareholders through optimisation of debts and equity balance.

The Company monitors capital on the basis of the carrying amount of debt less cash and cash equivalents as presented on the face of the financial statements. The Company's objective for capital management is to maintain an optimum overall financial structure.

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Debt (includes non current borrowings and current maturities of non current borrowing)	17,713.36	18,273.74	18,697.74
Less: cash and cash equivalents	229.26	428.36	192.79
Net debt	17,484.10	17,845.38	18,504.95
Total equity	9,794.32	9,319.71	3,936.70
Net debt to total equity ratio	1.79	1.91	4.70

b There has been no dividend paid during the current year and year ended 31st March, 2016 by the Company to its shareholders.

46 Financial Risk Management

The Company activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

a **Credit risk**

Credit risk is the risk of financial loss to the Company, if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's loans and investments. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of counterparty to which the Company grants credit terms in the normal course of business.

Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

b **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company had unutilised credit limit/undrawn borrowing facilities from banks of ₹ Nil as on 31st March, 2017, ₹ Nil as on 31st March, 2016, ₹ 136.00 lakhs as on 1st April, 2015.

The table below provides details regarding the contractual maturities of financial liabilities as at 31st March, 2017:

(₹ in lakhs)

Particulars	Less than 1 year	1 - 3 years	More than 3 years	Total As at 31st March, 2017
Non derivative				
Borrowings	1,320.00	4,200.00	12,193.36	17,713.36
Trade payables	67.26	-	-	67.26
Other financial liabilities	-	-	-	-
Total	1,387.26	4,200.00	12,193.36	17,780.63

The table below provides details regarding the contractual maturities of financial liabilities as at 31st March, 2016:

(₹ in lakhs)

Particulars	Less than 1 year	1 - 3 years	More than 3 years	Total As at 31st March, 2016
Non derivative				
Borrowings	560.00	3,120.00	14,593.74	18,273.74
Trade payables	26.78	-	-	26.78
Other financial liabilities	5.96	-	-	5.96
Total	592.74	3,120.00	14,593.74	18,306.48

The table below provides details regarding the contractual maturities of financial liabilities as at 1st April, 2015:

(₹ in lakhs)

Particulars	Less than 1 year	1 - 3 years	More than 3 years	Total as at 1st April, 2015
Non derivative				
Borrowings	560.00	1,880.00	16,257.74	18,697.74
Trade payables	14.74	-	-	14.74
Other financial liabilities	393.20	-	-	393.20
Total	967.94	1,880.00	16,257.74	19,105.68

c **Market risk**

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments and all short term and long-term debt. The Company is exposed to market risk primarily related to interest rate risk and the market value of its investments.

d **Interest rate risk**

The Company has loan facilities on floating interest rate, which exposes the Company to risk of changes in interest rates. Currently, the Company has not hedged the interest rate risk but the Company's Treasury Department monitors the interest rate movement and manages the interest rate risk.

Interest rate sensitivity analysis

For the year ended 31st March, 2017 and 31st March, 2016, every 50 basis point decrease in the floating interest rate component applicable to its loans and borrowings would increase the company's profit before tax by approximately ₹ 95.39 Lakhs and ₹ 114.44 Lakhs respectively. A 50 basis point increase in floating interest rate would have led to an equal but opposite effect.

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47 USE OF ESTIMATES AND JUDGEMENTS

The preparation of the Company's financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

1 Useful lives of property, plant and equipment (Refer note 2)

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation and amortisation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

2 Assets and obligations relating to employee benefits (Refer note 41)

The employment benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/ (income) include the discount rate, inflation and mortality assumptions. Any changes in these assumptions will impact upon the carrying amount of employment benefit obligations.

3 Traffic count / Revenue for amortisation of assets and Provision for Overlay Expenses

The Company has recognised the amortisation of intangible assets relating to Service Concession Agreements based on the estimated traffic count / estimated revenue over the project lifecycle. The estimated cost of overlay expenses are reviewed every year and are accounted for based on estimates of traffic growth rate. These estimates are corroborated through traffic study report issued by an independent field expert. As the traffic study report is based on the various assumptions such as infrastructure development in the area, commercial developments, economic conditions, inflation, government policies etc, these are reviewed on annual basis.

4 Revenue recognition -margin on intangible assets

The company has recognised margin on intangible assets at a minimal rate of 2% as the construction of intangible asset i.e. Road and Bridge on NH-6 has been fully outsourced.

5 Tax expense (Refer Note 2(n))

6 Contingencies (Refer note 28)

For and on behalf of the Board of Directors

Neeraj Toshniwal	Kavin Mirchandani
Director	Director
(DIN No: 06938824)	(DIN No: 07785949)
Mumbai: 30 OCT 2017	

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