

**SIKAR BIKANER HIGHWAY LIMITED**

**ANNUAL REPORT**

**2013-14**

## DIRECTORS' REPORT

The Shareholders

### **SIKAR BIKANER HIGHWAY LIMITED**

Your Directors have pleasure in presenting the Second Annual Report along with the Audited Statements of Accounts for the financial period ended March 31, 2014

### **FINANCIAL RESULTS**

The financial results of the Company are as under:

	(Amount in ₹)	
	For the period ended March 31, 2014	For the period ended March 31, 2013
Total Income	-	-
Total Expenses	(2,004,972)	10,500,742
Profit/(Loss) Before Tax	(2,004,972)	(10,500,742)
Less: Provision for Tax	-	-
Profit/(Loss)After Tax	(2,004,972)	(10,500,742)
Balance carried forward	(12,505,714)	(10,500,742)

### **OPERATIONS:**

During the year under review, your Company continued the development works of the road from km. 340.188 of NH-11 to km 557.775 via Sikar Bypass and Bikaner Bypass from km 553.869 of NH-11 to km 267.325 of NH-89 for two laning with paved shoulder in the State of Rajasthan on design, build, finance, operate and transfer (“**DBFOT**”) Toll basis. The Company had achieved physical progress of 42.77% and financial progress of 45.62% as of March 31, 2014

### **FURTHER ISSUE OF CAPITAL:**

In order to meet the funds requirement of the Company for development of the Project, the Company had increased its Authorised Share Capital from ₹98,80,00,000/- to ₹124,05,00,000/- The Company had thereafter issued 2,52,50,000 equity shares of ₹10/- each of par value to the existing shareholders of the Company. As a consequence, the paid up equity capital of the Company was increased from ₹98,80,00,000/- to ₹124,05,00,000/- during the year under review

### **DIVIDEND:**

Due to inadequacy of profits, your Directors have not recommended any dividend for the period under review

### **DIRECTORS:**

During the year under review, Mr. Ajay Menon, Director, retire by rotation at the forthcoming Annual General Meeting and being eligible has offered himself for re-appointment

### **AUDITORS:**

M/s. Lakhani & Co., Chartered Accountants, Statutory Auditors, retires at the ensuing Annual General Meeting of the Company

**DEPOSITS:**

Your Company has not accepted any Fixed Deposits during the period under review

**CORPORATE GOVERNANCE:**

Four Board Meetings were held during the period under review on April 17, 2013, July 18, 2013, October 18, 2013 and January 20, 2014. The numbers of meetings attended by the Directors are as under:

Sr. No.	Name of Directors	No. of Board Meetings held during tenure	Meetings attended
1	Mr. Krishna Ghag	4	4
2	Mr. Ajay Menon	4	4
3	Mr. Rajnish Saxena	4	4
4	Mr Ravi Sreehari (Resigned w.e.f 18/04/2013)	1	1
5	Mr. Manish Agarwal (Resigned 18/07/2013)	2	2

The Audit Committee was constituted pursuant to the provisions of the Section 292A of the Companies Act, 1956. The Audit Committee is comprised of Mr. Krishna Ghag, Mr. Ajay Menon and Mr Rajnish Saxena. The Audit Committee met four times during the year under review on April 17, 2013, July 18, 2013, October 18, 2013 and January 20, 2014. The numbers of meetings attended by the Members are as under

Sr. No.	Name of Directors	No. of Board Meetings held during tenure	Meetings attended
1	Mr. Krishna Ghag (Appointed w.e.f 18/07/2013)	3	3
2	Mr. Ajay Menon	4	4
3	Mr. Rajnish Saxena	4	4
4	Mr Ravi Sreehari (Resigned w.e.f 18/04/2013)	1	1
5	Mr. Manish Agarwal (Resigned 18/07/2013)	2	2

The Chairman of the Audit Committee was present at the AGM

**PARTICULARS OF EMPLOYEES:**

There was no employee in respect of whom the statement is required to be prepared pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended from time to time.

**DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to Section 217(2AA) of the Companies Act, 1956 (“the Act”) the Directors based on the representations received from the Operating Management, confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Loss of the Company for that period;
- (c) they have taken proper and sufficient care for the 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 fraud and other irregularities;
- (d) they have prepared the annual accounts on a going concern basis

**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

There was no earning or outgo of foreign exchange during the period under review. Since your Company does not have any manufacturing facility, the other particulars in the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable

**ACKNOWLEDGMENTS:**

The Directors place on record their appreciation for the continued support and co-operation received from various Government Authorities and other Regulatory Authorities, Banks, Financial Institutions and Shareholders of the Company

For and on behalf of the Board

Mumbai, April 22, 2014

Sd/-  
Director

Sd/-  
Director

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of SIKAR BIKANER HIGHWAY LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of **SIKAR BIKANER HIGHWAY LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for 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 Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in the respects of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.



### 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the 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, 2003 ("the Order") issued by Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - (a) We have 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 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act 1956 read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in the respect of section 133 of the Companies Act, 2013.



- (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.



For Lakhani & Co.  
Chartered Accountants  
Firm Registration Number 105524W

*S. Katudia*

Sailesh Katudia  
Partner

Membership Number 105529

Place: Mumbai  
Date: April 22, 2014

**Annexure to the Auditor's Report**

[Referred to in our report to the members of **SIKAR BIKANER HIGHWAY LIMITED** on the financial statements for the year ended 31<sup>st</sup> March, 2014]

- (i).
- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (i.e. intangible asset under development).
  - b) According to the information and explanations given to us, all the assets have been physically verified, at intervals, by the management, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - c) In our opinion, a substantial part of the fixed assets has not been disposed off by the Company during the year.
- (ii). The Company has no inventory. Accordingly clause 4(ii) of the Order is not applicable.
- (iii). The Company has neither granted nor taken any loan, secured or unsecured to or from companies, firms or other parties covered in the register maintained under section 301 of the Company's Act, 1956. Accordingly sub-clause (a), (b), (c), (d), (e), (f) and (g) of clause 4(iii) of the Order are not applicable.
- (iv). In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and the sale of goods. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of major weaknesses in the aforesaid internal control system.
- (v). In our opinion and according to the information and explanation given to us, there are no contracts or arrangements referred to in section 301 of the act during the year that need to be entered into the register maintained under that section. Accordingly clause 4 (v) (b) of the Order is not applicable.
- (vi). The Company has not accepted any deposits from public within the meaning of the provisions of Sections 58A and 58AA or any other relevant provisions of the act, and the rules framed there under.





**CHARTERED ACCOUNTANTS**

- (vii). The Company has internal audit system which is commensurate with the nature of the business and the size of the company.
- (viii). According to the information and explanations given to us Central Government has prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 and on the basis of the certificate of the cost accountant certifying the maintenance of cost records, we are of the opinion that the Company has made and maintained the same. However, we are not required to make a detailed examination of the same.
- (ix).
- a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues as applicable, with the appropriate authorities.
- b) According to the information and explanations given to us and the records of the company examined by us, there are no undisputed dues payable in respect of provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess were in arrears, as at 31<sup>st</sup> March, 2014 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, there are no dues in respect of income tax, wealth tax, service tax, sales tax, custom duty and cess which have not been deposited on account of any dispute.
- (x). The Company is registered for a period less than five years. Accordingly clause 4(x) of the Order is not applicable.
- (xi). Based on our audit procedures and on 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 from any financial institution.
- (xii). The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly clause 4(xii) of the Order is not applicable.
- (xiii). The Company is not a chit fund, nidhi or mutual fund or a society. Accordingly clause 4(xiii) of the Order is not applicable



**CHARTERED ACCOUNTANTS**

- (xiv). According to the information and explanation given to us, the Company is not dealing in shares, securities, debentures and other investments. Accordingly clause 4(xiv) of the Order is not applicable.
- (xv). According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions. Accordingly clause 4(xv) of the Order is not applicable.
- (xvi). To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the company were, prima facie, applied by the company during the year for the purpose for which the loans were obtained.
- (xvii). According to the information and explanations given to us and on the basis of an overall examination of the financial statement of the Company, in our opinion, funds raised on short term basis have not been used for long term investment.
- (xviii). According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Act.
- (xix). The Company has not issued any debentures during the year. Accordingly clause 4(xix) of the Order is not applicable.
- (xx). The Company has not raised any money by public issue during the year. Accordingly clause 4(xx) of the Order is not applicable.
- (xxi). During the course of our examination of the books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

Place : Mumbai  
Date : 22/4/2014



For Lakhani & Co.  
Chartered Accountants  
Firm Registration Number 105524W

  
Sailesh Katudia  
Partner  
Membership Number 105529

**SIKAR BIKANER HIGHWAY LIMITED**  
**Balance Sheet As at March 31, 2014**

Particulars		Note	As At March 31, 2014		As At March 31, 2013	
<b>I EQUITY AND LIABILITIES</b>						
<b>1 SHAREHOLDERS' FUNDS</b>						
(a) Share capital	2	1,24,05,00,000		98,80,00,000		
(b) Reserves and surplus	3	70,47,22,286	1,94,52,22,286	(1,05,00,742)		97,74,99,258
<b>2 NON-CURRENT LIABILITIES</b>						
(a) Long-term borrowings	4	1,44,00,00,000		-		
(b) Other long term liabilities	5	15,83,30,514	1,59,83,30,514	3,83,62,121		3,83,62,121
<b>3 CURRENT LIABILITIES</b>						
(a) Trade payables	6	-		-		
(b) Other current liabilities	7	1,77,15,09,633	1,77,15,09,633	1,02,99,22,191		1,02,99,22,191
<b>TOTAL</b>			<b>5,31,50,62,433</b>			<b>2,04,57,83,570</b>
<b>II ASSETS</b>						
<b>1 NON CURRENT ASSETS</b>						
(a) Intangible assets under development	8	4,10,76,17,673		1,60,57,44,087		
(b) Long-term loans and advances (net)	9	46,83,01,440	4,57,59,19,113	42,50,01,807		2,03,07,45,894
<b>2 CURRENT ASSETS</b>						
(a) Cash and bank balances	10	23,78,66,814		59,31,454		
(b) Short-term loans and advances	11	14,68,506		91,06,222		
(c) Other current assets	12	49,98,08,000	73,91,43,320	-		1,50,37,676
<b>TOTAL</b>			<b>5,31,50,62,433</b>			<b>2,04,57,83,570</b>

Notes 1 to 18 form part of the financial statements.

In terms of our report attached.  
**For Lakhani & Co.**  
Chartered Accountants

  
Sailesh Katudia  
Partner



For and on behalf of the Board

  
Director

  
Director

Place : Mumbai  
Date : April 22, 2014

**SIKAR BIKANER HIGHWAY LIMITED**

Statement of Profit and Loss for the year ended March 31, 2014

		₹		
	Note	Year ended March 31, 2014	Year ended March 31, 2013	
I	Revenue from operations	-	-	
	Total revenue	-	-	
II	Expenses			
	Administrative and general expenses	13	20,04,972	1,05,00,742
	Total expenses (II)		20,04,972	1,05,00,742
III	Profit / (Loss) before tax (I-II)		(20,04,972)	(1,05,00,742)
IV	Tax expense		-	-
V	Profit / (Loss) after tax		-20,04,972	-1,05,00,742
VI	Profit / (Loss) for the Year		(20,04,972)	(1,05,00,742)
	Earnings per equity share (Face value per share Rupees 10/-):	14		
	(1) Basic (not annualised)		(0.02)	(2.58)
	(2) Diluted (not annualised)		(0.02)	(2.58)

Notes 1 to 18 form part of the financial statements.

In terms of our report attached.  
For Lakhani & Co.  
Chartered Accountants

  
Sailesh Katudia  
Partner



Place : Mumbai  
Date : April 22, 2014

For and on behalf of the Board

  
Director

  
Director

**SIKAR BIKANER HIGHWAY LIMITED**  
Cash Flow Statement for the year ended March 31, 2014

	Year ended March 31, 2014	Year ended March 31, 2013
<b>Cash Flow from Operating Activities</b>		
Profit Before Taxes, Minority Interest and Share of Associates	(20,04,972)	(1,05,00,742)
Operating profit before Working Capital Changes	(20,04,972)	(1,05,00,742)
<b>Adjustments changes in working capital:</b>		
Increase in Trade receivables	93,91,769	-
Increase / (Decrease) in liabilities (current and non current)	85,11,54,211	2,48,128
<b>Cash Generated from Operations</b>	<b>85,85,41,008</b>	<b>(1,02,52,614)</b>
Direct Taxes paid (Net)	(5,95,879)	-
<b>Net Cash generated from / (used in) Operating Activities (A)</b>	<b>85,79,45,129</b>	<b>(1,02,52,614)</b>
<b>Cash flow from Investing Activities</b>		
Intangible assets under Development (net off liability)	(2,50,18,73,586)	(54,23,88,947)
(Decrease) / Increase in other assets & loans and advances (current and non current)	(4,44,57,807)	(43,41,08,029)
Increase / (Decrease) in liabilities (current and non current)	-	46,81,044
<b>Net Cash generated from / (used in) Investing Activities (B)</b>	<b>(2,54,63,31,393)</b>	<b>(97,18,15,932)</b>
<b>Cash flow from Financing Activities</b>		
(Decrease)/ Increase in share capital	25,25,00,000	98,80,00,000
Proceeds from borrowings (Term Loan)	1,16,00,00,000	-
Proceeds from borrowings (Sub-debt)	28,00,00,000	-
Receipt of Grant	21,74,20,000	-
Finance costs paid	1,04,01,624	-
Increase / (Decrease) in liabilities (current and non current)	-	-
<b>Net Cash generated from / (used in) Financing Activities (C)</b>	<b>1,92,03,21,624</b>	<b>98,80,00,000</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>23,19,35,360</b>	<b>59,31,454</b>
Cash and Cash Equivalent at the beginning of the period	59,31,454	-
Cash and Cash Equivalent at the end of the period	23,78,66,814	59,31,454
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>23,19,35,360</b>	<b>59,31,454</b>
<b>Components of Cash and Cash Equivalents</b>		
Cash on Hand	5,554	2,007
Balances with Banks in current accounts	23,78,61,260	59,29,447
Balances with Banks in deposit accounts	-	-
	23,78,66,814	59,31,454
Cash and Cash Equivalents as per Balance Sheet	<b>23,78,66,814</b>	<b>59,31,454</b>

Notes 1 to 18 form part of the financial statements.

In terms of our report attached.  
**For Lakhani & Co.**  
Chartered Accountants

  
**Sailesh Katudia**  
Partner



For and on behalf of the Board

  
Director

  
Director

Place : Mumbai  
Date : April 22, 2014

# SIKAR BIKANER HIGHWAY LIMITED

## Notes to Financial Statement for year ended March 31, 2014

### Note 1 : SIGNIFICANT ACCOUNTING POLICIES

#### 1. Basis of preparation of Financial Statements

The Financial Statements have been prepared under the historical cost convention in accordance with the Accounting Standards specified in The Companies (Accounting Standard) Rules, 2006 notified by the Central Government in terms of Section 211(3C) of the Companies Act, 1956. The Company follows the accrual basis of accounting.

#### 2. Use of estimates

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including current liabilities) as of the date of the financial statements, the reported income and expenses during the reporting period and disclosure of contingent liabilities. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates.

#### 3. Fixed Assets and Depreciation:

- a. Fixed assets other than project assets (Sikar-Bikaner Road Development Project) are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any.
- b. The acquisition cost includes the purchase price (excluding refundable taxes) and expenses directly attributable to the asset to bring the asset to the site and in the working condition for its intended use. Such as, delivery and handling costs, installation, legal services and consultancy services.
- c. Expenses incurred on the Project includes direct and attributable / allocated indirect expenses incurred for the construction of the road and is capitalized 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 and not on completion of component basis as the intended purpose of the project is to have the complete length of the road available for use. The economics of the project is for the entire length of the road as per the bidding submitted by the Company. The component based certification which is received is an intermediate mechanism provided in the Concession Agreement to provide a right to collect a discounted toll to compensate the Company for cost recovery during construction period and for any delays beyond the control of the Company. . However, where there is other than temporary delay due to reasons beyond the control of the Company, the management may treat constructed portion of the road as completed project.
- d. Estimated value of components removed or not reused are reduced from the gross block and the cost of overlay or renewal expenses incurred to increase serviceability and throughput or which are in the nature of preservation costs and which extend the original useful life of the road are capitalised on a component basis.

- c. For depreciation on fixed assets other than Sikar-Bikner Road, the Company has adopted the Straight Line Method of depreciation so as to depreciate 100% of the cost of the following type of assets at rates higher than those prescribed under Schedule XIV to the Companies Act, 1956, based on the Management's estimate of useful life of such assets:



# SIKAR BIKANER HIGHWAY LIMITED

## Notes to Financial Statement for year ended March 31, 2014

Asset Type	Useful Life
Computers	4 Years
Specialised Office Equipment	3 Years
Assets Provided to Employees	3 Years
Licensed Software	Over the license period

- f. Depreciation on the components of Sikar-Bikaner Road is charged to the profit and loss statement on a straight line basis over the period over which the respective component is expected to be overlaid or renewed.
- g. Depreciation on fixed assets other than on assets specified in Notes 3(c) and (d) is provided on the Written Down Value method using the rates prescribed by Schedule XIV of the Companies Act, 1956.
- h. All categories of assets costing less than ₹ 5,000 each, mobile phones and items of soft furnishing are depreciated fully in the year of capitalization.
- i. Capital work in progress:

The construction cost includes borrowing cost, administrative and general overhead expenses specifically attributed to the construction project are part of the cost of the project and debited to capital work in progress up to the date when the asset is ready for its intended use, which is when the complete length of the project as specified in the Concession Agreement is complete and on receipt of final completion certificate from the authority as specified in the Concession Agreement and not on component basis certifications received. Discounted Revenue collected on receipt of the component based certification received as an intermediate mechanism provided in the Concession Agreement is reduced from the cost of the Intangible asset as the construction work is still in progress and the entire asset is not ready for its intended purpose.

#### 4. **Borrowing Cost**

Borrowing costs directly attributable to the acquisition, construction of the roads are capitalised up to the date of the final completion certificate of the asset / facility received from the authority as specified in Concession Agreement. All borrowing costs subsequent to the final completion certificate of the asset / facility as specified in Concession Agreement are charged to the Statement of Profit and Loss in the period in which such costs are incurred

#### 5. **[;Revenue Recognition**

Toll revenue is recognised on collections, which coincides with the usage of the toll roads. Where the toll collection activity is auctioned, the toll revenue is recognised on accrual basis. Any revenue collection until the capitalization of asset is credited to Intangible Asset. Interest Income is recognised on a time proportion basis.



**SIKAR BIKANER HIGHWAY LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2014

**Note 2: Share capital**

Particulars	As at March 31, 2014		As at March 31, 2013	
	Number	₹	Number	₹
<b>Authorised</b>				
Equity Shares of Rupees 10/- each	12,40,50,000	1,24,05,00,000	12,40,00,000	1,24,00,00,000
<b>Issued</b>				
Equity Shares of Rupees 10/- each	12,40,50,000	1,24,05,00,000	9,88,00,000	98,80,00,000
<b>Subscribed and Paid up</b>				
Equity Shares of Rupees 10/- each fully paid (refer foot note no. i, ii, and iii)	12,40,50,000	1,24,05,00,000	9,88,00,000	98,80,00,000
<b>Total</b>	<b>12,40,50,000</b>	<b>1,24,05,00,000</b>	<b>9,88,00,000</b>	<b>98,80,00,000</b>

**Foot Notes:**

i. Of the above 12,40,50,000 (As at March 31, 2013 : 9,88,00,000) Equity Shares are held by the holding company viz, ILFS Transportation Networks Limited ("ITNL") and its nominees.

ii. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2014		As at March 31, 2013	
	Equity Shares		Equity Shares	
	No. of Shares	₹	No. of Shares	₹
Shares outstanding at the beginning of the period/year	9,88,00,000	98,80,00,000	-	-
Shares issued during the period / year	2,52,50,000	25,25,00,000	9,88,00,000	98,80,00,000
Shares bought back during the period / year	-	-	-	-
Shares outstanding at the end of the period / year	12,40,50,000	1,24,05,00,000	9,88,00,000	98,80,00,000

iii. Shareholding more than 5% shares

Name of Shareholder	As at March 31, 2014		As at March 31, 2013	
	No. of Shares held	% of total holding	No. of Shares held	% of total holding
IL&FS Transportation Networks Limited	12,40,50,000	100.00%	9,88,00,000	100.00%
<b>Total</b>	<b>12,40,50,000</b>	<b>100.00%</b>	<b>9,88,00,000</b>	<b>100.00%</b>

**Note 3: Reserves and surplus**

Particulars	As at March 31, 2014		As at March 31, 2013	
<b>(a) Capital Reserve</b>				
Opening balance	-		-	
(+) Created during the year / period	71,72,28,000	71,72,28,000		
<b>(b) Profit / (Loss) Surplus</b>				
Opening balance	(1,05,00,742)		(1,05,00,742)	
(+) Profit / (loss) for the current period	(20,04,972)	(1,25,05,714)		(1,05,00,742)
<b>Total</b>		<b>70,47,22,286</b>		<b>(1,05,00,742)</b>

**Foot note:**

**Capital Reserve:**

Grant from Ministry of Road Transport & Highways (Equity Support) : The company in accordance with the Concession Agreement signed with Government of Rajasthan Public Works Department is entitled to grant of Rs. 2,47,32,00,000/- (Two Hundred & Forty Seven Crore Thirty Two Lacs only) during the construction period towards Equity Support. Out of the said amount of Equity Support Rs. 49,98,08,000 is receivable as at March 31, 2014 .





**SIKAR BIKANER HIGHWAY LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2014

**Note 4 : Long-term borrowings Break-up**

₹

Particulars	As at March 31, 2014		As at March 31, 2013	
<b>(a) Term Loans</b>				
<b>(i) Secured</b>				
From banks	1,16,00,00,000		-	
From Related party	-	1,16,00,00,000	-	-
<b>(ii) Unsecured</b>				
From Related party	28,00,00,000	28,00,00,000	-	-
<b>Total</b>		<b>1,44,00,00,000</b>		-

**Foot Notes:**

i.) The Facility together with Interest, Default Interest / any other liquidated damages if any, fees, costs, charges, expenses and other monies whatsoever stipulated and due to the Secured Parties shall be secured by a first pari-passu charge without any Senior Lender having priority/preference over the other. The Security for the Facility shall be created in favour of the Security Trustee for the benefit of the Senior Lenders, by way of

a) A first pari-passu charge in favour of the Senior Lenders/Security Trustee for the benefit of the Senior Lenders in a form satisfactory to the Senior Lenders, of all the Borrower's immovable assets to the extent permissible by the Concession Agreement, if any both present and future, save and except Project Assets;

b) A first pari-passu charge in favour of Senior Lenders/Security Trustee for the benefit of the Senior Lenders of all the Borrower's moveable properties, both present and future, save and except the Project Assets;

c) A first pari-passu charge of all the bank accounts including but not limited to the Escrow Account opened in a designated bank, where all cash flows from the Project shall be deposited, and the sub Account (or any account in substitution thereof) that may be opened in accordance with this Agreement and supplementary Escrow Agreement, or any other Project Agreement, provided such first charge shall only be to the extent permitted as per the waterfall of priorities prescribed under Escrow Agreement and Concession Agreement.

d) A first pari-passu charge of on all revenues of the Borrower from the Project or otherwise, Project's book debts, operating cash flow, commissions or revenues of whatsoever nature from the Project.

e) a first charge by way of assignment of or creation of Security Interest on all the rights, title, interest, benefits, claims and demand whatsoever of the Borrower under the Concession Agreement and Project Agreement, to the extent covered by or in accordance with Substitution Agreement:

f) Non Disposal Undertaking to hold 51% share of the Borrower for the tenor of the facility, subject to the provisions of Concession Agreement'

ii.) Repayment Schedule:

Total loans commitment is Rs. 400.00 Crores

Loans disbursed till March 31, 2014 is Rs. 116.00 Crores. (Previous year ended March 31, 2013 is Nil)

The Borrower shall repay the Debt in 42 unequal quarterly instalments commencing from the quarter ending June, 2016 and ending in the quarter ended September, 2026, as per the schedule below:

Financial Year	No of Quarters	Total Repayment (Rs. Crores)
2017	4	1.6
2018	4	10
2019	4	18
2020	4	24
2021	4	26
2022	4	34
2023	4	44
2024	4	60
2025	4	72
2026	4	72
2027	2	38.4
<b>TOTAL</b>	<b>42</b>	<b>400</b>



**SIKAR BIKANER HIGHWAY LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2014

**Note 5 : Other long term liabilities**

Particulars	As at March 31, 2014		As at March 31, 2013	
<b>(a) Others</b>				
(i) Other long term liabilities				
From related parties- Retention payable to ITNL	15,83,30,514	15,83,30,514	3,83,62,121	3,83,62,121
<b>Total</b>		<b>15,83,30,514</b>		<b>3,83,62,121</b>

**Note 6 : Trade Payables**

Particulars	As at March 31, 2014		As at March 31, 2013	
<b>(b) Trade Payables</b>				
(a) Sundry creditor for capital Asset	-	-	-	-
(b) Sundry creditor for Expenses	-	-	-	-
<b>Total</b>				

**Note 7 : Other current liabilities**

Particulars	As at March 31, 2014		As at March 31, 2013	
<b>(a) Interest accrued but not due on borrowings</b>				
From related parties	1,04,01,624		-	
From others	-	1,04,01,624	-	
<b>(b) Statutory Dues</b>		87,63,330		47,05,857
<b>(c) Other current liabilities</b>				
From related parties	1,75,17,63,216		1,02,52,16,334	
From others	5,81,463	1,75,23,44,679	-	1,02,52,16,334
<b>Total</b>		<b>1,77,15,09,633</b>		<b>1,02,99,22,191</b>



Note B : Fixed assets

Particulars	Gross block				Accumulated depreciation				Net block		
	Balance as at April 1, 2013	Adjustments / Reclassifications	Additions	Deletions	Balance as at March 31, 2014	Balance as at April 1, 2013	Adjustments / Reclassification	Charge for the period	Deletions	Balance as at March 31, 2014	Balance as at March 31, 2013
a) <b>Tangible assets</b>											
Total	-	-	-	-	-	-	-	-	-	-	-
b) <b>Intangible assets</b>											
Total	-	-	-	-	-	-	-	-	-	-	-
Grand total	-	-	-	-	-	-	-	-	-	-	-
c) <b>Capital work-in-progress</b>											
d) <b>Intangible assets under Development (refer foot note no. I)</b>	1,60,57,44,087		2,50,16,73,587		4,10,76,17,673					4,10,76,17,673	1,60,57,44,087
Previous year	1,60,57,44,087		1,60,57,44,087		1,60,57,44,087						1,60,57,44,087

Foot Note:

Particulars	As at 31st March 2013	Accrued during the Period	As at 31st March 2014
	₹	₹	₹
<b>Pre-operative Expenses</b>			
<b>Recurring Cost</b>			
Interest & Finance Charges			
Interest on loans for fixed period	-	8,79,04,496	8,79,04,496
Interest on bank deposits	-	-7,48,971	-7,48,971
<b>Others</b>			
Debt Syndication Fees	4,49,44,000	-	4,49,44,000
Documentation Charges	1,51,68,600	22,472	1,51,91,072
Security Trusteeship Fees	3,37,080	1,80,856	5,17,936
Uplift Fees	98,31,500	14,04,500	1,12,36,000
<b>Construction Cost</b>			
Insurance Exp	3,62,098	14,68,678	18,30,776
Rent for Project Office - Bikaner	36,000	2,22,000	2,58,000
Registration expenses			
Boarding & Lodging	8,65,237	3,77,631	12,42,868
Business Promotion	1,00,000	8,225	1,08,225
Concession Fee	2		2
Deputation Cost		8,90,892	8,90,892
Legal & Professional Fees	11,48,100	6,60,768	18,16,868
Milestones Payment - ITNL	76,72,42,412	2,39,93,67,949	3,16,66,10,361
Project Development Fees	76,57,00,000	-	76,57,00,000
Printing & Stationery Charges	9,057		9,057
LIE Fees		10,95,510	10,95,510
Electricity charges		42,646	42,646
Independent Engineer Fees		87,27,421	87,27,421
Travelling and conveyance		14,472	14,472
Service Tax on OPE Expenses		1,04,318	1,04,318
Finance charges		1,21,723	1,21,723
<b>Total</b>	<b>1,60,57,44,087</b>	<b>2,50,16,73,587</b>	<b>4,10,76,17,673</b>



**SIKAR BIKANER HIGHWAY LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2014

**Note 9 : Long-term loans and advances**

₹

Particulars	As at March 31, 2014		As at March 31, 2013	
<b>(a) Capital Advances</b>				
Unsecured, considered good			42,28,61,633	42,28,61,633
To related parties	46,46,94,440	46,73,19,440	-	
To others	26,25,000			
<b>(b) Security Deposits</b>				
Unsecured, considered good	20,000	20,000	21,40,174	21,40,174
<b>(c) Other loans and advances</b>				
Unsecured, considered good				
- Advance payment of taxes (net of provision)	5,95,879	9,62,000	-	
- Prepaid expenses	3,66,121			18,34,631
<b>Total</b>		<b>46,83,01,440</b>		<b>42,68,36,438</b>

**Note 11 : Short-term loans and advances**

₹

Particulars	As at March 31, 2014		As at March 31, 2013	
<b>(a) Loans and advances to related parties</b>				
Unsecured, considered good			58,03,082	58,03,082
- Other loans and advances to related parties	-	-		
<b>(b) Other loans and advances</b>				
- Prepaid expenses	14,68,506	14,68,506	14,68,509	14,68,509
<b>Total</b>		<b>14,68,506.00</b>		<b>72,71,591.00</b>



**SIKAR BIKANER HIGHWAY LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2014

**Note 10 : Cash and cash equivalents**

₹

Particulars	As at March 31, 2014		As at March 31, 2013	
<b>(a) Cash and cash equivalents</b>				
Cash on hand	5,554		2,007	
Balances with Banks in current accounts (refer foot note)	23,78,61,260	23,78,66,814	59,29,447	59,31,453.82
<b>Total</b>		<b>23,78,66,814</b>		<b>59,31,453.82</b>

**Foot Note:**

1) Balance of Rs. 23,29,05,684/- (P.Y. Year 55,78,617/-) is in an Escrow A/c. managed by Escrow Agent

**Note 12 : Other Current Asset**

₹

Particulars	As at March 31, 2014		As at March 31, 2013	
<b>(a) Grant receivable</b>	49,98,08,000	49,98,08,000	-	-
<b>Total</b>		<b>49,98,08,000</b>		<b>-</b>



**SIKAR BIKANER HIGHWAY LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2014

**Note 14 : Contingent liabilities and capital commitments****A) Financial commitments pending to be executed :**

Particulars			As at March 31,	As at March 31,
Sr. No.	Name of party	Description	2014	2013
1	IL&FS Trust Company Limited		15,00,000	16,25,000

**B) Estimated amount of contracts remaining to be executed on capital and other account :**

Particulars			As at March 31,	As at March 31,
Sr. No.	Name of party	Description	2014	2013
1	IL & FS Transportation Networks Ltd. - towards precommencement activities	Estimated amount of contracts remaining on capital account and not provided for. (net of advances paid of Rs. 56,75,55,510/- ; As at March 31, 2013 Rs. 42,28,61,633/-)	3,78,69,95,202	6,22,81,95,958

**C) Disclose the amount paid/Payable to Auditors :**

Sr No	Name of party	Description	As at March 31, 2014	As at March 31, 2013
1	Lakhani & Co.	Audit Fees	2,80,900	1,71,126
2	Lakhani & Co.	Other Services	6,17,454	1,91,350



**SIKAR BIKANER HIGHWAY LIMITED**  
**Notes forming part of the Financial Statements for the year ended March 31, 2014**

**Note 11 : Administrative and general expenses**

Particulars	Year ended March 31, 2014		Year ended March 31, 2013	
Legal and consultation fees	5,52,193		83,328	
Travelling and conveyance	6,915		500	
Rates and taxes	3,210		4,620	
Bank commission	22,399		1,228	
Registration expenses	2,52,500		97,56,500	
Insurance	-		180	
Directors' Sitting fees	2,52,416		1,10,000	
Auditors' Remuneration	8,98,354		3,62,476	
Miscellaneous expenses	16,985	20,04,972	1,81,910	1,05,00,742
		<b>20,04,972</b>		<b>1,05,00,742</b>

Footnote

**Breakup of Miscellaneous expenses as below:**

Particulars	Year ended March 31, 2014		Year ended March 31, 2013	
Preliminary Expenses	-		31,460	
Miscellaneous Expenses	1,668		-	
Service tax Expenses	11,742		1,50,450	
Postage / Telegram	120		-	
Refreshment Expenses	3,455		-	
		16,985		1,81,910
		<b>16,985</b>		<b>1,81,910</b>



**SIKAR BIKANER HIGHWAY LIMITED****Notes forming part of the Financial Statements for the year ended March 31, 2014****Note 15 : Earnings per equity share**

₹

Particulars	Unit	As at March 31, 2014	Year ended March 31, 2013
Profit after tax and minority interest	₹	-2004972	(1,05,00,742)
Premium on preference shares	₹	0	-
Tax on premium on preference shares	₹	0	-
Profit available for Equity Shareholders	₹	-2004972	(1,05,00,742)
Weighted number of Equity Shares	Numbers	120384545	40,71,730
Nominal Value of equity shares	₹	10	10
Basic Earnings per share	₹	-0.02	(2.58)
Equity shares used to compute diluted	Numbers	120384545	40,71,730
Diluted Earnings per share	₹	-0.02	(2.58)





**SIKAR BIKANER HIGHWAY LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2014

**Note 16 : Related Party Statement****a Name of related parties and description of relationship**

Name of Entity	Nature of Relationship	Acronym used
IL&FS Transportation Networks Limited	Holding Company	ITNL
IL&FS Trust Company Limited	Fellow Subsidiary	ITCL
IL&FS Financial Services Limited	Fellow Subsidiary	IFIN

**b Transactions / Balances with related parties as mentioned ( a ) above**

Account head	Name of Entity	As At March 31, 2014	As At March 31, 2013
<b>Balances:</b>			
Share Capital	ITNL	1,24,05,00,000	98,80,00,000
Trade payables	ITNL - Creditors	1,75,17,63,216	68,91,30,000
Trade payables	ITNL - Fees	-	33,58,63,019
Trade payables	ITNL - Interest	1,04,01,624	-
Subordinate Debt	ITNL	28,00,00,000	-
Retention Money	ITNL	15,83,30,514	3,83,62,121
Mobilisation Advance	ITNL	46,46,94,440	42,28,61,633
Trade Receivables	ITNL - Debit Note	-	58,03,082

Account head	Name of Entity	As At March 31, 2014	As At March 31, 2013
<b>Transactions:</b>			
Share Capital	ITNL	25,25,00,000	2,64,99,400
Project Development Fees	ITNL	-	76,57,00,000
Milestone Payment	ITNL	2,39,93,67,949	76,72,42,412
Mobilisation Advance Paid	ITNL	14,46,93,877	42,28,61,633
Mobilisation Advance Adjusted	ITNL	10,28,61,070	-
Subordinate Debt	ITNL	28,00,00,000	-
Security Trusteeship Fees	ITCL	1,80,856	-



**SIKAR BIKANER HIGHWAY LIMITED**

**Notes forming part of the Financial Statements for the year ended March 31, 2014**

**Note 17: Segment Information**

As the Company Operates in a single business as well as geographical segment, the disclosures required under the Accounting Standard on Segment Reporting ( AS-17) notified under the Companies Accounting Standards Rules 2006 are not applicable.

**Note 18: Previous period / year**

Figures for the previous year / period have been regrouped, reclassified where necessary, to conform to the classification of the current period.

In terms of our report attached.

**For Lakhani & Co.**

Chartered Accountants

For and on behalf of the Board

  
Sailesh Katudia  
Partner



  
Director

  
Director

Place : Mumbai

Date : April 22, 2014