

# Manubhai & Shah LLP

Chartered Accountants

## INDEPENDENT AUDITOR'S REPORT

To The Members of Aurangabad Jalna Tollway Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of Aurangabad Jalna Tollway Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

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

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

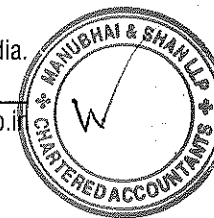
2nd Floor, 'B' Wing, Premium House, Near Gandhigram Rly. Station, Navrangpura, Ahmedabad-380 009. Gujarat, India.  
Phone : +91-79-26580956, 26580966, 26582484, 26585064 Fax : +91-79-26583573

Email : info@msglobal.co.in

Website : www.msglobal.co.in

Ahmedabad • Mumbai • Rajkot • Jamnagar • Baroda

Manubhai & Shah (Registration No. GUJ/AHD/33849) a Partnership Firm was converted into Manubhai & Shah LLP (LLP identification No.AAG-0878) a Limited Liability Partnership with effect from 1st April, 2016



# Manubhai & Shah LLP

Chartered Accountants

includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

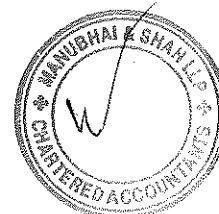
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure A, a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure - B
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with

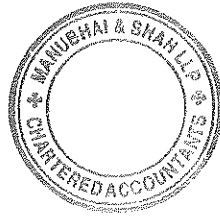


# Manubhai & Shah LLP

Chartered Accountants

Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Notes 25 to the financial statements;
- i. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- ii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



Place: Ahmedabad  
Date: April 18, 2016

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

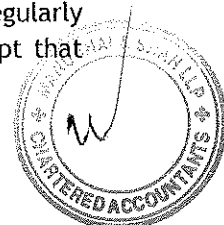
A handwritten signature in cursive script, appearing to read "K.C. Patel".

(K.C Patel)  
Partner  
Membership No.30083

## **Annexure A to the Independent Auditors' Report**

The Annexure referred to in our Independent Auditors' Report to the members of the **Aurangabad Jalna Tollway Limited** on the financial statements for the year ended 31<sup>st</sup> March 2016, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified during the year by the Management in accordance with programme of physical verification, which in our opinion, provides for physical verification of all fixed assets at a reasonable intervals having regard to size of the Company and nature of fixed assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The title deeds of the immoveable property are held in the name of the Company.
- (ii) The Company had no inventory during and at the year end. Therefore, the reporting requirements of paragraph 3(ii) of the Order is not applicable.
- (iii) The Company has not granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Therefore, the reporting requirements of paragraph 3 (iii) of the Order are not applicable.
- (iv) The Company has not given loans, made investments or provided guarantees or security, attracting the provisions of sections 185 and 186 of the Act. Hence the reporting requirements of paragraph 3(iv) of the Order are not applicable.
- (v) The Company has not accepted deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the toll collection services, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, value added tax, cess and other material statutory dues as applicable have been regularly deposited during the year by the Company with the appropriate authorities except that



# Manubhai & Shah LLP

Chartered Accountants

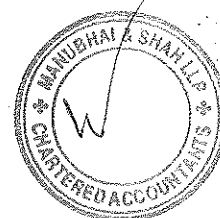
there was some delay on few occasions in depositing service tax, tax deducted at source and provident fund.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, service tax, value added tax, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March 2016 for a period of more than six months from the date they became payable.

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

Name of the Statute	Nature of dues	Amount	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	1.43 Million	Financial Year 2007-08 Assessment Year 2008-09	ITAT Ahmedabad
Income Tax Act, 1961	Income Tax	2.77 Million	Financial Year 2008-09 Assessment Year 2009-10	ITAT Ahmedabad

- (viii) Based on our audit procedure and the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company has not borrowed or raised any money from debenture holders during the year.
- (ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Also the Company has not raised any term loans during the year. Accordingly, the reporting requirement of paragraph 3(ix) of the Order is not applicable.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the Management, we report that no material fraud on or by the Company has been noticed or reported during the year.



# Manubhai & Shah LLP

Chartered Accountants

- (xi) No managerial remuneration has been paid or provided by the Company during the year. Accordingly the reporting requirement of paragraph 3(xi) of the Order is not applicable.
- (xii) In our opinion the Company is not a Nidhi Company. Therefore the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanation given to us and on the basis of our examination of the records of the Company, all the transactions with related parties are in compliance with Sections 177 and 188 of the Act where applicable and also the details which have been disclosed in the Financial Statements are in accordance with the applicable Accounting Standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence the reporting requirement of paragraph 3(xiv) of the Order are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly reporting requirement of paragraph 3(xv) of the Order are not applicable to the Company.
- (xvi) According to the information given and as explained to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Ahmedabad  
Date: April 18, 2016



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

*Kuntel*

(K C Patel)  
Partner  
Membership No. 30083

# Manubhai & Shah LLP

Chartered Accountants

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF AURANGABAD JALNA TOLLWAY LIMITED

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

We have audited the internal financial controls over financial reporting of Aurangabad Jalna Tollway Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

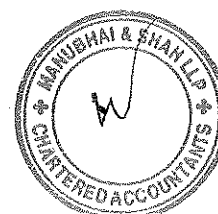
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial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

#### Auditors' Responsibility

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

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

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



# Manubhai & Shah LLP

Chartered Accountants

## Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

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

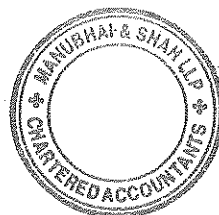
## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting" issued by the Institute of Chartered Accountants of India.

For Manubhai & Shah LLP  
Chartered Accountants  
ICAI Firm Registration No.106041W



Place: Ahmedabad  
Date: April 18, 2016

A handwritten signature in black ink, appearing to read "K C Patel".

(K C Patel )  
Partner  
Membership No.30083



**Aurangabad - Jalna Toll Way Limited**  
Balance Sheet as at March 31, 2016

( ₹ in Million )

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
<b>I Equity and Liabilities</b>			
<b>(1) Shareholders' funds</b>			
Share capital	2	19.71	19.71
Reserves and Surplus	3	(299.56)	(98.83)
		<b>(279.85)</b>	<b>(79.12)</b>
<b>(2) Non-Current Liabilities</b>			
Long Term Borrowings	4	1,653.44	1,828.04
Other Long- Term Liabilities	5	-	0.16
Long - Term Provisions	6	1.01	68.19
		<b>1,654.45</b>	<b>1,896.39</b>
<b>(3) Current liabilities</b>			
Short Term Borrowings	7	546.48	508.76
Trade Payables	8		
(a) total outstanding dues of micro enterprises and small enterprises; and		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		40.77	32.45
Other Current Liabilities	9	218.81	127.54
Short - Term Provisions	10	286.72	0.19
		<b>1,092.78</b>	<b>668.94</b>
<b>Total</b>		<b>2,467.38</b>	<b>2,486.21</b>
<b>II Assets</b>			
<b>(1) Non-current assets</b>			
Fixed Assets	11		
- Tangible assets		29.08	19.56
- Intangible assets		2,365.34	2,438.72
- Capital Work-in-Progress		-	6.68
Long Term Loans and Advances	12	0.68	0.67
		<b>2,395.10</b>	<b>2,465.63</b>
<b>(2) Current assets</b>			
Current Investments	13	11.17	10.01
Trade Receivables	14	0.10	-
Cash and Cash Equivalent	15	22.78	9.67
Short Term loans and Advances	16	0.73	0.90
Other Current Assets	17	37.50	*
(*Amount is below rounding off norm adopted by the Company)		<b>72.28</b>	<b>20.58</b>
<b>Total</b>		<b>2,467.38</b>	<b>2,486.21</b>
Significant accounting policies	1		

Accompanying notes are an integral part of the Financial Statements

As per our report of even date

For Manubhai & Shah LLP

Chartered Accountants

ICAI Firm Registration No. 106041W



*K.C. Patel*

(K.C. Patel)

Partner

Membership No. 30083

Place: Ahmedabad

Date :April 18, 2016

For & on behalf of the Board of Directors of  
Aurangabad - Jalna Toll Way Limited

(Vishnubhai M. Patel)

Director

DIN No.00048287

Place: Ahmedabad

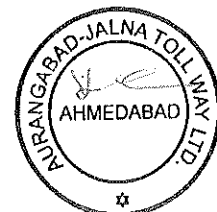
Date :April 18, 2016

*Arun Patel*

(Arun Patel)

Director

DIN No.06365699




**Aurangabad - Jalna Toll Way Limited**  
Statement of Profit and Loss for the year March 31, 2016

( ₹ in Million )

Particulars	Note No.	Year ended March 31, 2016	Year ended March 31, 2015
I Revenue from Operations	18	419.64	353.43
II Other income	19	2.71	0.19
III Total Income (I+II)		<b>422.35</b>	<b>353.62</b>
IV Expenses:			
Operating Expenses	20	273.16	236.60
Employee benefits expense	21	19.85	19.13
Finance Costs	22	240.65	247.30
Depreciation and Amortisation	11	77.80	74.00
Other Expenses	23	24.36	22.64
Total Expenses		<b>635.82</b>	<b>599.67</b>
V Profit/(Loss) Before Tax (III - IV)		<b>(213.47)</b>	<b>(246.05)</b>
VI Tax Expense:			
Excess/(Short) provision for Income tax for earlier years		12.74	(0.03)
VII Profit/(Loss) for the Year (V-VI)		<b>(200.73)</b>	<b>(246.08)</b>
VIII Earning per Equity Share of ₹10/- each Basic & Diluted	28	(101.84)	(124.85)
Significant accounting policies	1		



Accompanying notes are an integral part of the Financial Statements

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

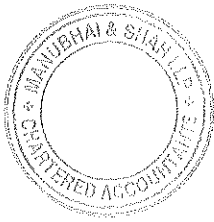
  
(K.C. Patel)  
Partner  
Membership No. 30083

Place: Ahmedabad  
Date :April 18, 2016

For & on behalf of the Board of Directors of  
Aurangabad - Jalna Toll Way Limited

   
(Vishnubhai M. Patel) (Arun Patel)  
Director Director  
DIN No.00048287 DIN No.06365699

Place: Ahmedabad  
Date :April 18, 2016

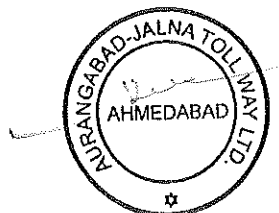


Aurangabad - Jalna Toll Way Limited  
Cash Flow Statement for the year ended March 31, 2016

( ₹ in Million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>(A) Cash flow from operating activities</b>		
(Loss) before tax	(213.47)	(246.06)
Adjustments for :		
Depreciation and amortisation	77.80	74.00
Finance Costs	240.15	247.30
Interest Income	(0.01)	*
Gain on Sale of Units of Mutual Fund Investments (Net)	(1.97)	(0.01)
<b>Profit from Operating activities before change in working capital</b>	<b>102.50</b>	<b>75.24</b>
Adjustments for		
Decrease/(Increase) in Trade Receivables	(0.10)	0.02
Decrease/(Increase) in short term loans and advances	0.14	(0.20)
Decrease/(Increase) in Long term loans and advances	(0.01)	-
Decrease/(Increase) in Other Current Asset	(37.49)	-
Increase/(Decrease) in Trade payables	8.31	(65.07)
Increase/(Decrease) in other liabilities	(2.31)	(33.47)
Increase/(Decrease) in Provisions	232.09	19.27
<b>Cash flow (used in)/ generated from operations (A)</b>	<b>303.13</b>	<b>(4.21)</b>
<b>(B) Cash flow from investing activities</b>		
Interest Income	0.01	-
Purchase of Tangible & Intangible Assets (including capital work-in-progress)	(13.91)	(0.24)
Decrease in Capital work in progress	6.68	0.14
Sale of units of mutual fund including gain on sale of investment (net)	177.18	-
Purchase units of mutual fund	(176.37)	-
<b>Net cash (used in) investing activities (B)</b>	<b>(6.41)</b>	<b>(0.10)</b>
<b>(C) Cash flow from financing activities</b>		
Repayment of long-term borrowings from Banks and other party	(116.40)	(97.00)
Proceeds from unsecured loan from Holding Company	63.90	367.30
Repayment from unsecured loan from Holding Company	(26.19)	(107.29)
Finance Cost	(204.92)	(250.25)
<b>Net cash (used in) financing activities (C)</b>	<b>(283.61)</b>	<b>(87.24)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A)+(B)+(C)</b>	<b>13.11</b>	<b>(91.55)</b>
Cash and cash equivalents at the beginning of the Year	9.67	101.22
Cash and cash equivalents at the end of the Year	<b>22.78</b>	<b>9.67</b>

\* Amount is below rounding off norm adopted by the Company



**Aurangabad - Jalna Toll Way Limited**  
**Cash Flow Statement for the year ended March 31, 2016**

**Notes: -**

( ₹ in Million)

(i) Components of cash and cash equivalents:	As at	As at
	March 31, 2016	March 31, 2015
Cash on hand	1.77	1.84
Balances with banks in current accounts	21.01	7.80
Balances with banks in Fixed Deposits Accounts	-	0.03
<b>Cash and cash equivalents (Refer Note 15)</b>	<b>22.78</b>	<b>9.67</b>

(ii) The cash flow statement has been prepared under indirect method as per Accounting Standard -3 "Cash Flow Statement".

(iii) Figures in brackets represent outflows.

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

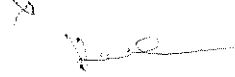


(K.C Patel)  
Partner  
Membership No. 30083

Place: Ahmedabad  
Date :April 18, 2016

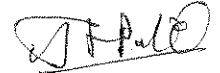


For & on behalf of the Board of Directors of  
Aurangabad - Jalna Toll Way Limited



(Vishnubhai M. Patel)  
Director  
DIN No.00048287

Place: Ahmedabad  
Date :April 18, 2016



(Arun Patel)  
Director  
DIN No.06365699



## Aurangabad - Jalna Toll Way Limited

### Notes on accounts forming part of Financial Statements

#### Overview of the Company :

Aurangabad - Jalna Toll Way Limited (hereinafter referred to as "the Company" or "AJTWL") was incorporated as Special Purpose Vehicle (SPV) in January, 2007 for the purpose of development, implementation as well as operation & maintenance of the Aurangabad Jalna Road Project. The project involves four laning of 50 kms existing two lanes Aurangabad Jalna Road (MSH 6) in Maharashtra on Build Operate and Transfer (BOT) basis. The project is awarded under concession agreement for a period of twenty three years and six months from date of work order given on February 1, 2007.

The company has received concurrence of the Government of Maharashtra for collections of Toll Fee on the project road vide Notification No.PSP-2006/CR/Road-9, issued on July 24, 2009. Accordingly the company has commenced collection of toll fee with effect from July 28, 2009.

#### 1 Statement of Significant Accounting Policies :

##### 1.1 Basis of preparation of Financial Statements :

The Financial Statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the requirements of Accounting Standard specified in section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India. The accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hearto in use.

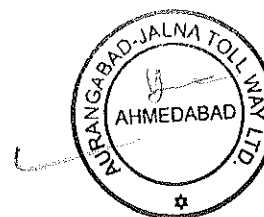
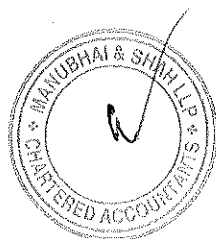
##### 1.2 Use of Estimates :

- (i) The preparation of financial statements in conformity with generally accepted accounting principles requires management of the Company to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the year in which the results are known/ materialized.

##### 1.3 Fixed Assets :

###### (i) Tangible Assets

Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. Direct cost comprises of all expenditure of capital in nature attributable to bringing the fixed asset to working condition for its intended use and incidental expenses including interest relating to acquisition, until fixed assets are ready to be put to use.



## Aurangabad - Jalna Toll Way Limited

### Notes on accounts forming part of Financial Statements

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

#### (ii) Intangible Assets- Toll Collection Right:

An intangible asset is recognised, only where it is probable that future economic benefits attributable to the asset will accrue to the enterprise and the cost can be measured reliably. Intangible Assets are stated at cost, less accumulated amortization and impairment losses, if any.

**Toll collection rights** received from Government of Maharashtra against construction service rendered by the Company on Built, Operate and Transfer (BOT) basis , include direct and indirect expenses on construction of roads, bridges, etc.

Subsequent expenditure related to an item of intangible assets is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing intangible assets are charged to the statement of profit and loss for the period during which such expenses are incurred.

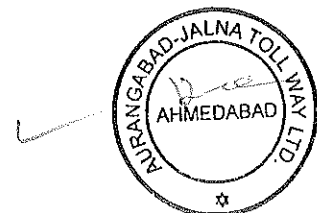
#### 1.4 Depreciation and Amortisation :

##### (i) Depreciation

Depreciation on tangible assets, other than Project Assets(except computers and other hardware related to tolling system) is provided on the Written Down Value (WDV) method over the useful lives of assets as specified in Schedule II to the Companies Act, 2013. Project Assets, other than Computers & other hardwares related to tolling system, are amortized on straight line basis over the balance tolling period. Depreciation on assets purchased / sold during a period is proportionately charged.

##### (ii) Amortisation

Intangible Asset (Right to operate the Project Road) is amortised based on proportion of actual revenue received during the accounting year to the total projected revenue till the end of the concession period in accordance with Amortisation Method given in Schedule II to the Companies Act ,2013. The total projected revenue for the entire useful life is reviewed at the end of each period end for expected changes in traffic and adjusted to reflect any changes in the estimate which will lead to actual collection at the end of useful life.



# Aurangabad - Jalna Toll Way Limited

## Notes on accounts forming part of Financial Statements

### 1.5 Impairment of Assets:

- (i) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. On such indication, the recoverable amount of the assets is estimated and if such estimation is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.
- (ii) After impairment, depreciation/amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

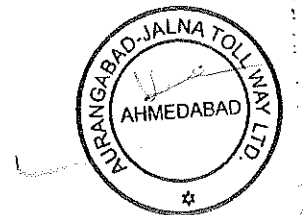
### 1.6 Revenue Recognition :

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- (i) Income from toll operations:  
Toll collection from users has been accounted when the amount is received
- (ii) Income from publicity rights:  
Income from publicity rights are recorded on accrual basis.
- (iii) Dividend:  
Revenue is recognized when the shareholders' right to receive payment is established by the balance sheet date.
- (iv) Income from sales of units of mutual funds:  
Profit/ loss on sale of units of mutual funds is recognized on realisation.
- (v) Interest:  
Interest on investment and bank deposits are recognized on a time proportion basis taking into account the amounts invested and the rate applicable.

### 1.7 Foreign Currency Transactions:

- (i) Initial Recognition:  
Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.



## Aurangabad - Jalna Toll Way Limited

### Notes on accounts forming part of Financial Statements

(ii) Restatement:

Foreign currency monetary assets and liabilities are restated at the end of each accounting period. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(iii) Exchange Difference :

Exchange differences arising on the settlement of monetary items, or on reporting monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

### 1.8 Investments:

(i) Investments ,which are readily realisable and intended to be held for not more than one year from the date on which such investments are made , are classified as current investments. All other investments are classified as long-term investments.

(ii) Current investments are carried at lower of cost and fair value. Long term investments are carried at cost less provision for diminution, other than of temporary nature, in value of such investments.

### 1.9 Employee Benefits:

(i) Defined Contribution Plan:

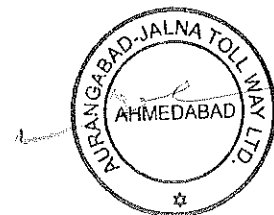
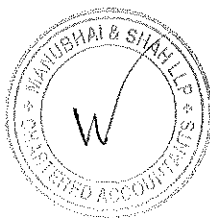
Contribution paid/payable to defined contribution plan comprising of provident fund are recognised as expenses during the period in which the employees perform the services.

(ii) Defined Benefit Plan:

Gratuity liability for eligible employees is defined benefit obligation and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Obligation is measured at the present value of estimated future cash flows using discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimated terms of the defined benefit obligation. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss.

(iii) Short term employee benefits:

Short term employee benefits including compensated absences as at the balance sheet date are recognised as an expense as per the Company's schemes based on the expected obligation on an undiscounted basis.





# Aurangabad - Jalna Toll Way Limited

## Notes on accounts forming part of Financial Statements

### 1.10 Borrowing Costs:

Borrowing costs directly attributable to the acquisition and construction of qualifying assets are capitalized as part of cost of such assets till such time the asset is ready for its intended use. A qualifying asset is one that requires substantial period of time to get ready for its intended use. All other borrowing costs, if any, are charged to the Statement of Profit & Loss as period costs.

### 1.11 Leases:

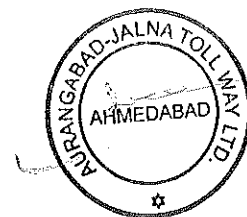
Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

### 1.12 Taxes on Income:

Income Tax expense comprises of current tax and deferred tax (charge or credit).

- (i) **Current tax** is determined as the amount of tax payable in respect of taxable income for the year. Provision is made for income tax annually based on the tax liability computed, after considering tax allowances and exemptions under the Income Tax Act, 1961. Provisions are recorded when it is estimated that a liability due to disallowance or other matter is probable.
- (ii) **Deferred tax** is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. Deferred Tax Assets and Deferred Tax Liabilities are reviewed for appropriateness of their respective carrying values at each balance sheet date.
- (iii) **Minimum alternate tax (MAT)** paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on 'Accounting for Credit Available in respect of Minimum Alternative Tax' under IT Act, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company will review the "MAT credit entitlement" asset at each reporting date and write down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.



## Aurangabad - Jalna Toll Way Limited

### Notes on accounts forming part of Financial Statements

#### 1.13 Provisions, Contingent Liabilities and Contingent Assets:

- (i) A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
- (ii) Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.
- (iii) Contractual Obligations to periodically maintain Project asset as per the terms of the concession agreement are provided for in accordance with Accounting Standard(AS) -29 "Provisions, Contingent Liabilities and Contingent Assets" i.e; at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

#### 1.14 Earnings Per Share:

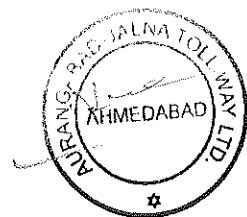
Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

#### 1.15 Cash and Cash Equivalents:

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

#### 1.16 General

Any other accounting policy not specifically referred to are consistent with generally accepted accounting principles.



## Aurangabad - Jalna Toll Way Limited

### Notes on accounts forming part of Financial Statements

#### 2 Share capital

(i) Authorised, Issued, Subscribed and Paid- Up Capital:

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Authorised</b> 2,000,000 Equity Shares of ₹ 10/- each (P.Y. 2,000,000 Equity Shares of ₹ 10/- each)	20.00	20.00
<b>Total</b>	20.00	20.00
<b>Issued , Subscribed and Paid Up</b> 1,971,053 Equity Shares of ₹ 10/- each (P.Y 1,971,053 Equity Shares of ₹ 10/- each)	19.71	19.71
<b>Total</b>	19.71	19.71

(ii) 1,971,053 equity shares were outstanding as at beginning and end of the year.

(iii) Rights of Shareholders, Dividend and Repayment of Capital:

(a) The Company has only one class of shares referred to as equity shares having a par value of ₹10/-.

(b) Each holder of equity shares is entitled to one vote per share.

(c) In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive the residual assets of the Company, after distribution of all preferential amounts. However, currently no such preferential amount exists. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

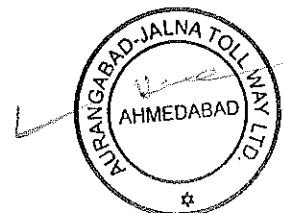
(iv) Out of issued, subscribed and paid up equity capital, 1,971,053 shares, i.e. 100% shares (Previous Year 1,971,053 shares) are held by Sadbhav Infrastructure Project Limited- holding company and its nominees.

(v) The details of shareholders holding more than 5% of issued equity share capital as on March 31, 2016 is set out below:

Name of Shareholder	March 31, 2016		March 31, 2015	
	No. of Shares	% to Total	No. of Shares	% to Total
Sadbhav Infrastructure Project Limited**	1,971,053	100%	1,971,053	100%
	<b>1,971,053</b>	<b>100%</b>	<b>1,971,053</b>	<b>100%</b>

\*\* Including nominees

As per the records of the company, including its registers of shareholders/member and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.



## Aurangabad - Jalna Toll Way Limited

### Notes on accounts forming part of Financial Statements

#### 3 Reserves and Surplus

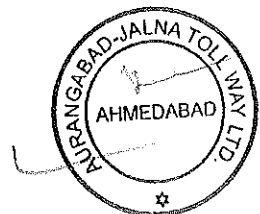
( ₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Securities Premium Reserve As per last Balance Sheet	528.29	528.29
<b>Surplus/ (Deficit)</b>		
(Deficit) as at beginning of the year	(627.12)	(381.04)
Add: Net Profit/(Loss) after tax transferred from Statement of Profit and Loss	(200.73)	(246.08)
(Deficit) at end of the year	<b>(827.85)</b>	<b>(627.12)</b>
<b>Total</b>	<b>(299.56)</b>	<b>(98.83)</b>

#### 4 Long Term Borrowings

( ₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Term Loan (Secured) :</b>		
<b>From Banks</b>		
Indian Rupee Term Loans		
Non-Current Portion	1,017.69	1,147.29
Current Maturities	129.60	86.40
	<b>1,147.29</b>	<b>1,233.69</b>
<b>From Others</b>		
Indian Rupee Term Loans		
Non-Current Portion	353.75	398.75
Current Maturities	45.00	30.00
	<b>398.75</b>	<b>428.75</b>
	<b>1,546.04</b>	<b>1,662.44</b>
Less: Current Maturities disclosed under the head Other Current Liabilities ( Note No.9)	(174.60)	(116.40)
	<b>1,371.44</b>	<b>1,546.04</b>
<b>Unsecured :</b>		
Loans and advances from Promoters (Refer Note 30) (Sub-Ordinate Debt from Promoters, in terms of Common Rupee Term Loan Agreement and Facility Agreement)	282.00	282.00
<b>Total</b>	<b>1,653.44</b>	<b>1,828.04</b>



## Aurangabad - Jalna Toll Way Limited

### Notes on accounts forming part of Financial Statements

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

A First ranking pari passu charge-

- 1 on all the immovable and moveable assets of the Company, (including but not limited to all receivables both present and future, except the project assets);
  - 2 over all book debts, operating cash flows, toll Collection, revenues of whatsoever nature and wherever arising, receivables from the Project or otherwise, commissions, present and future, intangibles, goodwill and uncalled capital of the Company, present and future;
  - 3 charge by way of assignment or creation in favour of the Rupee Lenders over,
    - all the right, title, interest, benefits, claims and demand whatsoever of the Company in all Project Documents, duly acknowledged and consented to by the relevant counter-parties to such Project Documents, all as amended, varied or supplemented from time to time;
    - all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the Clearances;
    - all the rights, titles, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee, performance guarantee or bond that may be provided by any party to any Project Documents in favour of the Company and;
    - all insurance contracts /insurance proceeds;
  - 4 charge/ assignment on all the intangible assets of the Company (Other than project assets) including but not limited to goodwill, rights, undertakings, uncalled capital and intellectual property rights of the Company, both present and future; and
  - 5 charge over all the letters of credit, Escrow account, Trust and Retention Account, Debt Service Reserve Account and other reserves and any other bank accounts of the Company wherever maintained.
- B Pledge of 51% equity share capital of the company held by the Promoter, till payment of 75% of loan to each Rupee Lender and thereafter pledge of 26% equity share capital of the Company held by the Promoter.

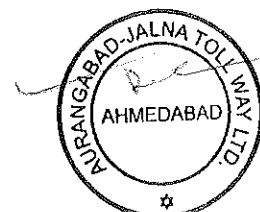
(ii) Terms of Repayment of Loans:

(a) Term Loans

The Principal Amounts of the Loan to each of the Lenders are repayable in 48 equal quarterly installments commencing from October 1, 2011. As per the repayment schedule of the loan agreement, all the principal amount outstanding under the said agreement shall be repaid by July 1, 2023. Further, the lenders have an option to call upon the Company to repay the entire outstanding loan along with interest, additional interest, further interest and liquidated damages thereon at the end of ten (10) years from the date of Commercial Operation (COD) by giving thirty days notice. Similarly, the Company also has the option to prepay the loans. Term loans carry interest rate of 10.55 per cent to 11.50 per cent per annum.

(b) Loans from related parties

Subordinate debt from Promoters is repayable on fulfillment of certain conditions stipulated in the Loan agreement. Subordinate debt is interest free.



## Aurangabad - Jalna Toll Way Limited

### Notes on accounts forming part of Financial Statements

#### 5 Other Long- Term Liabilities

( ₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Retention Money	-	0.16
<b>Total</b>	<b>-</b>	<b>0.16</b>

#### 6 Long - Term Provisions

( ₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Provisions for:		
Employee Benefits - Gratuity (Refer Note No. 27)	1.01	0.85
Periodical Major Maintenance ( Refer Note 34 )	-	54.62
Income Tax (Net of Advance Tax)	-	12.72
<b>Total</b>	<b>1.01</b>	<b>68.19</b>

#### 7 Short Term Borrowings

( ₹ in Million)

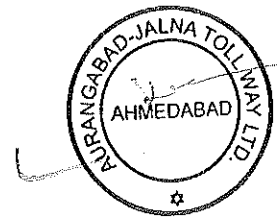
Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured :		
Loan from Holding Company ( Refer Note No. 30 )	546.48	508.76
<b>Total</b>	<b>546.48</b>	<b>508.76</b>

#### 8 Trade Payables

( ₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Outstanding dues to others (Refer Note 29(C))**	40.77	32.45
<b>Total</b>	<b>40.77</b>	<b>32.45</b>

\*\* There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days at the balance sheet date. The above information has been determined to the extent such parties have been identified on the basis of the information available with the Company. This has been relied upon by the auditors.



## Aurangabad - Jalna Toll Way Limited

### Notes on accounts forming part of Financial Statements

#### 9 Other Current Liabilities

( ₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Payable towards Capital Expenditure	-	0.29
Current Maturities of Long-term Borrowings	174.60	116.40
Interest Accrued and Due on Short-term Borrowing	39.49	4.26
Statutory dues	1.73	1.71
Employee Emoluments payable	2.07	1.79
Security & Other Deposit from Subcontractor	0.88	3.10
Unearned Revenue	0.05	-
<b>Total</b>	<b>218.82</b>	<b>127.55</b>

#### 10 Short - Term Provisions

( ₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Compensated Leave	0.21	0.19
Provision for Periodical Major Maintenance (Refer Note 34)	286.38	-
Gratuity Payable (Refer Note No. 27)	0.13	-
<b>Total</b>	<b>286.72</b>	<b>0.19</b>

#### 12 Long Term Loans and Advances

( ₹ in Million)

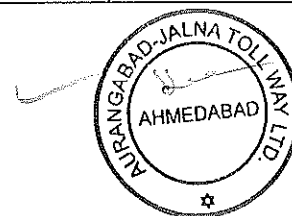
Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured ,Considered Good	-	-
Security Deposits	0.67	0.67
Advance Tax and Tax Credit Receivable	0.01	-
<b>Total</b>	<b>0.68</b>	<b>0.67</b>

\* Amount is below rounding off norm adopted by the Company

#### 13 Current Investments

( ₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Investment in units of Mutual Funds- Unquoted (At lower of Cost or NAV)	-	-
IDBI Liquid Fund - Growth (C.Y Unit Nos. 7534.25, P.Y 7,367.388)	11.17	10.01
<b>Total</b>	<b>11.17</b>	<b>10.01</b>



Aurangabad - Jalna Toll Way Limited

Notes on accounts forming part of Financial Statements

11 Fixed Assets

(₹ in Million)

Particulars	Gross Block			Depreciation / Amortisation			Net Block		
	As At April 1, 2015	Addition During the Year	Adjustment during the Year	As At March 31, 2016	As At April 1, 2015	For the Year	Up to March 31, 2016	As At March 31, 2016	As At March 31, 2015
<b>(i) Tangible Assets</b>									
Land	11.07	13.48	-	24.55	-	-	-	24.55	11.07
Building	0.11	-	-	0.11	0.07	0.02	0.09	0.02	0.04
Plant and Equipments	16.94	0.10	-	17.04	10.53	3.46	13.99	3.05	6.41
Furniture & Fixtures	0.27	-	-	0.27	0.20	0.02	0.22	0.05	0.07
Vehicles	7.40	-	-	7.40	5.52	0.62	6.14	1.26	1.88
Computers	0.55	0.10	-	0.65	0.49	0.05	0.54	0.11	0.06
Office Equipments	0.11	0.01	-	0.12	0.08	0.02	0.10	0.02	0.03
<b>Total (i)</b>	<b>36.45</b>	<b>13.69</b>	<b>-</b>	<b>50.14</b>	<b>16.89</b>	<b>4.19</b>	<b>21.08</b>	<b>29.06</b>	<b>19.56</b>
<b>(ii) Intangible Assets</b>									
Toll Collection Rights	2,722.83	-	-	2,722.83	284.10	73.56	357.66	2,365.16	2,438.72
Computer Software	-	0.22	-	0.22	-	0.05	0.05	0.17	-
<b>Total (ii)</b>	<b>2,722.83</b>	<b>0.22</b>	<b>-</b>	<b>2,723.04</b>	<b>284.10</b>	<b>73.61</b>	<b>357.71</b>	<b>2,365.33</b>	<b>2,438.72</b>
<b>(iii) Capital Work-in-Progress</b>									
Building	6.68	-	6.68	-	-	-	-	-	6.68
<b>Total (iii)</b>	<b>6.68</b>	<b>-</b>	<b>6.68</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6.68</b>
<b>Total (i) + (ii) + (iii)</b>	<b>2,765.96</b>	<b>13.91</b>	<b>6.68</b>	<b>2,773.18</b>	<b>300.99</b>	<b>77.80</b>	<b>378.79</b>	<b>2,394.39</b>	<b>2,464.96</b>
Previous Year	2,765.86	0.24	0.14	2,765.96	226.99	74.00	300.99	2,464.96	-





## Aurangabad - Jalna Toll Way Limited

### Notes on accounts forming part of Financial Statements

#### 14 Trade Receivables

( ₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good		
- Outstanding for more than Six Months from the date they became due for payment	-	*
- Others	0.10	-
<b>Total</b>	<b>0.10</b>	<b>-</b>

\* Amount is below rounding off norm adopted by the Company

#### 15 Cash and Cash Equivalent

( ₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Balance with Banks in :		
- Current Accounts	21.01	7.80
- Fixed Deposit Accounts	-	0.03
Cash on hand	1.77	1.84
<b>Total</b>	<b>22.78</b>	<b>9.67</b>

Balance with Bank include balance of ₹ 19.49 Million (as at March 31, 2015 ₹ 6.50 Million) which has been kept in Escrow Account as per the Escrow Agreement.

#### 16 Short Term loans and Advances

( ₹ in Million)

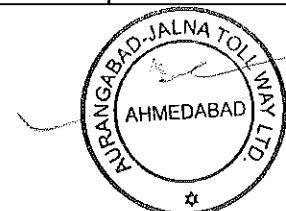
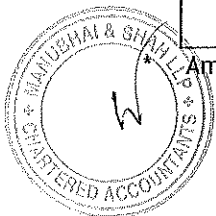
Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured , considered good		
Security Deposits	0.02	0.02
Prepaid expenses	0.71	0.84
Advances recoverable in cash or value to be received	-	0.02
<b>Total</b>	<b>0.73</b>	<b>0.88</b>

#### 17 Other Current Assets

( ₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Interest Accrued but not due on Fixed Deposit (Amount ₹ Nil/- of C.Y. & ₹ 2602/- of P.Y.)	*	*
Receivable from PWD towards compensation for loss of toll revenue (Refer Note 36)	37.50	
<b>Total</b>	<b>37.50</b>	<b>-</b>

\* Amount is below rounding off norm adopted by the Company



## Aurangabad - Jalna Toll Way Limited

Notes on accounts forming part of Financial Statements

### 18 Revenue from Operations

( ₹ in Million)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Revenue from Toll Collection ( Refer Note 35)	419.24	353.23
Advertisement Income	0.40	0.20
<b>Total</b>	<b>419.64</b>	<b>353.43</b>

### 19 Other income

( ₹ in Million)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Interest Income (Amount ₹ 5,236/- of C.Y. & ₹ 2,321/- of P.Y.)	0.01	*
Gain on sale of units of mutual fund investments (net)	1.97	0.01
Insurance Claim received	0.68	*
Sundry balances written back (Amount ₹ 54134/- of C.Y. & ₹ 183260/- of P.Y.)	0.05	0.18
<b>Total</b>	<b>2.71</b>	<b>0.19</b>

\* Amount is below rounding off norm adopted by the Company

### 20 Operating Expenses

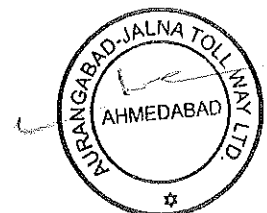
( ₹ in Million)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Toll Plaza and Road Maintenance	29.88	19.27
Periodic Major Maintenance ( Refer Note No.34)	231.76	204.02
Power and Fuel	1.86	1.80
Security expenses	7.32	8.02
Vehicle expenses	2.32	3.49
<b>Total</b>	<b>273.14</b>	<b>236.60</b>

### 21 Employee benefits expense

( ₹ in Million)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Salary, wages and other benefits	17.70	16.62
Contribution to provident fund and other fund	0.89	1.27
Gratuity	0.32	0.21
Staff welfare expenses	0.94	1.03
<b>Total</b>	<b>19.85</b>	<b>19.13</b>



## Aurangabad - Jalna Toll Way Limited

Notes on accounts forming part of Financial Statements

### 22 Finance Costs

( ₹ in Million)

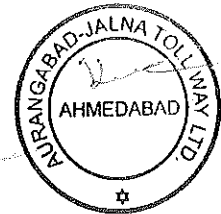
Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Interest on:		
- Term loans form Banks	180.77	197.13
- Unsecured loan from Holding Company (Refer Note No. 30 )	58.72	49.73
- Late payment of Statutory Dues	0.66	0.01
- Other	*	*
(Amount ₹ Nil of C.Y. & ₹ 1,842/- of P.Y.)		
Other Borrowing Cost		
- Bank Charges	0.16	0.09
- Trust & Retention Fees	0.34	0.34
<b>Total</b>	<b>240.65</b>	<b>247.30</b>

\* Amount is below rounding off norm adopted by the Company

### 23 Other Expenses

( ₹ in Million)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Rent	1.27	1.29
Repairs and maintenance	0.17	0.17
Rates and taxes (C.Y. ₹ 36932 P.Y ₹ 45681/-)	0.04	0.05
Insurance	1.02	0.95
Stamp duty and filing fees	0.01	0.01
Legal and professional fees	19.82	18.00
Communication expense	0.30	0.30
Travelling and conveyance	0.20	0.38
Printing and stationery	0.30	0.46
Cash Collection Expense	0.70	0.70
Auditors' remuneration (Refer Note No. 24 )	0.13	0.15
Donation	0.04	0.05
Miscellaneous expenses	0.36	0.13
<b>Total</b>	<b>24.36</b>	<b>22.64</b>



## Aurangabad - Jalna Toll Way Limited

Notes on accounts forming part of Financial Statements

24 Auditors' remuneration (inclusive of Service Tax) comprises of the following:

( ₹ in Million)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Payment to Auditors:		
for as Statutory Auditor	0.13	0.11
for Domestic Transfer Pricing	0.00	0.03
for for Certification	-	0.01
<b>Total</b>	<b>0.13</b>	<b>0.15</b>

25 Contingent Liabilities:

- (a) In respect of Assessment Years 2008-09 and 2009-10, Income tax department has rejected the claim of refund for an amount of ₹ 1.43 Million and ₹ 2.77 Million, respectively. The Company had filed an appeal before CIT (Appeal) for the same which was not favorably decided. Against the said order the Company has filed an appeal before the Income Tax Appellate Tribunal.
- (b) In respect of Assessment Year 2008-09, the DCIT Central Circle 1(1), Ahmedabad passed an order (the "Penalty Order") under section 271(1)(c) imposing a penalty along with a demand on the Company for an amount of ₹ 1.43 million. Subsequently, the Company preferred an appeal before the CIT, Appeals- 11, Ahmedabad against the Penalty Order. The amount involved in the matter is ₹ 1.43 million. The appeal was decided in company's favour. However, Income Tax Department has filed appeal against the order of CIT(A) before ITAT.
- (c) In respect of Assessment Year 2009-10, the DCIT Central Circle 1(1), Ahmedabad passed an order (penalty order) under section 271(1)(c) imposing penalty along with a demand on the Company for an amount of ₹ 2.77 Million. The Company preferred an appeal before the CIT, Appeals- 11, Ahmedabad against the Penalty Order. The amount involved in the matter is ₹ 2.77 million. The appeal was decided in company's favour. However, Income Tax Department has filed appeal against the order of CIT(A) before ITAT.

All the matters stated in above are pending before the ITAT Ahmedabad .

26 In the opinion of the Board of Directors, assets other than fixed assets are realisable at-least at the value stated if realized in the ordinary course of business.

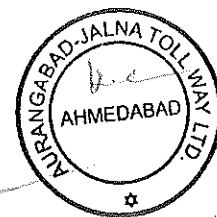
27 Employee Benefits :

(a) Defined Contribution Plan:

Amount recognised as an expense and included in Note 21 "Contribution to provident fund" ₹ 0.89 Million (P.Y. 1.27 Million) towards Provident fund contribution and other fund.

(b) Defined Benefit Plan:

The Company has defined benefit gratuity plan. 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.



## Aurangabad - Jalna Toll Way Limited

### Notes on accounts forming part of Financial Statements

The following tables summaries the components of net benefit expense recognised in the statement of profit and loss and amounts recognised in the balance sheet :

( ₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Liability recognised in the Balance Sheet</b>		
Present value of unfunded defined benefit obligation	1.14	0.85
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	0.85	0.68
Interest cost	0.06	0.06
Current service cost	0.26	0.23
Actuarial (gains)/ losses on obligation	(0.01)	(0.08)
Benefits Payable	(0.02)	(0.04)
Closing defined benefit obligation	1.14	0.85

( ₹ in Million)

Particulars	Year Ended March 31, 2016	Year ended March 31, 2015
<b>Net amount recognized in the statement of profit and loss</b>		
Current service cost	0.26	0.23
Interest cost on defined benefit obligation	0.06	0.06
Net actuarial losses / (gains) recognized	(0.01)	(0.08)
Net amount recognized	0.31	0.21

The principal assumptions used in determining gratuity obligation for the Company are shown below:

Assumptions	Year Ended March 31, 2016	Year ended March 31, 2015
Discount rate	7.85%	9.10%
Rate of Salary Growth	6.00%	6.00%
Withdrawal rate	15% at younger ages reducing to 3% at older ages	5% at younger ages reducing to 1% at older ages
Mortality rate	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.

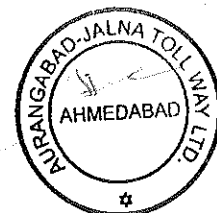
**Notes:**

- (i) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- (ii) The gratuity liabilities of the Company are unfunded and hence there are no assets held to meet the liabilities.

**28 Earning Per Share (EPS):**

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

Particulars	Unit	Year Ended March 31, 2016	Year ended March 31, 2015
Net Profit/ (Loss) as per Statement of Profit & Loss	₹ in Million	(200.73)	(246.08)
Weighted average of number of equity shares outstanding during the year	Nos.	1,971,053	1,971,053
Basic & Diluted Loss per share of face value of ₹ 10/- Each	₹	(101.84)	(124.85)



## Aurangabad - Jalna Toll Way Limited

Notes on accounts forming part of Financial Statements

### 29 Segment Reporting:

The Company is engaged in one reportable segment viz infrastructure development and therefore disclosures as Accounting Standard (AS) - 17 "Segment Reporting" are not given. Specified under section 133 of the companies Act 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.

Further, the Company is carrying its business only in one geographical segment.

### 30 Related Party Disclosures:

Related party disclosures as required under the Accounting Standard (AS) - 18 on "Related Party Disclosures" are given below:

#### (a) Name of the related parties and description of relationship :

Sr. No.	Description of Relationship	Name of the Related Party
1	Ultimate Holding Company	Sadbhav Engineering Limited (SEL)
2	Holding Company	Sadbhav Infrastructure Project Limited (SIPL)

#### (b) Transactions with Related Parties during the year :

( ₹ in Million)

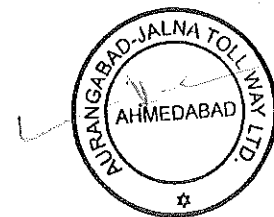
Sr. No.	Particulars	Year Ended March 31, 2016	Year ended March 31, 2015
(i)	Sub-ordinate debt received - SIPL	-	-
(ii)	Unsecured Loans Received - SIPL	63.90	367.30
(iii)	Interest on Unsecured Loan - SIPL	58.72	49.73
(iv)	Unsecured Loans Repaid including interest thereon - SIPL	26.19	200.48
(v)	Major Maintenance Work - SEL	-	109.54
(vi)	Rent and Reimbursement of Expense - SIPL - SEL	*	0.01
		1.03	1.01
(vii)	Project Management Fees - SIPL	13.67	13.48
(viii)	Road Maintenance Expense - SIPL	13.80	3.43

#### (c) Balance outstanding as at year end:

( ₹ in Million)

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
(i)	Sub Ordinate Debt - SIPL	282.00	282.00
(ii)	Unsecured Loans including interest payable - SIPL	546.48	508.76
(iii)	Interest payable on Unsecured Loan - SIPL	39.49	4.26
(iv)	Payable towards Rent, Reimbursement of Expenses - SIPL - SEL	*	0.01
		1.22	0.38
(v)	Payable towards Project Management Fees - SIPL	32.63	24.57
(vi)	Payable towards Road Maintenance Expense - SIPL	4.15	3.36

\* Amount is below rounding off norm adopted by the Company



## Aurangabad - Jalna Toll Way Limited

### Notes on accounts forming part of Financial Statements

#### 31 Operating Leases:

Office premises of the Company are obtained on operating lease. The lease rent paid during the year is ₹ 1.03 Million (P.Y ₹ 1.01 Million).

#### 32 Details of Deferred tax asset (net) :

In accordance with Accounting Standard 22 "Accounting for Taxes on Income", the Company has Net Deferred Tax Assets of ₹ 259.86 Million ( P.Y ₹ 181.93 Million) as at March 31, 2016. However, in view of losses incurred under Income Tax Act, 1961 by the Company during the current year, deferred tax assets on account of timing difference, on unabsorbed depreciation and business losses have not been accounted for in the books since it is not virtually certain that they will be realised against future profits. The Company is also entitled for deduction under section 80IA of the Income Tax Act, 1961, which its propose to claim in the future years. Accordingly, there is no impact of the same on the financials for the year ended March 31, 2016. The components of Deferred Tax Assets and Liabilities are as under:

( ₹ in Million)			
Sr. No.	Particulars	Deferred Tax Asset/(Liability) March 31, 2016	Deferred Tax Asset/(Liability) March 31, 2015
A.	<b>Deferred Tax Assets</b>		
(i)	Employee Benefits	0.31	0.26
(ii)	Preliminary expenses written off	-	-
(iii)	Major Maintenance	71.61	
(iv)	Carry forward business losses and unabsorbed depreciation as per Income Tax Act, 1961	677.47	678.34
	(A)	749.40	678.60
B.	<b>Deferred Tax Liability</b>		
(i)	Difference between book and tax depreciation	1.66	0.89
(ii)	Difference between book and tax amortisation	(491.20)	(497.56)
	(B)	(489.54)	(496.67)
	<b>Net Deferred tax asset/(liability) recognised in books</b>	-	-

\* Amount is below rounding off norm adopted by the Company

#### 33 Current Tax:

No provision is made for Income Tax in view of the loss during the reporting year.

#### 34 Disclosure pursuant to Accounting Standard (AS) 29 - " Provisions ,Contingent Liabilities and Contingent Assets "

##### (a) Nature of Provision:

The company is required to operate and maintain the project highway during the entire concession period and hand over the project back to the Government of Maharashtra (MSRDC) as per the maintenance standards prescribed in Concession agreement.

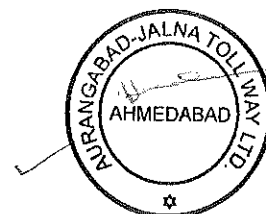
For this purpose, a regular maintenance along with periodic maintenance is required to be performed. Normally periodic maintenance includes resurface of pavements, repairs of structures, repairs and refurbishment of tolling system and other Equipments.

As per the industry practices and on the grounds of matching concept, based on estimates, a provision for major maintenance expenses is provided for in the books annually. The maintenance cost / bituminous overlay may vary based on the actual usage during maintenance period.

During the current year company has provided ₹ 231.76 Million/- (Previous Year ₹ 204.02 Million/-) for periodic Major Maintenance in respect of its resurfacing obligation

##### (b) Movement in Periodic Major Maintenance Provision:

( ₹ in Million)		
Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Carrying amount as at Beginning of the Year	54.62	35.50
Add: Additional provision made in the Year	231.76	204.02
Less: Amounts used (i.e. incurred and charged against the provision) during the Year	-	(184.90)
Unused amounts reversed during the Year	-	-
<b>Carrying amount as at End of the Year</b>	<b>286.38</b>	<b>54.62</b>



## Aurangabad - Jalna Toll Way Limited


### Notes on accounts forming part of Financial Statements

- 35 The company has accumulated losses of ₹ 827.85 Million as at the balance sheet date, which have resulted in erosion of the company's net worth. The Company has no intention of curtailing the scale of its operation and has projected increased traffic movement for its project. Further, the Company has been able to meet its obligations in the ordinary course of the business complimented by the continuing financial support offered from Sadbhav Infrastructure Project Limited (the Holding Company). As per the Loan Agreement and the Sponsor Support Agreement, the amount of ₹ 282 Million is infused as interest free sub-ordinated loan is considered as part of Sponsors support. Accordingly, these financial statements have been prepared assuming that the Company will continue as a going concern.
- 36 Government of Maharashtra, vide Notification dated 26th May 2015 has exempted Light Motor Vehicles and Buses of Maharashtra State Road Transport Corporation (MSRTC) from payment of toll, w.e.f 01-06-2015. However the government has not prepared any policy or modalities by which the Concessionaire i.e company will be reimbursed the losses. Pending the announcement by the government of its policy/modalities for reimbursement of losses, the company has recognised revenue of toll collection of Rs.90.45 Million for the period 01-06-2015 to 31-03-2016 in respect of exempted vehicles based on the projections submitted to Maharashtra government under the concession agreement. The Government of Maharashtra has paid amount of Rs. 52.95 Million upto 31st March, 2016 to the company in this respect.

37 Previous Year Figures:

Previous year's figures have been regrouped, rearranged and reclassified wherever necessary to facilitate comparability with current year's classification.


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

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

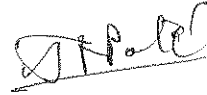
Place: Ahmedabad  
Date :April 18, 2016



For & on behalf of the Board of Directors of  
Aurangabad - Jalna Toll Way Limited

  
(Vishnubhai M. Patel)  
Director  
DIN No.00048287

Place: Ahmedabad  
Date :April 18, 2016

  
(Arun Patel)  
Director  
DIN No.06365699

