

**SRINAGAR SONAMARG TUNNELWAY
LIMITED**

FINANCIAL STATEMENT

2014-15

INDEPENDENT AUDITOR'S REPORT

To the members of SRINAGAR SONMARG TUNNELWAY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **SRINAGAR SONMARG TUNNELWAY LIMITED**, ("the Company"), which comprise the Balance Sheet as at 31st March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with 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 of the Assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 thereunder.

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 disclosures in the financial statements. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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 2015 and its loss and 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the 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, Statement of Profit and Loss and Cash Flow Statement dealt with this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of written representations received from the directors, as on 31st March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2015 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) 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:
 - a. The Company does not have any pending litigations which would impact its financial position.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For GIANENDER & ASSOCIATES

Chartered Accountants

Regn. No. 04661N

By the hand of



Ramesh Koul

Partner

M. No. 077804

Place : New Delhi

Date : 29.04.2015

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: SRINAGAR SONMARG TUNNELWAY LIMITED

- i.
 - a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) Fixed assets have been physically verified by management at the end of the year which, in our opinion, is reasonable having regard to the size of the Company and nature of its asset and no serious discrepancies have been noticed on such verification.
- ii. There are no inventories as company is engaged in the business of infrastructure development and maintenance and hence Para 3 clauses (ii)(a),(ii)(b) and (ii)(c) of the Companies (Auditor's Report) Order 2015 relating to inventory are not applicable.
- iii. The Company has not granted secured / unsecured loans to parties covered in the register maintained under section 189 of the Act. Accordingly, sub-clause (a) and (b) are not applicable
- iv. In our opinion and according to the information and explanations given to us, the internal control procedures are generally adequate and commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets.. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal controls system.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year. Therefore, the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, are not applicable to the Company.
- vi. According to the information and explanations given to us, we are of the opinion that prima facie, cost records prescribed, pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 of the Act, are made and maintained.
- vii.
 - a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company is generally regular in depositing undisputed statutory dues relating to provident fund, income tax deducted at source, service tax, value added tax and other statutory dues during the year with the appropriate authorities. We are informed that the provisions of employees' sate insurance, wealth tax, duty of customs, duty of excise, cess are not applicable to the company. As per the records produced before us, there are no undisputed statutory dues which were outstanding as on 31st March 2015 for a period over six months from the date of same becoming payable.
 - b) According to the information and explanations given to us, there are no statutory dues pending in respect of income tax, sales tax, value added tax, service tax, duty of customs, wealth tax, duty of excise, cess on account of any dispute.
 - c) According to the information and explanations given to us, no amount is required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2013 and rules made thereunder.
- viii. Since the Company has been registered for a period of less than five years, clause (viii) of para 3 of the order of the Companies (Auditor's Report) Order 2015 is not applicable to the Company.



- ix. According to the information and explanations given to us, the Company has not taken any loans from financial institutions or banks. The Company has not issued any debentures
- x. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xi. According to the information and explanations given to us, the loans taken by the company has been applied for the purpose for which the loans were obtained.
- xii. According to information and explanations given to us, which have been relied upon by us, no fraud on or by the Company has been noticed or reported during the year.

For GIANENDER & ASSOCIATES

Chartered Accountants

Regn. No. 04661N

By the hand of



Ramesh Koul

Partner

M. No. 077804

Place : New Delhi

Date : 29.04.2015

Srinagar Sonmarg Tunnelway Limited

Balance Sheet as at March 31, 2015

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| | Particulars | Note | As at | | As At | |
|-----------|---------------------------------|------|----------------|-----------------------|----------------|-----------------------|
| | | | March 31, 2015 | | March 31, 2014 | |
| I | EQUITY AND LIABILITIES | | | | | |
| 1 | SHAREHOLDERS' FUNDS | | | | | |
| | (a) Share capital | 2 | 11,58,38,230 | | 5,00,000 | |
| | (b) Reserves and surplus | 3 | (57,42,345) | 11,00,95,885 | (1,68,957) | 3,31,043 |
| 2 | NON-CURRENT LIABILITIES | | | | | |
| | (a) Other long term liabilities | 4 | | 2,33,01,38,198 | | 1,46,60,56,750 |
| 3 | CURRENT LIABILITIES | | | | | |
| | (a) Short-term borrowings | 5 | 50,50,00,000 | | 15,25,00,000 | |
| | (b) Other Current Liabilities | 6 | 1,79,129 | 50,51,79,129 | 1,02,79,442 | 16,27,79,442 |
| | TOTAL | | | 2,94,54,13,212 | | 1,62,91,67,235 |
| II | ASSETS | | | | | |
| 1 | NON CURRENT ASSETS | | | | | |
| | (a) Fixed assets | 7 | | 2,91,75,16,233 | | 1,62,89,51,946 |
| | (i) Capital work-in-progress | | | | | |
| | CURRENT ASSETS | | | | | |
| | (a) Cash and bank equivalents | 8 | | 2,78,96,979 | | 2,15,289 |
| | TOTAL | | | 2,94,54,13,212 | | 1,62,91,67,235 |

Note 1 to 13 forms part of the financial statements.

In terms of our report attached,
For Gianender & Associates
 Chartered Accountants
 Firm Registration no. 004661N


 Ramesh Koul
Partner
 Membership Number : 077804



Place: Mumbai
 Date: 29/4/15

For and on behalf of the Board


 Director

 Chief Financial Officer
 Place: Mumbai
 Date:

 Managing Director

Srinagar Sonmarg Tunnelway Limited
Statement of Profit and Loss for the year ended March 31, 2015

| Particulars | | Note | Year ended March 31, 2015 | Year ended March 31, 2014 |
|-------------|---|------|------------------------------|------------------------------|
| I | Revenue from operations | | - | - |
| II | Other income | | - | - |
| III | Total revenue (I + II) | | - | - |
| IV | Expenses | | | |
| | Operating expenses | | - | - |
| | Finance costs | | - | - |
| | Depreciation and amortization expense | | - | - |
| | Administrative and general expenses | 9 | 55,73,388 | 1,68,957 |
| | Total expenses (IV) | | 55,73,388 | 1,68,957 |
| V | Profit / (Loss) before taxation (III-IV) | | (55,73,388) | (1,68,957) |
| VI | Tax expense: | | | |
| | (1) Current tax | | - | - |
| | (2) Tax relating to earlier period | | - | - |
| | (3) Deferred tax | | - | - |
| | (4) MAT credit entitlement | | - | - |
| | Total tax expenses (VI) | | - | - |
| VII | Profit for the period (V-VI) | | (55,73,388) | -1,68,957 |
| | Earnings per equity share (Face value per share `10/-) | | | |
| | (1) Basic (not annualised) | | (1.22) | (0.40) |
| | (2) Diluted (not annualised) | | (1.22) | (0.40) |

Note 1 to 13 forms part of the financial statements.


In terms of our report attached.
For Gianender & Associates
Chartered Accountants
Firm Registration no. 004661N



Ramesh Koul
Partner
Membership Number : 077804




Place: Mumbai
Date: 29/4/15

For and on behalf of the Board


Director


Chief Financial Officer


Managing Director

Place: Mumbai
Date:

Srinagar Sonmarg Tunnelway Limited
Cash Flow Statement for the year ended March 31, 2015

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| Particulars | Year ended March 31, 2015 | Year ended March 31, 2014 |
|--|------------------------------|------------------------------|
| Cash Flow from Operating Activities | | |
| Profit/(Loss) Before Tax | (55,73,388) | (1,68,957) |
| Adjustments | | |
| Increase in liabilities (current and non current) | 85,39,81,135 | 1,47,63,36,192 |
| Cash Generated from Operations | 84,84,07,747 | 1,47,61,67,235 |
| Direct Taxes paid (Net) | - | - |
| Net Cash generated from Operating Activities (A) | 84,84,07,747 | 1,47,61,67,235 |
| Cash Generated from Investing Activities | | |
| Payment for Intangible Assets | (1,28,85,64,287) | (1,62,89,51,946) |
| Net Cash used in Investing Activities (B) | (1,28,85,64,287) | (1,62,89,51,946) |
| Cash flow from Financing Activities | | |
| (Decrease)/ Increase in share capital | 11,53,38,230 | 5,00,000 |
| Proceeds from Short term borrowings | 35,25,00,000 | 15,25,00,000 |
| Net Cash generated from Financing Activities (C) | 46,78,38,230 | 15,30,00,000 |
| Net Decrease in Cash and Cash Equivalents (A+B+C) | 2,76,81,690 | 2,15,289 |
| Cash and Cash Equivalent at the beginning of the year / period | 2,15,289 | - |
| Cash and Cash Equivalent at the end of the year / period | 2,78,96,979 | 2,15,289 |
| Net Decrease in Cash and Cash Equivalents | 2,76,81,690 | 2,15,289 |
| | ₹ | ₹ |
| Components of Cash and Cash Equivalents | | |
| Cash on Hand | 372 | 527 |
| Balances with Banks in current accounts | 2,78,96,607 | 2,14,762 |
| | 2,78,96,979 | 2,15,289 |
| Unpaid Dividend Accounts | - | - |
| Bank balances held as margin money or else security against borrowings | - | - |
| Cash and Cash Equivalents as per Balance Sheet | 2,78,96,979 | 2,15,289 |

Note 1 to 13 forms part of the financial statements.

In terms of our report attached.
For Gianender & Associates
Chartered Accountants
Firm Registration no. 004661N

Ramesh Koul
Partner
Membership Number : 077804
Place: Mumbai
Date: 29/4/15



For and on behalf of the Board

Director

Director

Chief Financial Officer

Managing Director

Place: Mumbai

Date:

Srinagar Sonmarg Tunnelway Limited
Notes forming part of the Financial Statements for the year ended March 31, 2015

Note No. 1 - Significant Accounting Policies

I Background

Srinagar Sonmarg tunnelway Limited ("SSTL") a Special Purpose Vehicle ("SPV") promoted by IL&FS Transportation Networks Limited (ITNL), has been awarded the project involving development and operation involving 2-laning tunnel of the Srinagar Sonmarg Ghumri Road of NH-1, under a design, build, finance, operate & transfer ("DBFOT") (Annuity) basis (the "Project") was issued Letter of Award No. 24552/DGBR/BCN/A-Morh/160/E8 on March 12, 2013 and the concession period of the Project is 20 years from the appointed date.

II Basis of Accounting

The financial statement is prepared in accordance with the Generally Accepted Accounting Principles in India, Accounting Standards as per section 133 of the companies act 2013 read with rule 7 of companies (accounts) rules 2014

III Use of estimates

The preparation of financial statements in conformity with IGAAP requires the Management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statements. The recognition, measurement, classification or disclosures of an item or information in the financial statements have been made relying on these estimates to a greater extent.

IV Fixed Assets and Depreciation

i) Tangible fixed assets and depreciation

Tangible fixed assets acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any.

The acquisition cost includes the purchase price (excluding refundable taxes) and expenses, such as delivery and handling costs, installation, legal services and consultancy services, directly attributable to bringing the asset to the site and in working condition for its intended use.

Where the construction or development of any asset requiring a substantial period of time to set up for its intended use is funded by borrowings, the corresponding borrowing costs are capitalised up to the date when the asset is ready for its intended use.

Depreciation on tangible fixed assets is computed as under:

As per notification dated, March 26, 2014 issued by the Ministry of Corporate Affairs, Schedule II of the Companies Act 2013 comes into effect from April 1, 2014 which prescribes the useful life of depreciable assets. The Company has adopted the useful life prescribed under the Schedule II of the Companies Act 2013. Also, with effect from April 1, 2014 the Company has decided to change the policy retrospectively for charging depreciation on the basis of Straight Line Method in place of Written Down Method other than those specified otherwise. Accordingly the Company has reinstated its policy for charging depreciation with effect from April 1, 2014 which is as below:

- (i) Assets purchased on or after April 1, 2014 are depreciated on Straight Line Method, over the useful life of assets as prescribed under Schedule II of the Companies Act 2013 other than assets specified in para (ii) below
- (ii) Following assets are depreciated over a useful life which is shorter than the life prescribed under Schedule II of the Companies Act 2013 based on the Management's estimate
- (iii) Data Processing Equipment – Server and Networking equipment are depreciated over a period of 4 years
- (iv) Mobile Phones and Ipad / Tablets are fully depreciated in the year of purchase
- (v) Specialised office equipment's are depreciated on Straight Line Method over a period of three years
- (vi) Cars purchased by the company for employees, are depreciated over a period of five years
- (vii) Assets provided to employees are depreciated over a period of three years
- (viii) Leasehold improvement costs are capitalised and amortised over the period of lease agreement
- (ix) All categories of assets costing less than Rs. 5,000 each are fully depreciated in the year of purchase.
- (x) The residual value of all the assets is retained at Rs. 1/- each

ii) Intangible assets and amortisation

Intangible assets, other than those covered by SCAs, comprise of software and amounts paid for acquisition of commercial rights under an "Operation and Maintenance" agreement for a toll road project and are depreciated as follow:

Intangible assets are reported at acquisition cost with deductions for accumulated amortisation and impairment losses, if any.

Acquired intangible assets are reported separately from goodwill if they fulfill the criteria for qualifying as an asset, implying they can be separated or they are based on contractual or other legal rights and that their market value can be established in a reliable manner.

An impairment test of such intangible assets is conducted annually or more often if there is an indication of a decrease in value. The impairment loss, if any, is reported in the Statement of Profit and Loss.

Intangible assets, other than those covered by SCAs, are amortised on a "straight line" basis over their estimated useful lives. The estimated useful life of software is four years. The amount paid for acquisition of the rights under the "Operations and Maintenance" agreement is amortised over the minimum balance period (as at the time of acquisition) of the concession agreement relating to the corresponding toll road project.



V Impairment of Assets

The carrying values of assets of the Company's cash-generating units are reviewed for impairment annually or more often if there is an indication of decline in value. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognised, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate discount factor.

VI Borrowing Cost

In respect of an intangible asset, borrowing costs attributable to the construction of the roads are capitalised up to the date of receipt of the final completion certificate of the asset / facility received from the authority for its intended use of construction asset / facility as specified in the Concession Agreement. All borrowing costs subsequent to receipt of the final completion certificate construction 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.

VII Employee Costs

Employee Costs include Short term employee benefits such as Salaries, Incentives etc., as defined in AS -15 on Employee Benefits. The same are recognised as an expense in the period in which the service is rendered by the concerned employee to the company. Company does not have any Defined Benefit or Defined Contribution plans.

VII Preliminary Expenditure

Preliminary Expenses incurred on incorporation of the Company are charged to the Statement of Profit & Loss in the period during which these expenses are incurred.

IX Accounting for Taxes on Income

Provision for current income tax is made after taking into consideration benefits admissible under the provisions of the Income - tax Act, 1961. Deferred tax resulting from "timing differences" between book and tax profits is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets are recognized and carried forward only if there is a virtual/ reasonable certainty that the assets will be realized in future. The carrying amount of deferred tax asset is reviewed at each balance sheet date.

X Provisions, Contingent Liabilities and Assets

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires outflow of resources, which can be reliably estimated. Disclosures for a contingent liability is made, without a provision in books, when there is an obligation that may, but probably will not, require outflow of resources. Contingent Assets are neither recognized nor disclosed.

XI Cash Flow Statements

Cash flows are reported using the indirect method, whereby net profits / loss before tax are adjusted for the effect of transaction of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The Cash flows from regular revenue generating; investing and financing activities are segregated.

Cash and cash equivalents in the cash flow statement comprises of cash at bank and in hand and term deposits with banks, if any.

XII Earnings per Share

Basic Earnings per share is calculated by dividing the net profit / (loss) after tax for the period attributable to equity shareholders of the Company by the weighted average number of equity shares in issue during the period.

Diluted earnings per share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the Group by the weighted average number of equity shares determined by assuming conversion on exercise of conversion rights for all potential dilutive securities.

XII Current/Non-Current Assets and Liabilities

Assets are classified as current when it satisfies any of following criteria:

- It is expected to be realized within 12 months after the reporting date,
- It is held for trading purpose

All other assets are classified as Non-current

Liabilities are classified as current when it satisfies any of following criteria:

- It is expected to be settled within 12 months after the reporting date,
- It is held for trading purpose

All other liabilities are classified as Non-current



Srinagar Sonmarg Tunnelway Limited
Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 2: Share capital

| Particulars | As at March 31, 2015 | | As at March 31, 2014 | |
|---|----------------------|--------------------|----------------------|----------------|
| | No. of Shares | | No. of Shares | |
| Authorised | | | | |
| Equity Shares of Rupees 10/- each | 100,000,000 | 1,000,000,000 | 100,000,000 | 1,000,000,000 |
| Issued | | | | |
| Equity Shares of Rupees 10/- each | 11,583,823 | 115,838,230 | 50,000 | 500,000 |
| Subscribed and Paid up | | | | |
| Equity Shares of Rupees 10/- each fully paid (refer foot note no. i, ii, and iii) | 11,583,823 | 115,838,230 | 50,000 | 500,000 |
| Total | 11,583,823 | 115,838,230 | 50,000 | 500,000 |

Foot Notes:

i. Of the above 56,76,073 shares are held by IL&FS Transportation Networks Limited (As at March 31, 2014 : 7,250 shares) & 59,07,750 shares are held by SOMA Enterprises Limited (As at March 31, 2014 : 42,750 shares)

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

| Particulars | As at March 31, 2015 | | As at March 31, 2014 | |
|--|----------------------|--------------------|----------------------|----------------|
| | No. of Shares | | No. of Shares | |
| Shares outstanding at the beginning of the year / period | 50,000 | 500,000 | - | - |
| Shares issued during the year / period | 11,533,823 | 115,338,230 | 50,000 | 500,000 |
| Shares bought back during the year / period | - | - | - | - |
| Shares outstanding at the end of the year / period | 11,583,823 | 115,838,230 | 50,000 | 500,000 |

iii. Shareholding more than 5% shares

| Name of Shareholder | As at March 31, 2015 | | As at March 31, 2014 | |
|--|----------------------|--------------------|----------------------|--------------------|
| | No. of Shares held | % of total holding | No. of Shares held | % of total holding |
| SOMA Enterprises Limited (the Holding Company) | 5,907,750 | 51% | 42,750 | 86% |
| IL&FS Transportation Networks Limited (and its nominees) | 5,676,073 | 49% | 7,250 | 15% |
| Total | 11,583,823 | 100% | 50,000 | 100% |

Note 3: Reserves and surplus

| Particulars | As at March 31, 2015 | | As at March 31, 2014 | |
|------------------------------------|----------------------|--------------------|----------------------|------------------|
| | | | | |
| (a) Profit / (Loss) Surplus | | | | |
| Opening balance | (168,957) | | (168,957) | |
| (+) Profit for the current period | (5,573,388) | (5,742,345) | | (168,957) |
| Total | | (5,742,345) | | (168,957) |



Srinagar Sonmarg Tunnelway Limited
Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 4: Other long term liabilities

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| Particulars | As at March 31, 2015 | | As at March 31, 2014 | |
|--|----------------------|-----------------------|----------------------|-----------------------|
| | | | | |
| (a) Other long term liabilities | | | | |
| Related Parties | 2,27,73,24,320 | 2,27,73,24,320 | 1,45,74,24,000 | 1,45,74,24,000 |
| Others | - | | - | |
| (b) Interest accrued but not due on borrowings | | | | |
| To related parties | 5,28,13,878 | 5,28,13,878 | 86,32,750 | 86,32,750 |
| To others | - | | - | |
| Total | | 2,33,01,38,198 | | 1,46,60,56,750 |

Note 5: Other current liabilities

₹

| Particulars | As at March 31, 2015 | | As at March 31, 2014 | |
|--------------------|----------------------|---------------------|----------------------|---------------------|
| | | | | |
| (a) Term Loans | | | | |
| (i) Unsecured | | | | |
| From related party | | 50,50,00,000 | | 15,25,00,000 |
| Total | | 50,50,00,000 | | 15,25,00,000 |

Note 6: Other current liabilities

₹

| Particulars | As at March 31, 2015 | | As at March 31, 2014 | |
|----------------------------|----------------------|-----------------|----------------------|--------------------|
| | | | | |
| (a) Statutory dues | - | | 1,01,73,082 | |
| (b) Provision for Expenses | 1,79,129 | 1,79,129 | 1,06,360 | 1,02,79,442 |
| Total | | 1,79,129 | | 1,02,79,442 |



Note 7: Fixed assets

| Particulars | Gross Block | | | | Accumulated Depreciation | | | | Net Block | | | |
|------------------------------------|-----------------------------|---------------------|----------------|-----------|------------------------------|-----------------------------|---------------------|------------------------------------|--------------|------------------------------|------------------------------|------------------------------|
| | Balance as at April 1, 2014 | Opening adjustments | Additions | Disposals | Balance as at March 31, 2015 | Balance as at April 1, 2014 | Opening adjustments | Depreciation charge for the period | On disposals | Balance as at March 31, 2015 | Balance as at March 31, 2015 | Balance as at March 31, 2014 |
| a) Tangible assets | NIL | | NIL | | NIL | | | NIL | | NIL | NIL | |
| Total | - | - | NIL | - | NIL | - | - | NIL | - | NIL | NIL | - |
| b) Intangible assets | NIL | | NIL | | NIL | | | NIL | | NIL | NIL | |
| Grand total | - | - | NIL | - | NIL | - | - | NIL | - | NIL | NIL | - |
| c) Capital work-in-progress | 1,62,89,51,946 | | 1,28,85,64,287 | - | 2,91,75,16,233 | - | - | - | - | - | 2,91,75,16,233 | 1,62,89,51,946 |
| Previous Year | - | - | 1,62,89,51,946 | - | 1,62,89,51,946 | - | - | - | - | - | 1,62,89,51,946 | - |



Srinagar Sonmarg Tunnelway Limited
Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 8 : Cash and cash equivalents

| Particulars | As at March 31, 2015 | | As at March 31, 2014 | |
|---|----------------------|--------------------|----------------------|-----------------|
| | | | | |
| (a) Cash and cash equivalents | | | | |
| Cash on hand | 372 | | 527 | |
| Balances with Banks in current accounts | 2,78,96,607 | | 2,14,762 | |
| Balances with Banks in deposit accounts | - | 2,78,96,979 | - | 2,15,289 |
| Total | | 2,78,96,979 | | 2,15,289 |



Srinagar Sonmarg Tunnelway Limited
Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 9: Contingent liabilities and capital commitments

A) Contingent liabilities : NIL

B) Financial commitments pending to be executed : NIL

C) Other commitments pending to be executed : NIL

D) Estimated amount of contracts remaining to be executed on capital and other account : NIL

E) Disclose the amount paid/Payable to Auditors :

| Sr No | Name of Auditors | Description | As at March 31, 2015 | As at March 31, 2014 |
|-------|------------------|-------------|-------------------------|-------------------------|
| 1 | Gianender & Co. | Audit Fees | 1,79,129.00 | 1,06,360.00 |
| 2 | | | | |
| 3 | | | | |



Srinagar Sonmarg Tunnelway Limited
Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 10: Administrative and general expenses

₹

| Particulars | Year ended March 31, 2015 | Year ended March 31, 2014 |
|-----------------------------|--------------------------------------|--------------------------------------|
| Legal and consultation fees | 1,39,333 | 15,730 |
| Rates and taxes | 6,306 | 4,725 |
| Auditor's Remuneration | 4,66,294 | 1,12,360 |
| Registration Expenses | 49,58,000 | - |
| Professional Tax | 2,500 | - |
| Travelling Expenses | 955 | - |
| Miscellaneous Expenses | - | 36,142 |
| | 55,73,388 | 1,68,957 |



Srinagar Sonmarg Tunnelway Limited
Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 11: Earnings per equity share

| Particulars | Unit | Year ended March 31, 2015 | Year ended March 31, 2014 |
|--|---------|---------------------------|---------------------------|
| Profit after tax | ' | (5,573,388) | (168,957) |
| Weighted number of Equity Shares outstanding | Numbers | 4,565,749 | 421,918 |
| Nominal Value of equity shares | ' | 10 | 10 |
| Basic Earnings per share | ' | -1.22 | -0.4 |
| Equity shares used to compute diluted earnings per share | Numbers | 4,565,749 | 421,918 |
| Diluted Earnings per share | ' | -1.22 | -0.4 |

Note 12 : Related Party Statement

a) Name of related parties and description of relationship

| Nature of Relationship | Name of Entity | Acronym used |
|------------------------|---------------------------------------|--------------|
| Associate | IL&FS Transportation Networks Limited | ITNL |
| Holding Entity | SOMA Enterprises Limited | SOMA |

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

| Account head | Name of Entity | Year ended March 31, 2015 | Year ended March 31, 2014 |
|---|----------------|---------------------------|---------------------------|
| Balances: | | | |
| Share Capital | SOMA | 59,077,497 | 427,500 |
| Share Capital | ITNL | 56,760,733 | 72,500 |
| Term Loan | ITNL | 505,000,000 | 152,500,000 |
| Interest on loan | ITNL | 52,813,878 | 8,632,750 |
| Trade payables | ITNL | 2,277,324,320 | 1,457,424,000 |
| Performance Guarantee (Refer Foot Note : 2) | ITNL | 1,340,200,000 | 1,340,200,000 |
| Transactions: | | | |
| Share Capital | SOMA | 58,649,997 | 427,500 |
| Share Capital | ITNL | 56,688,233 | 72,500 |
| Term Loan | ITNL | 352,500,000 | 152,500,000 |
| Project Development Fees | ITNL | 900,000,000 | 1,457,424,000 |
| Interest on Term Loan | ITNL | 49,090,142 | 8,632,750 |

Footnote :

1. Reimbursement of Expenses are not included above
2. Performance Guarantee given by Associate Company, ITNL on behalf of the company to National Highway Authority of India

Note 13: Previous period / year

Figures for the previous period have been regrouped, reclassified where necessary, to conform to the classification of the current period in case of Balance sheet.

In terms of our report attached.
For Gianender & Associates
Chartered Accountants
Firm Registration no. 004661N

Ramesh Koul
Partner
Membership Number : 77804

Place: Mumbai
Date: 29/4/15



For and on behalf of the Board

[Signature]
Managing Director

[Signature]
Director

Chief Financial Officer
Place: Mumbai
Date: