

S.R. Batliboi & CO. LLP
2nd Floor, Shivalik Ishan
Near CN Vidhyalaya
Ambawadi
Ahmedabad – 380 015

Manubhai & Shah LLP
2nd Floor, B Wing, Premium House
Near Gandhigram Railway Station
Navrangpura
Ahmedabad – 380 009

INDEPENDENT AUDITOR'S REPORT

To the Members of Rohtak Panipat Tollway Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Rohtak Panipat Tollway Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of 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 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 of 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 the design, implementation and maintenance of adequate internal financial control 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 thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 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 accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 March 31, 2016, 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 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 purpose 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, Statement of Profit and Loss, and 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 written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 2" to this report;
 - (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 its financial statements – Refer Note 36 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.




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- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E


per Arvind Sethi
Partner
Membership Number: 89802
Place of Signature: Ahmedabad
Date: April 22, 2016



For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Registration Number: 106041W


per K. C. Patel
Partner
Membership Number: 30083
Place of Signature: Ahmedabad
Date: April 22, 2016



Annexure 1 referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date of Rohtak Panipat Tollway Private Limited for the year ended March 31, 2016

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (including intangible assets);
(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification;
(c) According to the information and explanations given by the management, there are no immovable properties, included in fixed assets of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(ii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the toll collection services, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions relating to custom duty, excise duty, wealth tax and employees' state insurance are not applicable to the Company.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, sales-tax, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
(c) According to the records of the Company, the dues outstanding of income-tax on account of any dispute, are as follows.

Name of the statute	Nature of the dues	Amount (₹ in million)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	6.87	Assessment Year 2013-14	Commissioner of Income Tax (Appeals)

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution and bank. The Company does not have any dues payable to the government and it has not issued debentures.



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- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised. The Company has not raised any money by way of initial public offer/ debt instruments and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act is not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xi) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E

For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Registration Number: 106041W


per Arvind Sethi
Partner
Membership Number: 89802
Place of Signature: Ahmedabad
Date: April 22, 2016


per K.C. Patel
Partner
Membership Number: 30083
Place of Signature: Ahmedabad
Date: April 22, 2016



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**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
FINANCIAL STATEMENTS OF ROHTAK PANIPAT 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")**

To the Members of Rohtak Panipat Tollway Private Limited

We have audited the internal financial controls over financial reporting of Rohtak Panipat 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. 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified 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 Institute of Chartered Accountants of India. 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 internal financial controls system over financial reporting.



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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

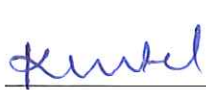
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria 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 S.R. Batliboi & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E


per Arvind Sethi
Partner
Membership Number: 89802
Place of Signature: Ahmedabad
Date: April 22, 2016



For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Registration Number: 106041W


per K. C. Patel
Partner
Membership Number: 30083
Place of Signature: Ahmedabad
Date: April 22, 2016



Rohtak-Panipat 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	21.86	21.86
Reserves and surplus	3	(2,100.89)	(974.86)
		(2,079.03)	(953.00)
(2) Non-Current liabilities			
Long-term borrowings (Including sponsor's contribution)	4	12,067.94	11,956.27
Other non current liabilities	5	18,338.54	18,288.23
Long-term provisions	6	392.20	210.08
		30,798.68	30,454.58
(3) Current liabilities			
Short-term borrowings	7	555.30	555.30
Trade payables	8		
(a) total outstanding dues of micro enterprises and small enterprises; and		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		22.72	14.52
Other current liabilities	9	215.81	99.01
Short term provisions	10	0.13	0.12
		793.96	668.95
Total		29,513.61	30,170.53
II Assets			
(1) Non-current assets			
Fixed assets	11		
Tangible assets		0.85	1.93
Intangible assets		29,426.51	29,654.97
Non-current investments	12	1.03	1.03
Long-term loans and advances	13	11.92	11.32
Other non current asset	14	-	-
		29,440.31	29,669.25
(2) Current assets			
Current investments	15	-	10.00
Cash and cash equivalents	16	68.57	482.85
Short-term loans and advances	17	4.73	4.45
Other current assets	18	-	3.98
		73.30	501.28
Total		29,513.61	30,170.53
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

Firm Registration No.:106041W



(K. C. Patel)

Partner

Membership No.:30083

For S R Batliboi & Co LLP

Chartered Accountants

Firm Registration No.:301003E



(Arvind Sethi)

Partner

Membership No.:89802

For & on behalf of the Board of Directors of
Rohtak Panipat Tollway Pvt Ltd.



(Vasistha C Patel)

Director

DIN No.: 00048324



(Arun Patel)

Director

DIN No.:06365699



Place: Ahmedabad
Date: April 22, 2016

Place: Ahmedabad
Date: April 22, 2016

Place: Ahmedabad
Date: April 22, 2016



Rohtak-Panipat Tollway Private 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	19	805.00	851.74
II Other income	20	23.17	43.84
III Total Income (I + II)		828.17	895.58
IV Expenses:			
Operating expenses	21	259.87	244.35
Employee benefits expense	22	21.61	15.42
Finance costs	23	1,266.29	1,213.99
Depreciation and amortisation	11	370.64	344.67
Other expenses	24	35.79	35.16
Total Expenses		1,954.20	1,853.60
V Loss for the year before Exceptional Items & Tax (III - IV)		(1,126.03)	(958.02)
VI Exceptional Item (Refer Note 38)		-	(59.37)
VII Loss for the year (V - VI)		(1,126.03)	(898.65)
VIII Earnings per share: (Nominal value per share: ₹. 10)	29		
(1) Basic		(515.00)	(411.01)
(2) Diluted		(515.00)	(411.01)
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
Firm Registration No.:106041W

For S R Batliboi & Co LLP
Chartered Accountants
Firm Registration No.:301003E

For & on behalf of the Board of Directors of
Rohtak Panipat Tollway Pvt Ltd.



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



(Arvind Sethi)
Partner
Membership No.: 89802



(Vasistha C Patel)
Director
DIN No.: 00048324



(Arun Patel)
Director
DIN No.:06365699

Place: Ahmedabad
Date: April 22, 2016

Place: Ahmedabad
Date: April 22, 2016

Place: Ahmedabad
Date: April 22, 2016



Rohtak-Panipat 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		
Net (Loss) before tax	(1,126.03)	(898.65)
Adjustments for:		
Depreciation and amortisation	370.64	344.67
Loss of asset due to riots expensed off	1.50	
Exceptional Items (Refer Note 38)	-	(59.37)
Interest expense	1,208.58	1,154.87
Dividend income	-	(0.62)
Gain on sale of units of mutual fund investments (net)	(21.70)	(41.56)
Interest income	(0.98)	(0.67)
Operating Profit before working capital changes	432.01	498.67
Adjustments for:		
(Increase)/Decrease in short term loans and advances	(0.28)	27.51
(Increase) in long term loans and advances	-	(5.09)
(Increase)/Decrease in other current assets	3.98	(1.92)
Increase/(Decrease) in trade payables	8.20	(63.97)
Increase in other current liabilities	17.96	(9.43)
(Decrease) in other non current liabilities	(10.00)	-
Increase in short term provisions	0.01	-
Increase in long term provisions	182.12	168.73
Cash generated from operations	634.00	614.49
Direct taxes paid (net of refunds)	(0.60)	5.07
Net cash flow from operating activities (A)	633.40	619.56
(B) Cash Flows from investing activities		
Purchase of fixed assets	(1.04)	(0.87)
Additional concession fees paid	-	(49.05)
Proceeds from sale of units of mutual fund (net)	31.68	497.52
Interest income	0.98	0.67
Net cash flow from investing activities (B)	31.62	448.27
(C) Cash Flows from financing activities		
Proceed from short term borrowings	-	485.30
Interest paid	(1,079.30)	(1,090.67)
Net cash used in financing activities (C)	(1,079.30)	(605.37)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(414.28)	462.46
Cash and cash equivalents at beginning of the Year	482.85	20.39
Cash and cash equivalents at end of the Year	68.57	482.85

Notes:

(₹ in Million)

(i) Components of cash and cash equivalents:	As at March 31, 2016	As at March 31, 2015
Cash on hand	3.26	6.16
Balances with banks in current accounts	65.31	476.69
Cash and cash equivalents (Refer Note 16)	68.57	482.85

(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
Firm Registration No.:106041W



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

Place: Ahmedabad
Date: April 22, 2016



For S R Batliboi & Co LLP
Chartered Accountants
Firm Registration No.:301003E



(Arvind Sethi)
Partner
Membership No.: 89802

Place: Ahmedabad
Date: April 22, 2016



For & on behalf of the Board of Directors of
Rohtak Panipat Tollway Pvt Ltd.



(Vasistha C Patel)
Director
DIN No.: 00048324

Place: Ahmedabad
Date: April 22, 2016



(Arun Patel)
Director
DIN No.:06365699



Rohtak-Panipat Tollway Private Limited

Notes on accounts forming part of Financial Statements

Corporate Information :

Rohtak- Panipat Toll Way Private Limited ("the Company") was incorporated as Special Purpose Vehicle (SPV) in January ,2010 for the purpose of four laning of Rohtak -Panipat section from Km 63.30 of NH-10 to Km 83.50 on NH-1 in the state of Haryana under NHDP - III on Design, Built, Finance, Operate and Transfer (DBFOT) basis. For this purpose, the Company has entered into Concession Agreement with National Highways Authority of India (NHAI) with Concession period of 25 years w.e.f. 9th March, 2010. The Company received its provisional completion certificate dated 6th January, 2014 from NHAI and commenced the toll collection on 9th January, 2014.

1 Summary of Significant Accounting Policies :

1.1 Basis of preparation of Financial Statements :

The Financial Statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these Financial Statements to comply in all material respects with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

1.2 Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates, judgments and assumptions that affect the reported amount of revenues, 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, net of accumulated depreciation and accumulated impairment losses if any. The cost comprises the purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for its intended 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.

(ii) Intangible Assets- Toll Collection Rights:

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

The company adjusts exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset or subject to amortisation to the cost of the asset after considering impact of option contract and depreciates the same over the remaining life of the asset. In accordance with MCA circular dated 09 August 2012, exchange differences adjusted to the cost of Toll Collection Rights are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.



Rohtak-Panipat Tollway Private Limited

Notes on accounts forming part of Financial Statements

Toll collection rights granted by National Highways Authority of India (NHA) against construction service rendered by the Company on DBFOT basis include direct and indirect expenses on construction of roads, bridges, etc. Infrastructure at the toll plaza and obligation towards additional concession fees (premium) payable to National Highway Authority of India (NHA) in terms of Concession Agreement (which is the fair value of the consideration received or receivable for the construction service delivered). These have been recognised as Intangible Assets in accordance with provisions of Accounting Standard 26 "Intangible Assets" when the project is complete in all respects and when the Company receives the final completion certificate from the authority as specified in the Concession Agreement.

The contractual obligation to pay premium (concession fees) to National Highway Authority of India ("NHA") over the concession period has been recognised upfront on an undiscounted basis when the project gets completed as per the Concession Agreements and is a part of 'Intangible assets - Toll Collection Right' and corresponding obligation for committed premium is recognised as liabilities.

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 is provided on Straight Line Method (SLM) at rates prescribed in the Companies Act, 2013. In respect of fixed assets purchased during the year, depreciation is provided on a pro-rata basis from the date on which such asset is ready to be put to use.

The residual values, useful lives and methods of depreciation of tangible asset are reviewed at each financial year end and adjusted prospectively, if appropriate.

(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 year / period over Total Projected Revenue from the project Cost to Cost of Intangible assets i.e. proportionate of actual revenue earned for the year / 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 financial year if there has been significant changes in the expected pattern of economic benefits from the assets and accordingly 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 assets 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.

The company bases its impairment calculation on detailed budget and forecast calculation. These budgets and forecasts calculations covers an entire concession period for which long term growth rate is calculated and applied to future cash flows.

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



Rohtak-Panipat Tollway Private Limited

Notes on accounts forming part of Financial Statements

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. The following specific recognition criteria must also be met before revenue is recognised.

(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 income:

Dividend Income is recognised when the company's right to receive dividend is established by the reporting dates.

(iii) Interest:

Interest income is recognised on a time proportion basis taking into account the amounts outstanding and the applicable interest rate. Interest income is included under the head "other Income" in the statement of profit & loss

1.7 Foreign Currency Translation and Balances:

(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 assets and liabilities are retranslated using the exchange rate prevailing at the reporting date. 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.
- Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.
- All other exchange differences are recognized as income or as expenses in the period in which they arise.

For the purpose of above, the company treats a foreign monetary items as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular dated 09 August 2012, exchange differences for this purpose, are total differences arising on long term foreign currency monetary items for the period. In other words, the company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

(iv) Exchange gain/loss on Long-term Foreign Currency Monetary items

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period. Any gain/ loss arising on forward contracts which are long-term foreign currency monetary items is recognized in accordance with paragraph (iii) above.

1.8 Investments:

Investments, which are readily realizable 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.



Rohtak-Panipat Tollway Private Limited

Notes on accounts forming part of Financial Statements

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.

Current investments are carried in the financial statements 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.

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.

Investment Property

An investment in land, which is not intended to be occupied substantially for use by, or in the operations of, the company, is classified as investment property. Investment properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

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.

1.9 Employee Benefits:

- (i) Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when an employee renders the related services. The company has no obligation, other than the contribution payable to the provident fund.
- (ii) The company operates one defined benefit plan for its employees, viz., gratuity liability. The costs of providing benefits under this plan are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method made at the end of each reporting date. Actuarial gains and losses for the defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.
- (iii) 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.

1.10 Borrowing Costs:

Borrowing costs directly attributable to the acquisition and construction of qualifying assets are capitalized as part of cost of such assets till such time the asset is ready for its intended use. A qualifying asset is one that requires substantial period of time to get ready for its intended use. All other borrowing costs, if any, are expensed in the period, they occur. Borrowing cost includes interest, commitment charges on borrowings and amortisation of ancillary cost incurred in connection with arrangement of borrowing.

1.11 Leases:

Where the Company is the lessee

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

1.12 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.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number if shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares



1.13 Taxes on Income:

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income originating during the current year and reversal of timing differences of earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences 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 realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

As per provision of the Income Tax Act,1961, the company is eligible for a tax holiday under section 80IA for a block of 10 consecutive assessment years out of 20 years beginning from toll operations. The current year is third year of company's operation and it propose to start claiming tax holidays in the subsequent year only. No deferred tax (asset or liability) is recognised in respect of timing difference which reversed during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing difference which reverse after the tax holiday period is recognised in the year in which the timing difference originate. However the company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtual certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax asset can be realised. For recognition of deferred tax, the timing difference which originate first are considered to reverse first.

At each reporting date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

1.14 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 and a reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the amount of obligation at the balance sheet date. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
- (ii) Contractual Obligation to restore the Infrastructure to a specified level of serviceability.
The Company has contractual obligations to maintain the road / infrastructure to a specified level of serviceability or restore the road / infrastructure to a specified condition before it is handed over to the grantor of the Concession Agreements. Such obligations are measured at the best estimate of the expenditure that would be required to settle the obligation at the balance sheet date. In case of intangible assets, the timing and amount of such cost are estimated and determined by estimated cash flows, expected to be incurred in the year of overlay. Such costs are recognised by charging it to revenue on the basis of units of usage method i.e. on the number of vehicles expected to use the project facility, over the period at the end of which the overlay is estimated to be carried out based on management estimates.
- (iii) The Company does not recognise a Contingent Liability but discloses its existence in the financial statements. Contingent Assets are neither recognized nor disclosed in the financial statements.



Rohtak-Panipat Tollway Private Limited

Notes on accounts forming part of Financial Statements

1.15 Derivative Contracts:

The Company uses derivative contracts such as Option Contracts to hedge foreign currency borrowings. It also uses Interest Rate Swaps to hedge Interest Rate risk arising from variable rate loans 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 option premium payable is recognised on an accrual basis during the tenure of the borrowing.

1.16 Cash and Cash Equivalents:

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

1.17 General

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



Rohtak-Panipat 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 5,000,000 Equity Shares of ₹10/- each (Previous Year 5,000,000 Equity Shares of ₹10/- each)	50.00	50.00
Total	50.00	50.00
Issued , Subscribed and Paid Up 2,186,445 Equity Shares of ₹ 10/- each (Previous Year 2,186,445 Equity Shares of ₹10/- each)	21.86	21.86
Total	21.86	21.86

(ii) 2,186,445 Equity Shares were outstanding as at beginning and end of the year.

(iii) Terms/Rights 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. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iv) Out of issued, subscribed and paid up equity capital 2,186,445 shares (Previous Year 2,186,445 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 Shareholders	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	% to Total	No. of Shares	% to Total
Sadbhav Infrastructure Project Ltd. (SIPL)*	2,186,445	100%	2,186,445	100%
	2,186,445	100%	2,186,445	100%

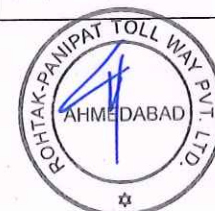
* Including nominees

(vi) As per the records of the company, including its registers of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

3 Reserves and surplus

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Securities Premium Reserve Balance as per last financial statement	195.88	195.88
(Deficit) in the statement of Profit & Loss Balance as per last financial statement	(1,170.74)	(272.09)
Add: Net (Loss) for the year	(1,126.03)	(898.65)
Net (Deficit) in the statement of Profit & Loss	(2,296.77)	(1,170.74)
Total	(2,100.89)	(974.86)



Rohtak-Panipat Tollway Private Limited

Notes on accounts forming part of Financial Statements

4 Long-term borrowings

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Secured :		
Term Loans		
Indian Rupee Term Loans :		
From Banks		
Non-Current Portion	6,544.95	6,568.60
Current Maturities	23.65	-
	6,568.60	6,568.60
From Financial Institution		
Non-Current Portion	1,109.66	1,113.67
Current Maturities	4.01	-
	1,113.67	1,113.67
Foreign Currency Loans :		
From Banks		
Non-Current Portion	2,506.54	2,367.51
Current Maturities	2.51	-
	2,509.05	2,367.51
Less: Derivative Settlement Receivable (Refer Note 14 & 18)		
Non-Current Portion	(302.27)	(302.57)
Current Maturities	(0.30)	-
	(302.57)	(302.57)
Sub Total	9,888.75	9,747.21
Less: Current maturities disclosed under the head -Other current liabilities	(29.87)	-
	9,858.88	9,747.21
Unsecured :		
Sub-Ordinate debt from Holding Company (Refer Note 31)	2,209.06	2,209.06
Total	12,067.94	11,956.27

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

- first mortgage and charge on all the Company's immovable investment properties, both present and future, save and except the Project Assets;
- 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;
- first charge over all accounts of the Company including the Escrow Account and the Sub-Accounts (or any account in substitution thereof) that may be opened in accordance with Common Rupee Loan Agreement and the Supplementary Escrow Agreement, or any of the other Project Documents and all funds from time to time deposited therein, including those arising out of realisation of receivable and all permitted investments or other securities representing all amounts credited thereto.
- 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.



Rohtak-Panipat Tollway Private Limited

Notes on accounts forming part of Financial Statements

- (e) first charge on assignment by way of security in:
- all the right, title, interest, benefits, claims and demands whatsoever of the Company in the Project Documents;
 - the right, title and interest of the Company in, to and under all the Clearances;
 - 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;
 - all the right, title, interest, benefits, claims and demands whatsoever of the Company under all Insurance Contracts.
- (f) pledge of equity shares held by Sadbhav Infrastructure Project Ltd. aggregating to 99.99% (99.99 percent) of the paid up and voting equity share capital of the Company for a period upto repayment of entire borrowings.

Notes:

- the aforesaid mortgages, charges, assignments and guarantees and the pledge of equity shares as stipulated in paragraph (f) above shall in all respects rank pari-passu inter-se amongst the Lenders and the Working Capital Lenders, in accordance with the Common Loan Agreement, without any preference or priority to one over the other or others;
- 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.

(ii) **Terms of Repayment of Loans:**

(a) **Indian Rupee Term Loans from Banks and Others**

The Principal Amounts of the Loan to each of the Lenders shall be repayable in 43 structured quarterly installments on the last day of each quarter, commencing from the expiry of monatorium period (22 quarters from initial drawdown date i.e. March 30th, 2011), such that the loan tenor (from initial drawdown to the date of repayment of the last repayment installment) does not exceed 16 years.

As at March 31, 2016, the term loans carry interest rate of 11.60 to 12.10 per cent per annum.

(b) **Foreign Currency Loan from Bank :**

Foreign Currency loan from Bank shall be repayable in 6 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 (scheduled repayment date of rupee loan is September 28, 2016). At the end of payment of 5 unequal semi-annual installments, the Company propose to convert balance loan amounting to USD 37.83 Million into a new Rupee Term Loan. The Company pays interest at LIBOR plus 4.70 basis points per annum on the foreign currency loan.

(c) **Sub-ordinate debt from Holding Company**

The project of the Company has been funded through sub ordinate debt of ₹2,209.06 millions (31st March, 2015: ₹2,209.06 millions) from its Sponsors in accordance with the Sponsor Support and Equity Contribution Agreement. The Unsecured Subordinate debt is considered as sponsor's contribution to ensure their commitment for the project. Sub-ordinate debt is interest free. The Subordinate debt shall be repayable only after entire repayment of external borrowings.

5 Other non current liabilities

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Premium Obligation under Concession Agreement	18,269.52	18,269.52
Interest Accrued on the above Premium Obligation**	79.02	18.71
Sub Total	18,348.54	18,288.23
Less: current maturities disclosed under the head - other current liabilities	(10.00)	-
Total	18,338.54	18,288.23



Rohtak-Panipat Tollway Private Limited

Notes on accounts forming part of Financial Statements

** As per the Ministry of Road Transport & Highways policy of NHAI, company is liable to make payment of Interest on Deferment of Premium at Bank Rate+ 2% p.a. which is charged to statement of profit & loss A/c for the year and obligation on the same has been recognised as liabilities. Premium obligation under the Concession Agreement has been deferred by NHAI vide its sanction letter dated June 10, 2014. According to the terms of the sanction letter company shall pay entire deferred premium of ₹ 5753.2 Million and interest thereon no later than one year prior to the expiry of the concession period. Amount of premium obligation which has not been deferred are payable in unequal monthly instalments, in terms of the sanction letter, during the concession period.

6 Long-term provisions

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Provisions for:		
Employee Benefits- Gratuity (Refer note 28)	0.27	0.15
Periodic Major Maintenance	391.93	209.93
Total	392.20	210.08

Movement in periodic major maintenance provisions:

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Carrying amount as at Beginning of the year	209.93	41.33
Add: Additional provision made in the year	182.00	168.60
Less: Amounts used (i.e. incurred and charged against the provision)	-	-
Carrying amount as at End of the Year	391.93	209.93

Note: As per Concession agreement with NHAI the periodic maintenance is expected to occur over a period of 5 years, which will be utilised from F.Y.2018-19. The maintenance cost / cost of bituminous overlay may vary based on the actual usage during maintenance period.

7 Short-term borrowings

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured :		
Loan from Holding Company (Refer Note 31)	555.30	555.30
Total	555.30	555.30

Note: Loan is repayable on demand/call notice from the lender and it carry interest of 11.15 to 11.75 per cent per annum.



Rohtak-Panipat Tollway Private Limited

Notes on accounts forming part of Financial Statements

8 Trade payables

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Outstanding dues of small, micro and medium enterprises (Refer Note 32)	-	-
Outstanding dues of others	22.72	14.52
Total	22.72	14.52

9 Other current liabilities

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Current maturities of secured long-term borrowings	29.86	-
Current maturities of premium obligation under Concession Agreement	10.00	-
Interest accrued and due on borrowing (Refer Note 31)	109.92	44.88
Interest accrued but not due on borrowings	49.81	45.88
Option premium payable	4.86	5.01
Statutory dues	8.80	1.90
Employees emoluments payable	1.25	1.27
Unearned revenue	0.65	-
Advance received from Government of Haryana against toll revenue	0.31	-
Security deposits	0.35	0.06
Total	215.81	99.00

10 Short term provision

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Compensated Leave	0.13	0.12
Total	0.13	0.12



Particulars	Gross Block				Depreciation/Amortisation			Net Block			
	As At April 1, 2015	Addition During the Year	Adjustment during the Year	Adjustment towards Exchange Difference	As At March 31, 2016	As At 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											
Vehicles	0.74	-	-	-	0.74	0.04	0.09	-	0.13	0.61	0.70
Plant and Equipments	0.51	0.44	0.91	-	0.04	0.06	0.07	0.12	0.01	0.03	0.45
Computers	0.39	0.22	0.39	-	0.22	0.17	0.12	0.28	0.01	0.21	0.22
Office Equipments	0.11	0.11	0.22	-	-	0.02	0.03	0.05	-	-	0.09
Furniture & Fixtures	0.52	-	0.52	-	-	0.05	0.04	0.09	-	-	0.47
Total (i)	2.27	0.77	2.04	-	1.00	0.35	0.35	0.54	0.15	0.85	1.93
(ii) Intangible Assets											
Toll Collection Rights (Refer Note 1)	30,070.21	-	-	141.55	30,211.76	415.23	370.26	-	785.49	29,426.27	29,654.97
Computer Software	-	0.27	-	-	0.27	-	0.03	-	0.03	0.24	-
Total (ii)	30,070.21	0.27	-	141.55	30,212.03	415.23	370.29	-	785.52	29,426.51	29,654.97
Total (i) + (ii)	30,072.48	1.04	2.04	141.55	30,213.03	415.58	370.64	0.54	785.68	29,427.36	29,656.90
Previous Year	11,610.28	0.87	18,421.40	39.94	30,072.48	27.46	344.67	43.46	415.58	29,656.90	



Rohtak-Panipat Tollway Private Limited

Notes on accounts forming part of Financial Statements

12 Non-current investments

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Investment Property (at Cost) - Land	1.03	1.03
Total	1.03	1.03

Note: This land is measuring 1294.14 sq mts situated at Kadi and has been mortgaged as security against Term Loans.

13 Long-term loans & advances

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Tax credit receivable	5.04	11.27
Income tax paid under dispute	6.87	0.04
Deposits	0.01	0.01
Total	11.92	11.32

14 Other non current asset

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Derivative Contract Settlement Receivable	302.27	302.57
(Less): Transferred to Long Term Borrowing (Refer Note 4)	(302.27)	(302.57)
Total	-	-

15 Current investments

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
<u>Investments in units of Mutual Fund- Unquoted</u> <u>(At lower of Cost or Fair Value)</u>		
Principal Cash Management Fund-Regular Plan-Growth (C.Y. 2.069 units, P.Y. Nil) Amounting to Rs. 3,037/-	*	-
Current portion of long - term Investments (valued at cost) Principal PNB Fixed Maturity -Regular Plan Growth (C.Y.NIL units, P.Y. 10,00,000 units)	-	10.00
Total	-	10.00

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



Rohtak-Panipat Tollway Private Limited

Notes on accounts forming part of Financial Statements

16 Cash and cash equivalents

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Balance with Banks in Current accounts	65.31	476.69
Cash on hand	3.26	6.16
Total	68.57	482.85

Balances with Banks include balance of ₹ 63.78 Million (as at March 31, 2015 ₹ 472.59 Million) are lying in the Escrow Accounts as per terms of borrowings with the lenders.

17 Short term loans and advances

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
<i>Unsecured , Considered Good:</i>		
Prepaid expenses	4.63	4.30
Loans and advances to related parties (Refer Note.31)	-	0.12
Advances recoverable in cash or value to be received	0.10	0.03
Total	4.73	4.45

18 Other current assets

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, Considered Good		
Toll Receivable*	-	3.98
Derivative Contract Settlement Receivable	0.30	-
(Less): Transferred to Long Term Borrowing (Refer Note4)	(0.30)	-
Total	-	3.98

* The above amount is receivable from Government of Haryana since December 2014 in terms of Toll Relief Policy as per the Memorandum of Understanding (MOU) entered between Government of Haryana and the Company.



Rohtak-Panipat Tollway Private Limited

Notes on accounts forming part of Financial Statements:

19 Revenue from operations

Particulars	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Revenue from Toll Collection *	805.00	851.74
Total	805.00	851.74

* Toll operation was closed during February 17, 2016 to February 26, 2016 due to Jaat Agitation in the state of Haryana.

20 Other income

Particulars	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Interest Income on:		
- Fixed Deposits with Banks	0.54	0.31
- Income Tax Refund	0.44	0.36
Gain on Sale of Units of Mutual Funds (net)	21.70	41.56
Dividend Income	-	0.62
Miscellaneous Income	0.49	0.99
Total	23.17	43.84

21 Operating expenses

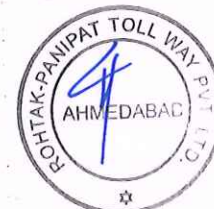
Particulars	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Toll Plaza and Road Operation & Maintenance expenses (including payment to sub contractors)	56.12	58.03
Periodic Major Maintenance expenses (Refer Note No. 6)	182.00	168.60
Power and Fuel	9.86	10.19
Security expenses	11.89	7.54
Total	259.87	244.36

22 Employee benefits expense

Particulars	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Salaries, wages and other allowances	16.99	11.85
Contribution to provident fund & others	0.88	0.57
Gratuity expense	0.12	0.13
Staff welfare expenses	3.62	2.87
Total	21.61	15.42

23 Finance costs

Particulars	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Interest Expenses on:		
Rupee Term Loans	924.24	953.23
Foreign Currency Loan	145.05	133.78
Short Term Borrowings	72.27	49.14
Deferment of Additional premium	67.01	18.71
Others	0.01	0.01
Other Borrowing cost		
Bank Charges	0.33	1.19
Option Premium	55.59	55.43
Ancillary Borrowing Fees	1.79	2.50
Total	1,266.29	1,213.99



Rohtak-Panipat Tollway Private Limited

Notes on accounts forming part of Financial Statements:

24 Other expenses

Particulars	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Rent	1.03	1.01
Rates & Taxes	-	0.04
Repairs and maintenance (Refer Note 37)	5.46	0.60
Insurance	5.01	4.66
Legal and professional fees	5.20	11.19
Management Support Fees (Refer Note No.31)	13.67	13.48
Communication Expense	0.45	0.40
Cash Collection Charges	1.84	2.38
Travelling and conveyance	0.18	0.13
Auditors' remuneration (Refer Note below)	0.59	0.36
Loss of Assets including cash balances	2.06	-
Miscellaneous expenses	0.30	0.91
Total	35.79	35.16

Note :- Auditors Remuneration (inclusive of Service Tax, wherever applicable) comprises of the following:

Particulars	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Statutory Audit	0.52	0.28
Tax Audit and other tax matters	0.07	0.06
Certification Fees	*	0.02
Total	0.59	0.36

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

25 Details of Expenditure in Foreign Currency

Particulars	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Interest	130.64	117.74
Agency Fees	1.79	1.65
Total	132.43	119.39

26 The company has accumulated losses of ₹ 2296.77/- Million (₹ 1170.74/- Million as at March 31,2015) as at the March 31,2016 , which have resulted in erosion of the company's net worth, although Sadbhav Infrastructure Project Limited, the holding company, Sponsors of the Company's project, has invested ₹ 2209.06/- Million as sub ordinate debt which is part of the Project Equity Capital as per terms of the Rupee Facility Agreement (Loan Agreement). The subordinate debt has certain repayment stipulations. The Company has been able to meet its obligations in the ordinary course of the business complimented by the continuing financial support offered from Sadbhav Infrastructure Project Limited (the Holding Company). The Sponsors viz., Sadbhav Infrastructure Project Limited and Sadbhav Engineering Limited have also entered into undertaking to support the Company for cost overrun and shortfall in cash flow. Accordingly, these financial statements have been prepared assuming that the Company will continue as a going concern.



Rohtak-Panipat Tollway Private Limited

Notes on accounts forming part of Financial Statements

27 Commitments :

(₹ /USD in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
(i) Option Contract Outstanding (Principle portion only)		
- Equivalent INR	2206.45	2,064.90
- Equivalent USD	37.83	37.83
(ii) Interest rate swap outstanding		
- Equivalent INR	501.78	604.26
- Equivalent USD	8.60	11.07
(iii) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ Nil (P.Y ₹ Nil).		

28 Employee Benefits (AS - 15):

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

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Changes in the defined benefit obligations		
Opening Defined benefit obligation	0.15	0.02
Current service cost	0.24	0.13
Interest Cost	0.01	0.00
Actuarial (Gain) / Losses	(0.13)	(0.00)
Defined benefit obligations as at end of the Year	0.27	0.15

(₹ in Million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Net amount Charged to Statement of Profit and Loss		
Current service cost	0.24	0.13
Interest Cost	0.01	0.00
Actuarial (Gain) / Losses	(0.13)	(0.00)
Net amount recognized	0.12	0.13
The principal actuarial assumptions used are as follows:		
Discount Rate	7.60%	7.80%
Rate of increase in compensation levels	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.



Rohtak-Panipat Tollway Private Limited

Notes on accounts forming part of Financial Statements

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

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

Particulars	Unit	Year ended March 31, 2016	Year ended March 31, 2015
Net (Loss) as per Statement of Profit & Loss	₹ in Million	(1,126.03)	(898.65)
Weighted average of number of equity shares outstanding during the Year	in Nos.	2,186,445	2,186,445
Basic & Diluted (Loss) per share of face value of ₹10/- Each	₹	(515.00)	(411.01)

30 Segment Reporting:

The Company is engaged in only one reportable segment viz DBFOT(Toll) projects. Therefore no disclosure of separate segment reporting as required in terms of Accounting Standard (AS) - 17 "Segment Reporting" specified under section 133 of the Companies Act 2013 read with Rule 7 of Companies (Accounts) Rules, 2014 is given. The Company also primarily operates under one geographical segment namely India.

31 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 :

Description of Relationship	Name of the Related Party
Ultimate Holding Company	Sadbhav Engineering Limited (SEL)
Holding Company	Sadbhav Infrastructure Project Limited (SIPL)
Fellow Subsidiary Company	Rohtak Hissar Tollway Private Limited (RHTPL)

(b) Transactions with Related Parties during the Year : (₹ in Million)

Sr.No.	Particulars	Year ended March 31, 2016	Year ended March 31, 2015
(i)	Short Term Borrowings received SIPL	-	485.30
(ii)	Short Term Borrowings repaid (including interest paid amounting to " Nil " Million) SIPL	-	4.91
(iii)	Interest on Short Term Borrowings SIPL	72.27	49.14
(iv)	Management Support Services availed SIPL	13.67	13.48



Rohtak-Panipat 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
(v)	Operations and Maintenance Services availed SIPL	33.08	45.06
(vi)	Rent Expense SEL	1.03	1.01
(vii)	Services availed for Utility, Electric Pole Shifting, EPC variations and Road repairing (net) SEL	4.13	92.72
(viii)	Reimbursement of expenses SIPL	0.44	0.10
	SEL	-	-
	RHTPL	0.01	-

(c) Balance outstanding as at Year End:

(₹ in Million)

Sr.No.	Particulars	March 31, 2016	March 31, 2015
(i)	Sub Ordinate Debt SIPL	2,209.06	2,209.06
(ii)	Short Term Borrowings (including interest payable thereon) SIPL	665.22	600.18
(iii)	Payable towards Operation and Maintenance & Project Management Services SIPL	9.20	7.51
(iv)	Rent and Reimbursement Expenses SEL	0.08	-
(v)	Receivable/(Payable) towards Utility Shifting SEL	(1.56)	0.12

32 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. This is based on the information available with the Company.

33 Operating Leases:

Office premises of the Company have been taken on operating lease basis. The lease rent paid during the year is ₹ 1.03 Millions (P.Y. ₹ 1.01 Millions). These operating lease agreement are cancellable by giving short period notice by either of the parties to the agreement.



Rohtak-Panipat Tollway Private Limited

Notes on accounts forming part of Financial Statements

34 Details of Deferred Tax Asset (net) :

(₹ 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	1,236.07	722.12
(ii)	Provision for Gratuity	0.08	0.05
(iii)	Provision for Major Maintenance	121.10	-
	Deferred Tax Assets	1,357.25	722.16
B.	Deferred Tax Liability		
(i)	Difference between book and tax depreciation & amortisation	633.73	328.10
	Deferred Tax Liability	633.73	328.10
	Net Deferred tax asset/(liability) recognised in books	-	-

Note: As a matter of prudence, the recognition of deferred tax asset has been restricted to the extent of deferred tax liability appearing in the books of accounts. Hence, as at 31st March, 2016, deferred tax in the books of accounts appears Nil.

35 Derivative Transactions:

The Company has entered into Option contract over the borrowing term for hedging foreign currency exchange rate risk against External Commercial Borrowings. The receivable on derivative settlement as per the option contract are adjusted against the Loan Liability in the Financial Statements at the year end. The Company has also entered into Swap contract to hedge interest rate fluctuation related risk over the borrowing term.

36 Contingent Liability:

In respect of Assessment Year 2013-14, Income tax department has demanded an amount of ₹ 13.73 Million towards certain income earned during project implementation period against which the company has filed an appeal before Commissioner of Income Tax (Appeal). The company has paid 50% of demand amount which has been disclosed under long term loans and advances. The company is contesting the demand and the management believes that its position will likely upheld in the appellate process. No tax expense has been accrued in the financial statements for the demand raised.

37 Loss of Asset due to Agitation:

Between February 17 to 26, 2016, there was a social unrest in the State of Haryana, which caused some damages to Company's Toll assets including loss of toll operations for few days from February 17 to 26, 2016. The damages to assets (including cost of replacement) amounting to ₹ 6.09 million and cash loss of ₹ 0.58 million has been written off in the statement of profit and loss. As at year end, the Company is in process of filing insurance claim for the damages to assets and towards estimated loss of revenue during the unrest period.



Rohtak-Panipat Tollway Private Limited

Notes on accounts forming part of Financial Statements

38 Exceptional Item

Exceptional item in year 2014-15 represents accounting impact due to change in policy relating to accounting of premium payable to NHAI, which has been accounted on upfront basis as cost of Intangible Assets-Rights to Toll collection.

39 Previous Year Figures:

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

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



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

Place: Ahmedabad
Date: April 22, 2016



For S R Batliboi & Co LLP
Chartered Accountants
Firm Registration No.:301003E



(Arvind Sethi)
Partner
Membership No.: 89802

Place: Ahmedabad
Date: April 22, 2016



For & on behalf of the Board of Directors of
Rohtak Panipat Tollway Pvt Ltd.



(Vasistha C Patel)
Director
DIN No.: 00048324

Place: Ahmedabad
Date: April 22, 2016



(Arun Patel)
Director
DIN No.:06365699

