

# Manubhai & Shah LLP

Chartered Accountants

## INDEPENDENT AUDITOR'S REPORT

To The Members of Shreenathji Udaipur Tollway Private Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of Shreenathji Udaipur 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

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**Ahmedabad • Mumbai • Rajkot • Jamnagar • Baroda**

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



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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.

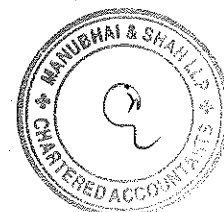
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## 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" a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.



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- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure - B"
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
  - i. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - ii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



Place: Ahmedabad  
Date : April 20, 2016

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

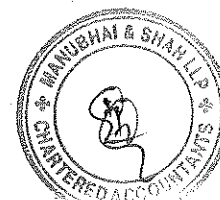
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(H.M. Pomal)  
Partner  
Membership No. 106137

## Annexure A to the Independent Auditors' Report

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) The fixed assets have been physically verified during the year by the Management in accordance with programme of physical verification, which in our opinion, provides for physical verification of all fixed assets at a reasonable intervals having regard to size of the Company and nature of fixed assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.  
(c) The title deeds of the immoveable property are held in the name of the Company.
- (ii) The Company had no inventory during and at the year end. Therefore, the reporting requirements of paragraph 3(ii) of the Order is not applicable.
- (iii) The Company has not granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Therefore, the reporting requirements of paragraph 3 (iii) of the Order are not applicable.
- (iv) The Company has not given loans, made investments or provided guarantees or security, attracting the provisions of sections 185 and 186 of the Act. Hence the reporting requirements of paragraph 3(iv) of the Order are not applicable.
- (v) The Company has not accepted deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
- (vi) The maintenance of cost records prescribed by the Central Government under section 148 (1) of the Act is not applicable to the Company.
- (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.



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

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

- (viii) Based on our audit procedure and the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company has not borrowed or raised any money from debenture holders during the year.
- (ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). The term loans raised were utilised for the purpose for which they were raised.
- (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 20, 2016



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

A handwritten signature in black ink, appearing to read "H. M. Pomal".

(H. M. Pomal)  
Partner  
Membership No. 106137

## **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SHREENATHJI UDAIPUR 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 Shreenathji Udaipur 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**

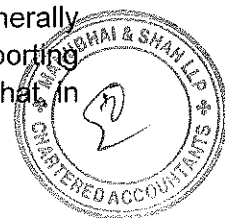
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on 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 20, 2016**

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

A handwritten signature in black ink, appearing to read 'H.M. Pomal'.

**(H.M.Pomal )**  
**Partner**  
**Membership No.106137**



**Shreenathji-Udaipur Tollway Private Limited**  
**Balance Sheet as at March 31, 2016**

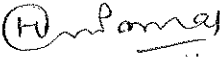
(₹ in Million)

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
<b>I Equity and Liabilities</b>			
<b>(1) Shareholders' funds</b>			
Share capital	2	337.43	207.43
Reserves and surplus	3	(172.36)	(7.30)
		165.07	200.13
<b>(2) Non-Current Liabilities</b>			
Long Term Borrowings	4	10,978.34	8,038.22
Other Long Term Liabilities	5	9,927.21	-
Long-Term Provisions	6	37.17	-
		20,942.72	8,038.22
<b>(3) Current liabilities</b>			
Short Term Borrowings	7	13.60	-
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		13.27	2.31
Other Current Liabilities	9	345.43	490.91
Short term Provision	10	0.17	-
		372.47	493.22
<b>Total</b>		<b>21,480.26</b>	<b>8,731.57</b>
<b>II Assets</b>			
<b>(1) Non-current assets</b>			
Fixed Assets	11		
Tangible Assets		3.94	-
Intangible Assets		21,437.32	-
Intangible Assets under Development		-	8,503.30
Non-Current Investments	12	2.10	2.10
Long Term Loans and Advances	13	6.46	135.43
Other Non-Current Assets	14	*	*
		21,449.82	8,640.83
<b>(2) Current assets</b>			
Current Investments	15	0.01	15.00
Cash and Cash Equivalents	16	7.08	48.04
Short Term loans and Advances	17	3.81	-
Other Current Assets	18	19.54	27.70
		30.44	90.74
<b>Total</b>		<b>21,480.26</b>	<b>8,731.57</b>
Significant Accounting Policies	1		

Accompanying notes are an integral part of the financial statements

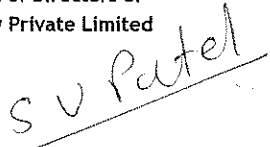
\* Amount is below rounding off norm adopted by the Company

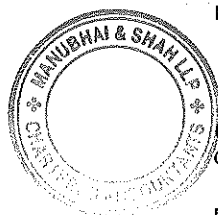
As per our report of even date  
For Manubhai & Shah LLP  
Chartered Accountants  
Firm Registration No. 106041W

  
(H.M. Pomal)  
Partner  
Membership No. 106137

For & on behalf of the Board of Directors of  
Shreenathji-Udaipur Tollway Private Limited

  
(Vasistha Patel)  
Director  
DIN:0048324

  
(Shashin Patel)  
Director  
DIN:0048328



  
(Meera Makwana)  
Company Secretary



Place: Ahmedabad  
Date: April 20, 2016

Place: Ahmedabad  
Date: April 20, 2016

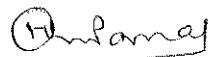
**Shreenathji-Udaipur Tollway Private Limited**  
**Statement of Profit and Loss for the year ended March 31, 2016**

(₹ in Million)

Particulars	Note	Year Ended March 31 ,2016	Year Ended March 31 ,2015
I Revenue from Operations	19	288.60	-
II Other income	20	1.09	-
III Total Revenue ( I + II )		289.69	-
IV Expenses:			
Operating Expenses	21	62.20	-
Employee benefits expense	22	9.57	-
Finance Costs	23	319.06	0.23
Depreciation and Amortisation		55.80	-
Other Expenses	24	8.12	-
Total Expenses		454.75	0.23
V Loss for the Year (III - IV )		(165.06)	(0.23)
VIII Earnings per share: (Nominal Value per share: ₹. 10)	28		
(1) Basic & Diluted		(5.12)	(0.01)
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

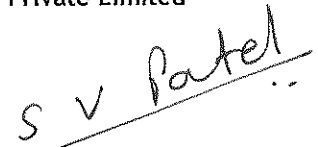


(H.M Pomal)  
Partner  
Membership No.106137

For & on behalf of the Board of Directors of  
Shreenathji-Udaipur Tollway Private Limited



(Vasistha Patel)  
Director  
DIN:0048324



(Shashin Patel )  
Director  
DIN:0048328



  
(Meera Makwana)  
Company Secretary

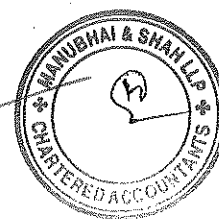
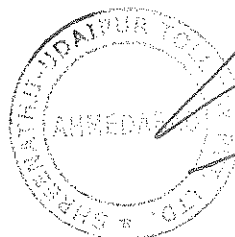
Place: Ahmedabad  
Date: April 20, 2016

Place: Ahmedabad  
Date: April 20, 2016

**Shreenathji-Udaipur 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
<b>(A) Cash flows from operating activities</b>		
Net (Loss) before tax	(165.06)	(0.23)
Adjustment for:		
Depreciation and amortisation	55.80	-
Finance Expense	319.06	-
Gain on sale of units of Mutual fund Investments (net)	(0.98)	-
<b>Operating Profit/(Loss) before working capital changes</b>		
Adjustments for:		
(Increase)/Decrease in Short term loans and advances	(3.81)	-
(Increase)/Decrease in Long term loans and advances	(0.99)	-
(Increase)/Decrease in Long term Provisions	37.17	-
Increase/(Decrease) in trade payables	10.46	-
Increase/(Decrease) in other current liabilities	(462.20)	-
Increase/(Decrease) in short term provision	0.17	-
Increase/(Decrease) in other current Assets	8.16	-
<b>Net cash (used in) operating activities (A)</b>	<b>(202.22)</b>	<b>(0.23)</b>
<b>(B) Cash Flows from investing activities</b>		
Road Development Expenditure	(2,151.10)	(4,226.26)
Addition in expenditure (excluding Finance cost) during construction period, pending allocation	(16.67)	(19.10)
Capital Advances Recoveries	129.96	-
Purchase of Tangible Assets	(4.46)	-
(Investment)/Redemption in Mutual fund (Including Gain on Redemption of Mutual fund)	15.97	(12.78)
Interest on fixed Deposites	-	0.37
(Increase)/Decrease in loans and advances	-	(27.11)
Increase/ (Decrease) in other current liabilities	-	430.26
Increase/ (Decrease) in other Assets	-	(3.83)
<b>Net cash used in investing activities (B)</b>	<b>(2,026.30)</b>	<b>(3,858.45)</b>
<b>(C) Cash Flows from financing activities</b>		
Proceed from Issue of Shares	130.00	-
Proceeds from long term borrowings from Banks	1,811.20	3,597.95
Sub-Ordinate debt Received from Promotors	1,131.60	1,735.30
Sub-Ordinate debt Repaid to Promotors	-	(919.46)
Proceeds from Short term borrowings	13.60	-
Finance costs (Including interest expenditure during construction period)	(898.84)	(550.41)
<b>Net cash generated from financing activities (C)</b>	<b>2,187.56</b>	<b>3,863.38</b>



**Shreenathji-Udaipur Tollway Private Limited**  
**Cash Flow Statement for the year ended March 31, 2016**

Net increase / (Decrease) in cash and cash equivalents ( A + B + C )	(40.96)	4.70
Cash and cash equivalents at beginning of the year	48.04	43.34
Cash and cash equivalents at end of the year	7.08	48.04

**Notes:**

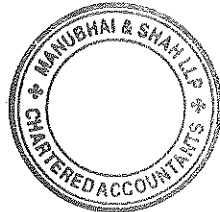
(i) Components of cash and cash equivalents:	As at	As at
	March 31, 2016	March 31, 2015
Cash on hand	5.21	0.01
Balances with banks in current accounts	1.87	48.03
Cash and cash equivalents (Refer Note 16)	7.08	48.04

- (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



(H.M. Pomal)  
 Partner  
 Membership No.106137



Place: Ahmedabad  
 Date: April 20, 2016

For & on behalf of the Board of Directors of  
 Shreenathji-Udaipur Tollway Private Limited

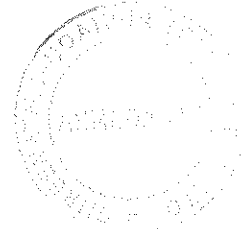


(Vasistha C. Patel)  
 Director  
 DIN:0048324



(Shashin Patel )  
 Director  
 DIN:0048328

  
 (Meera Makwana)  
 Company Secretary



Place: Ahmedabad  
 Date: April 20, 2016

## Shreenathji-Udaipur Tollway Private Limited

### Notes on accounts forming part of Financial Statements

#### Overview of the Company :

Shreenathji - Udaipur Tollway Private Limited ("the Company") was incorporated as a Special Purpose Vehicle (SPV) in March, 2012, for the purpose of Four Laning of Gomati Chauraha- Udaipur Section of NH-8 (from km 177/000 to km 260/100) in the state of Rajasthan under NHDP Phase IV on Design, Build, Finance, Operate and Transfer (DBFOT) basis. The Company has entered into Concession Agreement with National Highways Authority of India (NHAI) with a Concession Period of 27 years commencing from 18th April, 2013 (Appointed date). The Concession period includes construction period of 910 days. The Company received Provisional certificate of commencement on Dec 04 , 2015 from NHAI and commenced the Toll Collection on Dec 06 ,2015.

#### 1 Statement of Significant Accounting Policies :

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

The Financial Statements are prepared to comply in all material respects with the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 and the other relevant provisions of the Act. The financial statements have been prepared under the historical cost convention on an accrual basis. 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 the 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.

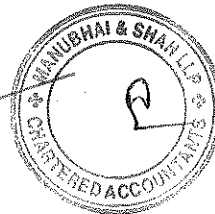
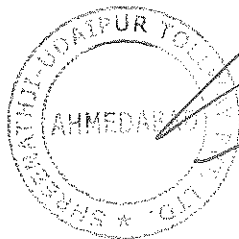
##### 1.3 Fixed Assets:

###### (i) Tangible Assets :

Tangible assets are stated at cost, 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.



## Shreenathji-Udaipur Tollway Private Limited

### Notes on accounts forming part of Financial Statements

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

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

Toll collection rights granted by National Highways Authority of India (NHAI) against construction service rendered by the Company on DBFOT basis include direct and indirect expenses on construction of roads, bridges, Infrastructure at the toll plaza and obligation towards additional concession fees (premium) payable to National Highway Authority of India (NHAI) 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 / Provisional 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 ("NHAI") 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.

#### (iii) Intangible Asset under development:

Intangible asset under development comprised of road development cost including other capital assets till they are ready for their intended use as at the reporting date of the financial statements as well as "Expenditure During Construction Period ( Pending Allocation)" These are capitalised as an intangible asset on Provisional Commercial Operation Date (PCOD).

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during the construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Income earned during construction period is deducted from the total of the indirect expenditure. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto, is charged to Statement of Profit and Loss.

### 1.4 Depreciation and Amortisation

#### (i) Depreciation

Depreciation on tangible assets is provided on the Written Down Value (WDV) method over the useful lives of assets as specified in Schedule II to the Companies Act, 2013. Depreciation on assets purchased / sold during the year is proportionately charged.



## Shreenathji-Udaipur Tollway Private Limited

### Notes on accounts forming part of Financial Statements

#### (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 is reviewed at the end of the each financial year and the total projected revenue is adjusted to reflect any changes in the estimates which lead to the actual collection at the end of the concession period.

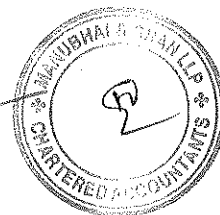
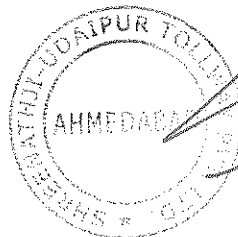
#### 1.5 Impairment of Assets:

- (i) The 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) Toll Income:  
The revenue is recognized in the period of collection which generally coincide as and when the traffic passes through toll - plazas.
- (ii) Gain / Loss on Sale of Units of Mutual Fund and Dividend income:  
Gain / Loss on Sale of Units of Mutual Fund and dividend income from investment in units of mutual fund are recognised on realisation.
- (iii) Interest:  
Interest on deposits, investments and loans given is recognized on a time proportion basis taking into account the amounts invested and the rate applicable.
- (iv) Dividend income:  
Dividend Income is recognised when the company's right to receive dividend is established by the reporting dates.



## Shreenathji-Udaipur Tollway Private Limited

### Notes on accounts forming part of Financial Statements

#### 1.7 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.

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.

#### 1.8 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 cost 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.

#### 1.9 Borrowing Costs:

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





## Shreenathji-Udaipur Tollway Private Limited

### Notes on accounts forming part of Financial Statements

#### 1.10 Leases:

*Where the Company is the lessee*

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

#### 1.11 Earnings Per Share:

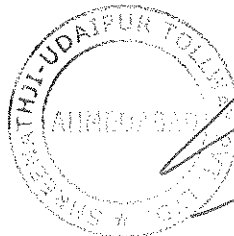
Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

#### 1.12 Taxes on Income:

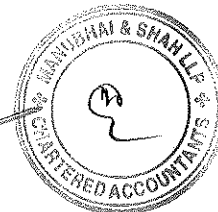
Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted,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

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred tax liabilities are recognized for all taxable differences. Deferred tax assets are recognized 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 the year of 10 consecutive assessment years out of 24 years beginning from toll operations. 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.



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## Shreenathji-Udaipur Tollway Private Limited

### Notes on accounts forming part of Financial Statements

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.

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

(i) A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(ii) 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) Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

#### 1.14 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.

#### 1.15 General

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



The image shows a handwritten signature in the center, with two circular stamps on either side. The stamp on the left is for Shreenathji-Udaipur Tollway Private Limited, Udaipur. The stamp on the right is for Manubhai & Co. Chartered Accountants.

**Shreenathji-Udaipur 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
<b>Authorised</b>		
125,000,000 Equity Shares of ₹ 10/- each (P.Y 125,000,000 Equity Shares of ₹ 10/- each)	1,250.00	1,250.00
<b>Total</b>	<b>1,250.00</b>	<b>1,250.00</b>
<b>Issued , Subscribed and Paid Up</b>		
33,743,237 Equity Shares of ₹ 10/- each (P.Y 20,743,237 Equity Shares of ₹ 10/- each)	337.43	207.43
<b>Total</b>	<b>337.43</b>	<b>207.43</b>

(ii) Reconciliation of number of equity shares outstanding as at beginning and end of the reporting period:

Particulars	As at March 31, 2016	As at March 31, 2015
Number of Shares at the beginning of the year	20,743,237	20,743,237
Add: Shares issued during the year	13,000,000	-
<b>Number of Equity shares at the end of the Period</b>	<b>33,743,237</b>	<b>20,743,237</b>

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

- (a) The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-.
- (b) Each holder of equity shares is entitled to one vote per share.
- (c) In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive the residual assets of the Company, after distribution of all preferential amounts. However, currently no such preferential amount exists. The amount distributed will be in proportion to the number of equity shares held by the shareholders.
- (iv) As at March 31, 2016, 33,743,137 shares (Previous Year 20,743,137 shares) are held by Sadbhav Infrastructure Project Limited- holding company (including its nominees). Also, as at March 31, 2016, 100 shares are held by Sadbhav Engineering Limited- Ultimate Holding Company, on behalf of Sadbhav Infrastructure Project Limited which is the beneficial owner.




**Shreenathji-Udaipur Tollway Private Limited**

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

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

Name of Shareholder	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	% to Total	No. of Shares	% to Total
Sadbhav Infrastructure Project Limited (including its Nominees)**	33,743,137	100%	20,743,137	100%
<b>Total</b>	<b>33,743,137</b>	<b>100%</b>	<b>20,743,137</b>	<b>100%</b>

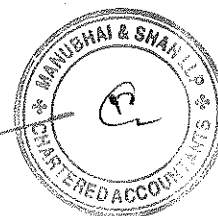
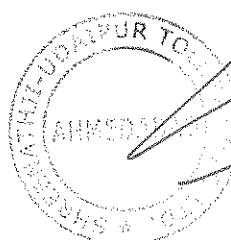
\*\* As per the records of the company, including its registers of shareholders/member and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**3 Reserves and surplus**

Particulars	(₹ in Million)	
	As at March 31, 2016	As at March 31, 2015
Surplus/(Deficit)		
(Deficit) at the beginning of the year	(7.30)	(7.07)
Add: Net loss after tax transferred from Statement of Profit and Loss	(165.06)	(0.23)
<b>(Deficit) as at end of the period</b>	<b>(172.36)</b>	<b>(7.30)</b>

**4 Long Term Borrowings**

Particulars	(₹ in Million)	
	As at March 31, 2016	As at March 31, 2015
<b>Secured :</b>		
Term Loans from Banks		
- Tranche I	4,346.17	3,388.45
- Tranche II	3,857.68	3,004.20
<b>Less:</b>	<b>8,203.85</b>	<b>6,392.65</b>
Current Maturities	(2.68)	-
	<b>8,201.17</b>	<b>6,392.65</b>
<b>Unsecured :</b>		
Loans from Promoters ( Refer Note 30 )	2,777.17	1,645.57
(Sub-Ordinate Debt from Promoters, in terms of Common Facility Agreement)		
<b>Total</b>	<b>10,978.34</b>	<b>8,038.22</b>



Shreenathji-Udaipur Tollway Private Limited

*Notes on accounts forming part of Financial Statements*

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

- 1 first ranking mortgage and charge on all the Company's immovable properties, both present and future, save and except the Project Assets;
- 2 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 first charge over all bank 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 Loan Agreement and the Supplementary Escrow Agreement, or any 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.
- 4 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 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.
- 6 pledge of equity shares held by Promoters upto 51% (fifty one percent) of the paid up and voting equity share capital of the Company for a period up to Final Settlement Date.

Notes:

- 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, in accordance with the Concession Agreement, without any preference or priority to one over the other or others;
- the Security Interest stipulated in para 1 to 6 above 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 :

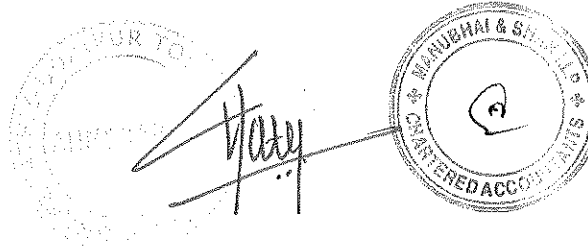
In respect of:

(a) Term Loans from Banks:

*Tranche I*

The Principal amounts of the Loan under Tranche I is repayable to the Lenders in 138 structured monthly installments ,commencing from the expiry of thirteenth (13th) calendar month starting from the calendar month in which the Schedule Commercial Operations Date (SCOD) occurs i.e Nov 30 ,2016

Term loans carry interest of 11.60 to 12.25 per cent per annum.



**Shreenathji-Udaipur Tollway Private Limited**

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

**Tranche II**

The Principal amounts of the Loan under Tranche II is repayable to the Lenders in 173 structured monthly installments , commencing from the expiry of thirteenth (13th) calendar month starting from the calendar month in which the SCOD occurs i.e Nov 30 ,2016.

Term loans carry interest of 11.60 to 12.25 per cent per annum.

Put Option pertaining to Tranche II facility from Banks:

At any time after the expiry of 15th (fifteenth) year from the Appointed Date, the Rupee Lenders of the Tranche II of the Rupee Facility shall have the right to sell/ assign/ transfer the entire Tranche II of the Rupee Facility to one or both of the Sponsors (at their discretion) by providing a prior written notice of 30 (thirty) days ("Put Option Notice") to the Sponsors in that regard ("Put Option"). The Company has agreed that in the event the Lenders of the Tranche II of the Rupee Facility exercises the Put Option, the Company shall ensure that the concerned Sponsors buys/acquires the entire Outstanding Due Amounts in respect of the Tranche II of the Rupee Facility within the aforesaid period of 30 (thirty) days from the date of such Put Option Notice.

**(b) Subordinate debt from Promoters:**

Subordinate debt from Promoters is repayable after the Term Loans to be availed under the Common Facility Agreement are irrevocably and unconditionally paid and discharged in full satisfaction of the lenders.

Sub-ordinate debts from promoters are interest free.

**5 Other Long term liabilities**

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Premium Obligation under Concession Agreement (Refer Note 25 )	9,927.21	-
<b>Total</b>	<b>9,927.21</b>	<b>-</b>

**6 Long-Term Provisions**

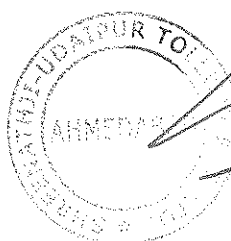
(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for:		
Periodic Major Maintenance Reserve (Refer Note 34)	37.09	-
Employee Benefits- Gratuity (Refer Note 26)	0.08	-
<b>Total</b>	<b>37.17</b>	<b>-</b>

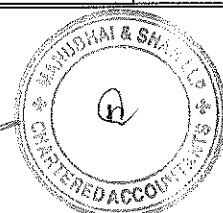
**7 Short Term Borrowings**

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured :		
Loan from Holding Company ( Refer Note 30 )	13.60	-
<b>Total</b>	<b>13.60</b>	<b>-</b>



*[Handwritten Signature]*



**Shreenathji-Udaipur Tollway Private Limited**

*Notes on accounts forming part of Financial Statements*

**8 Trade Payables**

(₹ in Million)

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Outstanding dues to small, micro and medium enterprises	-	-
Outstanding dues to others**	13.27	2.31
<b>Total</b>	<b>13.27</b>	<b>2.31</b>

\*\*

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

**9 Other Current Liabilities**

(₹ in Million)

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Payable towards Capital Expenditure	58.49	446.41
Payable towards Bill Discounting Charges	-	22.19
Current Maturity of Long Term Loan	2.68	-
Current Maturities of Premium Obligation under Concession Agreement	280.80	-
Interest accrued and due on Borrowing (Refer Note 30)	0.09	-
Interest accrued on NHAI Premium Obligation	0.50	-
Statutory dues	0.80	22.28
Employee Benefits Payable	1.84	0.03
Others	0.23	-
<b>Total</b>	<b>345.43</b>	<b>490.91</b>

**10 Short term Provision**

(₹ in Million)

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Leave provision for salary	0.17	-
	<b>0.17</b>	-



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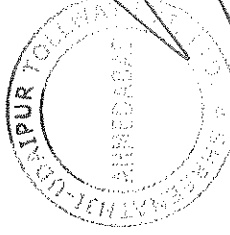


**Shreenathji-Udaipur Tollway Private Limited**

*Notes forming part of Financial Statements:*

(₹ in Million)

Particulars	Gross Block			Depreciation / Amortisation			Net Block			
	As At April 1, 2015	Addition During the Period	Sale During the Period	Adjustment during the Period	As At March 31, 2016	As At April 1, 2015	For The Period	Adjustment towards Exchange Difference	As At March 31, 2016	As At March 31, 2015
<b>(i) Tangible Assets</b>										
Plant and Equipments	-	2.25	-	-	2.25	-	0.16	-	0.16	-
Computers	-	0.50	-	-	0.50	-	0.15	-	0.15	-
Furniture & Fixtures	-	0.01	-	-	0.01	-	0.00	-	0.01	-
Vehicles	-	1.07	-	-	1.07	-	0.13	-	0.94	-
Office Equipments	-	0.62	-	-	0.62	-	0.07	-	0.55	-
<b>Total (i)</b>	-	<b>4.46</b>	-	-	<b>4.46</b>	-	<b>0.51</b>	-	<b>3.94</b>	-
<b>Previous Year</b>										
<b>(ii) Intangible Assets</b>										
Toll Collection Rights	-	21,492.74	-	-	21,492.74	-	55.42	-	21,437.32	-
<b>Previous Year</b>										
<b>(iii) Intangible Assets under Development</b>										
Road Development	7,583.60	2,133.23	-	(9,716.83)	-	-	-	-	-	7,583.60
Expenditure during Construction period	919.70	597.04	-	(1,516.74)	-	-	-	-	-	919.70
<b>Total (iii)</b>	<b>8,503.30</b>	<b>2,730.27</b>	-	<b>(11,233.57)</b>	-	-	-	-	-	<b>8,503.30</b>
<b>Previous Year</b>	<b>2,776.06</b>	<b>5,727.24</b>	-	<b>(11,233.57)</b>	<b>8,503.30</b>	-	-	-	<b>8,503.30</b>	-
<b>Total (i) + (ii) + (iii)</b>	<b>8,503.30</b>	<b>24,227.47</b>	-	<b>(11,233.57)</b>	<b>21,497.20</b>	-	<b>55.93</b>	-	<b>21,441.26</b>	<b>8,503.30</b>
<b>Previous Year</b>	<b>2,776.06</b>	<b>5,727.24</b>	-	<b>8,503.30</b>	<b>8,503.30</b>	-	-	-	<b>8,503.30</b>	-





**Shreenathji-Udaipur Tollway Private Limited**

*Notes on accounts forming part of Financial Statements*

**12 Non-Current Investments**

(₹ in Million)

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Investment Property (At Cost)		
Land	2.08	2.08
Government Securities (At cost)		
National Savings Certificates (NSC)	0.02	0.02
<b>Total</b>	<b>2.10</b>	<b>2.10</b>

Land is offered as security against borrowing as stated in Note No - 4.  
Land area measuring 23000 Sq Mtr and it is situated at Sudhagad Dist. Raigadh.

**13 Long Term Loans and Advances**

(₹ in Million)

Particulars	As at	As at
	March 31, 2016	March 31, 2015
<i>Secured , Considered Good</i>		
Capital Advance to Ultimate holding company (Refer Note 30)	-	129.96
Tax Credit Receivable	6.40	5.47
Deposits	0.06	-
<b>Total</b>	<b>6.46</b>	<b>135.43</b>

**14 Other Non-Current Assets**

(₹ in Million)

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Interest accrued but not due on NSC (C.Y ` 2887 & in P.Y ` 827)	*	*
<b>Total</b>	*	*

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



**Shreenathji-Udaipur Tollway Private Limited**

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

**15 Current Investments**

(₹ in Million)

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Investment in units of Mutual Funds - Unquoted (At lower of Cost or NAV)		
ICICI Prudential Liquid Plan -Growth (C.Y Unit 54.818 P.Y NIL )	0.01	-
ICICI Prudential Money Market Fund -Growth (C.Y Unit NIL P.Y 77,671.994 )	-	15.00
ICICI Prudential Ultra Short term Plan -Growth (C.Y Unit 21.549 P.Y NIL )	*	-
<b>Total</b>	<b>0.01</b>	<b>15.00</b>

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

**16 Cash and Cash Equivalents**

(₹ in Million)

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Cash on hand	5.21	0.01
Balance with Banks in Current accounts	1.87	48.03
<b>Total</b>	<b>7.08</b>	<b>48.04</b>

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

**17 Short Term loans and Advances**

(₹ in Million)

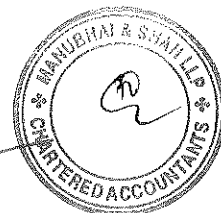
Particulars	As at	As at
	March 31, 2016	March 31, 2015
Unsecured, Considered Good		
Prepaid Expenses	1.93	-
Advances recoverable in cash or value to be received	1.88	-
<b>Total</b>	<b>3.81</b>	<b>-</b>

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

**18 Other Current Assets**

(₹ in Million)

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Receivable from NHAI towards Utility Shifting	19.54	27.70
<b>Total</b>	<b>19.54</b>	<b>27.70</b>



**Shreenathji-Udaipur Tollway Private Limited**

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

**19 Revenue from Operations**

(₹ in Million)

Particulars	Year Ended March 31 ,2016	Year Ended March 31 ,2015
Revenue from Toll Collection	288.60	-
<b>Total</b>	<b>288.60</b>	<b>-</b>

**20 Other income**

(₹ in Million)

Particulars	Year Ended March 31 ,2016	Year Ended March 31 ,2015
Interest Income on:		
- Income Tax Refund	0.11	-
- Interet on NSC	*	*
Gain on Sale of Units of Mutual Funds (net)	0.98	-
<b>Total</b>	<b>1.09</b>	<b>-</b>

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

**21 Operating Expenses**

(₹ in Million)

Particulars	Year Ended March 31 ,2016	Year Ended March 31 ,2015
Toll Plaza and Road Operation & Maintainence expenses	10.42	-
Periodic Major Maintenance (Refer Note No. 34)	37.09	-
Power and Fuel	8.85	-
Security expenses	5.84	-
<b>Total</b>	<b>62.20</b>	<b>-</b>

**22 Employee Benefits Expense**

(₹ in Million)

Particulars	Year Ended March 31 ,2016	Year Ended March 31 ,2015
Salaries, wages and other allowances	7.69	-
Contribution to provident fund & others	0.39	-
Gratuity expense	0.08	-
Staff welfare expenses	1.41	-
<b>Total</b>	<b>9.57</b>	<b>-</b>



**Shreenathji-Udaipur Tollway Private Limited**

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

**23 Finance Costs**

(₹ in Million)

Particulars	Year Ended March 31 ,2016	Year Ended March 31 ,2015
Interest Expenses on:		
Term Loans from Banks	318.26	-
Short Term Borrowings	0.10	-
Others	0.67	0.23
Other Borrowing cost		
Bank Charges	0.01	-
other	0.02	-
<b>Total</b>	<b>319.06</b>	<b>0.23</b>

**24 Other Expenses**

(₹ in Million)

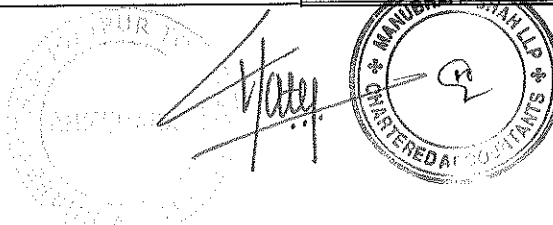
Particulars	Year Ended March 31 ,2016	Year Ended March 31 ,2015
Rent	0.57	-
Rates & Taxes	0.13	*
Repairs and maintenance	0.73	-
Insurance	1.50	-
Legal and professional fees	3.21	-
Communication Expense	0.59	-
Advertisement Expense	1.06	-
Travelling and conveyance	0.06	-
Auditors' remuneration	0.15	-
Printing & Stationery Expense	0.11	-
Miscellaneous expenses	0.01	-
<b>Total</b>	<b>8.12</b>	<b>-</b>

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

Note :-

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

Particulars	Year Ended March 31 ,2016	Year Ended March 31 ,2015
Fees for:		
Statutory Audit	0.11	0.06
Tax Audit	0.03	0.04
Certification	0.01	0.14
<b>Total</b>	<b>0.15</b>	<b>0.24</b>



Shreenathji-Udaipur Tollway Private Limited

Notes on accounts forming part of Financial Statements

25 Commitments :

(₹ in Million)

Particulars	Year Ended March 31 ,2016	Year Ended March 31 ,2015
<b>(i)</b>		
<b>ii) Commitments</b>		
<b>Capital commitments</b>		
EPC Contractor	33.17	2,166.40
Other (Net of Advance of ₹.06 Million)	3.71	-

**(ii) Additional Concession Fees to NHAI**

As per the Clause 26.2 of the Concession Agreement, The Company is required to pay, to the NHAI , on the COD date, a Premium in the form of an additional Concession Fee equal to ₹ 216 Million (Rupees Two Hundred and Sixteen Million Only) as due to the Authority during that year, due and payable for the period remaining in that year and for each subsequent year of the Concession Period, the Premium shall be determined by increasing the amount of Premium in the respective year by an additional 5% (five per cent) as compared to the immediately preceding year.

26 Employee Benefits :

(a) Defined Contribution Plan:

Amount recognised as an expense and included in Note No. 22 "Contribution to provident fund and Others" ₹ .39 Million (P.Y ₹ Nil ) towards Provident fund and Ashray Benevolent.

(b) Defined Benefit Plan- Gratuity:

The Company has defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

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

(₹ in Million)

Particulars	Year Ended March 31 ,2016	Year Ended March 31 ,2015
<b>Change in the defined benefit obligations</b>		
Opening Defined benefit obligations	-	-
Current service cost	0.08	-
Interest cost	-	-
Net actuarial loss / (gain) recognized	-	-
<b>Defined benefit obligations as at end of the Year</b>	<b>0.08</b>	<b>-</b>




**Shreenathji-Udaipur Tollway Private Limited**

*Notes on accounts forming part of Financial Statements*

(₹ in Million)

Particulars	Year Ended March 31 ,2016	Year Ended March 31 ,2015
Net amount Charged to Statement of Profit & Loss		
Current service cost	0.08	-
Interest cost	-	-
Net actuarial loss / (gain) recognized	-	-
Net amount recognized in Statement of Profit & Loss	0.08	-
<b>The principal actuarial assumptions used are as follows:</b>		
Discount Rate	7.60%	
Rate of increase in compensation levels	6.00%	
Withdrawal rate	15% at younger ages, reducing to 3% at older ages	
Mortality rate	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.

- 27 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.

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

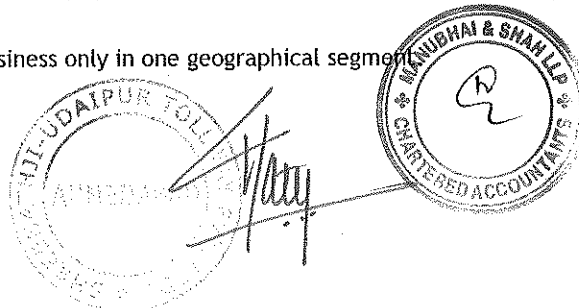
Loss per share is calculated by dividing the net loss attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year, as under:

Particulars	Unit	Year Ended March 31 ,2016	Year Ended March 31 ,2015
Net (Loss) as per Statement of Profit & Loss	₹ in Million	(165.06)	(0.23)
Weighted average of number of equity shares outstanding during the period	in Nos.	32,251,433	20,743,237
Basic & Diluted (Loss) per share of face value of ₹10/- each	₹	(5.12)	(0.01)

**29 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



**Shreenathji-Udaipur Tollway Private Limited**

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

**30 Related Party Disclosures:**

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

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

Description of Relationship	Name of the Related Party
Ultimate Holding Company	Sadbhav Engineering Limited (SEL)
Holding Company	Sadbhav Infrastructure Project Limited (SIPL)

**(b) Transactions with Related Parties during the Year :**

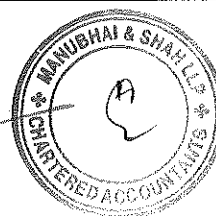
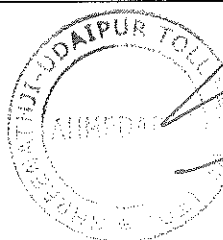
( ₹ in Million )

Sr. No.	Particulars	2015-16	2014-15
(i)	Equity Shares Allotted - SIPL - SEL	130.00 -	- -
(ii)	Sub Ordinate Debt received - SIPL - SEL	1,131.60 -	1,645.57 89.73
(iii)	Sub Ordinate Debt repaid - SIPL - SEL	- -	614.00 305.46
(iv)	Unsecured Loan received and interest exp thereon - SIPL	13.69	-
(v)	Material advance given - SEL	-	200.00
(vi)	Performance of EPC work - SEL	2,133.23	5,160.30
(vii)	Mobilization and Material recovered - SEL	129.96	1,134.05
(viii)	Utility Shifting Expenses - SEL	110.48	189.39
(ix)	Rent - SEL	1.02	1.01
(x)	Performance of Maintenance work - SIPL	6.25	-
(xi)	Allocation and Reimbursement of Expenses - SIPL - SEL	0.06 46.18	0.01 81.91

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

( ₹ in Million )

Sr. No.	Particulars	As at March 31,2016	As at March 31,2015
(i)	Sub Ordinate Debt taken - SIPL - SEL	2,777.17 -	1,645.57 -
(ii)	Mobilization and Material advance given - SEL	-	129.96
(iii)	Payable towards EPC Contract - SEL	(3.12)	386.71
(iv)	Payable towards Utility Shifting - SEL	3.26	2.85



**Shreenathji-Udaipur Tollway Private Limited**

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

(v)	Retention Money (Contract) - SEL	5.67	29.18
(vi)	Retention Money (Utility Shifting) - SEL	18.94	13.42
(vii)	Retention Money (Withheld) - SEL	0.57	14.26
(viii)	Unsecured Loan & Interest accrued thereon - SIPL	13.69	-
(ix)	Payable towards Rent , Maintenance, Allocation and Reimbursement of Expenses - SIPL - SEL	6.18 0.48	- 22.78

**31 Operating Leases:**

Office premises of the Company is obtained on operating lease. The lease rent paid during the year is ₹ 1.02 Million (P.Y ₹ 1.01 Million).

**32 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 it proposes to claim in the future years.

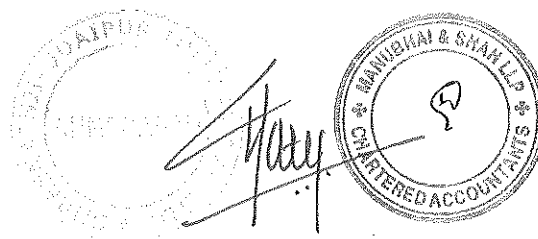
(₹ in Million)

Sr. No.	Particulars	As at March 31,2016	As at March 31,2015
<b>A.</b>	<b>Deferred Tax Assets</b>		
(i)	Carry forward business losses and unabsorbed depreciation as per Income Tax Act, 1961	111.14	-
(ii)	Provision for Major Maintenance	11.46	-
(iii)	Provision for Gratuity	0.03	-
(iv)	Provision for Leave salary	0.08	-
(iv)	Preliminary Expenses	*	*
	<b>Deferred Tax Assets</b>	<b>122.71</b>	<b>*</b>
<b>B.</b>	<b>Deferred Tax Liability</b>		
(i)	Difference between book and tax Depreciation & amortisation	71.67	-
	<b>Deferred Tax Liability</b>	<b>71.67</b>	<b>-</b>
	<b>Net Deferred tax assets/(liability) recognised in books</b>	<b>-</b>	<b>-</b>

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

**33 Current Tax:**

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





Shreenathji-Udaipur Tollway Private Limited

Notes on accounts forming part of Financial Statements

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

(a) Nature of Provision:

The company is required to operate and maintain the project highway during the entire concession period and hand over the project back to the 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 ₹ 37.09 Million/- (Previous Year ₹ Nil/-) for periodic Major Maintenance in respect of its resurfacing obligation

(b) Movement in Periodic Major Maintenance Provisions:

( ₹ in Million )

Parti	Year Ended March 31, 2016	Year Ended March 31, 2015
Carrying amount as at beginning of the Year	-	-
<b>Add:</b>		
- Additional provision made in the Year	37.09	-
<b>Less:</b>		
- Amounts used (i.e. incurred and charged against the provision) during the Year	-	-
- Unused amounts reversed during the Year	-	-
<b>Carrying amount at Year end</b>	<b>37.09</b>	<b>-</b>

35 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

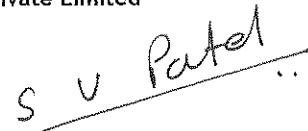


(H.M Pomal)  
Partner  
Membership No. 106137

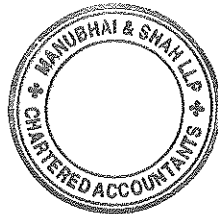
For & on behalf of the Board of Directors of  
Shreenathji-Udaipur Tollway Private Limited



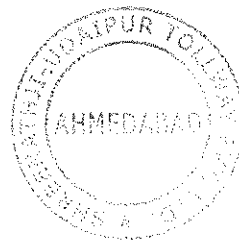
(Vasistha Patel)  
Director  
DIN:0048324



(Shashin Patel )  
Director  
DIN:0048328



  
(Meera Makwana)  
Company Secretary



Place: Ahmedabad  
Date: April 20, 2016

Place: Ahmedabad  
Date: April 20, 2016