GF TOLL ROAD PVT LTD

FINANCIAL STATEMENTS

Year ended March 31, 2017

GF Toll Road Pvt Ltd
Balance Sheet

₹ Millions

Particulars	Note	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
ASSETS				
Non-current assets				
(a) Intangible assets	4	6,927.55	7,191.11	7,416.84
(b) Other non - current assets	6	0.35	0.33	0.34
Current assets				
(a) Financial Assets				
(i) Cash and cash equivalents	5a	12.48	16.37	21.65
(ii) Other financial asset	5b	45.90	19.49	19.52
(b) Current Tax Assets (Net)		0.06	0.02	0.19
(c) Other current assets	7	10.77	7.81	34.70
Total Assets		**6,997.11**	**7,235.13**	**7,493.24**
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital	8	19.61	19.61	19.61
(b) Subordinated debt (in nature of Equity)	9a	2,042.90	1,440.90	995.90
(c) Other equity	9	(485.62)	(19.27)	562.13
Total Equity		1,576.89	1,441.24	1,577.64
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	10	3,731.51	4,429.67	4,923.29
(ii) Other financial liabilities	12b	-	234.05	206.72
(b) Provisions	13b	0.97	393.04	257.41
Current liabilities				
(a) Financial Liabilities				
(i) Trade payables	11	69.89	59.53	41.56
(ii) Other financial liabilities	12a	1,146.00	674.99	484.60
(b) Other current liabilities	14	1.88	2.57	2.02
(c) Provisions	13a	469.97	0.04	-
Total Equity and Liabilities		**6,997.11**	**7,235.13**	**7,493.24**

The accompanying summary of significant accounting policies and other explanatory informtaion (notes) are an integral part of the Financial Statements.

This is the Balance Sheet referred to in our report of even date.

For Grewal & Singh
Chartered Accountants
Firm's Regn. No. 012322N

Mohd. Ayub Ansari
Partner
Membership No. : 500810

Place: Mumbai
Date: April 14, 2017

For and on behalf of the Board

Kaushik Pal
Director
DIN:05237230

Madan Biyani
Director
DIN:07130371

Place: Mumbai
Date: April 14, 2017

GF Toll Road Pvt Ltd
Statement of Profit and Loss

₹ Millions

Particulars	Note	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from Operations	15	660.72	604.07
Other Income	16	0.54	0.67
Total Income		661.26	604.74
Expenses			
Toll Operation and Maintainence expenses	17	248.26	285.24
Employee benefits expense	18	11.32	9.75
Finance costs	19	589.82	649.42
Amortization expense	4	263.56	225.73
Other expenses	20	14.62	15.90
Total expenses		1,127.58	1,186.04
Profit / (loss) before tax		**(466.32)**	**(581.30)**
Tax expense			
Current tax		-	0.04
		-	0.04
Profit/(Loss) for the year		**(466.32)**	**(581.34)**
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit plans : Gains / (Loss)		(0.03)	(0.07)
(ii) Income tax relating to items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit plans		-	-
Other Comprehensive Income/(Loss) for the year		**(0.03)**	**(0.07)**
Total Comprehensive Income/ (Loss) for the year		**(466.35)**	**(581.41)**
Earnings per equity share of Rs. 10 each			
Basic & Diluted	26	(237.78)	(296.43)

The accompanying summary of significant accounting policies and other explanatory informtaion (notes) are an integral part of the Financial Statements.
This is the Statement of Profit and Loss referred to in our report of even date.

For Grewal & Singh
Chartered Accountants
Firm's Regn. No. 012322N

Mohd. Ayub Ansari
Partner
Membership No. : 500810

Place: Mumbai
Date: April 14, 2017

For and on behalf of the Board

Kaushik Pal
Director
DIN:05237230

Madan Biyani
Director
DIN:07130371

Place: Mumbai
Date: April 14, 2017

GF Toll Road Pvt Ltd

Cash flow Statement

₹ Millions

	Particulars	Year ended March 31, 2017	Year ended March 31, 2016
A	CASH FLOW FROM OPERATING ACTIVITIES:		
	Profit before tax	(466.32)	(581.37)
	Adjustments for:		
	Amortisation expenses	263.56	225.73
	Interest income	(0.51)	(0.01)
	Dividend income	-	(0.65)
	Interest expense	589.82	649.42
		386.55	293.12
	Cash Generated from Operations before working capital changes		
	Adjustments for:		
	(Increase)/decrease in financial assets except for investments	(26.42)	0.03
	(Increase)/decrease in other current assets	(2.97)	26.89
	Increase/(decrease) in trade payables	10.36	17.97
	Increase/(decrease) in other financial liabilities	2.97	3.12
	Increase/(decrease) in provisions	55.56	104.85
	Increase/(decrease) in other current liabilities	(0.69)	0.56
		38.81	153.42
	Cash generated from operations	425.36	446.55
	Taxes (paid) net of refunds	(0.03)	0.13
	Net cash generated from operating activities - [A]	425.33	446.67
B	CASH FLOW FROM INVESTING ACTIVITIES:		
	Purchase/sale proceeds of intangible assets	2.30	(16.18)
	Dividend received	-	0.65
	Interest received	0.51	0.01
	Net cash (used in) / generated from investing activities - [B]	2.81	(15.52)
C	CASH FLOW FROM FINANCING ACTIVITIES:		
	Proceeds from Sub-debt	602.00	445.00
	Repayment of long term borrowings	(496.40)	(292.00)
	Interest paid	(537.64)	(589.43)
	Net cash used in financing activities - [C]	(432.04)	(436.43)
	Net increase/(decrease) in cash and cash equivalents - [A+B+C]	(3.90)	(5.28)
	Add: Cash and cash equivalents at the beginning of the year	16.37	21.65
	Cash and cash equivalents at the end	12.47	16.37
	Components of Cash and cash equivalents		
	Balances with banks - in Current accounts	7.59	10.92
	Cash on hand	4.89	5.45
	Total Cash and cash equivalents	12.48	16.37

Note: The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

The accompanying summary of significant accounting policies and other explanatory informtaion (notes) are an integral part of the Financial Statements.

This is the Cash Flow Statement referred to in our report of even date.

For Grewal & Singh
Chartered Accountants
Firm's Regn. No. 012322N

Mohd. Ayub Ansari
Partner
Membership No. : 500810

Place: Mumbai
Date: April 14, 2017

For and on behalf of the Board

Kaushik Pal
Director
DIN:05237230

Madan Biyani
Director
DIN:07130371

Place: Mumbai
Date: April 14, 2017

GF Toll Road Pvt Ltd

Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

₹ Millions

Particulars	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
For the year ended March 31, 2016	19.61	-	19.61
For the year ended March 31, 2017	19.61	-	19.61

B. OTHER EQUITY

Particulars	Reserves and Surplus		Sub Total
	Securities Premium Account (Note 9c)	Retained Earnings (Note 9b)	
Balance at April 01, 2015	1,931.59	(1,369.45)	562.14
Profit for the year		(581.34)	(581.34)
Other comprehensive income/(loss) for the year		(0.07)	(0.07)
Total comprehensive income/(loss) for the year	-	(581.41)	(581.41)
Transaction with owners in their capacity as owners :			
Dividend Paid			-
	-	-	-
Balance at 31st March 2016	1,931.59	(1,950.86)	(19.27)
Balance at April 01, 2016	1,931.59	(1,950.86)	(19.27)
Profit for the year		(466.32)	(466.32)
Other comprehensive income/(loss) for the year		(0.03)	(0.03)
Total comprehensive income/(loss) for the year	-	(466.35)	(466.35)
Transaction with owners in their capacity as owners :			
Dividend Paid			-
	-	-	-
Balance at 31st March 2017	1,931.59	(2,417.21)	(485.62)

This is statement of change of equity referred to in our report of even date.

For Grewal & Singh
Chartered Accountants
Firm's Regn. No. 012322N

Mohd. Ayub Ansari
Partner
Membership No. : 500810

Place: Mumbai
Date: April 14, 2017

For and on behalf of the Board

Kaushik Pal
Director
DIN:05237230

Madan Biyani
Director
DIN:07130371

Place: Mumbai
Date: April 14, 2017

GF Toll Road Private Limited
Notes to Financial Statements

Note 1: Corporate information

GF Toll Road Private Limited. (the "Company") was awarded on Build, Operate and Transfer (BOT) basis, the upgrading of existing road covering 66.185 kms stretch from Km 00.000 - Km 24.310 (approximately 24.310 kms) of Gurgaon – Faridabad Road; from Km 00.000 - Km 6.10 (approximately 6.10 kms) of MCF Road; from Km 00.000 - Km 3.100 (approximately 3.10 kms) of Crusher Zone; from Km 00.000 - Km 28.575 (approximately 28.575 kms) of Ballabhgarh – Lukhawas junction Road and from Km 00.000 - Km 4.100 (approximately 4.100 kms) of Pali - Bhakri Road in the State of Haryana and widening from two lanes to four lanes with paved shoulders and operation and maintenance thereof, under the Concession Agreement dated January 31, 2009 with Haryana P.W.D. (B&R), Branch. The Concession Agreement is for a period of 17 years from the appointed date as stated in the Concession Agreement.

Note 2: Basis of preparation

These Financial Statements of the Company comprises of Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, Statement of Changes in Equity, a summary of significant accounting policies, notes and other explanatory information.

These Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. These Financial Statements have been prepared in accordance with the requirements of the information and disclosures mandated by Schedule III of the Act, applicable Ind AS, other applicable pronouncements and regulations. These Financial Statements are the first Financial Statements of the Company under Ind AS The Financial Statements up to year ended 31 March 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These Financial Statements have been prepared on a historical cost basis, except for certain assets and liabilities which have been measured at fair value. For the purpose of preparation of these Financial Statements, the transition date to Ind AS is considered as April 1, 2015.

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

Accounting standards issued but not yet effective

Ind AS 115 'Revenue from contracts with customers' have been published by Ministry of Corporate Affairs (MCA) but are not yet effective. Ind AS 115 establishes principles for reporting useful information to users of the financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contract with customers. Ind AS 115 supersedes other revenue standards i.e. Ind AS 11 and Ind AS 18 notified by Ministry of Corporate Affairs (MCA). Management has undertaken an assessment of the impact of this standard and does not believe that the impact would be material.

Note 3: Summary of Significant accounting policies

3.1 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

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

3.2 Foreign currencies

Functional and presentation currency
Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Financial Statements are presented in Indian Rupees (₹), which is the Company's functional and presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss with an exception of the following:-

Under Ind AS 21 exchange differences arising on the translation/settlement of non-monetary item should be treated as income or loss in Statement of Profit and Loss. However, Ind AS 101 gives an exemption for existing long term foreign currency non-monetary items wherein the Company can continue the policy adopted for treatment of exchange differences arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset for items recognized on or before March 31, 2015.

For any new long term foreign currency non-monetary item recognized from or after first Ind AS financial reporting period, deferral/amortization of exchange difference will not be allowed, rather the Company will apply Ind AS 21 for recognition of gains and losses.

3.3 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

The Company's Management determines the policies and procedures for both recurring and non -

recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

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

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

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

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

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

3.4 Revenue recognition

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

Toll revenue

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

Contract revenue (construction contracts)

Contract revenue associated with the construction of road is recognized as revenue by reference to the stage of completion of the projects at the balance sheet date. The stage of completion of project is determined by the proportion that contract cost incurred for work performed up to the balance sheet date bears to the estimated total contract costs.

Contract cost includes costs that relate directly to the specific contract and allocated costs that are attributable to the construction of the toll roads. Cost that cannot be attributed to the contract activity such as general administration costs are expensed as incurred and classified as other operating expenses.

Others

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

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

3.5 Accounting of intangible assets under service concession arrangement

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

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

Intangible assets model

Intangible assets arising out of service concession arrangements are accounted for as intangible assets where the Company has a contractual right to charge users of service when the projects are completed.

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

Amortization of concession intangible assets

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

Financial assets model

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

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

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

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

Maintenance obligations

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

3.6 Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income. Current income tax relating to items recognized outside the Statement of Profit and Loss is recognized outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

Deferred tax liabilities and assets are recognized for all taxable temporary differences

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

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

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

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

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

3.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

3.8 Leases

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

3.9 Premium Deferment

Premium Deferral (i.e. premium payable less paid after adjusting premium deferment) is aggregated under premium deferred obligation in the balance sheet. The interest payable on the above is aggregated under deferred premium obligation. Interest on premium deferral is charged to the Statement of Profit and Loss.

3.10 Contingent liabilities

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

3.11 Impairment of non-financial assets

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

3.12 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

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

3.13 Employee benefits

(i) Short term obligations

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

(ii) Leave obligations

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

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

(iii) Post - employment obligations

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

Gratuity Obligations

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

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

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

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

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

Defined Contribution plans

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

3.14 Cash and cash equivalents

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

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

3.15 Derivatives

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

3.16 Trade Payables

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

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

3.17 Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at fair value through Statement of Profit and Loss, net of directly attributable transaction cost to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

For purposes of subsequent measurement, financial assets are classified in following categories;

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

Financial Assets at amortised cost

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

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

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

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

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

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

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

De-recognition

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

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

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

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

Impairment of financial assets

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

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

- Loans receivables measured at amortised cost
- Retentions receivable
- Loans given to employees

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

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

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

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

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

Financial Liabilities

Initial recognition and measurement

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

All financial liabilities are recognized initially at fair value.

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

Subsequent measurement

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

Loans and borrowings

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

Retention money payable

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

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

Offsetting of financial instruments

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

Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments –principal only swaps to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

3.18 Segment information

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

3.19 Critical accounting estimates and judgements

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

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

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

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

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

(ii) Income taxes

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

(iii)Amortization of concession intangible assets

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

(iv) Impairment of concession intangible assets

The Company tests intangible assets and cash generating units have suffered any impairment, in accordance with the accounting policy stated in note 3.11. The recoverable amount of each cash generating unit has been determined based on the greater of value-in-use and fair value less costs to sell calculations. These calculations require the use of assumptions regarding traffic flows, discount rates, growth rates and other factors affecting operating activities of the cash generating units.

(v) Fair valuation of derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgments to select a variety of methods and makes assumptions that are mainly based on market conditions existing at each balance sheet date.

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

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

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

Note 4 - Intangible assets (including intangible assets under development)

₹ Millions

Particulars	Toll Collection rights	Intangible assets under development
Net carrying amount as at 1st April 2015	**7,416.84**	
Year ended March 2016		
Opening gross carrying amount	7,712.20	
Additions	-	
Disposals	-	
Closing gross carrying amount	7,712.20	-
Accumulated Amortisation		
Opening accumulated amortisation	295.36	
Amortisation for the year	225.73	
Disposals		
Closing accumulated amortisation	521.09	-
Net carrying amount	**7,191.11**	
Year ended March 2017		
Opening gross carrying amount	7,712.20	
Additions	-	
Disposals	-	
Closing gross carrying amount	7,712.20	-
Accumulated Amortisation		
Opening accumulated amortisation	521.09	
Amortisation for the year	263.56	
Disposals	-	
Closing accumulated amortisation	784.65	-
Net carrying amount	**6,927.55**	

GF Toll Road Pvt Limited
Notes to Financial Statements

Note 5 - Financial Assets - Current

₹ Millions

Particulars	As at 31st March, 2017	As at March 31, 2016	As at April 1, 2015
Note 5 (a) - Cash and Cash equivalents			
Cash and cash equivalents			
Balances with banks			
- in current accounts	7.59	10.92	14.64
Deposits with maturity of less than three months	-	-	2.15
Cash on hand	4.89	5.45	4.86
	12.48	**16.37**	**21.65**
Note 5 (b) - Other financial assets - current			
Security deposits	3.09	0.50	0.50
Others receivable	18.20	18.99	19.02
Claims receivable from HPWD	24.61	-	-
	45.90	**19.49**	**19.52**
Note 6 - Other non-current assets			
Capital Advance	0.31	0.31	0.31
Gratuity - Advance	0.04	0.02	0.03
	0.35	**0.33**	**0.34**
Note 7 - Other Current assets			
Advance to vendors	2.01	2.24	0.42
Advance to employees	1.26	1.58	1.87
Prepaid Expenses	5.00	2.49	2.46
Duties and taxes receivable	2.50	1.50	29.95
	10.77	7.81	34.70

GF Toll Road Pvt Limited
Notes to Financial Statements

Note 8 - Share Capital and Other equity

Note 8a - Authorised Share Capital

₹ Millions

Particulars	Nos of Shares	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
At the beginning of the year	20,000,000	200.00	200.00	200.00
Add : Increase during the year	-	-	-	-
At the end of the year	20,000,000	200.00	200.00	200.00
Note 8b - Issued, subscribed and paid-up equity share capital				
At the beginning of the year	1,961,100	19.61	19.61	19.61
Add : Increase during the year	-	-	-	-
At the end of the year	1,961,100	19.61	19.61	19.61

Note 8c - Terms and rights attached to equity shares

The Company has only one class of shares referred to as Equity Shares having a Par Value of Rs.10/-.

Note 8d - Reconciliation of nos of Shares

Nos of Shares at the beginning of the year	1,961,100	1,961,100	1,961,100
Add : Nos of Shares issued during the year	-	-	-
Nos of Shares at the end of the year	1,961,100	1,961,100	1,961,100
Note 8e - Shares held by the Sponsor Company or their subsidiaries/associates			
Reliance Infrastructure Limited (Immediate and Ultimate Holding Company)	1,961,100	1,961,100	1,961,100
Note 8f - Details of Shareholders holding more than 5% shares			
Reliance Infrastructure Limited			
Nos of Shares	1,961,100	1,961,100	1,961,100
% of holding	100%	100%	100%

The Sponsor has pledged 5,88,330 Equity Shares for availing various term loans.

Note 9a - Sub-ordinated debt (in nature of equity)

₹ Millions

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
At the beginning of the year	1,440.90	995.90	455.90
Increase / (decrease) during the year	602.00	445.00	540.00
At the end of the year	2,042.90	1,440.90	995.90

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

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

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

₹ Millions

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 9b - Retained Earnings			
At the beginning of the year	(1,950.85)	(1,369.45)	
Net Profit for the year	(466.32)	(581.34)	
Items of other comprehensive income recognised directly in retained earnings			
- Remeasuremens of post-employements obligations (net of tax)	(0.03)	(0.07)	
Dividends paid during the year	-	-	
At the end of the year	(2,417.20)	(1,950.85)	(1,369.45)
Note 9c - Securities Premium Account			
At the beginning of the year	1,931.59	1,931.59	1,931.59
Premium on shares issued during the year	-	-	-
At the end of the year	1,931.59	1,931.59	1,931.59

Nature and purpose of securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the act.

₹ Millions

Note 10 - Borrowings - Non current

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Secured			
Term loans			
From banks			
Rupee term loan	3,731.51	4,429.67	4,923.29
Total	**3,731.51**	**4,429.67**	**4,923.29**

1) Rupee Term Loan from Banks :

The Borrowings are secured by the way of terms stated in Common Loan Agreement entered between the company and Consortium of lenders:-

(i) a first ranking pari passu mortgage/charge over all the Borrower's immoveable and movable properties, both present and future, except the Project Assets. ;

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

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

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

(v) The repayment of loan started from 31 March 2012 in 39 quarterly installments and will be paid till 30 June 2021.

(vi) the applicable interest rate for Rupee Term Loan varies from 11.00% to 12.25% p.a.

Note 11 - Trade Payables

Due to Micro and Small Enterprises			
Trade Payables	69.89	59.53	41.56
	69.89	**59.53**	**41.56**

(a) Dues to Micro and Small Enterprises

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

GF Toll Road Pvt Limited

Notes to Financial Statements

Note 12 (a) - Other financial liabilities - current

₹ Millions

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current Maturities of long term debt	700.80	496.40	292.00
Security Deposits	4.49	1.90	0.40
Interest Accrued	-	1.14	-
Creditors for Capital expenditure	173.93	173.93	192.20
Employee benfits payable	2.00	1.62	-
Retention money payable	264.78	-	-
Total	1,146.00	674.99	484.60

Note 12 (b) - Other financial liabilities - Non - current

Non - Current			
Retention money payable	-	234.05	206.72
Total	-	234.05	206.72

Note 13 (a) - Provisions - Current

Current			
Provision for employee benefits			
- Gratuity	-	-	-
- Leave encashment	0.04	0.04	-
Others			
- Resurfacing expenses	469.93	-	-
	469.97	0.04	-

Note 13 (b) - Provisions - Non - Current

Provision for employee benefits			
- Gratuity	-	-	-
- Leave encashment	0.97	0.83	0.60
Others			
- Resurfacing expenses	-	392.21	256.81
	0.97	393.04	257.41

Movement of Resurfacing provisions is as follows:

At the beginning of the year	392.21	256.81	145.91
Charged / (credited) to Statement of Profit and Loss			
Provision made during the year	55.44	104.59	93.38
unwinding of discount	22.28	30.82	17.51
At the end of the year	469.93	392.21	256.81

Resurfacing provisions - significant estimates

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

Note 14 - Other current liabilities

Duties and taxes payable	1.88	2.57	2.02
	1.88	2.57	2.02

₹ Millions

	Year ended March 31, 2017	Year ended March 31, 2016
Note 15 - Revenue		
Operating income		
- Income from toll collections	636.11	604.07
Compensation towards toll suspension	24.61	-
	660.72	604.07
Note 16 - Other income		
Dividend Income on current investment	-	0.65
Interest income		
- On fixed deposits	0.47	0.01
- Others	0.04	0.01
Miscellaneous income	0.03	0.00
	0.54	0.67
Note 17 - Toll Operation and Maintainence expenses		
Subcontracting expenses	101.76	120.43
Maintainence of Roads	124.24	140.05
Electricity expenses	5.95	5.36
Handling Charges	1.86	1.93
Site and other direct expenses	14.45	17.47
	248.26	285.24
Note 18 - Employee benefits expenses		
Salaries wages and bonus	10.01	8.57
Contribution to provident funds and other funds	0.46	0.42
Gratuity	0.23	0.14
Leave encashment	0.47	0.36
Staff welfare expenses	0.15	0.26
	11.32	9.75
Note 19 - Finance Costs		
Interest on loan	536.49	590.56
Unwinding of discount on provisions	22.28	30.82
Other finance charges	2.65	2.78
Unwinding of discount on retention money	28.40	25.26
	589.82	649.42
Note 20 - Other expenses		
Rates & taxes	0.55	0.18
Insurance	2.74	3.47
Legal and Professional Charges	7.38	8.78
Auditors Remuneration	0.85	0.61
Travelling and Conveyance	1.41	0.65
Other miscellaneous expenses	1.69	2.21
	14.62	**15.90**

GF Toll Road Pvt Limited
Notes to Financial Statements

Note 21 - Fair value measurements

Financial Instruments by category
Signficance of financial instruments

₹ Millions

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Financial assets			
At amortised Cost			
Security Deposits	3.09	0.50	0.50
Insurance/other Claim receivables	18.20	18.99	19.02
Cash and Cash equivalent	12.48	16.37	21.65
Claims receivable from HPWD	24.61	-	-
Total financial assets	**58.38**	**35.86**	**41.17**
Financial liabilities			
At amortised Cost			
Floating Rate Borrowings	4432.31	4926.07	5215.29
Trade Payables	69.89	59.53	41.56
Retention money payable	264.78	234.05	206.72
Security Deposits	4.49	1.90	0.40
Interest accrued but not due	-	1.14	-
Employee Benefits Payable	2.00	1.62	-
Creditors for capital expenditure	173.93	173.93	192.20
Total financial liabilities	**4947.40**	**5398.24**	**5656.18**

GF Toll Road Pvt Limited
Notes to Financial Statements

Note 22 - Fair value Hierarchy

(a) Fair value hierarchy - Recurring fair value measurements

₹ Millions

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Financial assets			
At Fair value through profit & loss			
Level 1			
Mutual fund Investments		-	-
Total financial assets	-	-	-

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

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Financial liabilities			
Level 3			
Floating Rate Borrowings	4,432.31	4,926.07	5,215.29
Retention money payable	264.78	234.05	206.72
Total financial liabilities	4697.09	5160.13	5422.01

Recognised fair value measurements

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

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

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

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:
- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

GF Toll Road Pvt Limited

Notes to Financial Statements

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

₹ Millions

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Financial assets			
Carrying value of financial assets at amortised cost			
Grant receivable	-	-	
Total Financial assets at amortised cost	-	-	-
Fair value of financial assets carried at amortised cost			
Grant receivable	-	-	-
Total Fair value of financial assets at amortised cost	-	-	-
Financial liabilities			
Carrying value of financial liabilities at amortised cost			
Floating rate borrowigns	4,432.31	4,926.07	5,215.29
Retention money	264.78	234.05	206.72
	4,697.09	**5,160.13**	**5,422.01**
Fair value of financial liabilities carried at amortised cost			
Floating rate borrowigns	4,432.31	4,926.07	5,215.29
Retention money	264.78	234.05	206.72
	4,697.09	5,160.13	5,422.01

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

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

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

Note 23 - Concession arrangements - Main features

₹ Millions

Name of entity	Description of the arrangement	Significant terms of the arrangement	Intangible Assets		Financial Asset
			Gross book value	Net book value	
GF Toll Road Private Limited	Financing, design, building and operation of 66 kilometre long four lane toll road between Gurgaon and Faridabad and Ballabhgarh Sohna Road.	Period of concession: 2009 - 2026	March 31, 2017	March 31, 2017	March 31, 2017
		Remuneration : Toll	7,712.20	6,927.55	-
		Investment grant from concession grantor : Negative grant	March 31, 2016	March 31, 2016	March 31, 2016
		Infrastructure return at the end of concession period : Yes	7,712.20	7,191.11	-
		Investment and renewal obligations : Nil			
		Re-pricing dates : Once in 3 years			
		Basis upon which re-pricing or re-negotiation is determined : Inflation	April 1, 2015	April 1, 2015	April 1, 2015
		Premium payable to grantor : Nil	7,712.20	7,416.84	-

Note 24 – Financial risk management

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

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Aging analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Market risk — interest rate	Long-term borrowings at variable Rates	Sensitivity analysis	Actively Managed
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

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

Commodity risk:

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

Market risk — interest rate risk

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

a) Interest rate risk exposure

₹ Millions

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Variable Rate Borrowings	4,432.31	4,926.07	5,215.29
Fixed Rate Borrowings	-	-	-
Total	4,432.31	4,926.07	5,215.29

b) Sensitivity analysis

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

Impact on profit/loss after tax	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Interest rates (increase) by 100 basis points	(35.02)	(38.92)	(41.20)
Interest rates decrease by 100 basis points	35.02	38.92	41.20

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Liquidity risk

Liquidity risk is the risk that the company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including debt from banks at an optimized cost. The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 30 to 60 days. The carrying amounts are assumed to be a reasonable approximation of fair value. The following table analyses financial liabilities by remaining contractual maturities.

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

₹ Millions

As at March 31, 2017	Less than 3 months	Between 3 months and 1 year	Between 1 year and 2 years	Between 2 years and 5 years	Over 5 years	Total
Non-derivatives						
Borrowings	175.20	525.60	876.00	2,861.60	-	4,438.40
Trade and other payables	17.47	52.42				69.89
Other financial liabilities	274.82	180.42	-	-	-	455.24
Total non-derivatives	467.49	758.44	876.00	2,861.60	-	4,963.53

As at March 31, 2016	Less than 3 months	Between 3 months and 1 year	Between 1 year and 2 years	Between 2 years and 5 years	Over 5 years	Total
Non-derivatives						
Borrowings	124.10	372.30	700.80	3,328.80	408.80	4,934.80
Trade and other payables	14.88	44.65	-	-	-	59.53
Other financial liabilities	-	178.59	272.74	-	-	451.33
Total non-derivatives	138.98	595.54	973.54	3,328.80	408.80	5,445.66

As at April 1, 2015	Less than 3 months	Between 3 months and 1 year	Between 1 year and 2 years	Between 2 years and 5 years	Over 5 years	Total
Non-derivatives						
Borrowings	73.00	219.00	496.40	2,628.00	1,810.40	5,226.80
Trade and other payables	10.39	31.17	-	-	-	41.56
Other financial liabilities	-	192.60	-	269.01	-	461.62
Total non-derivatives	83.39	442.77	496.40	2,897.01	1,810.40	5,729.97

Note 25 - Capital risk management

The Company objectives when managing capital are to

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

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

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

In order to achieve this overall objective, the company capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. No changes were made in the objectives, policies or processes for managing capital for year ended March 31, 2017 and March 31, 2016.

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

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

divided by

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

The company strategy is to maintain a debt to equity ratio within 2.00 to 4.00.The gearing ratios at March 31, 2017 and March 31, 2016 were as follows:

₹ Millions

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Net debt (a)	4,419.83	4,909.70	5,193.64
Equity (b)	1,576.89	1,441.24	1,577.64
Net debt to equity ratio (a) / (b)	2.80	3.41	3.29

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Net debt (a)	4,419.83	4,909.70	5,193.64
Equity (b)	1,576.89	1,441.24	1,577.64
Nebt debt plus Equity (c = a+b)	5,996.72	6,350.94	6,771.28
Gearing ratio (a) / c	0.74	0.77	0.77

Note 26 - Earning Per Share

₹ Millions

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Profit / Loss attributable to equity shareholders (Rs Millions) (A)	(466.32)	(581.34)
Weighted average number of equity shares for basic and diluted earnings per share (B)	19,61,100	19,61,100
Earnings / (Loss) per share (Basic and diluted) (Rupees) (A/B)	**(237.78)**	**(296.43)**
Nominal value of equity shares (Rupees)	10.00	10.00

Note 27 - Related Party Transactions

As per accounting standard Ind AS 23 as prescribed under the Companies (Accounting Standard) Rules, 2015, related parties and transactions are disclosed below :

Sponsor Company
Reliance Infrastructure Limited

Key Management Personnel
Kaushik Pal - Director (w.e.f. October 1, 2015)
Madan Biyani - Director (w.e.f. March 31, 2015)

Person having singificant influence on the Sponsor Company
Shri Anil .D. Ambani

Details of transactions and closing balance

₹ Millions

Particulars	**Mar 31, 2017**	**March 31, 2016**	**April 1, 2015**
Transactions during the year :			
Toll operation and maintainence expenses (including project execution support services)			
R Infra	9.58	9.52	
Reimbursement of expenditure paid by			
R Infra	0.30	0.20	
Sub-debts received (in nature of equity)			
R Infra	602.00	445.00	
Balances at the year end			
Retention Money			
R Infra	261.50	261.50	261.50
Other current liabilities			
R Infra	197.39	188.34	180.77
Sub-debts (in nature of equity)			
R Infra	2,042.90	1,440.90	995.90
Equity share capital (excluding premium)			
R Infra	19.61	19.61	19.61

Note 28- Gratuity and other post-employment benefit plans

₹ Millions

a) Defined contribution plan

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

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Contribution to provident fund and other funds	0.32	0.27	0.16
Total	0.32	0.27	0.16

a) Defined benefit plan

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

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

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Opening defined benefit liability / (assets)	0.84	0.58	0.42
Net employee benefit expense recognised in the employee cost			
Current service cost	0.23	0.15	0.09
Past service cost	-	-	-
Interest cost on benefit obligation	0.06	0.04	0.04
(Gain) / losses on settlement	-	-	-
Net benefit expense	0.29	0.19	0.13
Amount recorded in Other Comprehensive Income (OCI)			
Measurement during the period due to :			
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-
Actuarial loss / (gain) arising from change in financial assumptions	0.07	0.00	0.07
Actuarial loss / (gain) arising on account of experience changes	-	-	-
Experience (gains)/losses	(0.04)	0.06	0.19
Amount recognized in OCI	0.04	0.07	0.26
Benefit Paid	(0.18)	-	(0.23)
Closing net defined benefit liability / (asset)	0.99	0.84	0.58

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Opening fair value of plan assets	0.85	0.61	0.58
Net employee benefit expense recognised in the employee cost			
Interest cost on benefit obligation	0.07	0.05	0.05
(Gain) / losses on settlement	-	-	-
Net benefit expense	0.07	0.05	0.05
Amount recorded in Other Comprehensive Income (OCI)			
Measurement during the period due to :			
Return on plan assets, excluding amounts included in interest expense/(income)	0.00	0.00	(0.01)
Actuarial loss / (gain) arising from change in financial assumptions	-	-	-
Actuarial loss / (gain) arising on account of experience changes		-	
Experience (gains)/losses	-	-	-
Asset ceiling not recognised as an asset		-	0.01
Amount recognized in OCI	0.00	0.00	0.00
Employer contributions/premiums paid	0.29	0.19	0.23
Benefits Paid	(0.18)	-	(0.23)
Closing fair value of plan assets	1.03	0.85	0.61

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

Note 28- Gratuity and other post-employment benefit plans

₹ Millions

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Present value of funded obligations	0.99	0.84	0.58
Fair value of plan assets	1.03	0.85	0.61
Amount not recognised as an asset (asset ceiling)	-	-	-
	(0.04)	(0.01)	0.03
Net liability is bifurcated as follows :			
Current	-	-	-
Non-current	(0.04)	(0.01)	0.03
Total	(0.04)	(0.01)	0.03

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Discount rate	7.05%	7.80%	7.85%
Expected rate of return on plan assets (p.a.)			
Salary escalation rate (p.a.)	7.50%	7.50%	7.50%
Mortality pre retirement	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

A quantitative analysis for significant assumption is as shown below:

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Assumptions -Discount rate			
Sensitivity Level	50 bp	50 bp	50 bp
Impact on defined benefit obligation -in % increase	-4.97%	-5.72%	-5.94%
Impact on defined benefit obligation -in % decrease	5.35%	6.22%	6.48%
Assumptions -Future salary increases			
Sensitivity Level	50 bp	50 bp	50 bp
Impact on defined benefit obligation -in % increase	5.31%	6.21%	6.47%
Impact on defined benefit obligation -in % decrease	-4.98%	-5.78%	-5.98%

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Within the next 12 months (next annual reporting period)	0.03	0.02	0.02
Between 2 and 5 years	0.14	0.12	0.09
Between 6 and 9 years	0.70	0.55	0.40
For and Beyond 10 years	1.46	1.90	1.38
Total expected payments	2.33	2.60	1.89

The average duration of the defined benefit plan obligation at the end of the reporting period	10.32 years	11.93 years	12.40 years

Plan Assets Composition

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non Quoted			
Insurer Managed Funds	1.03	0.85	0.61
	1.03	0.85	0.61

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

Opening value of asset ceiling	-	-	0.01
Add : Interest on opening balance on asset ceiling	-	-	0.00
Remeasurement due to			
Changes in surplus/deficiet	-	-	(0.01)
closing value of asset ceiling	-	-	-

Note 29 FIRST TIME ADOPTION OF IND AS

The Company has prepared these Financial Statements which comply with Ind AS applicable for the periods ending March 31, 2017 together with the comparative period data as at and for the year ended March 31, 2016 respectively as described in the summary of significant accounting policies. In preparing these financial statements, the Company has considered April 01, 2015 as the date of transition and has adjusted the amounts reported previously in the financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act (Previous GAAP or Indian GAAP).

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards.
In preparing these Ind AS Financial Statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the Financial Statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its Previous GAAP Financial Statements, including the Balance Sheet as at April 01, 2015.

A. Exemptions from retrospective application

Ind AS 101 allows first-time adopters certain exemptions from retrospective application of certain requirements under Ind AS. The Company has elected to apply the following optional exemptions from retrospective application of Ind AS:

(a) Amortization of intangible assets arising from service concession arrangements
The Company has used exemption under Ind AS 101 and has continue to adopt the accounting policy of Previous GAAP for amortization for intangible assets arising from service concession arrangements relating to concession toll roads intangible assets recognized in the Financial Statements.

B. Exceptions from retrospective application

The Company has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101:

(a) Estimates
On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence that those estimates were in error. However, estimates, that were required under Ind AS but not required under Previous GAAP, are made by the Company for the relevant reporting dates, reflecting conditions existing as at that date.

(b) Classification and measurement of financial assets
The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

C. Transition to Ind AS - Reconciliations

Ind AS 101 requires an entity to reconcile equity, cash flows for the prior periods. The following table represents the reconciliations from previous Indian GAAP to Ind AS:
I. Effect of Ind AS adoption on the balance sheet as at March 31, 2016 and April 1.
II. Effect of Ind AS adoption on the statement of profit and loss for the year ended March 31, 2016
III. Reconciliation of total equity as at March 31, 2016 and April 1, 2015
IV. Reconciliation of total comprehensive income for the year ended March 31, 2016
V. Material adjustments to the statement of cash flows

I. Effect of Ind AS adoption on the Balance Sheet

₹ Millions

Particulars	Notes to first time adoption	As at March 31, 2016 (End of last period presented under Previous GAAP)			As at April 1, 2015 (Date of transition)		
		Indian GAAP	Ind AS adjustments	Ind AS	Indian GAAP	Ind AS adjustments	Ind AS
ASSETS							
Non-current assets							
(a) Intangible assets	(i)	7,270.39	(79.28)	7,191.11	7,481.87	(65.03)	7,416.84
(b) Other non - current assets		0.33	(0.00)	0.33	0.35	(0.00)	0.34
Current assets							
(a) Financial Assets							
(i) Cash and cash equivalents		16.37	-	16.37	21.65	-	21.65
(ii) Other financial asset		19.49	0.00	19.49	19.52	-	19.52
(b) Current Tax Assets (Net)		0.03	(0.00)	0.02	0.19	-	0.19
(c) Other current assets		7.81	-	7.81	34.70	0.00	34.70
Total Assets		7,314.42	(79.29)	7,235.13	7,558.27	(65.03)	7,493.24
EQUITY AND LIABILITIES							
EQUITY							
(a) Equity share capital		19.61	-	19.61	19.61	-	19.61
(b) Subordinated debt (in nature of Equity)	(ii)	-	1,440.90	1,440.90	-	995.90	995.90
(c) Other equity		404.82	(424.08)	(19.27)	808.52	(248.39)	562.13
LIABILITIES							
Non-current liabilities							
(a) Financial Liabilities							
(i) Borrowings	(ii & iii)	5,879.30	(1,449.63)	4,429.67	5,930.70	(1,007.41)	4,923.29
(ii) Other financial liabilities	(v)	272.74	(38.68)	234.05	270.66	(63.94)	206.72
(b) Provisions	(iv)	0.82	392.21	393.04	0.60	256.81	257.41
Current liabilities							
(a) Financial Liabilities							
(i) Trade payables		59.53	-	59.53	41.56	-	41.56
(ii) Other financial liabilities		674.99	-	674.99	484.60	-	484.60
(b) Other current liabilities		2.57	-	2.57	2.02	-	2.02
(c) Provisions		0.04	-	0.04	-	-	-
Total Equity and Liabilities		7,314.42	(79.28)	7,235.13	7,558.27	(65.03)	7,493.24

*The presentation requirements under Previous GAAP differs from and hence the Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The regrouped Previous GAAP information is derived based on the audited financial statements of the Company.

II Effect of Ind AS adoption on the Statement of Profit and Loss

₹ Millions

Particulars	Notes to first time adoption	For the year ended March 31, 2016 Indian GAAP	Ind AS adjustmen	Ind AS
Revenue from Operations		604.07	-	604.07
Other Income		0.67	0.00	0.67
Total Income		**604.74**	**0.00**	**604.74**
Expenses				
Toll Operation and Maintainence expenses	(i) and (iv)	161.27	123.97	285.24
Employee benefits expense		9.82	(0.07)	9.75
Finance costs	(iii to v)	590.57	58.86	649.42
Amortization expense	(i)	230.86	(5.13)	225.73
Other expenses		15.89	0.00	15.90
Total expenses		1,008.41	177.64	1,186.04
Profit / (loss) before tax		(403.67)	(177.63)	(581.30)
Tax expense				
Current tax		0.04	-	0.04
		0.04	-	0.04
Profit/(Loss) for the period		**(403.70)**	**(177.63)**	**(581.34)**
Other Comprehensive Income				
(i) Items that will not be reclassified to profit or loss				
Remeasurements of net defined benefit plans : Gains / (Loss)		-	(0.07)	0.07
(ii) Income tax relating to items that will not be reclassified to profit or loss				
Remeasurements of net defined benefit plans		-	-	-
Other Comprehensive Income/(Loss) for the year		-	(0.07)	(0.07)
Total Comprehensive Income/(Loss) for the year		(403.70)	(177.70)	(581.41)

*The presentation requirements under Previous GAAP differs from and hence the Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The regrouped Previous GAAP information is derived based on the audited financial statements

III. Reconciliation of Total Equity

₹ Millions

Particulars	Notes to first time adoption	As at March 31,	April 01, 2015
Total equity (shareholder's funds as per Indian GAAP)		404.82	808.52
Adjustments:			
Retrospective application of service concessionaire arrangements	(i)	60.56	74.81
Resurfacing provision recognised as per Ind AS 38 (including unwinding of discount on resurfacing provision)	(iv)	(392.21)	(256.80)
Sub-ordinated debt in nature of equity	(ii)	1,440.90	995.90
Discounting of Retention money payable	(v)	(80.84)	(55.58)
Borrowings	(iii)	(11.60)	(8.81)
Total adjustments		**1,016.81**	**749.52**
Total equity (shareholder's funds as per Ind AS)		**1,421.63**	**1,558.03**

IV. Reconciliation of total comprehensive income for the year ended March 31, 2016

	Notes to first time adoption	Year ended March 31, 2016
Net profit or (loss) as per Previous GAAP (Indian GAAP)		(403.70)
Adjustments:		
Adjustments relating Service Concession Arrangements	(i)	(14.25)
Resurfacing provision recognised as per Ind AS 37 (including unwinding of discount on resurfacing provision)	(iv)	(135.41)
Unwinding of discount on Retention money	(v)	(25.26)
Borrowings - Amortization of Transaction cost	(iii)	(2.78)
Total adjustments		(177.70)
Total comprehensive income/(loss) under Ind AS		(581.41)

V. Material adjustments to the statement of cash flows

₹ Millions

Particulars	Year ended March 31, 2016 Indian	Ind AS	Ind AS
Net cash generated from operating activities	451.06	(4.39)	446.67
Net cash (used in) / generated from investing activities	(18.71)	3.19	15.52
Net cash used in financing activities	(437.63)	1.20	(436.43)
Net increase/(decrease) in cash and cash equivalents	(5.27)	-	(5.28)
Add: Cash and cash equivalents at the beginning of the year	21.65	-	21.65
Cash and cash equivalents at the end of the year	**16.37**	-	**16.37**

Notes to First time adoption of Ind AS

Note (i) - Application of service concessionaire arrangement as per Appendix A of Ind AS 11

Appendix A of Ind AS 11 'Service Concessionaire Arrangement' is applicable to the Company which provides guidance on accounting by the operators of public-to-private service concession arrangements under which private sector entities participate in the development, financing, operation and maintenance of infrastructure for provision of public services. The Company is engaged in to Design, Build, Finance, Operate and Transfer (DBFOT) basis the toll roads including operation and maintenance thereof during the concession period. After the expiry of the concession period the Company is required to handover the infrastructure i.e. the toll roads to the grantor i.e. Haryana Public Works Department (HPWD).

As per the salient feature of the concession arrangement, the operator has a twofold activity based on which revenue is recognized in the financial statements which is in line with the requirement of Appendix A of Ind AS 11.

- a construction activity in respect of its obligation to design, build and finance an asset that it makes available the grantor : revenue is recognized on a stage of completion basis in accordance with Ind AS 11 during the construction phase of the toll roads.

- an operating and maintenance activity in respect of the assets under the concession during the operational : revenue is recognized in accordance with Ind AS 18. In return of its activities, the Company receives consideration from users of toll roads as right to receive toll for usage of toll roads in consideration for the financing and construction of the infrastructure for which an intangible assets is recognized in the financial statements

Retrospective application of 'Service Concessionaire arrangement' has led to change in the accounting policy of the Company as on the transition date for classification, recognition and measurement of construction of assets and maintenance obligations under the service concession arrangements.

Moreover there has been increase in intangible assets and increase in total equity, arising on account of application of service concession arrangement, of ₹ 74.81 million as at March 31, 2016 and ₹ 60.56 million as at April 1, 2015 and increase in loss of ₹ 14.26 million for the year ended March 31, 2016.

Note (ii)- Classification of subordinate debt Instruments (in nature of equity)

Ind AS 32 requires classification of financial instruments issued into financial liabilities or equity. Subordinate debt instruments issued do not meet the definition of a financial liability, as the terms do not cast a contractual obligation on the the Company to make any payment of principal and accrued interest thereon in cash or other financial asset. Further, since the instruments are non-convertible, the Company is not required to settle the contracts by issuance of their own equity instruments.

Under Indian GAAP, these instruments are reported as borrowings.

On account of above there has been increase in total Equity of ₹ 1440.90 million as at March 31, 2016 and ₹ 995.90 million as at April 1, 2015 with a corresponding decrease in borrowings.

Note (iii) - Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. The same is recognized as interest as part of the effective interest rate method over the period of the borrowing.

Under Indian GAAP, these were capitalised to intangible assets as per AS 16 'Borrowing cost' as and when incurred.

On account of above there has been increased in borrowings of ₹ 11.60 million as at March 31, 2016 and ₹ 8.81 million as at April 1, 2015 with a corresponding adjustment to intangible assets. This resulted in increase in loss by ₹ 2.78 million for the year ended March 31, 2016.

Note (iv) - Resurfacing obligation recognized as per Ind AS 37

As per service concession arrangement, the Company is obligated to carry out resurfacing of the roads under the concession period every five years. The Company estimates the likely provision required towards resurfacing and accrues the costs on an straight line basis over the period at the end of which resurfacing would be required in the Statement of Profit and Loss.

Under Indian GAAP the same obligation was recognized in the year in which resurfacing was required as per the concession arrangement.

The net effect of the above is decrease in total Equity by ₹ 392.21 million as at March 31, 2016 and ₹ 256.80 million as at April 1, 2015 with corresponding increase in resurfacing provisions (net of unwinding discount). This resulted in increase in loss by ₹ 135.41 million for the year ended March 31, 2016.

Note (v) - Discounting of Retention money

Ind AS 109 requires financial instruments to be measured at fair value at initial recognition in case for financial liability not at fair value through profit or loss, however if the fair value of the financial liability at initial recognition differs from transaction price i.e. fair value of the consideration given or received than the entity shall recognize the instruments at its fair value. In the present case the Company has discounted the retention money payable in order to reflect the fair value of the retention money at initial recognition. After initial measurement subsequently the liabilities would be recognized at amortised cost.

Under Indian GAAP retention money was recognized at historical cost and no discounting was required to be done.

The net effect of the above is decrease in total Equity ₹ 80.84 million as at March 31, 2016 and ₹ 55.58 million as at April 1, 2015. This resulted increase in loss by ₹ 25.26 million for the year ended March 31, 2016.

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Notes to Financial Statements

Note 30: Assets pledged as security

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

Particulars	Notes	As at March 31, 2017	As at 31st March, 2016	As at 1st April, 2015
Current				
Financial assets				
First charge				
Cash and cash equivalents	5a	12.48	16.37	21.65
Other Financial Assets	5b	45.90	19.49	19.52
Non-financial assets				
First charge				
Other Curmet Assets	7	10.77	7.81	34.70
Total current assets pledged as security		**69.15**	**43.67**	**75.87**
Non-current				
First charge				
Intangible assets	4	6,927.55	7,191.11	7,416.84
Other Non Curmet Assets	6	0.35	0.33	0.34
Total non-current assets pledged as security		**6,927.90**	**7,191.43**	**7,417.18**
Total assets pledged as security		**6,997.06**	**7,235.10**	**7,493.05**

Note 31 - Taxation

31(a) Income tax expense

₹ Millions

		March 31, 2017	March 31, 2016
(a) Income tax expense			
Current tax			
Current tax on profits for the year		-	-
Adjustments for current tax of prior periods		-	0.04
Total current tax expense	(A)	-	0.04
Deferred tax			
Decrease/(increase) in deferred tax assets		-	-
(Decrease)/increase in deferred tax liabilities		-	-
Total deferred tax expense/(benefit)	(B)	-	-
Income tax expense	(A + B)	-	0.04
Income tax expense is attributable to:			
Profit from continuing operations		-	-
Profit from discontinued operation		-	-

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

	March 31, 2017	March 31, 2016
Profit from continuing operations before income tax expense	(466.32)	(581.30)
Profit from discontinuing operation before income tax expense	-	0
Tax at the Indian tax rate of 34.608%	(161.38)	(201.18)
Tax effect of amounts which are not deductible (taxable) in calculating taxable		
Temporary difference not recognized due to lack of reasonable certainty	161.38	201.18
Adjustment of current tax of prior period	-	0.04
Income tax expense charged to statement of Profit and Loss	-	0.04

Note 32 - Statement of cash received and deposited during demonitisation period

₹ Millions

	Particulars	Specified bank notes	Other denominati on notes	Total
	Closing cash in hand as on 08.11.2016	6.83	0.00	6.83
	(+) Permitted receipts	35.99	23.95	59.94
	(-) Permitted payments	-	-	-
	(-) Amount deposited in bank	42.82	21.52	64.33
	Closing cash in hand as on 30.12.2016	-	2.43	2.43

Note 33 - Auditor Remuneration

₹ Millions

Sr No.	Particulars	Year ended March 31, 2017	Year ended March 31, 2016
1	Audit Fees	0.54	0.51
2	Certification Fees	0.28	0.07
3	Out Of Pocket Expenses	0.03	0.03
		0.85	0.61

Note 34 - Contingent liabilities

₹ Millions

Sr No.	Particulars	As at 31st March, 2017
1	Differences in balances as per bank loan confirmations and books of accounts mainly on account of interest rate resetting are under reconciliation with the bankers. The company expect to settle these soon and do not anticipate any further liability on account of interest.	24.66

Note 35 - **Arbitration Claims by the company**

The Company initiated arbitration proceedings against Haryana PWD of ₹ 945.92 millions. In turn, Haryana PWD has filed a counter claim of ₹ 1,606.90 millions towards various issues. On February 28, 2017 GF also amended its Statement of Claim and filed supplementary claims amounting to for ₹6,607.20 millions (including interest of ₹ 3,140.46 millions). In turn, HPWD further filed additional claims thereby amending its counter claim amount to ₹2,179.59 millions on April 1, 2017 (including interest of ₹727.87 millions). The said matter is pending before arbitral tribunal.

The management of the company believes that their claims are tenable and are confident that the arbitration award would be in their favour.

EPC Contractor has made claim against the company of ₹ 3,384.15 millions. However, it has been agreed between the EPC contractor and the company that the payments for the claims would be made only to the extent such claims have been accepted by HPWD or upon their final determination after any dispute resolution, if applicable.

Note 36 - Consequent upon the de-monetisation of currency notes by Central government, toll collection had been suspended for 12 days between November 9, 2016 to December 2, 2016 for which the company has raised claims on HPWD for reimbursement of the expenses incurred during this period as per the provisions of the Concession Agreement entered into between the company and HPWD read along with NHAI circular dated November 29,2016 and December 6, 2016 in this regard. Amount of Rs. 24.61 million claimed, being contractually enforceable and certain of recovery, has been recognised as Income. As at March 31, 2017, ₹ 24.61 millions was receivable and disclosed under Other Financials Assets – Current.

Note 37 - Pursuant to the NHAI Circular dated November 15, 2016, wherein NHAI prescribed that micro surfacing may be used for the renewal course, maintenance and repair on national highways for at least 25% to 30% of the total length. Based on the said circular the company have estimated the provision for Resurfacing expenses in the books of accounts.

Note 38 - The Company, incurred certain expenditure pertaining to installation of an additional toll collection lane including toll management system and other items amounting to ₹ 39.05 Millions. The same has been charged off to Statement of Profit and Loss under the head Toll Operation and Maintenance Expenses for the year ended March 31, 2017

Note 39 - During the period the company had appointed a toll consultant and have re-estimated the toll revenue over the remaining concession period. Accordingly, Intangible Assets have been amortised prospectively as per the revised estimated toll revenue

Note 40 **Events after reporting year**

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

GF Toll Road Pvt Limited
Notes to Financial Statements

Note 41 Previous year figures have been regrouped and re-arranged wherever necessary to make them comparable to those for current year.

As per our attached report of even date

For Grewal & Singh
Chartered Accountants
Firm's Regn. No. 012322N

Mohd. Ayub Ansari
Partner
Membership No. : 500810

Place: Mumbai
Date: April 22, 2017

For and on behalf of the Board

Kaushik Pal
Director
DIN:05237230

Madan Biyani
Director
DIN:07130371

Place: Mumbai
Date: April 22, 2017