

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF BALESHWAR KHARAGPUR EXPRESSWAY LIMITED**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of Baleshwar Kharagpur Expressway 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 period 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 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the



accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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 period 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 Companies Act, 2013, we enclosed in the annexure a statement on the matters specified in paragraph 3 and 4 of the said 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. There are no observations or comments on the financial transactions or matters which have any adverse effect on the functioning of the company.
  - f. On the basis of the written representations received from the directors as on 31st March, 2016 taken on record, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-A".
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i. The company has not pending litigation which would impact its financial position;
- ii. The company did not have any long-term contract including derivative contract for which there were any material foreseeable losses;
- iii. There were no amounts which were required by the company to be transferred to the Investor Education and Protection Fund.

For Gianender & Associates  
Chartered Accountants

(Firm's Registration No. 004661N)



A handwritten signature in blue ink, appearing to read "Ramesh Koul".

Ramesh Koul  
(Partner)

(Membership No. 077804)

Place: New Delhi  
Date: 28.04.2016

**Annexures to the Independent Auditor's Report of Baleshwar Kharagpur Expressway Limited for the Year ended as on 31<sup>st</sup> March 2016**

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

- i. a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;  
b) The Fixed Assets have been physically verified by the management at regular intervals and no material discrepancies were noticed on such verification  
c) Company does not own any immovable property hence reporting under this clause not applicable.
- ii. As the company is engaged in the business of infrastructure development, operations and its maintenance and there is no inventory in hand at any point of time, hence paragraph 3(ii) of the Order is not applicable to the company.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liabilities partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, reporting under clause (a) to (c) of Para 3(iii) are not applicable.
- iv. The Company has not entered into any transaction in respect of loans, investments, guarantee and securities, which attracts compliance to the provisions of the sections 185 and 186 of the Companies Act, 2013. Therefore, the paragraph 3(iv) of the Order is not applicable to the company.
- v. The Company has not accepted deposits in terms of the provisions of section 73 to 76 of the Companies Act, 2013 and rules framed there under. Therefore, the paragraph 3(v) of the Order is not applicable to the company.
- vi. Cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 are 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 books of accounts, the company has been generally regular in depositing undisputed statutory dues including provident fund, employee state insurance, income tax, service tax, value added tax, cess and other statutory dues during the year with the appropriate authorities. As on 31<sup>st</sup> March 2016, there are no undisputed statutory dues payables for period exceeding for a period more than six months from the date they become payable.  
b) According to the information and explanations given to us, there were no statutory dues pending in respect of income tax, sales tax, VAT, custom duty and cess etc. on account of any dispute.
- viii. The Company has not defaulted in repayment of any loans or borrowings from any bank. Company has not issued debentures and taken any loan from Government or Financial Institution.
- ix. The company has not raised any money by way of term loan or by way of initial public offer or further public offer.
- x. According to the information and explanation given to us by the management which have been relied by us, there were no frauds on or by the company noticed or reported during



- the period under audit.
- xi. In our opinion, the managerial remuneration paid or provided by the company are in accordance with the provision of section 197 read with Schedule V of the Companies Act 2013.
  - xii. The company is not a Nidhi Company, therefore para 3(xii) of the Order is not applicable.
  - xiii. In our opinion and according to the information provided to use, the transaction entered with the related parties are in compliance with section 177 and 188 of the Act and are disclosed in the financial statements as required by the applicable accounting standards.
  - xiv. The company has not made any preferential allotment of shares or debentures during the year.
  - xv. According to the information provided to us, the company has not entered into any non-cash transaction with directors or the persons connected with him covered under section 192 of the Companies Act 2013. Therefore, paragraph 3(xv) of the Order is not applicable to the company.
  - xvi. According to the information provided to us, the company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934. Therefore, paragraph 3(xvi) of the Order is not applicable to the company.

For Gianender & Associates  
Chartered Accountants  
(Firm's Registration No. 004661N)



Ramesh Koul  
(Partner)

Membership No. 077804)

Place: New Delhi  
Date: 28.04.2016

## **Annexure-A**

**Annexure referred to in paragraph 2 under the heading “Report on Other Legal and Regulatory Requirements” of our report on even date:-**

**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 Baleshwar Kharagpur Expressway Limited (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s



judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my /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: New Delhi  
Date: 28.04.2016

For Gianender & Associates  
Chartered Accountants  
(Firm's Registration No. 004661N)



*Ramesh Koul*  
Ramesh Koul  
(Partner)

(Membership No. 077804)

**BALESHWAR KHARAGPUR EXPRESSWAY LIMITED**

CIN : U45400MH2012PLC228590

**Balance Sheet** As At March 31, 2016

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Particulars		Note	As At March 31, 2016		As At March 31, 2015	
<b>I</b>	<b>EQUITY AND LIABILITIES</b>					
<b>1</b>	<b>SHAREHOLDERS' FUNDS</b>					
	(a) Share capital	2	1,78,59,00,000		1,72,78,00,000	
	(b) Reserves and surplus	3	(20,95,08,741)	1,57,63,91,259	(1,95,61,611)	1,70,82,38,389
<b>2</b>	<b>NON-CURRENT LIABILITIES</b>					
	(a) Long-term borrowings	4	4,85,20,80,000		4,14,00,00,000	
	(b) Other long term liabilities	5	10,35,08,193	4,95,55,88,193	-	4,14,00,00,000
<b>3</b>	<b>CURRENT LIABILITIES</b>					
	(a) Current maturities of long-term debt	6	79,20,000		-	
	(b) Short-term borrowings	7	31,40,00,000		-	
	(c) Short-term provisions	8	50,75,000		16,00,000	
	(d) Other current liabilities	9	57,09,44,460	89,79,39,460	29,91,19,293	30,07,19,293
	<b>TOTAL</b>			<b>7,42,99,18,912</b>		<b>2,00,89,57,682</b>
<b>II</b>	<b>ASSETS</b>					
<b>1</b>	<b>NON-CURRENT ASSETS</b>					
	(a) Fixed assets	10				
	(i) Tangible assets (net)			1,09,280		1,81,401
	(ii) Intangible assets (net)			7,30,05,60,875		-
	(iii) Intangible assets under development			-		5,98,82,42,091
	(b) Long-term loans and advances (net)	11	31,000		9,36,97,182	
	(c) Other non-current assets	12	1,27,46,294	1,27,77,294	-	9,36,97,182
<b>2</b>	<b>CURRENT ASSETS</b>					
	(a) Cash and bank balances	13	10,65,46,346		6,52,63,416	
	(b) Short-term loans and advances	14	8,82,884		15,73,592	
	(c) Other current assets	15	90,42,233	11,64,71,463	-	6,68,37,008
	<b>TOTAL</b>			<b>7,42,99,18,912</b>		<b>6,14,89,57,682</b>

Notes 1 to 28 form part of financial statements.

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

  
**Ramesh Koul**

Partner  
 Membership Number : 077804  
 Place: New Delhi  
 Date: April 28, 2016



For and on behalf of the Board

  
 Director

  
 Director

  
 Chief Financial Officer

Place: Mumbai  
 Date: April 28, 2016

Manager

**BALESHWAR KHARAGPUR EXPRESSWAY LIMITED**

CIN : U45400MH2012PLC228590

**Statement of Profit and Loss** for the Year Ended March 31, 2016

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	Particulars	Note	Year ended March 31, 2016	Year ended March 31, 2015
I	<b>Revenue from operations</b>	16	16,15,78,145	-
II	<b>Other Income</b>	17	15,18,864	-
III	<b>Total revenue (I + II)</b>		<b>16,30,97,009</b>	-
IV	<b>Expenses</b>			
	Operating expenses	18	14,80,87,942	-
	Finance costs	19	15,94,52,505	-
	Administrative and general expenses	20	2,84,74,568	29,18,266
	Depreciation and amortization expense	10	1,70,29,124	1,04,922
	<b>Total expenses (IV)</b>		<b>35,30,44,139</b>	<b>30,23,188</b>
V	<b>Profit before taxation (III-IV)</b>		<b>(18,99,47,130)</b>	<b>(30,23,188)</b>
VI	<b>Tax expense:</b>			
	(1) Current tax		-	-
	(2) Deferred tax (net)		-	-
	<b>Total tax expense (VI)</b>		<b>-</b>	<b>-</b>
	<b>Profit for the year (V - VI)</b>		<b>(18,99,47,130)</b>	<b>(30,23,188)</b>
	Earnings per equity share (Face value per share Rupees 10/-)	22		
	(1) Basic		(1.07)	(0.02)
	(2) Diluted		(1.07)	(0.02)

Notes 1 to 28 form part of financial statements.

In terms of our report attached.  
**For Glanender & Associates**  
 Chartered Accountants  
 Firm Registration No. 004661N

*Ramsh Koul*  
**Ramsh Koul**

Partner  
 Membership Number : 077804  
 Place: New Delhi  
 Date: April 28, 2016



**For and on behalf of the Board**

*[Signature]*  
**Director**

*[Signature]*  
**Director**

*[Signature]*  
**Chief Financial Officer**  
 Place: Mumbai  
 Date: April 28, 2016

**Manager**

**BALESHWAR KHARAGPUR EXPRESSWAY LIMITED**

CIN : U45400MH2012PLC228590

**Cash Flow Statement** for the Year Ended March 31, 2016

	Year ended March 31, 2016	Year ended March 31, 2015
<b>Cash Flow from Operating Activities</b>		
<b>Profit Before Taxes, Minority Interest and Share of Associates</b>	(18,99,47,130)	(30,23,188)
<b>Adjustments for :-</b>		
Interest Income	(15,18,864)	-
Finance costs	15,94,52,505	-
Depreciation and amortization expense	1,70,29,124	1,04,922
<b>Operating profit before Working Capital Changes</b>	<b>(1,49,84,365)</b>	<b>(29,18,266)</b>
<b>Adjustments changes in working capital:</b>		
Increase in Trade receivables	-	-
Decrease / (Increase) in other assets & loans and advances (current and non current)	7,25,68,363	-
(Decrease) / Increase in liabilities (current and non current)	10,35,08,193	(3,99,254)
<b>Cash Generated from Operations</b>	<b>16,10,92,191</b>	<b>(33,17,520)</b>
Direct Taxes paid (Net)	-	-
<b>Net Cash generated from Operating Activities (A)</b>	<b>16,10,92,191</b>	<b>(33,17,520)</b>
<b>Cash flow from Investing Activities</b>		
Purchase of Fixed Assets	(46,471)	-
Interest Income received	15,18,864	-
(Increase) / decrease in Loans & advances related to Investment activities	-	27,06,81,985
Increase / (decrease) in payables related to Investment activities	27,53,00,167	(66,49,82,075)
(Addition)/Deletion in Intangible Assets	(93,04,08,465)	(2,33,98,77,275)
<b>Net Cash used in Investing Activities (B)</b>	<b>(65,36,35,905)</b>	<b>(2,73,41,77,365)</b>
<b>Cash flow from Financing Activities</b>		
Proceeds from Issue of Shares	5,81,00,000	56,48,00,000
Proceeds from borrowings	1,03,40,00,000	2,53,00,00,000
Interest and Finance costs paid	(55,82,73,356)	(35,01,39,900)
<b>Net Cash generated from Financing Activities (C)</b>	<b>53,38,26,644</b>	<b>2,74,46,60,100</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>4,12,82,930</b>	<b>71,65,215</b>
Cash and Cash Equivalent at the beginning of the year	6,52,63,416	5,80,98,202
Cash and Cash Equivalent at the end of the year	10,65,46,346	6,52,63,416
<b>Net Increase in Cash and Cash Equivalents</b>	<b>4,12,82,930</b>	<b>71,65,215</b>
₹		
<b>Components of Cash and Cash Equivalents</b>		
Cash on Hand	39,63,899	28,32,193
Balances with Banks in current accounts	30,52,940	6,23,99,938
Fixed deposits placed	9,95,29,507	31,285
	10,65,46,346	6,52,63,416
Cash and Cash Equivalents as per Balance Sheet	<b>10,65,46,346</b>	<b>6,52,63,416</b>

Notes 1 to 28 form part of financial statements.

In terms of our report attached.

**For Gianender & Associates**  
 Chartered Accountants  
 Firm Registration No. 004661N

**Ramesh Koul**  
 Partner  
 Membership Number : 077804  
 Place: New Delhi  
 Date: April 28, 2016

For and on behalf of the Board

  
**Director**
  
**Director**
  
**Chief Financial Officer**  
 Place: Mumbai  
 Date: April 28, 2016

**Manager**

# Baleshwar Kharagpur Expressway Limited

Notes forming parts of the Financial Statements for the year ended March 31, 2016

## Note 1 – SIGNIFICANT ACCOUNTING POLICIES

### 1. Background

The Company has been incorporated on 22nd March, 2012 for “Construction of New Bridges/Structures, Repair of existing Four Lane Highway from Kharagpur to Baleshwar section of NH-60 from Km 0.000 to Km 119.300 in the State of Orissa and West Bengal and its Operation and Maintenance under NHDP Phase I to be executed as BOT (Toll) on DBFOT Pattern (“the Project”).” The Concession agreement between the Company and National Highways Authority of India (NHAI) for the above, has been signed on 24th April 2012. The Concession Agreement envisages concession for a period of 24 years commencing from the ‘Appointed date’, including construction period of 910 days commencing from the 1st January 2013 (the ‘Appointed date’).

### 2. Basis of preparation of Financial Statements

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. All income and expenditure having a material bearing on the financial statements are recognised on an accrual basis.

### 3. 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.

### 4. Fixed Assets and Depreciation

#### (a) Tangible Fixed assets and depreciation

Tangible fixed assets 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.

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 internal technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes etc.:



## Baleshwar Kharagpur Expressway Limited

Asset	Useful Life (years)	Method
Data Processing Equipment (Server & Networking)	4	SLM
Mobile Phones and I pad / Tablets	Fully depreciated in the year of purchase	-
Specialised office equipment's	3	SLM
Vehicles	5	SLM
Assets provided to employees	3	SLM
Leasehold improvement costs	Amortised over Primary period of Lease	SLM
All categories of assets costing less than ₹ 5,000/- each	Fully depreciated in the year of purchase	-

The residual value of all the assets is retained at ₹ 1/- each.

### (b) Intangible assets and Amortisation

- a. An intangible asset is recognised when it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.
- b. Carriageway representing toll collection rights are obtained in consideration for rendering construction, operation and maintenance services in relation to building and maintenance of the project on Build, Operate and Transfer basis. The cost of such carriageway comprises of construction cost and other pre-operative costs incurred during the construction phase.
- c. Administrative and other general overhead expenses net of income from temporary investments, incurred upto the date of commencement of commercial operations that are specifically attributable to the construction / acquisition / development of the Intangible assets is allocated and capitalised as part of cost of the asset. Other expenses have been written off in the year of incurrence of such expenditure.
- d. The Intangible rights which are recognised in the form of right charge users of the infrastructure assets are amortised in proportion to revenue for the year to projected revenue i.e. based on toll revenue for the year to projected revenue that is expected to be collected over the Concession period as estimated by the management.

A review of the estimated revenue over the balance period, of useful life / the concession period of the rights is undertaken by the management based on technical evaluation by independent experts at periodic intervals to assess the additional charge for amortisation, if any.

Other Intangible assets are amortised on a "Straight line" basis over the estimated useful lives. The estimated useful life of software is four years.

### (c) Intangible Asset under development

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 intangible asset under development 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



# Baleshwar Kharagpur Expressway Limited

the Intangible asset as the construction work is still in progress and the entire asset is not ready for its intended purpose. However, where there is other than temporary delay due to reasons beyond the control of the Company, the management may treat asset is ready for its intended use and discontinue reducing the revenue from the cost of the Intangible assets, and asset will be capitalised.

## 5. Impairment of Assets

The carrying values of assets of the Company's cash-generating unit 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.

## 6. Borrowing Cost

Borrowing costs incurred in respect of borrowings made towards construction of the Project assets are treated as a part of Intangible Assets under Development for subsequent capitalization as on commencement of commercial operations of the road. Borrowing costs incurred subsequent to the capitalisation date are charged to the Statement of Profit and Loss. In accordance of Accounting Standard – 16 "Borrowing Costs", income earned on investment (short term) of funds intermittently surplus but inextricably linked with the project is set off against related borrowing cost.

## 7. Taxes on Income

Taxes include taxes on the Company's taxable profits, adjustment attributable to earlier periods and changes in deferred taxes. Valuation of all tax liabilities / receivables is conducted at nominal amounts and in accordance with enacted tax regulations and tax rates or in the case of deferred taxes those that have been substantially enacted.

Deferred tax is calculated to correspond to the tax effect arising when final tax is determined. Deferred tax corresponds to the net effect of tax on all timing differences, which occur as a result of items being allowed for income tax purposes during a period different from when they were recognised in the financial statements.

Deferred tax assets are recognised with regard to all deductible timing differences to the extent that it is probable that taxable profit will be available against which deductible timing differences can be utilised. When the Company carries forward unused tax losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced by the extent that it is no longer probable that sufficient taxable profit will be available to allow all or a part of the aggregate deferred tax asset to be utilised.

## 8. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) 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. Contingent liabilities are not recognised but are disclosed in the notes to the financial statement. A contingent asset is neither recognised nor disclosed.



# Baleshwar Kharagpur Expressway Limited

## 9. Revenue Recognition

Fee collections from the users of the facility are accounted as and when it becomes due and the recovery is certain.

Interest income is accrued at applicable interest rates on time proportionate basis.

## 10. Accounting of Claims:

Price Escalation and other claims or variation are recognized and reduced from the capital cost only when:-

- (a) Negotiations have reached to an advanced stage such that it is probable that authority will accept the claim; and/or
- (b) The amount that is probable will be accepted by the authority and can be measured reliably.
- (c) Claims against the company are recognised as and when accepted..

## 11. Earnings per Share

Basic earnings per share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares in issue during the year.

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

## 12. Cash and Cash Equivalents

Cash and bank balances, and current investments that have insignificant risk of change in value, which have duration of up to three months, are included in the Company's cash and cash equivalents in the Cash Flow Statement.

## 13. Cash Flow Statements

The Cash Flow Statement is prepared in accordance with "indirect method" as prescribed in the Accounting Standard (AS) 3 on "Cash Flow Statements".

## 14. Preliminary Expenditure

Preliminary expenses incurred on incorporation of the Company are written off in the period during which it was incurred.

## 15. 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 twelve months after the reporting date,
- It is held primarily for the purpose of being traded,
- It is Cash or cash equivalent unless it restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

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 twelve months after the reporting date,
- It is held primarily for the purpose of being traded,
- The company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as Non-current.



BALESHWAR KHARAGPUR EXPRESSWAY LIMITED

**Notes** forming part of the Financial Statements for the Year Ended March 31, 2016

**Note 2: Share capital**

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number	₹	Number	₹
<b>Authorised</b> Equity Shares of Rupees 10/- each	17,90,00,000	1,79,00,00,000	17,90,00,000	1,79,00,00,000
<b>Issued</b> Equity Shares of Rupees 10/- each	17,85,90,000	1,78,59,00,000	17,27,80,000	1,72,78,00,000
<b>Subscribed and Paid up</b> Equity Shares of Rupees 10/- each fully paid (refer foot note no. i, ii, iii and iv)	17,85,90,000	1,78,59,00,000	17,27,80,000	1,72,78,00,000
<b>Total</b>	<b>17,85,90,000</b>	<b>1,78,59,00,000</b>	<b>17,27,80,000</b>	<b>1,72,78,00,000</b>

**Foot Notes:**

i. The Company has only one class of shares i.e. Equity Shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend, if any proposed, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

Particulars	As at March 31, 2016		As at March 31, 2015	
	Equity Shares		Equity Shares	
	No. of Shares	₹	No. of Shares	₹
Shares outstanding at the beginning of the year	17,27,80,000	1,72,78,00,000	11,63,00,000	1,16,30,00,000
Shares issued during the year	58,10,000	5,81,00,000	5,64,80,000	56,48,00,000
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	17,85,90,000	1,78,59,00,000	17,27,80,000	1,72,78,00,000

iii. Shareholding more than 5% shares

Name of Shareholder	As at March 31, 2016		As at March 31, 2015	
	No. of Shares held	% of total holding	No. of Shares held	% of total holding
IL&FS Transportation Networks Limited & it's nominees	17,85,90,000	100%	17,27,80,000	100%
<b>Total</b>	<b>17,85,90,000</b>	<b>100%</b>	<b>17,27,80,000</b>	<b>100%</b>

**iv. Terms and Rights of Issue of Equity Shares:**

The company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**Note 3: Reserves and surplus**

Particulars	As at March 31, 2016		As at March 31, 2015	
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>				
Balance as per last financial statements	(1,95,61,611)		(1,65,38,423)	
(+) Profit / (Loss) for the current year	(18,99,47,130)	(20,95,08,741)	(30,23,188)	(1,95,61,611)
<b>Total</b>		<b>(20,95,08,741)</b>		<b>(1,95,61,611)</b>



**Notes** forming part of the Financial Statements for the Year Ended March 31, 2016**Note 4: Long-term borrowings**

Particulars	As at March 31, 2016		As at March 31, 2015	
<b>(a) Term Loans</b>				
<b>(i) Secured</b>				
From Banks (refer footnote no. i)		3,95,20,80,000		3,54,00,00,000
<b>(ii) Unsecured</b>				
From Banks (refer footnote no. ii)		30,00,00,000		-
From Related party (refer footnote no. iii)		60,00,00,000		60,00,00,000
<b>Total</b>		<b>4,85,20,80,000</b>		<b>4,14,00,00,000</b>

**Foot Notes:****(i) Security for Senior Debt Facility:**

(A) The Senior Facility together with all interests, default interest, additional interest, fees, commission, remuneration payable to the security trustee, costs, charges, expenses and all other amounts whatsoever stipulated in, or payable by the Company in terms of, the finance documents shall to the satisfaction of the senior lenders/ security trustee, be secured to the extent permitted under the concession agreement by:

- a) a first mortgage and charge on all the Company's immovable properties, both present and future, save and except the project assets;
- b) a first charge on all the Company's tangible moveable assets, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, all other moveable assets and current assets, both present and future, save and except the project assets;
- c) a charge on the Company's accounts including, but not limited to the escrow account where all revenues, disbursements, receivables shall be deposited and in all funds from time to time deposited therein and in all authorised investments or other securities representing all amounts credited to the escrow account;
- d) a charge on all intangibles of the Company including but not limited to goodwill, rights, and undertakings, present and future provided any realisation there of shall be credited to the escrow account and the charge as aforesaid shall be limited to the extent permissible under the waterfall of the priorities as per article 31 of the concession agreement and article 4 of escrow agreement.
- e) a charge on the uncalled capital of the Company;  
Provided that charge at (e) above, shall be limited for ensuring that the Company calls the balance uncalled capital and makes the shares fully paid up.

f) an assignment by way of security:

- (i) of the right, title and interest of the Company in, to and under the project documents including the concession agreement, duly acknowledged and consented to by NHAI and by the relevant counter-parties to such project documents to the extent not expressly provided in the concession agreement or each such project document, all as amended, varied or supplemented from time to time;
- (ii) of the right, title and interest of Company in, to and under all the government approvals and insurance contracts; and
- (iii) of the right, title interest of the Company in, to and under any letter of credit, guarantee, including contractor guarantees and liquidated damages and performance bond provided by any party to the project documents.



**Notes** forming part of the Financial Statements for the Year Ended March 31, 2016**Terms of Payments:**

The Company undertakes to repay the senior debt loan to each senior and sub debt lender in accordance with the repayment schedule as given below:

**Repayment Schedule:**

The borrower shall repay the debts in 43 unequal quarterly installments commencing 6 months from COD as per schedule given below

Year Ending March	Repayment (% of Senior Debt)	Senior Debt (In Crores)
Quarter 1 to Quarter 4	0.20%	0.79
Quarter 5 to Quarter 8	0.40%	1.59
Quarter 9 to Quarter 12	1.00%	3.96
Quarter 13 to Quarter 16	4.00%	15.84
Quarter 17 to Quarter 20	6.00%	23.76
Quarter 21 to Quarter 24	10.00%	39.60
Quarter 25 to Quarter 28	12.00%	47.52
Quarter 29 to Quarter 32	14.00%	55.44
Quarter 33 to Quarter 36	18.00%	71.28
Quarter 37 to Quarter 40	20.00%	79.20
Quarter 41 to Quarter 43	14.40%	57.02
	100.00%	396.00

Rate of Interest : Varies from Base Rate + 1.25%

**(ii) Unsecured Medium Term Loan from Indus Ind Bank (IBL):**

(a) Rate of Interest - IBL Base Rate, payable at monthly rests (10.60% p.a payable at mpmthly rests, at present applicable IBL Base Rate of 10.60% p.a)

**Repayment schedule:**

The borrower shall repay the debts in 4 equal quartely installments as per schedule given below

Quarter ending	Repayment (In crores)
30/06/2018	7.5
30/09/2018	7.5
31/12/2018	7.5
30/03/2019	7.5

**(iii) Repayment schedule of unsecured loans from Related Party**

Quarter ending	Repayment (In crores)
31/03/2027	60

Interest is payable every month @ 13.25% p.a.

**Note 5: Other Long-Term Liabilities**

Particulars	As at March 31, 2016		As at March 31, 2015	
<b>Provision for Additional Concession Fee</b>				
Premium Payable to NHAI	10,12,92,183		-	
Interest on Premium payable to NHAI	22,16,010	10,35,08,193	-	
<b>Total</b>		10,35,08,193		



BALESHWAR KHARAGPUR EXPRESSWAY LIMITED

**Notes** forming part of the Financial Statements for the Year Ended March 31, 2016

**Note 6: Current Maturities of Long-term debt**

Particulars	As at March 31, 2016		As at March 31, 2015	
<b>Term Loans</b>				
<b>Secured</b>				
From Banks		79,20,000		-
<b>Total</b>		<b>79,20,000</b>		-

**Note 7: Short-term borrowings**

Particulars	As at March 31, 2016		As at March 31, 2015	
<b>Short term loans</b>				
<b>Unsecured</b>				
From Related party		31,40,00,000		-
<b>Total</b>		<b>31,40,00,000</b>		-

**Note 8: Short-term provisions**

Particulars	As at March 31, 2016		As at March 31, 2015	
<b>Short Term Provisions</b>				
Provision for Independent Engineer Fees		5,75,000		16,00,000
From others		45,00,000		-
<b>Total</b>		<b>50,75,000</b>		<b>16,00,000</b>

**Note 9: Other current liabilities**

Particulars	As at March 31, 2016		As at March 31, 2015	
<b>(a) Interest accrued but not due on borrowings</b>				
From Related Party		4,10,95,547		-
<b>(b) Interest accrued and due on borrowings</b>				
From Others		87,123		-
<b>(c) Other liabilities</b>				
Sundry Creditors				
From Related Party		52,41,54,494		28,40,20,264
From Others		39,79,560		33,90,276
Statutory Dues		16,27,737		1,17,08,753
<b>Total</b>		<b>57,09,44,460</b>		<b>29,91,19,293</b>

**Foot notes:**

There is no supplier covered under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act"). This information has been determined based on the details regarding the status of suppliers obtained by the Company and the same has been relied upon by the Auditors.



**BALESHWAR KHARAGPUR EXPRESSWAY LIMITED**

**Notes** forming part of the Financial Statements for the Year Ended March 31, 2016

**Note 10: Fixed assets**

Particulars	Gross block			Accumulated depreciation and amortization			Net block		
	Balance as at April 1, 2015	Additions	Deletions / Adjustments	Balance as at March 31, 2016	Balance as at April 1, 2015	Adjustments / Reclassifications	Depreciation charge	Balance as at March 31, 2016	Balance as at March 31, 2015
a) <b>Tangible assets</b> Data processing equipments	3,07,150	46,471	-	3,53,621	1,25,749	-	1,18,592	2,44,341	1,09,280
b) <b>Intangible Assets</b> Rights under service concession arrangements	-	7,31,74,71,407	-	7,31,74,71,407	-	-	1,69,10,532	1,69,10,532	7,30,05,60,875
c) <b>Intangible assets under development</b>	5,98,82,42,091	1,32,92,29,316	7,31,74,71,407	-	-	-	-	-	5,98,82,42,091
<b>Gross Total</b>	5,98,85,49,241	8,64,67,47,194	7,31,74,71,407	7,31,78,25,028	1,25,749	-	1,70,29,124	1,71,54,873	7,30,06,70,155
<b>Previous Year 31-Mar-2015</b>	3,29,85,32,065	2,69,00,17,176	-	5,98,85,49,241	20,827	-	1,04,922	1,25,749	5,98,84,23,492

\* Company has received completion certificate from IE and has entered into commercial operation w.e.f 26th December 2015



BALESHWAR KHARAGPUR EXPRESSWAY LIMITED

**Notes** forming part of the Financial Statements for the Year Ended March 31, 2016

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

Particulars	As at March 31, 2016		As at March 31, 2015	
(a) <b>Capital advances</b> To related party - Holding Co.				9,36,66,182
(b) <b>Security deposits</b> Unsecured, considered good		31,000		31,000
<b>Total</b>		<b>31,000</b>		<b>9,36,97,182</b>

**Note 12: Other non-current assets**

Particulars	As at March 31, 2016		As at March 31, 2015	
<b>Other non-current assets</b> Unamortised borrowing cost		1,27,46,294		-
<b>Total</b>		<b>1,27,46,294</b>		-

**Note 13: Cash and bank balances**

Particulars	As at March 31, 2016		As at March 31, 2015	
<b>Cash and cash equivalents</b> Cash on hand	39,63,899		28,32,193	
In Current accounts with Banks	30,52,940		6,23,99,938	
Balances with Banks in deposit accounts	9,95,29,507	10,65,46,346	31,285	6,52,63,416
<b>Total</b>		<b>10,65,46,346</b>		<b>6,52,63,416</b>

**Note 14: Short-term loans and advances**

Particulars	As at March 31, 2016		As at March 31, 2015	
<b>Other loans and advances</b> Unsecured, considered good				
- Advance payment of taxes (net of provision)		1,99,163		6,75,689
- Prepaid Expenses		3,05,333		5,82,113
- Other loans and advances		3,78,388		3,15,790
<b>Total</b>		<b>8,82,884</b>		<b>15,73,592</b>

**Note 15: Other current assets**

Particulars	As at March 31, 2016		As at March 31, 2015	
(a) Interest accrued and not due		16,646		-
(b) Unamortised borrowing cost		78,42,220		-
(c) Trade Receivable Domestic		11,83,367		-
<b>Total</b>		<b>90,42,233</b>		-



# BALESHWAR KHARAGPUR EXPRESSWAY LIMITED

## Notes forming part of the Financial Statements for the Year Ended March 31, 2016

### Note 16: Revenue from operations

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
Toll Revenue		16,15,78,145		-
<b>Total</b>		<b>16,15,78,145</b>		<b>-</b>

### Note 17: Other income

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
(a) <b>Interest Income</b> Interest on bank deposits		15,07,613		-
(b) <b>Other non-operating income</b> Interest Income - Others		11,251		-
<b>Total</b>		<b>15,18,864</b>		<b>-</b>



BALESHWAR KHARAGPUR EXPRESSWAY LIMITED

**Notes** forming part of the Financial Statements for the Year Ended March 31, 2016

**Note 18: Operating expenses**

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
Operation and maintenance expenses	3,61,85,862		-	
Toll plaza expenses	40,74,917		-	
Additional Concession Fee to NHAI	10,78,27,163	14,80,87,942	-	
		<b>14,80,87,942</b>		

**Note 19: Finance costs**

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
<b>(a) Interest expenses</b>				
Interest on loans for fixed period	15,68,47,404			
Other interest	24,62,233	15,93,09,637		
<b>(b) Other borrowing costs</b>				
Finance charges	1,39,287			
Syndication Fees	3,581	1,42,868		
		<b>15,94,52,505</b>		

**Note 20: Administrative and general expenses**

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
Deputation Cost	3,26,070		-	
Security Trustee Fees	37,677		-	
Independent Engineer Fees	18,60,251		-	
Lenders Engineer Fees	22,161		-	
Legal and consultation fees	5,34,580		5,27,815	
Travelling and conveyance	20,719		-	
Rates and taxes	2,36,66,611		6,07,341	
Bank charges	3,00,461		7,71,307	
Communication expenses	3,116		-	
Directors' fees	5,11,746		1,79,776	
Auditor's remuneration (refer footnote)	11,83,033		8,32,027	
Miscellaneous expenses	8,143	2,84,74,568	-	29,18,266
		<b>2,84,74,568</b>		<b>29,18,266</b>

**Footnote:**

**Disclosure of the amount of Auditors Remuneration:**

Particulars ( Name of party & description)	Year ended	Year ended
	March 31, 2016	March 31, 2015
1 For Audit	2,86,250	2,24,720
2 For Others Services	8,70,615	5,83,149
3 For Reimbursement of expenses	26,168	24,158
<b>Total</b>	<b>11,83,033</b>	<b>8,32,027</b>



BALESHWAR KHARAGPUR EXPRESSWAY LIMITED

**Notes** forming part of the Financial Statements for the Year Ended March 31, 2016

Note 21: Related Party Disclosures as per the AS-18 on "Related Party Disclosure" in respect of the Company as on March 31, 2016 are as follows:

Nature of Relationship	Name of Entity
Holding Company :	IL&FS Transportation Networks Limited
Fellow Subsidiaries (with whom there have been transactions during the year)	IL&FS Trust Company Limited IL&FS Securities Services Limited IL&FS Financial Services Limited
<b>Directors and Key Management Personnel:</b>	
Director	Mr. Krishna Ghag
Director	Mr. S C Sachdeva
Director	Mr. Ajay Menon
Director	Mr. Sanjay Minglani
Director	Mr. B K Jha - CEO & Director
Independent Director	Mr. Milan Chakravarti
Director	Mrs. Sumathy Iyer
Independent Director	Mr. Goutam Mukherjee
Chief Financial Officer	Mr. Mukesh Chalke

Account head	Name of Entity	31-Mar-16	31-Mar-15
<b>Balances:</b>			
Sundry Creditors	IL&FS Transportation Networks Limited	50,69,79,494	28,40,20,264
Equity Share Capital	IL&FS Transportation Networks Limited	1,78,59,00,000	1,72,78,00,000
Mobilisation Advance	IL&FS Transportation Networks Limited	-	9,36,66,182
Sub Debts	IL&FS Transportation Networks Limited	60,00,00,000	60,00,00,000
Short Term loan Taken	IL&FS Transportation Networks Limited	31,40,00,000	-
Interest on STL- Payable	IL&FS Transportation Networks Limited	4,10,95,547	-
Upfront Fees Payable	IL&FS Transportation Networks Limited	1,71,75,000	-
Prepaid Upfront Fees	IL&FS Transportation Networks Limited	1,71,57,095	-
Syndication Fees Payable	IL&FS Financial Services Limited	31,35,000	-
Prepaid Syndication Fees	IL&FS Financial Services Limited	34,31,419	-
<b>Account head</b>			
<b>Transactions:</b>			
Equity Share Capital	IL&FS Transportation Networks Limited	5,81,00,000	60,46,00,000
Sub Debts	IL&FS Transportation Networks Limited	-	60,00,00,000
Short Term Loan Taken	IL&FS Transportation Networks Limited	61,40,00,000	-
Interest on Short Term Loan	IL&FS Transportation Networks Limited	4,56,61,719	-
Project Development Fees	IL&FS Transportation Networks Limited	-	39,98,88,000
EPC Cost	IL&FS Transportation Networks Limited	92,47,30,986	1,86,03,98,278
Operation & Maintenance Fees	IL&FS Transportation Networks Limited	9,87,22,079	12,84,83,752
Mobilisation Advance Recovered	IL&FS Transportation Networks Limited	9,36,66,182	27,17,82,279
Interest on Sub Debt	IL&FS Transportation Networks Limited	7,97,17,801	4,95,97,613
Deputation cost	IL&FS Transportation Networks Limited	11,29,197	11,24,604
Upfront Fees	IL&FS Transportation Networks Limited	17,905	-
Security Trustee Fees	IL&FS Trust Company Limited	1,42,156	1,40,450
Professional Fees	ISSL CPG BPO Pvt Ltd	17,775	-
Syndication Fees	IL&FS Financial Services Limited	3,581	-
Director's Sitting Fees	Krishna Ghag	30,000	44,944
Director's Sitting Fees	Ajay Menon	90,000	44,944
Director's Sitting Fees	Sanjay Minglani	30,000	22,472
Director's Sitting Fees	B K Jha	40,000	22,472
Director's Sitting Fees	M B Bajulge	30,000	44,944
Director's Sitting Fees	Mrs Sumathy Iyer	40,000	-
Director's Sitting Fees	S C Sachdeva	10,000	-
Director's Sitting Fees	Gautam Mukherjee (Independent Director)	90,000	-
Director's Sitting Fees	Milan Chakravarti (Independent Director)	90,000	-

**Footnote:**

(1) Reimbursement of cost is not included above.

(2) Only those fellow subsidiaries are disclosed above with whom there have been transactions during the year.



**Notes** forming part of the Financial Statements for the Year Ended March 31, 2016

**Note 22: Contingent liabilities and capital commitments**

Estimated amount of contracts remaining to be executed on capital account and others not provided for :

Particulars (Name of party & description)		As at March 31, 2016	As at March 31, 2015
1	IL&FS Transportation Networks Limited	NIL	1,175,893,870
2	Estimated amount of contracts remaining on others (National Highway Authority of India)	14,691,853,297	14,989,194,884

**Note 23: Earnings per share**

Particulars	Unit	Year ended March 31, 2016	Year ended March 31, 2015
Profit after tax	₹	(189,947,130)	(3,023,188)
Profit available for Equity Shareholders	₹	(189,947,130)	(3,023,188)
Weighted number of Equity Shares outstanding	Numbers	178,129,645	143,797,315
Nominal Value of equity shares	₹	10	10
Basic Earnings per share	₹	(1.07)	(0.02)
Equity shares used to compute diluted earnings per share	Numbers	178,129,645	143,797,315
Diluted Earnings per share	₹	(1.07)	(0.02)

**Note 24: Director's Remuneration**

The Directors have been paid sitting fees for the Board and Committee meetings attended by them.

**Note 25: Employees:**

There is no employee on the pay roll of the company. Therefore there is nothing to report under AS-15.

**Note 26: Valuation of Inventories**

The Company does not have transactions to which the provisions of AS 2 - Valuation of Inventories apply.

**Note 27: Segment Reporting:**

The Company is a special purpose vehicle and is engaged in the business of construction and maintenance of Toll Road in India and thus operates in a single business and geographical segment. As a result, disclosures required under AS-17 on 'Segment Reporting' have not been given.

**Note 28: Previous year**

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

In terms of our report attached.  
For Gianender & Associates

Chartered Accountants  
Firm Registration No. 004661N

**Ramesh Koul**  
Partner  
Membership Number : 077804  
Place: New Delhi  
Date: April 28, 2016



For and on behalf of the Board

**Manoj**  
Director

**Prakash**  
Director

**Arshant**  
Chief Financial Officer  
Place: Mumbai  
Date: April 28, 2016

Manager