

**INDEPENDENT AUDITOR'S REPORT
 TO THE MEMBERS OF BARWA ADDA EXPRESSWAY LIMITED**
Report on the Financial Statements

1. We have audited the accompanying financial statements of BarwaAddaExpressway Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these Standalone 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.

4. 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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.

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

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order 2016 ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure - "A" a statement on the matters specified in paragraphs 3 and 4 of the order.
8. 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 standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on 31st March, 2016, taken on record by the Board of Directors, 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.
 - f. With respect to the adequacy of the Internal Financial Controls over financial reporting of the company and the operating effectiveness of such controls, we give our separate report in "Annexure - B".



- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would have a material impact its financial position.
 - ii. Based upon the assessment made by the company, there are no material foreseeable losses on its long term contracts that may require any provisioning
 - iii. In view of there being no amounts required to be transferred to the Investor Education and Protection Fund for the year under audit the reporting under this clause is not applicable.

**For MKPS & Associates
Chartered Accountants
FRN 302014E**

Narendra Khandal

**CA Narendra Khandal
Partner
M No. 065025**

Mumbai, April 28, 2016



**Annexure - A to the Independent Auditors Report
Referred to in para 7 of our report of even date, to the members of BarwaAddaExpressway
Limited for the year ended March 31, 2016**

- i) (a) The company's only fixed assets are in the nature of Rights for collection of Annuity, for which relevant details are available. In view of there being no other assets, the reporting requirements under sub-clause (b) and (c) of clause (i) of paragraph 3 of the order are not applicable.
- ii) In our opinion, and according to the information and explanations given to us, the company has sub-contracted the entire construction activities and therefore does not carry any inventories. Hence, the reporting requirements under clause (ii) of paragraph 3 of the order are not applicable.
- iii) In our opinion and according to the information and explanation given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the reporting requirements under sub-clause (a), (b) and (c) of Clause (iii) of paragraph 3 of the order are not applicable.
- iv) In our opinion and according to the information and explanation given to us, In respect of loans, investments and guarantees, the company has complied with the provisions of Section 185 and 186 of the Act.
- v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits during the period under audit. Consequently, the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 of the Act and the rules framed thereunder are not applicable.
- vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Act for the company. We have broadly reviewed such records and are of the opinion that prima-facie, the prescribed records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii) (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable, with the appropriate authorities in India.
According to the information and explanations given to us, there are no undisputed amounts in respect of the aforesaid statutory dues which in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no applicable statutory dues which have not been deposited on account of any dispute.
- viii) Based upon the audit procedures carried out by us and on the basis of information and explanations provided by the management we are of the opinion that the company has not



defaulted in repayment of dues to bank. The company does not have any borrowings from financial institution or government. The company has not issued any debentures as at the balance sheet date.

- ix) In our opinion and according to the information and explanations given to us, the term loans taken by the company have been ultimately utilised for the purpose for which they were taken. Further, the company has not raised any funds by way of initial / further public offer.
- x) Based on the audit procedures performed by us for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us by the management, we report that we have neither come across any instance of fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- xi) According to the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
- xii) The company is not a Nidhi Company and hence the reporting requirements under clause (xii) of paragraph 3 of the order are not applicable.
- xiii) According to the information and explanations given to us, all transactions entered into by the company with related parties are in compliance with section 177 and 178 of the Act where applicable and the details thereof have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit.
- xv) As per the information and explanations provided to us, the company has not entered into any non-cash transactions with directors or persons connected with them.
- xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under Section 45 – IA of the Reserve Bank of India, 1934.

For MKPS & Associates
Chartered Accountants
FRN 302014E


CA Narendra Khandal
Partner
M No. 065025

Mumbai, April 28, 2016



**Annexure - B to the Independent Auditors Report
Referred to in para 8 of our report of even date, to the members of BarwaAddaExpressway
Limited for the year ended March 31, 2016**

**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 BarwaAddaExpressway Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by 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 I/we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

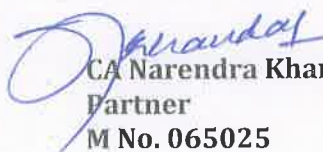
Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”].

**For MKPS & Associates
Chartered Accountants
FRN 302014E**


CA Narendra Khandal
Partner
M No. 065025



Mumbai, April 28, 2016

Balance Sheet as at March 31, 2016

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Particulars	Note No.	As At		As At	
		March 31, 2016		March 31, 2015	
I EQUITY AND LIABILITIES					
SHAREHOLDERS' FUNDS					
(a) Share capital	2	85,00,00,000		85,00,00,000	
(b) Reserves and surplus	3	(3,34,25,331)	81,65,74,669	(97,00,764)	84,02,99,236
NON-CURRENT LIABILITIES					
(a) Long-term borrowings	4	4,38,00,00,000	4,38,00,00,000	1,54,50,00,000	1,54,50,00,000
CURRENT LIABILITIES					
(a) Other current liabilities	5	6,93,09,78,526	6,93,09,78,526	4,31,87,16,848	4,31,87,16,848
(b) Short-term provisions		-		-	
TOTAL			12,12,75,53,195		6,70,40,16,084
II ASSETS					
NON CURRENT ASSETS					
(a) Fixed assets (net)	6		12,07,25,30,340	5,54,66,93,222	6,63,19,87,339
(i) Intangible assets under development		11,10,40,31,855		1,08,52,94,117	
(b) Long-term loans and advances		96,84,98,485		-	
(c) Other non-current assets	7	-			
CURRENT ASSETS					
(a) Cash and cash equivalents	8	3,40,24,768		4,04,63,924	
(b) Short-term loans and advances	9	1,12,01,701		2,38,48,237	
(c) Other current assets	10	97,96,386	5,50,22,855	77,16,584	7,20,28,745
TOTAL			12,12,75,53,195		6,70,40,16,084

Notes 1 to 23 form part of financial statements.

In terms of our report attached.
For MKPS & ASSOCIATES
 Chartered Accountants
 Firm Reg No: 302014E

Narendra Khandal
 Narendra Khandal
 Partner

Membership Number: 065025

Place : Mumbai
 Date : April 28, 2016



For Barwa Adda Expressway Limited

Mam
 Director

Srinivasan
 Director

AKS
 Chief Financial Officer

Place : Mumbai
 Date : April 28, 2016

Vinod Tipkar
 Manager

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

Particulars	Note Nos.	For the year ended March 31, 2016	For the year ended March 31, 2015
I REVENUE FROM OPERATIONS		-	-
II OTHER INCOME		-	-
III TOTAL REVENUE (I+II)		-	-
IV EXPENSES			
Employee benefits expense	11	6,819	-
Finance costs		-	-
Administrative and general expenses	12	2,37,17,748	51,38,207
Preliminary / Miscellaneous Expenditure Written Off		-	-
TOTAL EXPENSES		2,37,24,567	51,38,207
V PROFIT BEFORE TAXATION (III-IV)		(2,37,24,567)	(51,38,207)
VI TAX EXPENSES:			
(1) Current tax		-	-
(2) Tax relating to earlier period		-	-
(3) Deferred tax		-	-
TOTAL TAX EXPENSES (VI)		-	-
VII PROFIT FOR THE YEAR (V-VI)		(2,37,24,567)	(51,38,207)
Earnings per equity share (Face value per share Rupees 10/-):	13		
(1) Basic		(0.28)	(0.07)
(2) Diluted		(0.28)	(0.07)

Notes 1 to 23 form part of financial statements.

In terms of our report attached.
For MKPS & ASSOCIATES
 Chartered Accountants
 Firm Reg No: 302014E

Narendra Khandal
Narendra Khandal
 Partner

Membership Number: 065025

Place : Mumbai
 Date : April 28, 2016



For Barwa Adda Expressway Limited

Mam
Director

[Signature]
Director

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

[Signature]
Manager

Cash Flow Statement for the Year Ended March 31, 2016

	For the year ended March 31, 2016	For the year ended March 31, 2015
CASH FLOW FROM OPERATING ACTIVITIES		
Profit (Loss) Before Taxes	(2,37,24,567)	(51,38,207)
Adjustments for :-		
Depreciation and amortization expense	-	-
Excess provisions written back	-	-
Operating profit before Working Capital Changes	(2,37,24,567)	(51,38,207)
Adjustments changes in working capital:		
Increase in Trade receivables	-	-
(Increase) / Decrease in Other Current, Other Non-Current Assets & Trade Receivables	14,93,32,257	(1,10,68,60,294)
Increase /(Decrease) in liabilities (current and non current)	2,61,22,61,678	2,24,96,68,598
Cash Generated from Operations	2,73,78,69,368	1,13,76,70,097
Direct Taxes paid (Net)	(2,19,69,891)	(96,10,444)
Net Cash generated from Operating Activities (A)	2,71,58,99,477	1,12,80,59,653
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	-
Proceeds of Fixed Assets	-	-
(Increase) / Decrease in Intangible asset under development	(5,55,73,38,633)	(3,20,69,65,149)
Increase / (Decrease) in Other Current, Other Non-Current Liabilities & Trade Payables	-	-
(Increase) / Decrease in Other Current, Other Non-Current Assets & Trade Receivables	-	-
Interest received	-	-
Dividend received	-	-
Net Cash used in Investing Activities (B)	(5,55,73,38,633)	(3,20,69,65,149)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Shares	-	56,75,00,000
Share Issue expenses paid	-	-
(Decrease)/ Increase in Advance towards capital	2,83,50,00,000	1,54,50,00,000
Proceeds from borrowings	-	-
Repayments of borrowings	-	-
Proceeds from minority interest	-	-
Net Cash generated from Financing Activities (C)	2,83,50,00,000	2,11,25,00,000
Net Decrease in Cash and Cash Equivalents (A+B+C)	(64,39,156)	3,35,94,504
Cash and Cash Equivalent at the beginning of the year (Note - 8)	4,04,63,924	68,69,420
Cash and Cash Equivalent at the end of the year (Note- 8)	3,40,24,768	4,04,63,924
Net Decrease in Cash and Cash Equivalents	(64,39,156)	3,35,94,504
Components of Cash and Cash Equivalents		
Cash on Hand	18,11,277	13,82,707
Balances with Banks in current accounts	3,22,13,491	3,90,81,217
Fixed deposits placed	-	-
	3,40,24,768	4,04,63,924
Unpaid Dividend Accounts	-	-
Cash and Cash equivalents on acquisition of Joint Venture	-	-
Bank balances held as margin money or else security against borrowings	-	-
Cash and Cash Equivalents as per Balance Sheet	3,40,24,768	4,04,63,924

Notes 1 to 23 form part of financial statements.

In terms of our report attached.
For MKPS & ASSOCIATES
 Chartered Accountants
 Firm Reg No: 302014E

For Barwa Adda Expressway Limited

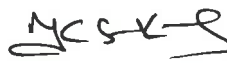

 Narendra Khandal
 Partner
 Membership Number: 065025

Place : Mumbai
 Date : April 28, 2016




 Director


 Director


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


 Manager

BARWA ADDA EXPRESSWAY LIMITED

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

Note No. 1 - Significant Accounting Policies

I Background

The Company has been incorporated on 23rd April, 2013 for the project of "Design, build, finance, operate and transfer Six laning of Barwa Adda-Panagarh Section of NH2 from 398.240km to 521.120 km in the state of Jharkhand and West Bengal under NHDP Phase V 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 8th May 2013. The Concession Agreement envisages concession for a period of 20 years commencing from the 'Appointed date', including construction period of 910 days commencing from 1st April 2014, (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.

(i) Assets purchased 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 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 capital work in progress up to the date when the asset is ready for its intended use, which is when the complete length of the project as specified in the Concession Agreement is complete and on receipt of final completion certificate from the authority as specified in the Concession Agreement and not on component basis certifications received. Discounted Revenue collected on receipt of the component based certification received as an intermediate mechanism provided in the Concession Agreement is reduced from the cost of the Intangible asset as the construction work is still in progress and the entire asset is not ready for its intended purpose.



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

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.

VIII 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 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.

X 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.

XI 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.

XIII 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.

XIV 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



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	₹
Authorised Equity Shares of Rupees 10/- each	33,50,00,000	3,35,00,00,000	8,50,00,000	85,00,00,000
Issued Equity Shares of Rupees 10/- each	8,50,00,000	85,00,00,000		
Subscribed and Paid up Equity Shares of Rupees 10/- each fully paid (refer foot note no. i, ii, and iii)	8,50,00,000	85,00,00,000	8,50,00,000	85,00,00,000
TOTAL	8,50,00,000	85,00,00,000	8,50,00,000	85,00,00,000

FOOT NOTES:

i. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period/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 period / year	8,50,00,000	85,00,00,000	2,82,50,000	28,25,00,000
Shares issued during the period / year	-	-	5,67,50,000	56.75,00,000
Shares bought back during the period / year	-	-	-	-
Shares outstanding at the end of the period / year	8,50,00,000	85,00,00,000	8,50,00,000	85,00,00,000

ii. 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 & its Nominees	8,50,00,000	100.00%	8,50,00,000	100.00%
TOTAL	8,50,00,000	100%	8,50,00,000	100%

(iii) The Company has only one class of 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.

During the year ended 31st March 2016, no dividend is declared by Board of Directors. (Previous period - Nil)

NOTE 3: RESERVES AND SURPLUS

Particulars	As at March 31, 2016		As at March 31, 2015	
(a) Profit / (Loss) Surplus				
Opening balance	(97,00,764)		-45,62,557.2	
(+) Profit(Loss) for the current period / year	(2,37,24,567)		(51,38,207)	
(-) Consolidation adjustment	-		-	
(-) Transfer to general reserves	-		-	
(-) Transfer to debenture redemption reserve	-		-	
(-) Dividends (including dividend tax)	-		-	
(-) Premium on preference shares of subsidiary	-		-	
(-)Tax on dividend and premium on preference shares of subsidiary	-	(3,34,25,331)	-	(97,00,764)
TOTAL		(3,34,25,331)		(97,00,764)



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	
(a) Term Loans				
(i) Secured				
From banks (refer foot note below)	-	-	-	-
From others	-	-	-	-
(b) Loans and Advances from related parties				
(i) Unsecured				
From related parties (refer foot note below)	4,38,00,00,000	4,38,00,00,000	1,54,50,00,000	1,54,50,00,000
TOTAL		4,38,00,00,000		1,54,50,00,000

Foot Note:

The Unsecured loan is a subordinate debt as defined in the concession agreement . Out of ₹ 5795.30 Million company availed ₹ 4380 Million during the year (pervious year 2014- 2015 was 1545Million)

Interest on subordinate debt during the construction period will be accrued @ 13% pa Simple Interest and will be paid post COD

Repayment Schedule:

The Repayment of subordinate Debt will start after end of Senior Debt repayment, and commencing from March 2031

Quarter ending	Repayment Schedule (₹ in Million)
Mar 2031	579.50
June 2031	579.50
Sept 2031	579.50
Dec 2031	869.40
Mar 2032	579.50
June 2032	579.50
Sept 2032	579.50
Dec 2032	579.50
Mar 2033	869.40
TOTAL	5,795.30

NOTE 5 : OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2016		As at March 31, 2015	
(a) Payable on account of capital expenditure				
To related parties	6,53,43,94,860		4,25,58,35,047	
From other	60,17,834	6,54,04,12,694	27,58,048	4,25,85,93,095
(b) Interest accrued but not due on borrowings				
From related parties	33,41,39,978		4,10,14,912	
From Other	-	33,41,39,978	-	4,10,14,912
(c) Other current liabilities (Refer foot note below)				
Statutory dues	5,64,25,854		1,91,08,841	
sundry creditors (For Expenses)	-	5,64,25,854	-	1,91,08,841
TOTAL		6,93,09,78,526		4,31,87,16,848

FOOT NOTES:

The Company has not received any intimation from 'suppliers' regarding their status under the Micro, Small and Medium enterprises Development Act, 2006 and hence disclosures, if any relating to amount unpaid as at the year end together with interest paid/payable as required under the said Act have not been furnished.



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

NOTE 6: FIXED ASSETS

Particulars	Gross block			Accumulated depreciation			Net block				
	Balance as at April 1, 2015	Opening adjustments	Additions	Disposals	Balance as at March 31, 2016	Balance as at April 1, 2015	Opening adjustments	Depreciation charge for the year	On disposals	Balance as at March 31, 2016	Net block Balance as at March 31, 2015
a) Tangible assets											
TOTAL											
b) Intangible assets											
TOTAL											
GRAND TOTAL											
c) Capital work in progress											
TOTAL											
d) Intangible asset under development	5,54,66,93,222	-	5,55,73,38,633	-	11,10,40,31,855	-	-	-	-	11,10,40,31,855	5,54,66,93,222
TOTAL			5,55,73,38,633		11,10,40,31,855					11,10,40,31,855	
AS AT MARCH 31, 2015	2,33,97,28,073		3,20,69,65,149		5,54,66,93,222						5,54,66,93,222



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

NOTE 7: LONG -TERM LOANS AND ADVANCES

Particulars	As at March 31, 2016		As at March 31, 2015	
(a) Capital Advances				
Secured, considered good	-		-	-
Unsecured, considered good				
Mobilisation & pre-construction advance recoverable to related party	93,69,18,150		1,07,56,83,673	
To others	-	93,69,18,150	-	1,07,56,83,673
(b) Other long term loans and advances				
Unsecured, considered good				
- Advance payment of taxes (net of provision)	3,15,80,335		96,10,444	
- Prepaid Expenses	-	3,15,80,335	-	96,10,444
Total		96,84,98,485		1,08,52,94,117

NOTE 8: CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2016		As at March 31, 2015	
(a) Cash and cash equivalents				
Cash on hand	18,11,277		13,82,707	
Bank Balance in current accounts	3,22,13,491		3,90,81,217	
Bank Fixed Deposits placed for a period less than 3 months	-	3,40,24,768	-	4,04,63,924
(b) Other bank balances				
Fixed Deposits placed for a period exceeding 3 months	-		-	
TOTAL		3,40,24,768		4,04,63,924

NOTE 9: SHORT-TERM LOANS AND ADVANCES

Particulars	As at March 31, 2016		As at March 31, 2015	
(a) Loans and advances to related parties				
Unsecured, considered good				
- Advance recoverable in cash or kind - related parties	-		3,88,200	
- Investment in call money	-		-	
- Advance towards share application money	-		-	
- Short term loans	-		-	3,88,200
(b) Other loans and advances				
Unsecured, considered good				
- Prepaid Expenses	1,12,01,701		2,34,60,037	
- Short term loans - others		1,12,01,701	-	2,34,60,037.00
TOTAL		1,12,01,701		2,38,48,237

NOTE 10: OTHER CURRENT ASSETS

Particulars	As at March 31, 2016		As at March 31, 2015	
(a) Receivable from NHAI - Utility Works	97,89,536		77,16,584	
(b) Receivable from Related party	6,850	97,96,386	-	77,16,584
TOTAL		97,96,386		77,16,584



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

NOTE 11: EMPLOYEE BENEFIT EXPENSES

Particulars	Yea Ended March 31,2016		Year Ended March 31, 2015	
(a) Salaries, Wages and allowances	6,819	6,819	-	-
TOTAL		6,819		-

NOTE 12: ADMINISTRATIVE AND GENERAL EXPENSES

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
Legal and consultation fees	7,62,842		3,78,098	
Travelling and conveyance	4,727		-	
Rates and taxes	2,18,36,357		40,22,168	
Bank commission	11		4,634	
Directors' fees	3,30,000		1,62,922	
Payment to Auditor	5,78,097		4,68,541	
Miscellaneous expenses	2,05,714	2,37,17,748	1,01,844	51,38,207
		2,37,17,748		51,38,207

FOOT NOTE :-

Disclose the amount Paid/Payable to Auditors :

Particulars (Name of party & description)	For the year ended March 31, 2016	For the year ended March 31, 2015
	a Audit fees	1,00,000
b For other services	4,04,000	3,11,000
c Service tax on above	74,097	50,798
	5,78,097	4,61,798



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

NOTE 13: EARNINGS PER EQUITY SHARE

Particulars	Unit	For the year ended March 31, 2016	For the year ended March 31, 2015
Profit /(Loss) after tax and minority interest	₹	(2,37,24,567)	-51,38,207
Premium on preference shares	₹	-	-
Tax on premium on preference shares	₹	-	-
Profit available for Equity Shareholders	₹	(2,37,24,567)	-51,38,207
Weighted number of Equity Shares outstanding	Numbers	8,50,00,000	7,14,37,534
Nominal Value of equity shares	₹	10	10
Basic Earnings per share	₹	(0.28)	-0.07
Equity shares used to compute diluted earnings per share	Numbers	8,50,00,000	7,14,37,534
Diluted Earnings per share	₹	(0.28)	-0.07

NOTE 14 : CONTINGENT LIABILITIES, CAPITAL AND OTHER COMMITMENTS

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

Particulars (Name of party & description)	For the year ended March 31, 2016	As at March 31, 2015
Capital commitment	11,18,67,14,244	16,22,00,05,100
Bank Guarantee	1,07,19,00,000	1,07,19,00,000
Negative Grant to National Highways Authority of India upto FY 2033-2034	13,02,67,00,723	13,46,77,00,723
Operation & Maintenance excluding Service tax (upto the end of SPCD)	12,37,61,138	18,97,01,138



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

NOTE 15: RELATED PARTY STATEMENT

CURRENT/ PREVIOUS YEAR

a Name of related parties and description of relationship

Nature of Relationship	Name of Entity	Acronym used
Ultimate Holding Company	Infrastructure Leasing & Financial Services Limited	IL&FS
Holding Company	IL&FS Transportation Networks Limited	ITNL
Fellow Subsidiaries	IL&FS Financial Services Ltd	IFIN
	IL&FS Securities Services Ltd	ISSL
	IL&FS Trust Company Ltd	ITCL
Director's and Key Management personnel :	Mr.Ajay Menon	
	Mr. Sanjay Minglani	
	Mr. Hari Bhavsar	
	Mr Kamalakant Chaubal	
	Mr Goutam Mukherjee	
	Mr.Sunil Kondikopulla - CFO	
	Mr.Vinod Tripathi - Manager	

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

Account head	Name of Entity	As at March 31, 2016	As at March 2015
Balances:			
Project Development Fees - Payable	ITNL	1,20,73,82,071	2,45,73,82,071
Deputation Cost - Payable	ITNL	4,75,77,796	6,28,848
Construction Bill- Payable	ITNL	5,18,98,79,175	1,67,34,12,941
O&M & PMF Fees - Payable	ITNL	4,69,44,270	9,80,01,442
Utility Shifting & Labour Cess-Payable	ITNL	4,26,11,548	2,63,84,462
Mobilisation Advance	ITNL	93,69,18,150	1,07,56,83,673
Interest on Sub-Debts Payable	ITNL	33,41,39,978	4,10,14,912
Receivable of TDS excess paid	ILFS	6,850	Nil
Equity	ITNL	85,00,00,000	85,00,00,000
Sub Debts	ITNL	4,38,00,00,000	1,54,50,00,000
One Time Fees Payable	ITCL	-	25,281
Reimbursement of Expenses - Payable	IFIN	33,21,083	60,566
Account head	Name of Entity	For the year ended March 31, 2016	For the year ended March 31, 2015
Transactions:			
Project Development Fees	ITNL	Nil	63,48,32,000
Deputation Cost	ITNL	14,61,893	12,19,854
Construction Cost	ITNL	5,17,06,45,139	2,39,78,11,615
Utility Shifting Works	ITNL	46,91,86,028	19,45,10,438
Operation and maintenance	ITNL	5,13,45,000	8,89,00,000
Project management fees (Tolling)	ITNL	1,45,95,000	1,38,99,991
Mobilisation Advance Recover	ITNL	13,87,65,523	1,07,56,83,673
Interest on Sub-Debts	ITNL	32,56,94,545	4,55,72,126
Interest on Short term loan	ILFS	11,82,53,423	Nil
Sub Debts	ITNL	2,83,50,00,000	1,54,50,00,000
Short Term Loan	ITNL	1,25,00,00,000	Nil
Equity	ITNL	Nil	56,75,00,000
Professional Fees	ISSL	17,175	17,454
Security Trustee Fees	ITCL	2,84,317	1,16,208
One Time Fees	ITCL	2,86,250	3,08,990
Director Sitting Fees	Mr Ajay Menon	90,000	20,000
Director Sitting Fees	Mr Hari Bhavsar	20,000	15,000
Director Sitting Fees	Mr Krishna Ghag	Nil	30,000
Director Sitting Fees	Mr M B Bajulge	Nil	40,000
Director Sitting Fees	Mr Sanjay Minglani	30,000	40,000
Director Sitting Fees	Mr S C Sachdeva	10,000	Nil
Director Sitting Fees	Mr Kamalakant Chaubal	90,000	Nil
Director Sitting Fees	Mr Goutam Mukherjee	90,000	Nil

Footnote:

(1) Reimbursement of cost is not included in above transaction.



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

NOTE 16: EMPLOYEES:

There is no employee on the pay roll of the company for whom the reporting requirement under AS -15 are applicable.

NOTE 17:

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

NOTE 18: 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 19:

Sundry Debtors and Sundry Creditors are subject to balance confirmations and reconciliation, if any

Note 20: Directors' Remuneration

The Directors have been paid only sitting fees for the Board Meetings attended by them and not entitled to any remuneration from the Company.

Note 21:

The company has not taken any derivative instrument during the year and there is no derivative instrument outstanding as at the year end. Further, at the year end there is no outstanding foreign currency exposure in respect of receivables and payables.

Note22:

The Project Milestone – III for the project was scheduled for 31-Mar-2016, which the company was not able to achieve due to reasons not attributable to it. The Independent Engineer, appointed by NHAI for the project has recommended an extension of 15 months vide its letter dated 30-Mar-2016 due to which the company is of the view that there is no possibility of any damages / penalty.

Note23:

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Notes 1 to 23 form part of financial statements.

In terms of our report attached,
For MKPS & ASSOCIATES
Chartered Accountants
Firm Reg No: 302014E

For Barwa Adda Expressway Limited




Narendra Khandal
Partner
Membership Number: 065025

Place : Mumbai
Date : April 28, 2016




Director


Director


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


Manager