

Manubhai & Shah LLP

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To The Members of Bijapur-Hungund Tollway Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Bijapur-Hungund Tollway Private 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.



"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"

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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 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 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 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 - A"
 - (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 has disclosed the impact of pending litigations on its financial position in



Manubhai & Shah
Chartered Accountants

its financial statements – Refer Notes 26 and 27 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.

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



K.C. Patel

(K.C Patel)
Partner
Membership No. 30083

Place: Ahmedabad
Date : April 22, 2106

Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Bijapur-Hungund Tollway Private Limited on the financial statements for the year ended 31st 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) 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.

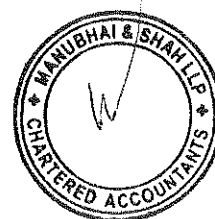
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, service tax, value added tax, cess and



other material statutory dues were in arrears as at 31st 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 Section 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 22,2016



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

K C Patel

(K C Patel)
Partner
Membership No. 30083

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF BIJAPUR-HUNGUND TOLLWAY PRIVATE LIMITED

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

We have audited the internal financial controls over financial reporting of Bijapur-Hungund Tollway Private 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.



Place: Ahmedabad
Date: April 22, 2016

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

(K C Patel)
Partner
Membership No.30083


Bijapur-Hungund Tollway Private Limited
Balance Sheet as at March 31, 2016

(₹ in Million)

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
I Equity and Liabilities			
(1) Shareholders' funds			
Share capital	2	1,009.60	1,009.60
Reserves and surplus	3	1,069.33	1,455.89
		2,078.93	2,465.49
(2) Non-Current Liabilities			
Long-term borrowings	4	8,983.23	9,135.30
Other Long-term Liabilities	5	1.19	0.69
Long-term provisions	6	697.99	447.20
		9,682.41	9,583.19
(3) Current liabilities			
Trade Payables	7	9.57	16.18
Other current liabilities	8	355.44	347.11
		365.01	363.29
Total		12,126.35	12,411.97
II Assets			
(1) Non-current assets			
Fixed Assets	9		
- Tangible assets		3.63	4.06
- Intangible assets		11,775.22	11,959.20
Non-current investments	10	0.94	0.94
Long-term loans and advances	11	15.25	16.64
Other non-current assets	12	33.67	52.93
		11,828.71	12,033.77
(2) Current assets			
Trade Receivables	13	0.03	-
Cash and cash equivalents	14	265.82	347.06
Short-term loans and advances	15	3.95	3.38
Other current assets	16	27.84	27.76
		297.64	378.20
Total		12,126.35	12,411.97
Significant Accounting Policies	1		

Accompanying notes are an integral part of the financial statements

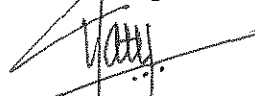
As per our report of even date
For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Registration No. 106041W



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



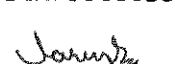
Place: Ahmedabad
Date: 22/04/2016

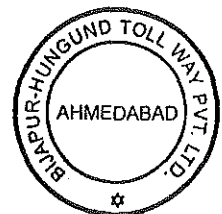
For & On behalf of the Board of Directors of
Bijapur-Hungund Tollway Private Limited


(Vasistha Patel)
Managing Director
DIN: 00048324


(Gaurav Vesasi)
Company Secretary
M. No. - F7544
Place: Ahmedabad
Date: 22/04/2016


(Nitin Patel)
Director
DIN: 00466330


(Varun Mehta)
C.F.O



Bijapur-Hungund Tollway Private Limited
Statement of Profit and Loss for 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	1,147.65	1,043.51
II Other income	18	22.30	47.98
III Total Revenue (I + II)		1,169.95	1,091.49
IV Expenses:			
Operating Expenses	19	294.34	270.87
Employee benefits Expense	20	25.04	20.49
Finance costs	21	869.21	898.57
Depreciation and Amortisation	9	347.18	311.23
Other expenses	22	20.73	36.64
Total Expenses		1,556.50	1,537.80
V (Loss) for the Year (III - IV)		(386.55)	(446.31)
VI Earning per Equity Share of ₹ 10/- each	30		
(1) Basic		(3.83)	(4.42)
(2) Diluted		(3.83)	(4.42)
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: 22/04/2016

For & On behalf of the Board of Directors of
Bijapur-Hungund Tollway Private Limited

Vasistha Patel

(Vasistha Patel)
Managing Director
DIN: 00048324

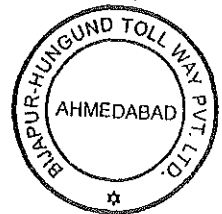
Gaurav Vesasi
(Gaurav Vesasi)
Company Secretary
M. No. - F7544

Place: Ahmedabad
Date: 22/04/2016

Nitin Patel

(Nitin Patel)
Director
DIN: 00466330

Varun Mehta
(Varun Mehta)
C.F.O



Bijapur-Hungund Tollway Private Limited
Cash Flow Statement for the Year ended March 31, 2016

(₹ in Million)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
(A) Cash flows from operating activities		
(Loss) Before Tax	(386.55)	(446.31)
Adjustments for:		
Depreciation and amortisation	347.18	311.23
Finance Costs	869.21	898.57
Interest on Fixed Deposits with Banks	(21.35)	(15.11)
Gain on sale of Units of Mutual fund Investments (net)	-	(31.55)
Cash generated before Effect of Working capital	808.48	716.83
Adjustments for:		
(Increase)/Decrease in loans and advances	0.80	(7.67)
(Increase)/Decrease in other assets	(0.72)	(6.95)
(Decrease)/Increase in trade payables	(6.61)	3.34
(Increase)/ Decrease in Trade Receivables	(0.03)	
(Decrease)/Increase in Other liabilities	1.30	0.58
(Decrease)/Increase in long-term provisions	250.78	232.19
Net cash flow from operating activities (A)	1,053.98	938.32
(B) Cash Flows from investing activities		
Purchase of Fixed Assets	(1.18)	(2.56)
Sale of Investment in Units of Mutual Fund including gain on sale	-	584.80
Interest income on Fixed Deposits with Banks	22.00	13.56
Net cash from/ (used in) investing activities (B)	20.82	595.80
(C) Cash Flows from financing activities		
Repayment of long term borrowings	(307.73)	(333.74)
Interest and other Finance cost paid	(848.32)	(879.78)
Net cash used in financing activities (C)	(1,156.05)	(1,213.52)
Net increase in cash and cash equivalents (A + B + C)	(81.24)	320.60
Cash and cash equivalents at beginning of the Year	347.06	26.46
Cash and cash equivalents at end of the Period	265.82	347.06

Notes:

- (i) The cash flow statement has been prepared under indirect method as per Accounting Standard (AS) -3 "Cash Flow Statement".
- (ii) Refer Note 14 to the Balance sheet for components of cash and cash equivalents.
- (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
(K. C. Patel)
Partner
Membership No.30083



Place: Ahmedabad
Date: 22/04/2016

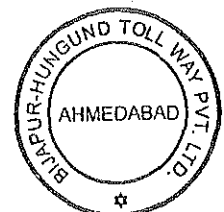
For & On behalf of the Board of Directors of
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Vasistha Patel
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Managing Director
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G. Vesasi
(Gaurav Vesasi)
Company Secretary
M. No. - F7544
Place: Ahmedabad
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Nitin Patel
(Nitin Patel)
Director
DIN: 00466330

Varun Mehta
(Varun Mehta)
C.F.O



Bijapur-Hungund Tollway Private Limited

Notes on accounts forming part of Financial Statements

Overview of the Company :

Bijapur- Hungund Tollway Private Limited ("the Company") was incorporated as a Special Purpose Vehicle (SPV) in February, 2010, for the purpose of four laning of Bijapur- Hungund section of NH-13 from KM 102 to KM 202 in the state of Karnataka on Design, Built, Finance, Operate and Transfer (DBFOT) Toll basis. The Company has entered into Concession Agreement with National Highways Authority of India (NHAI) with a Concession Period of 20 years including construction period of 910 days. The Company has obtained completion certificate on 20th June 2012 from the National Highway Authority of India.

1 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:

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.

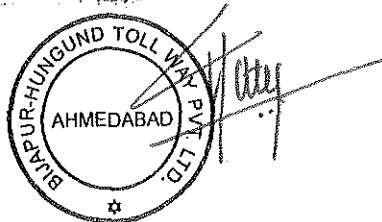
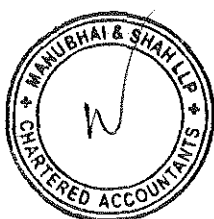
1.3 Fixed Assets:

(i) Tangible Assets

Tangible Assets are stated at cost less accumulated depreciation and impairment losses, if any. Direct cost inclusive of all expenditure of capital in nature attributable to bring the Tangible assets to working condition, duties and taxes, incidental expenses including interest relating to acquisition and cost of improvements thereon are capitalized until tangible fixed 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.



Bijapur-Hungund Tollway Private Limited

Notes on accounts forming part of Financial Statements

(ii) Intangible Assets - Toll Collection Rights

An intangible asset is recognized, 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 NHAI 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 Amortization

(i) Depreciation

Depreciation on tangible 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 fixed assets purchased/ sold during the year, depreciation is provided on a pro-rata basis from/ upto the date on which such asset is ready to be put to use/ sold as the case may be. Tangible project assets, are amortized on straight line basis from the date on which such project asset is ready to be put to use till the end of concession period.

(ii) Amortization

(a) Toll Collection Rights are amortised based on proportion of actual revenue received during the accounting year to the total projected revenue till the end of the concession period prescribed under Schedule II to the Companies Act, 2013.

(b) The total projected revenue for the entire useful life is reviewed at the end of each financial year 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.

(c) Cost of software is amortised on Written Down Values Basis over its estimated useful life of 3 Years.

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.

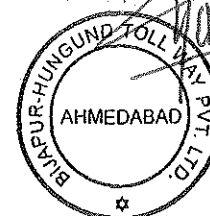
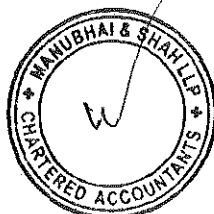
(ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

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:

The revenue is recognized as and when the traffic passes through toll - plazas.



Bijapur-Hungund Tollway Private Limited

Notes on accounts forming part of Financial Statements

- (ii) 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.
- (iii) Interest:
Interest on bank deposits are recognized on a time proportion basis taking into account the amounts invested and the rate applicable.
- (iv) Rent Income:
Rent income from rest area is recognized on accrual basis.

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) 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 :

The company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

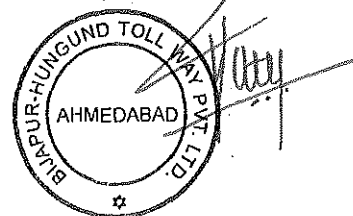
- Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.
- All other exchange differences are recognized as income or as expenses in the period in which they arise.

1.8 Grant:

Grant received from National Highways Authority of India is in the nature of promoters' contribution. Hence treated as capital receipt and is accounted as Capital Reserve.

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. Long term investments are carried at cost less provision for diminution, other than of temporary nature, in value of such investments.



Bijapur-Hungund Tollway Private Limited

Notes on accounts forming part of Financial Statements

- (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 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 charged 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 that are 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.

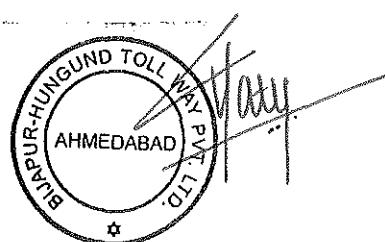
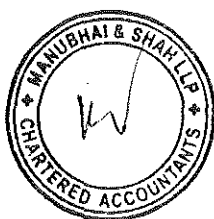
1.12 Leases:

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 Profit and Loss account 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 period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.



Bijapur-Hungund Tollway Private Limited

Notes on accounts forming part of Financial Statements

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 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.

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 and 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 Assets 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:

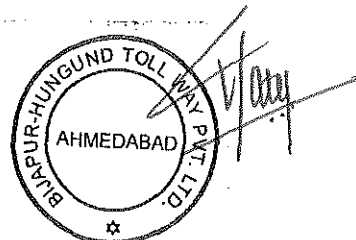
The Company uses derivative contracts to hedge its risks. The outstanding derivative contracts at the balance sheet date are valued by marking them to market and losses, if any, are recognised in the Statement of Profit and Loss. The premium paid in respect of option contracts is amortised as expense over the life of the contract.

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.



Bijapur-Hungund Tollway Private 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
Authorised 101,000,000 Equity Shares of ₹ 10 each (P.Y 101,000,000 Equity Shares of ₹ 10/- each)	1,010.00	1,010.00
Total	1,010.00	1,010.00
Issued, Subscribed and Paid Up 100,960,000 Equity Shares of ₹ 10/- each (P.Y 100,960,000 Equity Shares of ₹ 10/- each)	1,009.60	1,009.60
Total	1,009.60	1,009.60

(ii) Reconciliation of number of equity shares outstanding as at beginning and end of the year is as under:

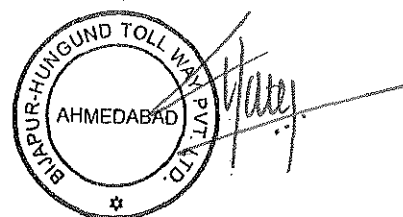
Particulars	As at March 31, 2016	As at March 31, 2015
Number of Shares Outstanding at the beginning and end of the Year	100,960,000	100,960,000

(iii) Rights, Preferences and Restrictions attached to Equity Shares:

- (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 to be 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 77,739,200 shares (P.Y 77,739,200 shares) are held by Sadbhav Infrastructure Project Limited- holding company and its nominees. This includes , 100 shares (Previous Year 100 Shares) held by Sadbhav Engineering Limited- Ultimate Holding Company, on behalf of Sadbhav Infrastructure Project Limited which is the beneficial owner.
- (v) 23,742,000 equity shares were allotted as fully paid bonus shares during the year 2011-12.
- (vi) 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.**	77,739,200	77%	77,739,200	77%
Montecarlo Ltd.	23,220,800	23%	23,220,800	23%
Total	100,960,000	100%	100,960,000	100%

** 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.



Bijapur-Hungund Tollway Private 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
Capital Reserve- Grant from NHAI As per Last Balance Sheet	2,735.99	2,735.99
Surplus/(Deficit) (Deficit) as at the beginning of the Year	(1,280.10)	(833.79)
Add: Net loss transferred from Statement of Profit and Loss	(386.55)	(446.31)
(Deficit) as at the end of the Year	(1,666.65)	(1,280.10)
Total	1,069.34	1,455.89

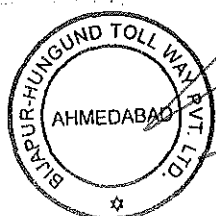
4 Long Term Borrowings:

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Term Loans		
Secured :		
From Banks		
Indian Rupee Term Loans		
Non-Current Portion	5,523.68	5,741.11
Current Maturities	217.52	217.52
	5,741.20	5,958.63
Foreign Currency loan		
Non-Current Portion	2,687.70	2,634.98
Current Maturities	104.81	98.90
	2,792.51	2,733.88
Less: Amount Receivable from Derivative Settlement of Foreign Currency Loans		
Non-Current Portion	(324.15)	(336.79)
Current Maturities	(12.64)	(12.64)
	(336.79)	(349.43)
	8,196.92	8,343.08
Less: Current maturities disclosed under the head -Other current liabilities	(309.69)	(303.78)
	7,887.23	8,039.30
Unsecured :		
Loans and advances from Promoters (Refer Note 32) (Sub-Ordinate Debt from Promoters, in terms of Common Rupee Loan Agreement and Facility Agreement)	1,096.00	1,096.00
Total	8,983.23	9,135.30

(i) Refinancing of Existing Rupee Loans:

Company has been sanctioned amount of ₹ 596.00 Crore by HDFC Bank Limited for refinancing of existing rupee loans. The documents in respect thereof are under finalisation stage. Consequent upon refinancing, the existing rupee loans will be replaced by fresh rupee loans as sanctioned by HDFC Bank Limited. Since the existing rupee loans shown above will be replaced by long term loan, the same are continued to be classified as Non Current liabilities.



Bijapur-Hungund Tollway Private Limited

Notes on accounts forming part of Financial Statements

(ii) Security details:

The details of Security in respect of Indian Rupee Term loans and Foreign Currency loans are as under:

Rupee Term Loans and Foreign Currency Loans from banks are secured by:

- 1 a first mortgage and charge on all the Company's immovable properties, both present and future, save and except the Project Assets;
- 2 a first charge on all the Company's tangible moveable assets, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future, save and except the Project Assets;
- 3 a first charge over all accounts of the Company including the Escrow Account and the Sub-Accounts (or any account in substitution thereof) opened in accordance with this Agreement and the Supplementary Escrow Agreement, or any of the other Project Documents and all funds from time to time deposited therein, the Receivables and all Permitted Investments or other securities.
- 4 a first charge on all intangibles assets of the Company including but not limited to goodwill, rights, undertakings and uncalled capital present and future excluding the Project Assets .
- 5 a first charge on assignment by way of security in:
 - (a) all the right, title, interest, benefits, claims and demands whatsoever of the Company in the Project Documents;
 - (b) the right, title and interest of the Company in, to and under all the Clearances;
 - (c) all the right, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents;
 - (d) all the right, title, interest, benefits, claims and demands whatsoever of the Company under all Insurance Contracts.
- 6 pledge of equity shares held by Sadbhav Infrastructure Project Limited and Montecarlo Limited aggregating to 26% of the paid up and voting equity share capital of the Company.

Notes:

- (a) the aforesaid mortgages, charges, assignments and guarantees and the pledge of equity shares as stipulated in paragraph 6 above shall in all respects rank pari-passu inter-se amongst the Lenders and the Working Capital Lenders, in accordance with the Concession Agreement, without any preference or priority to one over the other or others;
- (b) the Security Interest shall exclude the Project Assets (as defined in and in accordance with the Concession Agreement), unless such security is consented to by NHAI pursuant to the Concession Agreement.

(iii) Terms of Repayment of Loans:

In respect of:

(a) Indian Rupee Term Loans From Banks:

The Principal Amounts of the Loan to each of the Lenders shall be repayable in 37 equal quarterly installments on the last day of each quarter, commencing from the expiry of Moratorium Period (14 quarters from initial drawdown date), such that the door-to-door tenor (from initial drawdown to the date of repayment of the last repayment installment) does not exceed 12 years and 6 months. The Loans carry interest of 10.95 % to 12 % percent as on March 31, 2016.

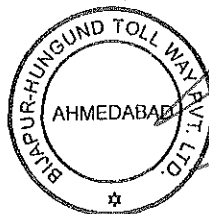
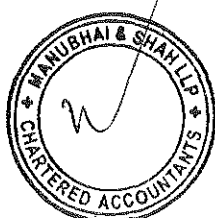
(b) Foreign Currency loan from Bank:

Foreign currency loan shall be repayable in unequal semi-annual installments . First repayment shall be made from the half year anniversary falling immediately after the date on which any scheduled repayment is made to the Rupee Lenders in accordance with the Common Rupee Loan agreement. Subsequent repayment shall be made in accordance with repayment schedule of Rupee term loan.

The Company pays interest @ LIBOR+ Margin of 4.70% per annum on the foreign currency loan.

(c) Sub-ordinate debt from promoters:

Subordinate debt from promoters is repayable after the Term Loans from Banks availed under the Common Rupee Loan agreement and other financing documents are irrevocably and unconditionally paid and discharged. Sub-ordinate debts are interest free.



Bijapur-Hungund Tollway Private 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
Security Deposits and Retention Money	1.19	0.69
Total	1.19	0.69

6 Long Term Provisions:

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for Employees Benefits:		
Gratuity	0.74	0.46
Others:		
Periodical Major Maintenance Expense (Refer Note37 (b))	697.25	446.74
Total	697.99	447.20

7 Trade Payables :

(₹ in Million)

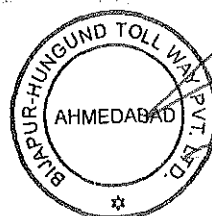
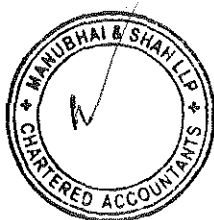
Particulars	As at March 31, 2016	As at March 31, 2015
Outstanding dues to small, micro and medium enterprises**	-	-
Outstanding dues to others	9.57	16.18
Total	9.57	16.18

** 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.

8 Other Current Liabilities:

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Current Maturities of Secured long-term Borrowings (Net of Derivative Settlement Receivable)	309.70	303.78
Interest Accrued and Due On Borrowings	0.56	-
Interest accrued but not due on Term Loans -ECB	41.10	39.47
Statutory dues	0.38	0.81
Employee Emoluments payable	1.90	1.62
Unearned Revenue	0.54	-
Others	1.26	1.43
Total	355.44	347.11



Bijapur-Hungund Tollway Private Limited
Notes on accounts forming part of Financial Statements

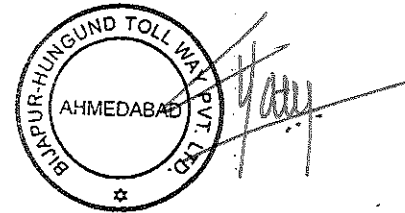
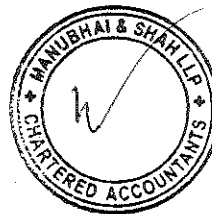
9 Fixed Assets:

(₹ 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	Upto April 1, 2015	For the Year	Adjustment during the Year	Up to March 31, 2016	As At March 31, 2016	As At March 31, 2015
(i) Tangible Assets										
Building - Borewell	0.16	-	-	0.16	0.07	0.04	-	0.11	0.05	0.09
Furniture & Fixtures	0.90	-	-	0.90	0.44	0.13	-	0.58	0.32	0.46
Vehicles	6.16	0.59	-	6.75	2.96	1.03	-	3.99	2.77	3.20
Computers	0.34	0.04	-	0.38	0.28	0.06	-	0.34	0.04	0.06
Office Equipments	0.60	0.36	-	0.96	0.34	0.16	-	0.52	0.45	0.25
Total (i)	8.16	0.99	-	9.15	4.10	1.42	-	5.54	3.63	4.06
Previous Year	7.98	0.18	-	8.16	2.09	2.01	-	4.10	4.06	
(ii) Intangible Assets										
Computer Software	-	0.19	-	0.19	-	0.05	-	0.05	0.14	
Toll Collection Rights (Refer Note Below)	12,789.38	161.58	-	12,950.96	830.18	345.71	-	1,175.89	11,775.08	11,959.20
Total (ii)	12,789.38	161.77	-	12,951.15	830.18	345.76	-	1,175.94	11,775.22	11,959.20
Previous Year	12,705.99	83.39	-	12,789.38	520.96	309.22	-	830.18	11,959.20	

Note:-

The Company has adopted an option under para 46A of AS 11, inserted by notification no. G.S.R. 914(E) dated 29th December 2011 issued by Ministry of Corporate Affairs, and accordingly the exchange difference arising on reporting of long-term foreign currency monetary items, in so far as they relate to the acquisition of depreciable asset, is added or deducted from the cost of the asset and shall be amortised over the balance life of the asset. The unamortised amount of such exchange difference included into the carrying amount of asset is ₹ 357.99 Million (Previous year ₹ 204.89 Million).



Bijapur-Hungund Tollway Private 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- Land (At Cost)	0.94	0.94
Total	0.94	0.94

A charge is created on the above land by way of mortgage in favour of lenders for loans granted as described in Note No. 4.

11 Long Term Loans and Advances:

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
(Unsecured, Considered Good)		
Security Deposits	0.03	0.03
Advance Tax and Tax Credits Receivable	15.22	16.61
Total	15.25	16.64

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

12 Other Non-Current Assets

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Unamortized Option Premium	33.67	52.93
Total	33.67	52.93

13 Trade Receivables

(₹ in Million)

Particulars	March 31, 2016	March 31, 2015
Unsecured - considered good		
Outstanding for a Period less than 6 Months from the due date	0.03	-
	0.03	-

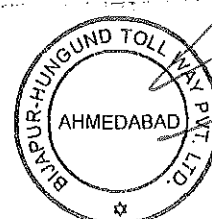
14 Cash & Cash Equivalent:

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Cash on hand	4.56	4.60
Balances with Banks		
- in Current Accounts	9.16	12.46
- in Fixed Deposit Account	252.10	330.00
Total	265.82	347.06

(i) 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.

(ii) Balance with Bank in Fixed deposit account of ₹ 252.10 Million (as at March 31, 2015 ₹ 330.00 Million) is towards Debt Service Reserve and also as security against borrowings as per terms of borrowings.



Bijapur-Hungund Tollway Private Limited

Notes on accounts forming part of Financial Statements

15 Short Term loans and Advances:

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
(Unsecured, Considered Good)		
Prepaid expenses	3.35	3.34
Others	0.60	0.04
Advance to Staff	-	*
Total	3.95	3.38

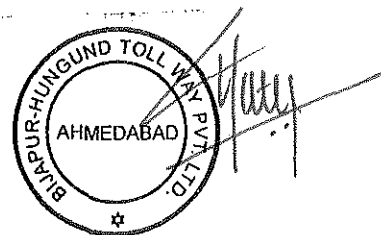
* Amount is below rounding off norm adopted by the company

There was no amount due from Directors, other 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
Unamortized Option Premium	19.26	19.26
Interest Receivable on Fixed Deposits with Bank	0.91	1.55
Stamp Duty Refund Receivable	0.72	-
Amount Receivable From NHAI Towards Change Of Scope	6.95	6.95
Total	27.84	27.76



Bijapur-Hungund Tollway Private Limited

Notes on accounts forming part of Financial Statements

17 Revenue from Operations:

(₹ in Million)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Revenue from Toll Collection	1,147.47	1,043.39
Other Operating Revenue (Rent Income)	0.18	0.12
Total	1,147.65	1,043.51

18 Other income:

(₹ in Million)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest on Fixed Deposits with Bank	21.35	15.11
Interest on Income Tax Refund	0.45	-
Net Gain on Sale of Mutual Funds	-	31.55
Insurance Claim received	0.19	0.34
Liabilities no longer payable written back	0.31	0.98
Total	22.30	47.98

19 Operating Expenses:

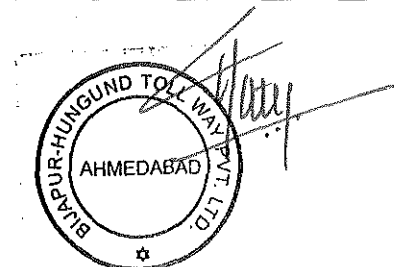
(₹ in Million)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Major Maintenance Expense (Refer Note No.37(b))	250.51	231.96
Road and Toll Plaza Operation and Maintenance Expense	26.55	21.30
Power and Fuel	5.67	7.79
Security Expenses	6.71	5.52
Vehicle Expenses	4.90	4.30
Total	294.34	270.87

20 Employee benefit expenses :

(₹ in Million)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries, wages and other allowances	22.76	18.20
Contribution to provident fund and other fund	1.06	0.75
Staff welfare expenses	1.22	1.54
Total	25.04	20.49



Bijapur-Hungund Tollway Private Limited

Notes on accounts forming part of Financial Statements

21 Finance Cost:

(₹ in Million)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest Expenses on		
Rupee Term Loans from Banks	677.88	713.78
Foreign Currency Term Loan from Bank	168.13	163.11
Statutory Liabilities	0.02	-
Other Borrowing cost		
Bank Charges and Agency Fees	3.92	2.41
Option premium	19.26	19.27
Total	869.21	898.57

22 Other expenses:

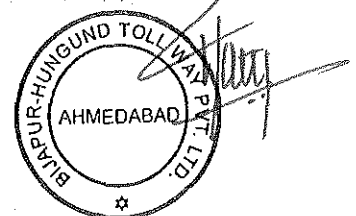
(₹ in Million)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Rent	1.17	1.17
Rates & Taxes	0.08	0.02
Repairs and Maintenance	3.13	3.99
Insurance	3.55	3.23
Stamp duty and filing fees	0.10	0.02
Legal and Professional fees	9.08	23.95
Printing and stationery	0.12	0.88
Communication expense	0.44	0.49
Travelling and Conveyance	0.36	0.56
Cash collection Charges	1.78	1.84
Auditors' remuneration (As per Note - 23)	0.27	0.19
Directors' Sitting Fees	0.24	0.06
Donation	-	0.01
Advertisement Expenses	0.04	0.04
Miscellaneous expenses	0.37	0.19
Total	20.73	36.64

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

(₹ in Million)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Payment to Auditors:		
- as Statutory Auditor	0.18	0.14
- as Tax Auditor	0.08	0.03
- For Certification	0.01	0.02
Total	0.27	0.19



Bijapur-Hungund Tollway Private Limited

Notes on accounts forming part of Financial Statements

24 Details of Expenditure in foreign currency during the Year:

(₹ in Million)

Sr. No.	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
1	Interest on Foreign Currency Loan	169.76	162.63
2	Agency Fees	1.66	1.59
	Total	171.42	164.21

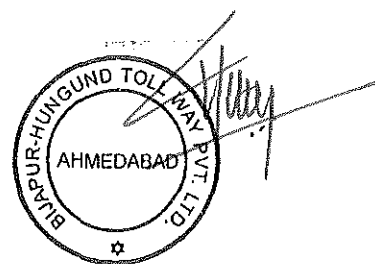
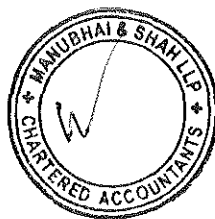
25 Commitments :

(₹ / USD in Million)

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
1	Options outstanding- For Principal amount of ECB		
	- Equivalent INR	2,455.73	2,384.45
	- Equivalent USD	42.10	43.68
2	Interest rate swap and Options outstanding		
	- Equivalent INR	468.99	597.98
	- Equivalent USD	8.04	10.95

26 Contingent Liability:

- (A) The ACIT, Central Circle 1(1), Ahmedabad passed assessment order and issued demand notice for nil amount, thereby rejecting the claim of refund of ₹ 0.29 Million, in relation to the assessment year 2011-12. The Company had in original return shown its total income as ₹ 0.94 million being gain on sale of mutual funds. Subsequently, it filed a revised return showing 'nil' income. Pursuant to the aforesaid assessment order, the ACIT, Central Circle - 1(1), Ahmedabad treated the income from sale of mutual funds as capital gains and made addition of ₹ 0.94 million to the total income. The Company preferred an appeal before the CIT, Appeals against the said assessment order. Subsequently, the CIT Appeals, through its order, decided the appeal against the Company. The Company has preferred appeal before the ITAT, Ahmedabad. The matter is currently pending.
- (B) The DCIT, Central Circle 1(1), Ahmedabad served an assessment order to the Company along with a demand notice for ₹ 5.68 million (net of claim of refund of ₹ 4.84 Million) in relation to the assessment year 2012-13. Pursuant to the aforesaid assessment order, the DCIT, Central Circle 1(1), Ahmedabad treated the income from sale of mutual funds and the interest received from fixed deposits as income liable to tax and made addition of ₹ 28.60 Million to Total Income. The Company preferred an appeal before the CIT, Appeals against the said assessment order. The appeal was decided in company's favour. However the Incom Tax Department has filed appeal against the said order of CIT (A) before ITAT.



Bijapur-Hungund Tollway Private Limited

Notes on accounts forming part of Financial Statements

27 Pending Litigation with Minority Shareholders:

M/s. Montecarlo Ltd., the minority Shareholder of the Company, holding 23% of the total Paid Up Share Capital in the Company, has filed Company Petition No. 78 of 2013 under sections 397 & 398 of the Companies Act, 1956 before the Hon'ble Company Law Board (CLB), Mumbai Bench, alleging acts of oppression and mismanagement by the majority shareholders SIPL, SEL (Sadbhav Group) and the past and present Directors of the Company appointed by the Sadbhav Group (hereinafter referred to as "Respondents"). SIPL had filed an Application to stay proceedings before the CLB and refer matters to arbitration on the ground that all disputes raised in the Company Petition were arbitrable and should therefore be referred to arbitration under the arbitration clause contained in the Shareholders Agreement dated July 9, 2010 between Montecarlo, Sadbhav & the Company. The said Application was dismissed by the CLB by Order dated January 8, 2014. SIPL then proceeded to file a Writ Petition before the Hon'ble Gujarat High Court challenging the January 8 Order. The Writ Petition was dismissed by single judge of Honourable High Court of Gujarat by Order dated August 14, 2014. SIPL has filed Letters Patent Appeal No.1070 of 2014 before the Division Bench of the Hon'ble Gujarat High Court against the August 14 Order. The Hon'ble Gujarat High Court has by Order dated November 24, 2014 continued the interim Orders passed during the pendency of the Writ Petition and further directed to stay proceedings before CLB till disposal of LPA. The LPA is, pending hearing before the Hon'ble Gujarat High Court. There is no financial impact on the company in relation to the said litigation.

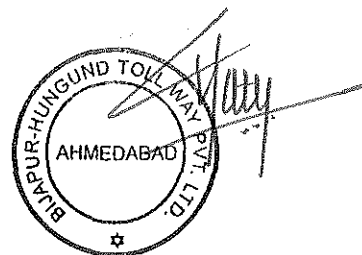
28 In the opinion of the Board of Directors, assets other than fixed assets and non-current investments are realisable at-least at the value stated if realized in the ordinary course of business.

29 Employee Benefits (AS - 15):

Disclosure of provision for Gratuity as per AS - 15 on "Employee Benefit" for the year ended March 31, 2016 :

Particulars	(₹ in Million)	
	As at March 31, 2016	As at March 31, 2015
Change in the defined benefit obligations		
Defined benefit obligations as at beginning of the year	0.46	0.22
Current service cost	0.29	0.14
Interest cost	0.04	0.02
Net actuarial loss / (gain) recognized	(0.05)	0.09
Defined benefit obligations as at end of the year	0.74	0.46

Particulars	(₹ in Million)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Net amount Charged to Statement of Profit and Loss		
Current service cost	0.29	0.14
Interest cost	0.04	0.02
Net actuarial loss / (gain) recognized	(0.05)	0.09
Net amount recognized	0.28	0.25



Bijapur-Hungund Tollway Private Limited

Notes on accounts forming part of Financial Statements

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
The principal actuarial assumptions used are as follows:		
Discount Rate	7.60%	7.80%
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.

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.

30 Earning Per Share (EPS):

Loss 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	For the year ended March 31, 2016	For the year ended March 31, 2015
Net (Loss) as per Statement of Profit & Loss	₹ in Million	(386.55)	(446.31)
Weighted average of number of equity shares outstanding during the Period	Nos.	100,960,000	100,960,000
Basic & Diluted (Loss) per share of face value of ₹ 10/- each	₹	(3.83)	(4.42)

31 Segment Reporting:

The Company is engaged in one reportable segment viz infrastructure development. Therefore disclosures as Accounting Standard (AS) - 17 "Segment Reporting" are not given.

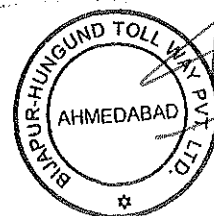
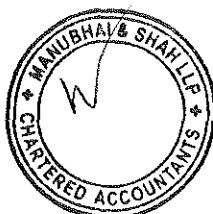
Further, the Company is carrying its business only in one geographical segment.

32 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
(A)	Enterprises having significant control: Ultimate Holding Company Holding Company	Sadbhav Engineering Limited (SEL) Sadbhav Infrastructure Project Ltd(SIPL)
(B)	Enterprise having significant influence	Montecarlo Limited (ML)
(C)	Key Managerial Personnel	Mr. Vasistha C. Patel, Managing Director Mr. Gaurav Vesasi, Company Secretary Mr. Varun Mehta, Chief Financial Officer



Bijapur-Hungund Tollway Private Limited

Notes on accounts forming part of Financial Statements

(b) Transactions with Related Parties during the Year:

(₹ in Million)

Sr. No.	Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
(i)	Rent Expenses SEL	1.03	1.01
(ii)	Project Consultancy Fees SIPL	-	18.54
(iii)	Reimbursement of Expenses Recoverable SEL SIPL	1.79 0.01	(0.69) *
(iv)	Director Sitting Fees Vasistha C. Patel	0.05	0.01

(c) Balance outstanding as at the Year end:

(₹ in Million)

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
(i)	Sub Ordinate Debt SIPL ML	843.92 252.08	843.92 252.08
(ii)	Payable towards Rent & Reimbursement of Expenses SEL	0.24	1.00

33 Operating Leases:

Office premises of the Company are obtained on operating lease. The lease rent paid during the Current period is ₹ 1.03 Million (Previous Year ₹ 1.01 Million).

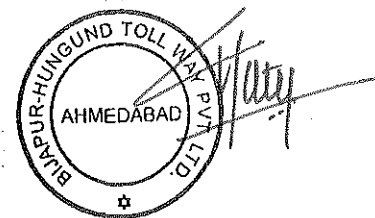
34 Deferred Tax Asset (Net) :

In accordance with Accounting Standard 22 "Accounting for Taxes on Income", specified under section 133 of the Companies Act, 2013, the Company has net deferred tax assets. However, in view of losses incurred by the Company during the current year under Income Tax Act 1961, deferred tax assets on timing difference, on unabsorbed depreciation and business losses have not been recognised for in the books since it is not virtually certain that they will be realized against future taxable profits. The Company is also eligible for deduction under section 80IA of the Income Tax Act, 1961, which its propose to claim in the future years.

(₹ in Million)

Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
A.	Deferred Tax Assets		
(i)	Carry forward business losses and unabsorbed depreciation as per Income Tax Act, 1961	1,462.56	1,162.40
(ii)	Difference between book and tax depreciation	0.79	0.49
(iii)	Unrealised Foreign Currency Rate Fluctuation	4.51	1.41
(iv)	Provision for Major Maintenance	-	-
(v)	Provision for Gratuity	0.26	0.14
(vi)	Preliminary Expenses	*	*
	Deferred Tax Assets	1,468.13	1,164.44
B.	Deferred Tax Liability		
(i)	Difference between book and tax amortisation	(779.80)	(735.59)
	Deferred Tax Liability	(779.80)	(735.59)

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



Bijapur-Hungund Tollway Private Limited

Notes on accounts forming part of Financial Statements

35 Current Tax

As there is no taxable income, tax liability as per the provisions of Income tax Act, 1961 is ₹ Nil.

36 Derivative Transactions:

The Company has entered into Interest Rate Swap agreement and Option contract for hedging foreign currency rate and interest rate fluctuation related risks. The option premium paid in relation to the option contracts is amortised over the year of contract.

37 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 (NHAI) as per the maintenance standards prescribed in Concession agreement.

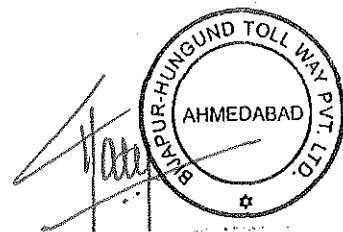
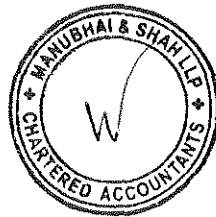
For this purpose, a regular maintenance along with periodic maintenance is required to be performed. Normally periodic maintenance includes resurface of pavements, repairs of structures, repairs and refurbishment of tolling system and other Equipments.

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 ₹ 250.51 Million/- (Previous Year ₹ 231.96 Million/-) for periodic Major Maintenance in respect of its resurfacing obligation

(b) Movement in Periodic Major Maintenance Provisions:

Particular	(₹ in Million)	
	Year Ended March 31, 2016	Year Ended March 31, 2015
Carrying amount as at beginning of the Year	446.74	214.78
Add:		
- Additional provision made in the Year	250.51	231.96
Less:		
- Amounts used (i.e. incurred and charged against the provision) during the Year	-	-
- Unused amounts reversed during the Year	-	-
Carrying amount at Year end	697.25	446.74




Bijapur-Hungund Tollway Private Limited

Notes on accounts forming part of Financial Statements

38 Previous Year Figures:

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

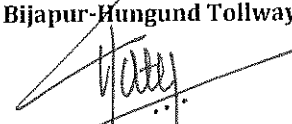
As per our report of even date
For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Registration No. 106041W



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

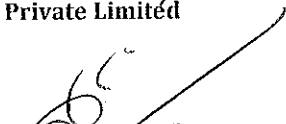


Place: Ahmedabad
Date: 22/04/2016

For & On behalf of the Board of Directors of
Bijapur-Hungund Tollway Private Limited


(Vasistha Patel)
Managing Director
DIN: 00048324


(Gaurav Vesasi)
Company Secretary
M. No. - F7544
Place: Ahmedabad
Date: 22/04/2016


(Nitin Patel)
Director
DIN: 00466330


(Varun Mehta)
C.F.O

