

# Manubhai & Shah LLP

Chartered Accountants

## INDEPENDENT AUDITOR'S REPORT

To The Members of Ahmedabad Ring Road Infrastructure Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of Ahmedabad Ring Road Infrastructure 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 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.

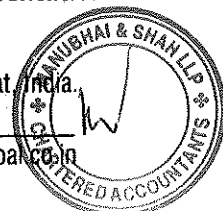
2nd Floor, 'B' Wing, Premium House, Near Gandhigram Rly. Station, Navrangpura, Ahmedabad-380 009. Gujarat, India.  
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**Ahmedabad • Mumbai • Rajkot • Jamnagar**

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

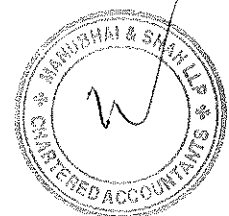
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## 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 profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

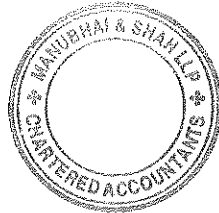
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure- A" statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
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 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> 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 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 does not have any pending litigations which would impact its financial position.



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- ii The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



Place: Ahmedabad  
Date : April 21, 2016

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

A handwritten signature in black ink, 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 Ahmedabad Ring Road Infrastructure 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 immovable 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) The Company has made and maintained the cost records prescribed by the Central Government under section 148(1) of the Act.
- (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 there was some



delay on few occasions in depositing service tax and tax deducted at source.

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 income tax, 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.

- (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.
- (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 21, 2016



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

*K C Patel*

(K C Patel)  
Partner  
Membership No. 30083

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF AHMEDABAD RING ROAD INFRASTRUCTURE 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 Ahmedabad Ring Road Infrastructure 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**

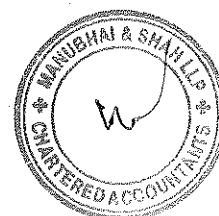
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial 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.



## Meaning of Internal Financial Controls Over Financial Reporting

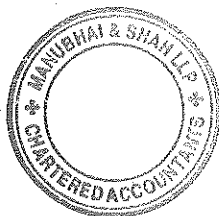
A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's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

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, 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

*K C Patel*

Place: Ahmedabad  
Date : April 21, 2016

(K C Patel )  
Partner  
Membership No.30083



**Ahmedabad Ring Road Infrastructure 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>			
(a) Share capital	2	104.60	104.60
(b) Reserves and surplus	3	201.55	101.43
		<b>306.15</b>	<b>206.03</b>
<b>(2) Non- current Liabilities</b>			
(a) Long-term borrowings	4	3,045.50	3,415.38
(b) Long- term provisions	5	182.16	116.69
		<b>3,227.66</b>	<b>3,532.07</b>
<b>(3) Current liabilities</b>			
(a) Trade payables	6		
(i) total outstanding dues of micro enterprises and small enterprises; and			
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		17.73	172.08
(b) Other current liabilities	7	426.00	238.72
(c) Short- term provisions	8	1.24	1.26
		<b>444.97</b>	<b>412.06</b>
<b>Total</b>		<b>3,978.78</b>	<b>4,150.16</b>
<b>II ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed Assets	9		
(i) Tangible assets		66.99	86.84
(ii) Intangible assets		3,743.49	3,920.35
(iii) Intangible assets under development		2.64	2.64
(b) Non-current investments	10	2.15	1.25
(c) Long-term loans and advances	11	2.66	5.12
		<b>3,817.93</b>	<b>4,016.20</b>
<b>(2) Current assets</b>			
(a) Current investments	12	66.46	-
(b) Trade receivables	13	3.29	3.71
(c) Cash and cash equivalents	14	21.48	50.19
(d) Short-term loans and advances	15	5.04	15.35
(e) Other current assets	16	64.58	64.71
		<b>160.85</b>	<b>133.96</b>
<b>Total</b>		<b>3,978.78</b>	<b>4,150.16</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

For & on behalf of the Board of Directors of  
Ahmedabad Ring Road Infrastructure Limited

*Wikramkumar Patel*      *Vishnubhai M Patel*

Managing Director

Director

DIN: 48318

DIN: 48287

*Aditya Patel*

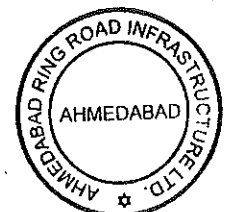
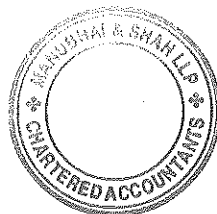
(Aditya Patel)

Company Secretary

Place: Ahmedabad

Date: April 21, 2016

Place: Ahmedabad  
Date: April 21, 2016



**Ahmedabad Ring Road Infrastructure Limited**  
Statement of Profit and Loss for the year ended March 31, 2016

(₹ in Million)

Particulars	Note No.	Year Ended March 31, 2016	Year Ended March 31, 2015
I Revenue from Operations	17	931.86	854.05
II Other income	18	14.57	8.90
III Total Revenue ( I + II )		<b>946.43</b>	<b>862.95</b>
IV Expenses:			
Operating Expenses	19	214.22	149.85
Employee benefit expenses	20	78.31	68.04
Finance Costs	21	413.64	445.66
Depreciation and Amortisation	9	196.30	179.05
Other expenses	22	27.55	22.11
Total Expenses		<b>930.02</b>	<b>864.71</b>
V Profit/(Loss) before Exceptional Item & Tax (III - IV)		<b>16.41</b>	<b>(1.76)</b>
VI Exceptional Items	34	-	258.45
VII Profit/(Loss) Before Tax (V - VI)		<b>16.41</b>	<b>(260.21)</b>
VIII Tax expense:			
- Provision of tax written back		83.70	-
IX Profit/(Loss) for the year (VII - VIII)		<b>100.11</b>	<b>(260.21)</b>
X Earning per Equity Share of ₹ 10/- each Basic & Diluted	27	9.57	(24.88)
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

For & on behalf of the Board of Directors of  
Ahmedabad Ring Road Infrastructure Limited

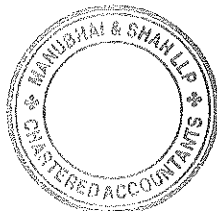
*K Patel*

(K. C Patel)  
Partner  
Membership No.30083

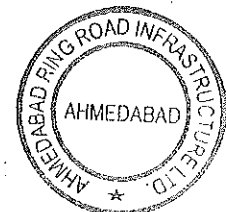
*V Patel*

(Vikramkumar Patel) (Vishnubhai M Patel)  
Managing Director Director  
DIN: 48318 DIN: 48287

*V Patel*



*A Patel*  
(Aditya Patel)  
Company Secretary



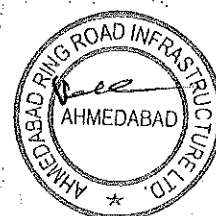
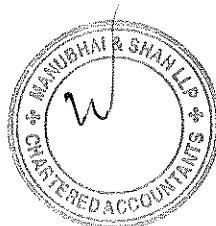
Place: Ahmedabad  
Date: April 21, 2016

Place: Ahmedabad  
Date: April 21, 2016

**Ahmedabad Ring Road Infrastructure 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 flows from operating activities</b>		
Profit/(Loss) as per statement of profit and loss	16.41	(260.21)
Adjustments for:		
Depreciation and amortisation	196.30	179.05
Finance Cost	413.64	445.66
Profit on sale/retirement of fixed assets	(9.33)	(0.12)
Advertisement hoarding under Disposal	2.92	4.55
Gain on sale of Investments (net)	(3.20)	(1.76)
Interest Income	(0.37)	(5.84)
Bad Debts written off	0.49	0.40
Provision for Doubtful Debts	0.01	0.70
Trade payables & Bad Debt written back	(0.08)	(0.55)
<b>Operating Revenue before working capital changes</b>	<b>616.80</b>	<b>361.88</b>
Adjustments for:		
(Increase)/Decrease in trade receivables	(0.08)	(0.85)
(Increase)/Decrease in loans and advances	96.47	192.36
(Increase)/Decrease in other current assets	0.13	3.26
Increase/(Decrease) in trade payables	(154.27)	(21.90)
Increase/(Decrease) in other liabilities	0.77	34.47
Increase/(Decrease) in provisions	65.45	35.94
<b>Net cash flows from operating activities (A)</b>	<b>625.27</b>	<b>605.16</b>
<b>(B) Cash flows from investing activities</b>		
Purchase of tangible assets	(4.43)	(3.59)
Purchase of Intangible assets	(1.26)	-
Proceeds from sale of tangible assets	12.50	0.25
Investment Property- Land	(0.90)	-
Interest income	0.37	5.84
(Purchase)/Sale of Units of Mutual Fund investments (net) (including gain on sale of Investments)	(63.26)	1.76
<b>Net cash used in investing activities (B)</b>	<b>(56.98)</b>	<b>4.26</b>
<b>(C) Cash Flows from financing activities</b>		
Proceeds from short term borrowings	13.20	-
Repayment of Short term borrowings	(13.20)	-
Repayment of long term borrowings	(183.25)	(125.50)
Finance Cost	(413.75)	(445.88)
<b>Net cash used in financing activities (C)</b>	<b>(597.00)</b>	<b>(571.38)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>(28.71)</b>	<b>38.04</b>
Cash and cash equivalents at beginning of the Year	50.19	12.15
Cash and cash equivalents at end of the Year	21.48	50.19



**Ahmedabad Ring Road Infrastructure Limited**  
Cash Flow Statement for the year ended March 31, 2016

Notes:

(i) Components of cash and cash equivalents:

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Cash on hand	4.51	4.24
Balances with banks in current accounts	16.97	45.95
<b>Cash and cash equivalents as per Note 14</b>	<b>21.48</b>	<b>50.19</b>

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

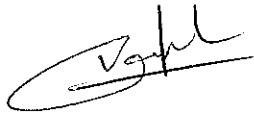
(iii) Figures in brackets represent outflows.

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

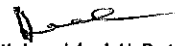
For & on behalf of the Board of Directors of  
Ahmedabad Ring Road Infrastructure Limited



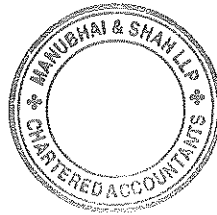
(K. C. Patel)  
Partner  
Membership No.30083



(Vikramkumar Patel)  
Managing Director  
DIN: 48318



(Vishnubhai M Patel)  
Director  
DIN: 48287



Place: Ahmedabad  
Date: April 21, 2016



(Aditya Patel)  
Company Secretary

Place: Ahmedabad  
Date: April 21, 2016



## Ahmedabad Ring Road Infrastructure Limited

### Notes on accounts forming part of Financial Statements

#### Overview of the Company :

Ahmedabad Ring Road Infrastructure Limited (hereinafter referred to as "the Company" or "ARRIL") was incorporated as a Special Purpose Vehicle (SPV) for implementing the four laning of 76 Kms. Sardar Patel Ring Road Project around the municipal limit of Ahmedabad city on Build, Operate & Transfer (BOT) basis. For this purpose, the company has entered in Concession Agreement with Ahmedabad Urban Development Authority with concession period of 20 years. ARRIL has commenced the collection of Toll Fee from January 1, 2007.

#### 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 Standards 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 :

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates, judgments and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and disclosure of contingent liabilities at the end of reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

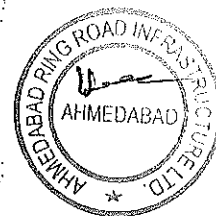
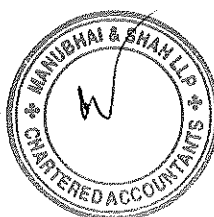
##### 1.3 Fixed Assets :

###### (i) Tangible Assets

Tangible 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 tangible assets to working condition for its intended use and incidental expenses including interest relating to acquisition, until tangible assets are ready to be put to use.

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.



## Ahmedabad Ring Road Infrastructure Limited

### Notes on accounts forming part of Financial Statements

#### (ii) Intangible Assets- Toll Collection Rights

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. Intangibles are stated at cost, less accumulated amortization and impairment losses, if any.

Toll collection rights received from Ahmedabad Urban Development Authority (AUDA) against construction service rendered by the Company on 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 tangible Project Assets, is provided on Written Down Value (WDV) method over the useful lives of the assets as prescribed under Schedule II to the Companies Act, 2013. In respect of tangible fixed assets purchased during the period, depreciation is provided on a pro-rata basis from the date on which such asset is ready to be put to use. Depreciation on Tangible project assets is provided using straight line basis over the balance tolling period.

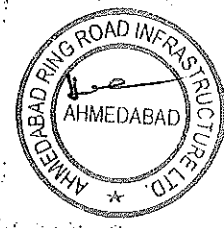
##### (ii) Amortisation:

The intangible rights which are recognised in the form of Toll Collection Right to charge users of the infrastructure asset are amortized by taking proportionate of actual revenue earned for the period over Total Projected Revenue from project to Cost of Intangible assets i.e. proportionate of actual revenue earned for the period over Total Projected Revenue from the Intangible assets expected to be earned over the balance concession period as estimated by the management.

Total Projected Revenue shall be reviewed at the end of the each reporting period and the total projected revenue shall be adjusted to reflect any changes in the estimates which lead to the actual collection at the end of the concession period.

#### 1.5 Impairment of Assets:

- (i) The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.



## Ahmedabad Ring Road Infrastructure Limited

### Notes on accounts forming part of Financial Statements

- (ii) After impairment, depreciation/ amortization 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.

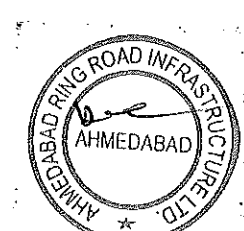
- (i) Toll Income:  
The revenue is recognized in the period of collection which generally coincide as and when the traffic passes through toll - plazas.
- (ii) Dividend:  
Dividend is recognized on receipt of the dividend income.
- (iii) Income from sale of units of mutual funds:  
Profit/ loss on sale of mutual funds are recognized when the title to mutual funds ceases to exist.
- (iv) 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.
- (ii) Conversion:  
Foreign currency monetary items are reported using the closing rate. 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 :  
The company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:
- Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.
  - All other exchange differences are recognized as income or as expenses in the period in which they arise.

#### 1.8 Grant:

Grant received or receivable from Ahmedabad Urban Development Authority (AUDA) is in the nature of promoters' contribution hence treated as capital receipt and is accounted as Capital Reserve.



## Ahmedabad Ring Road Infrastructure Limited

### Notes on accounts forming part of Financial Statements

#### 1.9 Investments:

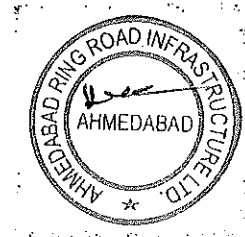
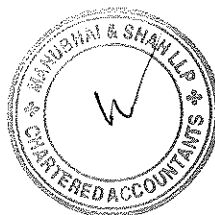
- (i) Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.
- (ii) On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.
- (iii) Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.
- (iv) On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

#### 1.10 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 period. 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:**  
Compensated absences which accrue to employees and which is expected to be utilized or encashed within the next 12 months from reporting date, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. As per Company policy, no leave are expected to be carried forward beyond 12 months from the reporting date.

#### 1.11 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.





## Ahmedabad Ring Road Infrastructure Limited

### Notes on accounts forming part of Financial Statements

#### 1.12 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.

#### 1.13 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.

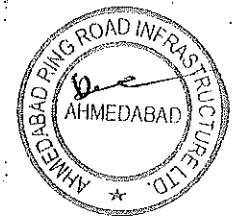
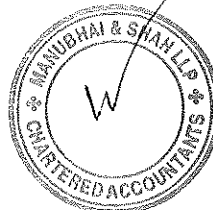
#### 1.14 Taxes on Income:

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 period. 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.
- (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.

#### 1.15 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.



## Ahmedabad Ring Road Infrastructure Limited

### Notes on accounts forming part of Financial Statements

- (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.

#### 1.16 Derivative Contracts:

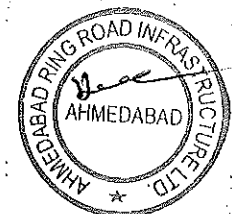
The Company uses derivative contracts to hedge its risks. In respect of derivative contracts, premiums paid, gains/ losses on settlement and provision for losses for cash flow hedges are recognised in the statement of profit and loss.

#### 1.17 Cash and Cash Equivalent:

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.

#### 1.18 General

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



**Ahmedabad Ring Road Infrastructure Limited**

**Notes on accounts forming part of Financial Statements**

**2 Share capital**

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

(₹ in Million)

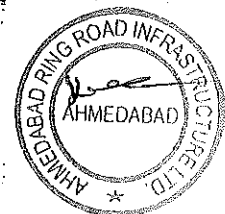
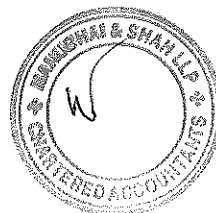
Particulars	As at	As at
	March 31, 2016	March 31, 2015
Authorised 10,500,000 Equity Shares of ₹10/- each (P.Y 10,500,000 Equity Shares of ₹10/- each)	105.00	105.00
<b>Total</b>	<b>105.00</b>	<b>105.00</b>
Issued , Subscribed and Paid Up 10,460,000 Equity Shares of ₹10/- each (P.Y 10,460,000 Equity Shares of ₹10/- each)	104.60	104.60
<b>Total</b>	<b>104.60</b>	<b>104.60</b>

- (ii) 104,60,000 Equity shares were outstanding as at beginning and end of the reporting period.
- (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. The amount distributed will be in proportion to the number of equity shares held by the shareholders.
- (iv) all issued, subscribed and paid up equity capital 10,460,000 shares (P.Y 8,368,000 shares) are held by holding company- Sadbhav Infrastructure Project Limited 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	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	% to Total	No. of Shares	% to Total
Sadbhav Infrastructure Project Ltd. (including nominees) (SIPL)	10,460,000	100.00%	8,368,000	80.00%
Patel Infrastructure Private Limited(PIPL)	-	0.00%	2,092,000	20.00%
	<b>10,460,000</b>	<b>100.00%</b>	<b>10,460,000</b>	<b>100.00%</b>

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.

- (vi) There were no shares reserved at the year-end for issue under options and contracts / commitments for the sale of shares / disinvestment.



**Ahmedabad Ring Road Infrastructure Limited**

Notes on accounts forming part of Financial Statements

**3 Reserves and surplus**

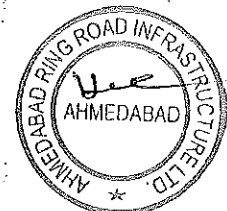
(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Capital Reserve</b>		
Grant from Ahmedabad Urban Development Authority (AUDA) As per Last Balance Sheet	360.00	360.00
<b>Securities Premium Reserve</b>		
As per Last Balance Sheet	416.40	416.40
<b>Surplus/(Deficit)</b>		
(Deficit) at the beginning of the Year	(674.96)	(414.76)
Add: Net Profit/ (Loss) after tax transferred from Statement of Profit and Loss	100.11	(260.21)
(Deficit) at the end of the Year	(574.85)	(674.97)
<b>Total</b>	<b>201.55</b>	<b>101.43</b>

**4 Long Term Borrowings**

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Secured</b>		
<b>Term loans from:</b>		
<b>Banks</b>		
- First Ranking		
Non-Current Portion	2,529.25	2,839.13
Current Maturities	293.13	134.00
	2,822.38	2,973.13
- Second Ranking		
Non-Current Portion	138.75	152.50
Current Maturities	13.75	10.00
	152.50	162.50
	<b>2,974.88</b>	<b>3,135.63</b>
<b>Finance Company</b>		
- First Ranking		
Non-Current Portion	377.50	423.75
Current Maturities	43.75	20.00
	421.25	443.75
Less: Current maturities disclosed under the head -Other current liabilities (Note No. 7)	(350.63)	(164.00)
<b>Total</b>	<b>3,045.50</b>	<b>3,415.38</b>



## Ahmedabad Ring Road Infrastructure Limited

### Notes on accounts forming part of Financial Statements

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

a) In respect of first ranking rupee loan :

The First Ranking Rupee Loans together with interest, additional interest, default interest, prepayment premium, costs, charges, expenses and other monies whatsoever stipulated and due to the First Ranking Lenders are secured by :

- 1 a first ranking pari passu mortgage/ charge over all the Company's immovable assets and on all movable assets (including but not limited to all current / non-current assets, goodwill, uncalled capital but excluding Project Assets) both present and future;
- 2 a first ranking pari passu charge over all Fees, revenues and receivables (including the book debts, commissions, operating cash flows) of the Company from the Project or otherwise;
- 3 a first ranking pari passu charge over/ assignment of all the rights, titles and interests of the Company in, to and in respect of all Project Documents, all guarantees, performance guarantees or bonds, letters of credit, liquidated damages that may be provided by any party to any Project Document in favour of the Company and Clearances (to the extent permitted) and all rights, titles, approvals, permits, clearances and interests and the Company's right, title, interest, benefit and claim in, to or under the Project Documents and Clearances;
- 4 assignment of all the Company's right, title, interest, benefit and claim of the Company in, to or under the Insurance Contracts, insurance policies and the Insurance Proceeds;
- 5 a first ranking pari passu charge over all bank accounts of the Company including without limitation, the Escrow Account (or any account in substitution thereof) and the Debt Service Reserve Account 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 and the Debt Service Reserve Account and any other bank accounts of the Company established pursuant to the Project Documents or otherwise;
- 6 a pledge of 30% of the equity share capital held by Sadbhav Infrastructure Project Limited ("Sponsors") in the share capital of the Company;
- 7 an irrevocable corporate guarantee from the Sponsors in favour of the Security Trustee, for the benefit of Senior Lenders, to cover any shortfall in the amount payable in respect of the Rupee Loan in the event of termination on any account as per the terms of the Concession Agreement.

b) In respect of Second ranking Rupee Loan

The Second Ranking Rupee Loan together with interest, additional interest, default interest, prepayment premium, costs, charges, expenses and other monies whatsoever stipulated and due to the Second Ranking Lenders are secured by way of a second ranking charge on the Security Interest stipulated in 1 to 7 in para (i) above to be created in favour of the Security Trustee for the benefits of the Second Ranking Lenders.

(ii) Terms of Repayment of Loans:

a) First Ranking Rupee Loan

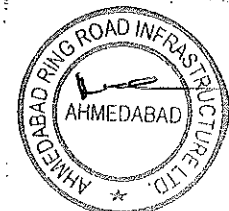
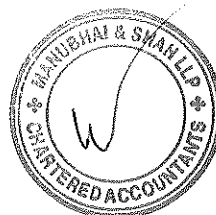
The First Ranking Rupee Loan is repayable to each lender in 50 structured quarterly installments commencing from August 31, 2009. As per repayment schedule of the loan agreement, the principal amount outstanding under the said agreement shall be repaid by November 30, 2021.

The loans carry average interest rate of 10.40 per cent to 11.05 per cent per annum.

b) Second Ranking Rupee Loan

The Second Ranking Rupee Loan is repayable to the lender in 52 structured quarterly installments commencing from August 31, 2011. As per repayment schedule of the loan agreement, all the principal amount outstanding under the said agreement shall be repaid by May 31, 2024.

The loans carry average interest rate of 12.10 per cent per annum.



**Ahmedabad Ring Road Infrastructure Limited**

**Notes on accounts forming part of Financial Statements**

**5 Long Term Provisions**

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for Income Tax (Net of Advance Tax and Tax Credit Receivable)	-	80.83
Provision for Major Maintenance (Refer Note No.33)	182.16	35.86
<b>Total</b>	<b>182.16</b>	<b>116.69</b>

**6 Trade Payables**

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Outstanding dues to small, micro and medium enterprises**	-	-
Outstanding dues to others	17.73	172.08
<b>Total</b>	<b>17.73</b>	<b>172.08</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 auditor.

**7 Other Current Liabilities**

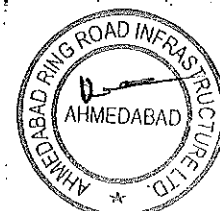
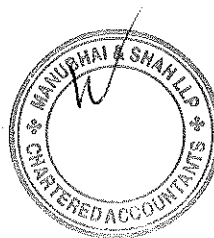
(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Current Maturities of Secured Long-term Borrowings	350.63	164.00
Interest accrued but not due on borrowings	0.86	0.97
Statutory dues	2.45	1.40
Employee benefits payable	7.32	7.30
Advertisement income received in advance	0.09	0.01
Security & Other Deposits from Sub - Contractor & others	27.55	28.26
Unearned Revenue	0.29	-
Due to Bank in Current Account ( Book OD)	0.03	-
Payable to AUDA (Refer Note No.34(ii))	36.78	36.78
<b>Total</b>	<b>426.00</b>	<b>238.72</b>

**8 Short Term Provisions**

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for Gratuity (Refer Note No.26 ) (Net of Gratuity Plan Asset)	0.67	0.72
Leave Provision	0.57	0.54
<b>Total</b>	<b>1.24</b>	<b>1.26</b>



Ahmedabad Ring Road Infrastructure Limited

Notes on accounts forming part of Financial Statements

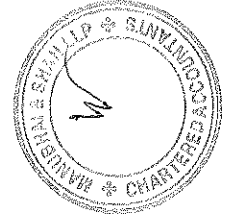
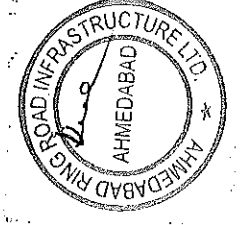
9 Fixed Assets

(₹ in Million)

Sr. No.	Particulars	Gross Block				Depreciation and Amortisation			Net Block	
		As at April 1, 2015	Additions during the Year	Adjustments/ deductions during the Year	As at March 31, 2016	As at April 1, 2015	For the Year	Adjustment/ deductions during the Year	As at March 31, 2016	As at March 31, 2015
(i)	Tangible Assets									
	Building	4.90	-	4.90	-	1.64	0.08	1.73	0.00	3.25
	Plant and Equipments	113.22	0.54	-	113.76	42.08	14.80	-	56.88	71.14
	Furniture and Fixtures	4.03	-	-	4.03	2.87	0.37	-	3.24	1.15
	Vehicles	14.10	3.62	-	17.71	9.31	2.34	-	6.06	4.79
	Computer	8.61	0.28	-	8.89	7.78	0.39	-	8.17	0.83
	Office Equipments	0.84	-	-	0.84	0.22	0.20	-	0.42	0.62
	Advertisement hoardings under Disposal (Refer Note 1)	5.05	-	2.92	2.12	-	-	-	2.12	5.05
	Total (i)	150.74	4.43	7.82	147.35	63.90	18.19	1.73	80.36	86.84
	Previous Year	152.95	3.59	5.80	150.74	45.57	19.44	1.11	63.90	86.84
(ii)	Intangible Assets:									
	Right for Toll Collection									
	-Two Lane Sardar Patel Ring Road	2,300.00	-	-	2,300.00	427.50	85.05	-	512.55	1,787.45
	-Four Lane Sardar Patel Ring Road	2,395.07	-	-	2,395.07	422.18	89.61	-	511.79	1,883.29
	-Toll Plaza Booth Work	80.20	-	-	80.20	5.24	3.19	-	8.43	71.77
	-Computer Software	-	1.26	-	1.26	-	0.27	-	0.27	0.99
	Total (ii)	4,775.27	1.26	-	4,776.53	854.91	178.12	-	1,033.03	3,743.49
	Previous Year	4,775.27	-	-	4,775.27	695.31	159.61	-	854.91	3,920.35
(iii)	Intangible assets under development									
	Toll Plaza Booth Work	2.64	-	-	2.64	-	-	-	-	2.64
	Total (iv)	2.64	-	-	2.64	-	-	-	-	2.64
	Previous Year	2.64	-	-	2.64	-	-	-	-	2.64

Note:-

1 Advertisement hoardings under disposal are stated at the lower of their net book value or net realisable value.



**Ahmedabad Ring Road Infrastructure Limited**

Notes on accounts forming part of Financial Statements

10 Non-current investments

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Investment Property - ( At Cost )		
-Land at Kadi	1.25	1.25
-Land at Chennai	0.90	-
<b>Total</b>	<b>2.15</b>	<b>1.25</b>

Note: The land at Chennai is measuring 2213 square feet & land at Kadi is measuring 22000 square meter and these have been mortgaged as security against Term Loans.

11 Long Term Loans and Advances

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, Considered Good		
Security Deposits	1.33	1.21
Tax Credit Receivable	1.33	3.91
<b>Total</b>	<b>2.66</b>	<b>5.12</b>

12 Current Investments

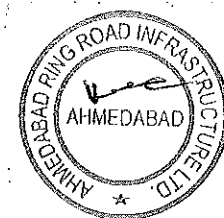
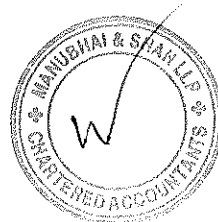
(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
ICICI PRUDENTIAL LIQUID - REGULAR PLAN-GROWTH (Current Year:- 233,823.889 Units Previous Year:- NIL)	66.46	-
<b>Total</b>	<b>66.46</b>	<b>-</b>

13 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	3.29	3.71
	3.29	3.71
Unsecured, Considered Doubtful		
- Outstanding for more than Six Months from the date they became due for payment	0.44	0.70
Less: Provision for Bad and Doubtful Debts	(0.44)	(0.70)
<b>Total</b>	<b>3.29</b>	<b>3.71</b>





**Ahmedabad Ring Road Infrastructure Limited**

**Notes on accounts forming part of Financial Statements**

**14 Cash and Cash Equivalents**

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Balances with Banks in current accounts	16.97	45.95
Cash on hand	4.51	4.24
<b>Total</b>	<b>21.48</b>	<b>50.19</b>

Balances with Banks including balances lying in the Escrow Accounts are offered as a security against borrowings as per terms of borrowings with the lenders.

**15 Short Term loans and Advances**

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Unsecured, Considered Good</b>		
Loan to Holding Company ( Refer Note 29 )	-	13.38
Prepaid expenses	2.17	1.58
Tax Receivable	2.87	-
Advances to Staff	-	0.39
Others ( amounting to Rs. 671/- & Previous Year NIL)	*	-
<b>Total</b>	<b>5.04</b>	<b>15.35</b>

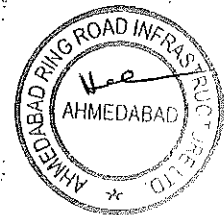
\* Amount is below rounding off norm adopted by the Company.

There was no amount due from Directors, officers of the company, private companies in which director of the company is director or member.

**16 Other Current Assets:**

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Grant Receivable from AUDA (Refer Note 35 )	64.24	64.24
Interest on Tax Receivable	0.34	-
Interest accrued on Loan given to Holding Company ( Refer Note 29 )	-	0.47
<b>Total</b>	<b>64.58</b>	<b>64.71</b>



Ahmedabad Ring Road Infrastructure Limited

Notes on accounts forming part of Financial Statements

17 Revenue from Operations

(₹ in Million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Revenue from Toll Collection	911.59	837.67
Advertisement Income	20.27	16.38
<b>Total</b>	<b>931.86</b>	<b>854.05</b>

18 Other income

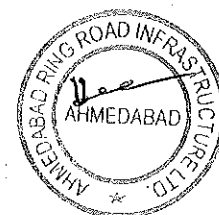
(₹ in Million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Interest on Loan to Holding Company (Refer Note 29)	0.31	5.84
Interest on Income Tax Refund	0.76	0.38
Gain on sale of Investments (net)	3.20	1.76
Interest on Fixed Deposit	0.06	-
Insurance Claim received	0.55	0.25
Trade Payables written back	0.04	0.55
Bad Debt Recovered	0.04	-
Provision for Doubtful Debts Written Back	0.28	-
Profit on sale of Fixed Assets (net)	9.33	0.12
<b>Total</b>	<b>14.57</b>	<b>8.90</b>

19 Operating Expenses

(₹ in Million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Road Maintenance	35.24	50.12
Major Maintenance Expenses (Refer Note No. (b))	146.30	63.40
Toll Plaza Operation Expenses	2.98	4.63
Repairs and Maintenance:		
- Toll Plaza & Other Equipments	6.15	7.91
- Site Vehicles	1.14	1.39
	<b>7.29</b>	<b>9.30</b>
Auda Toll Collection levy	9.11	8.37
Power and Fuel	11.78	12.18
Printing and Stationery	1.52	1.85
<b>Total</b>	<b>214.22</b>	<b>149.85</b>



Ahmedabad Ring Road Infrastructure Limited

Notes on accounts forming part of Financial Statements

20 Employee benefit expenses

(₹ in Million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Salaries, Wages and Bonus (including managerial remuneration)	69.96	59.53
Contribution to Provident Fund, Employees state Insurance Fund & Other Fund	4.53	3.60
Gratuity expense	0.69	1.71
Staff welfare expenses	3.13	3.20
<b>Total</b>	<b>78.31</b>	<b>68.04</b>

21 Finance Costs

(₹ in Million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Interest on:		
- Term loans from Banks and Other Party	413.29	445.17
- Interest on delayed payment of Statutory Dues (Rs. 3664/-)	*	0.38
Other Borrowing Costs:		
Bank and Other Charges	0.35	0.11
<b>Total</b>	<b>413.64</b>	<b>445.66</b>

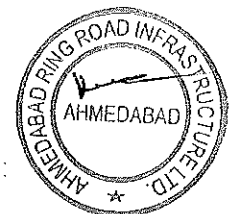
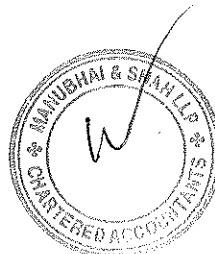
\* Amount is below rounding off norm adopted by the Company.

22 Other expenses

(₹ in Million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Rent	2.08	2.05
Rates & Taxes ( Rs. 3200/-)	*	0.01
Insurance	2.09	2.79
Legal and Professional fees	14.93	8.60
Telephone and Postage	1.45	1.56
Travelling and Conveyance	0.51	0.83
Printing and Stationery	0.15	0.15
Auditor's remuneration ( Refer Note no. 23 )	0.35	0.24
Cash Collection Charges	1.84	1.67
Computer Expenses	0.49	0.15
Advertisement expenses	0.84	1.25
Bad Debts Written off	0.49	0.40
Provision for Doubtful Debts	0.01	0.70
Donation	0.56	1.47
Miscellaneous expenses	1.76	0.24
<b>Total</b>	<b>27.55</b>	<b>22.11</b>

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



Ahmedabad Ring Road Infrastructure Limited

Notes on accounts forming part of Financial Statements

23 Auditors' remuneration (inclusive of Service Tax, wherever applicable) :

(₹ in Million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Statutory Audit	0.29	0.23
Tax Audit	0.04	-
Certification Fees	0.01	0.01
Total	0.34	0.24

24 Commitments :

The Company has entered in to an OIS Agreement with ICICI Bank Limited on 27th December, 2007. The Maturity date of the OIS is 28th December, 2015. The Mark to market valuation of this OIS Agreement with ICICI bank concluded till March 31, 2016 is ₹ NIL Million ( P.Y: ₹ 33.15 Million).

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

26 Employee Benefits :

(a) Defined Contribution Plan:

Amount recognised as an expense and included in Note No. 20 "Contribution to provident and Employees state insurance scheme" ₹ 4.53 Million (P.Y ₹ 3.60 Million) towards Provident fund, ESI scheme and Ashray Benevolent.

(b) Defined Benefit Plan- Gratuity:

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.

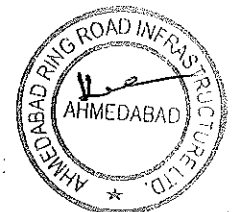
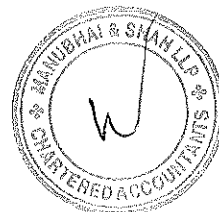
The following tables summaries the components of net benefit expense recognised in the statement of profit and loss and amounts recognised in the balance sheet :

(₹ in Million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>Statement of Profit and Loss</b>		
Net amount recognized in the statement of profit and loss is as follows:		
Current service cost	1.08	0.56
Interest cost on defined benefit obligation	0.29	0.19
Expected return on plan assets	(0.32)	(0.26)
Net actuarial losses / (gains) recognized	(0.38)	1.13
<b>Net amount recognized the Statement of Profit &amp; Loss</b>	<b>0.69</b>	<b>1.63</b>

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Net Liability/ (Plan Asset) recognised in the Balance Sheet</b>		
Defined benefit obligation	4.67	3.90
Fair Value of Plan Assets	4.00	3.18
<b>Liability/ (Plan Asset)</b>	<b>0.67</b>	<b>0.72</b>
<b>Changes in the present value of the defined benefit obligation are as follows:</b>		
Opening defined benefit obligation	3.90	2.19
Interest cost	0.29	0.19
Current service cost	1.08	0.56
Benefits paid	(0.19)	(0.11)
Actuarial (gains)/ losses on obligation	(0.42)	1.06
<b>Closing defined benefit obligation</b>	<b>4.67</b>	<b>3.90</b>



Ahmedabad Ring Road Infrastructure Limited

Notes on accounts forming part of Financial Statements

(₹ in Million)

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Reconciliation of Fair Value of Plan Assets		
Plan Assets as at the beginning of the Period	3.18	2.71
Expeses deducted from Fund	(0.06)	(0.05)
Expected return on plan assets	0.32	0.26
Contribution during the Period	0.74	0.46
Benefits paid	(0.19)	(0.19)
Actuarial (gains)/ losses on obligation	0.02	(0.01)
Fair value of Plan Assets at the Year End	4.00	3.18

Principal assumptions used in determining gratuity obligation:

Assumptions	As at	As at
	March 31, 2016	March 31, 2015
Discount rate	7.90%	7.80%
Expected rate of salary increase	7.00%	7.00%
Withdrawal rate	3% to 15% depending on age	1% to 3% depending on age
Mortality rate	IALM (2006-08) published table of mortality rates	IALM (2006-08) published table of mortality rates

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.

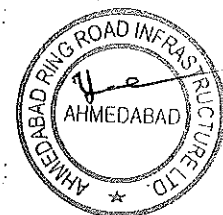
27 Earning Per Share (EPS) (Not Annualised):

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	March 31, 2016	March 31, 2015
Net (Loss)/Profit as per Statement of Profit & Loss	₹ in Million	100.11	(260.21)
Weighted average of number of equity shares outstanding during the period	No.	10,460,000	10,460,000
Basic & Diluted Earning/(Loss) per share of face value of ₹10 each	₹	9.57	(24.88)

28 Segment Reporting:

The Company is engaged in one reportable segment viz infrastructure development. Therefore disclosures as per Accounting Standard (AS) - 17 "Segment Reporting" are not given. Further, the Company is carrying its business only in one geographical segment.



Ahmedabad Ring Road Infrastructure Limited

Notes on accounts forming part of Financial Statements

29 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 Holding Company	Sadbhav Engineering Limited (SEL) Sadbhav Infrastructure Project Ltd. (SIPL)
2	Fellow Subsidiary Company	Shreenathji Udaipur Tollway Private Limited (SUTPL)
3	Key Management Personnel	Shri Vikramkumar R Patel (Managing Director) Shri Vishnubhai M Patel (Director)

(b) Transactions with Related Parties during the year ended March 31, 2016:

(₹ in Million)

Sr. No.	Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
(i)	Office Rent - SEL	2.05	2.02
(ii)	Periodic Maintenance Expenses - SIPL	-	249.17
(iii)	Project Management Fees - SIPL	13.67	5.62
(iv)	Unsecured Loan Received - SIPL	13.20	-
(v)	Interest paid on Unsecured loan (including TDS) - SIPL	0.22	-
(vi)	Unsecured loan paid - SIPL	13.20	-
(vii)	Unsecured loan recovered including interest thereon - SIPL	13.65	204.54
(viii)	Directors Remuneration - Shri Vikramkumar R. Patel	3.00	3.06
(ix)	Reimbursement of Expenses ( Payable) - SUTPL - Shri Vishnubhai M Patel	0.18 -	- 0.14

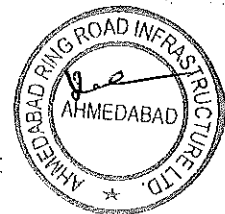
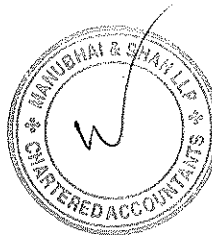
(c) Balance outstanding as at March 31, 2016 :

(₹ in Million)

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
(i)	Payable toward Expenses - SEL	3.83	2.92
(ii)	Unsecured Loan recoverable - SIPL	-	13.38
(iii)	Interest Receivable on Unsecured Loan - SIPL	-	0.47
(iv)	Unsecured Loan payable ( including interest) - SIPL	-	-
(v)	Payable towards Operation and Maintenance, Project Consultancy and reimbursement of Expense (including - SIPL	29.48	180.88
(vi)	Remuneration payable - Shri Vikramkumar R. Patel	0.17	0.21
(vii)	Payable towards reimbursement of Expenses - SUTPL - Shri Vishnubhai M Patel	- -	- 0.14

30 Operating Leases:

Office premises of the Company are taken on operating lease. The lease rent paid during the year ended March 31, 2016 is ₹ 2.05 Million (P.Y ₹ 2.02 Million).



Notes on accounts forming part of Financial Statements

31 Details of Deferred tax asset (net) :

In accordance with Accounting Standard 22 "Accounting for Taxes on Income", the Company has Net Deferred Tax Assets (DTA) of ₹ 77.76 Million ( P.Y ₹ 152.42 Million). Having regard to consideration of the fact that Company is entitled to deduction u/s 80IA of the Income tax Act, the Company will not have taxable income against which the DTA will be realised. Further, as a matter of prudence deferred tax assets only to the extent of the amount of deferred tax liabilities, as above, have been recognized. 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
<b>A.</b>	<b>Deferred Tax Assets</b>		
(i)	Carry forward business losses and unabsorbed depreciation as per Income Tax Act, 1961	854.33	995.67
(ii)	Major Maintenance Reserve	45.21	-
	<b>Deferred Tax Assets</b>	<b>899.53</b>	<b>995.67</b>
<b>B.</b>	<b>Deferred Tax Liability</b>		
(i)	Difference between book and tax amortization	(820.72)	(839.07)
(ii)	Difference between book and tax depreciation	(1.06)	(4.18)
	<b>Deferred Tax Liability</b>	<b>(821.77)</b>	<b>(843.25)</b>

32 Current Tax:

No provision is made for Income Tax, as the company does not have taxable income during the financial year.

33 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 Authority (AUDA) as per the maintenance standards prescribed in Concession agreement.

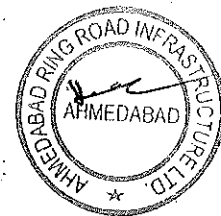
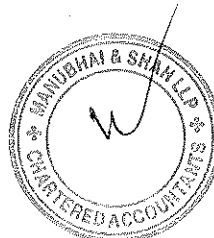
For this purpose, a regular maintenance along with periodic maintenance is required to be performed. Normally periodic maintenance includes resurface of pavements, repairs of structures, repairs and refurbishment of tolling system and other equipments.

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 ₹146.30 Million/- (Previous Year ₹285.07 Million/-) for periodic Major Maintenance in respect of its resurfacing obligation

(b) Movement in Periodic Major Maintenance Provision:

Particular	Year ended March 31, 2016	Year ended March 31, 2015
Carrying amount as at beginning of the Year	35.86	-
Add:		
- Additional provision made in the Year	146.30	285.07
Less:		
- Amounts used (i.e. incurred and charged against the provision) during the Year	-	249.20
- Unused amounts reversed during the Year	-	-
<b>Carrying amount at Year End</b>	<b>182.16</b>	<b>35.86</b>



Ahmedabad Ring Road Infrastructure Limited

Notes on accounts forming part of Financial Statements

34 Exceptional Items :

Exception items during the previous year consisted of the following:

(₹ in Million)

Sr. No.	Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
(i)	Provision for Periodic Maintenance	-	221.66
(ii)	Amount payable to AUDA for toll collected by the Company during the construction period without approval from AUDA	-	36.79
	Total	-	258.45

35 Grant Receivable from AUDA:

The Company has requested AUDA to adjust the amount payable in respect of toll collected during construction period without approval from AUDA as referred to in note 34 above against the Grant of ₹ 64.24 Million receivable as per the concession agreement dated September 7, 2006.

36 Contingent Liability

(₹ in Million)

Sr. No.	Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
(i)	Claims against the company not acknowledged as debts	8.38	-


Note: Interest charged by IIFCL at higher than agreed rate and the same is not accepted by the company.

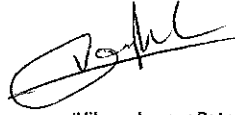
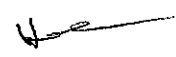
37 Previous year figures:

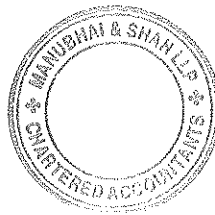
Previous year's figures have been regrouped, rearranged and reclassified wherever necessary to facilitate comparability with current year's classification.

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


For & on behalf of the Board of Directors of  
Ahmedabad Ring Road Infrastructure Limited

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

   
(Vikramkumar Patel) (Vishnubhai M Patel)  
Managing Director Director  
DIN: 48318 DIN: 48287



Place: Ahmedabad  
Date: April 21, 2016

  
(Aditya Patel)  
Company Secretary  
Place: Ahmedabad  
Date: April 21, 2016

