



Independent Auditor's Report To The Members Of Sikar Bikaner Highway Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

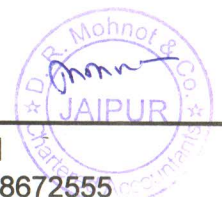
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made 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 year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Company does not have a branch and accordingly Section 143 (8) of the Act does not apply.
 - (d) 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.



(e) 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.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

(g) 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.

(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 does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For D.R.Mohnot & Co.
Chartered Accountants
Firm's registration number: 001388C



D.R.Mohnot
Partner
Membership number: 070579

Place- Mumbai

Date- April 26, 2016

Annexure A to the Auditors' Report

The Annexure referred to in our report to the members of Sikar Bikaner Highway Limited ('the Company') for the year Ended on March 31, 2016. We report that:

- (i) (a) the company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) the fixed assets have been physically verified by the management at reasonable intervals; and no material discrepancies were noticed on such verification.

(c) there are no immovable properties in the name of the company and therefore sub clause 3 (i)(c) does not apply.
- (ii) The Company does not hold any inventory. Accordingly clause 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 liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly sub clauses (a) (b) and (c) of clause 3(iii) of the order are not applicable.
- (iv) The company has not given any loans, investments, guarantees, and security as described in section 185 and 186 of the Companies Act, 2013
- (v) The company has not accepted any deposits as per the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under. Accordingly, clause 3 (v) of the order is not applicable.
- (vi) The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act.
- (vii) (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing 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 statutory dues to the appropriate authorities.

(b) According to the information and explanations given to us there are no dues in respect of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.
- (viii) According to the information and explanation given to us and as per our examination of books of account the company has not defaulted in repayment of dues to Banks in the



current year. The Company has not borrowed from any financial institution, government or debenture holders during the year.

- (ix) According to the information and explanation provided to us the term loans have been applied for the purpose for which they were raised. The company has not raised any moneys by way of initial public offer or further public offer.
- (x) According to the information and explanations given to us, we have neither come across any instance of material fraud on or by the company, noticed or reported during the year, nor have been informed of such case by management.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided any managerial remuneration during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For D.R.Mohnot & Co.
Chartered Accountants
Firm registration number: 001388C



D.R.Mohnot
Partner
Membership number: 070579

Place- Mumbai
Date- 26.04.2016

ANNEXURE B to the Auditors' Report

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 Sikar Bikaner Highway Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For D.R.Mohnot & Co.
Chartered Accountants
Firm registration number: 001388C



D.R.Mohnot
Partner
Membership number: 070579

Place- Mumbai

Date- 26.04.2016

SIKAR BIKANER HIGHWAY LIMITED
CIN No: U45203MH2012PLC229612
Balance Sheet As at March 31, 2016

Particulars		Note	As At March 31, 2016		As At March 31, 2015	
I	EQUITY AND LIABILITIES					
1	SHAREHOLDERS' FUNDS					
	(a) Share capital	2	1,240,500,000		1,240,500,000	
	(b) Reserves and surplus	3	2,194,743,730	3,435,243,730	1,649,425,907	2,889,925,907
2	NON-CURRENT LIABILITIES					
	(a) Long-term borrowings	4(A)	4,863,190,000		3,341,200,000	
	(b) Other long term liabilities	5	559,574,791	5,422,764,791	329,572,808	3,670,772,808
3	CURRENT LIABILITIES					
	(a) Current maturities of long-term debt	4(B)	14,310,000		-	
	(b) Short-term borrowings	6	381,400,000		-	
	(c) Other current liabilities	7	368,695,835	764,405,835	483,754,840	483,754,840
	TOTAL			9,622,414,356		7,044,453,555
II	ASSETS					
1	NON CURRENT ASSETS					
	(a) Fixed assets					
	(i) Tangible assets	8	82,536		-	
	(ii) Intangible assets under development		9,213,577,815	9,213,660,351	6,573,003,263	6,573,003,263
	(b) Long-term loans and advances	9		54,834,270		267,724,142
2	CURRENT ASSETS					
	(a) Cash and cash equivalents	10	54,772,343		142,113,652	
	(b) Short-term loans and advances	11	156,050		1,795,641	
	(c) Other current assets	12	298,991,342	353,919,735	59,816,857	203,726,150
	TOTAL			9,622,414,356		7,044,453,555

Notes 1 to 20 form part of the financial statements.

In terms of our report attached.

For D. R. Mohnot & Co.

Chartered Accountants

Firm Registration Number: 001388C

D. R. Mohnot

Partner

Membership Number: 070579

Place: Mumbai

Date : April 26th 2016

For and on behalf of the Board


Director


Director


Chief Financial Officer
 Place: Mumbai
 Date : April 26th 2016


Managing Director

SIKAR BIKANER HIGHWAY LIMITED
CIN No: U45203MH2012PLC229612
Statement of Profit and Loss for Year ended March 31, 2016

₹

Particulars		Note	Year ended March 31, 2016	Year ended March 31, 2015
I	Revenue from operations		-	-
II	Other income	13	70,032	112,360
III	Total revenue (I + II)		70,032	112,360
IV	Expenses			
	Administrative and general expenses	14	2,731,635	2,149,699
	Depreciation and amortization expense		19,864	-
	Total expenses (IV)		2,751,499	2,149,699
V	Profit / (Loss) before tax (III-IV)		(2,681,467)	(2,037,339)
VI	Tax expense:			
	(1) Current tax		-	-
	(2) Tax relating to earlier period		-	-
	(3) MAT credit entitlement		-	-
	(4) Deferred Tax (Net)		-	-
	Total tax expenses (VI)		-	-
VII	Profit / (Loss) for the year (V-VI)		(2,681,467)	(2,037,339)
	Earnings per equity share (Face value per share Rupees 10/-):	16		
	(1) Basic		(0.02)	(0.02)
	(2) Diluted		(0.02)	(0.02)

Notes 1 to 20 form part of the financial statements.

In terms of our report attached.

For D. R. Mohnot & Co.
Chartered Accountants
Firm Registration Number: 001388C


D. R. Mohnot
Partner
Membership Number: 070579
Place: Mumbai
Date : April 26th 2016

For and on behalf of the Board


Director


Director


Chief Financial Officer


Managing Director

Place:
Date : April 26th 2016

SIKAR BIKANER HIGHWAY LIMITED
CIN No: U45203MH2012PLC229612
Cash Flow Statement for the Year ended March 31, 2016

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Cash Flow from Operating Activities		
Profit Before Taxes	(2,681,467)	(2,037,339)
Adjustments for :-		
Depreciation and amortization expense	19,864	-
Operating Loss before Working Capital Changes	(2,661,603)	(2,037,339)
Adjustments changes in working capital:		
Increase / (Decrease) in liabilities (current and non current)	(4,547,824)	(1,579,413)
Cash Generated from / (Used in) Operations	(7,209,427)	(3,616,752)
Direct Taxes paid (Net)	(191,212)	(3,261,485)
Net Cash generated from / (used in) Operating Activities (A)	(7,400,639)	(6,878,237)
Cash flow from Investing Activities		
Additions to fixed assets	(102,400)	-
Intangible assets under Development (net off creditors and Interest expenses capitalised)	(1,940,418,909)	(3,124,553,062)
Net Cash used in Investing Activities (B)	(1,940,521,309)	(3,124,553,062)
Cash flow from Financing Activities		
Proceeds from borrowings (Term Loan)	886,300,000	1,531,200,000
Proceeds from borrowings (Sub-debt)	650,000,000	370,000,000
Proceeds from borrowings (Short Term Loan)	381,400,000	-
Receipt of Grant	321,352,800	1,387,068,500
Interest and Finance Charges Paid (Which is capitalised under Intangible asset under development)	(378,472,161)	(252,590,363)
Net Cash generated from Financing Activities (C)	1,860,580,639	3,035,678,137
Net (Decrease)/ increase in Cash and Cash Equivalents (A+B+C)	(87,341,309)	(95,753,162)
Cash and Cash Equivalent at the beginning of the year	142,113,652	237,866,814
Cash and Cash Equivalent at the end of the year	54,772,343	142,113,652
Net (Decrease)/ increase in Cash and Cash Equivalents	(87,341,309)	(95,753,162)
Components of Cash and Cash Equivalents		
Cash on Hand	1,579,046	4,500
Balances with Banks in current accounts	13,193,297	142,109,152
Balances with Banks in deposit accounts	40,000,000	-
	54,772,343	142,113,652

Notes 1 to 20 form part of the financial statements.

In terms of our report attached.

For D. R. Mohnot & Co.
Chartered Accountants
Firm Registration Number: 001388C

D. R. Mohnot
Partner
Membership Number: 070579
Place: Mumbai
Date : April 26th 2016

For and on behalf of the Board


Director

Director


Chief Financial Officer


Managing Director

Place:
Date : April 26th 2016

SIKAR BIKANER HIGHWAY 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 was incorporated under the Co's Act 1956 on April 13, 2012 vide Registration No U45203MH2012PLC229612.

Ministry of Road Transport & Highway (MoRTH) has awarded the project of Development and Operation of Sikar-Bikaner Section NH-11 from Km 340.188 of NH-11 to Km 557.775 of NH-11 via Sikar Bypass and Bikaner Bypass from Km 553.869 of NH-11 to Km 267.325 of NH-89 by Two Lanning with paved shoulder in the State of Rajasthan through Public-Private Partnership on Design, Build, Finance, Operate and Transfer (DBFOT) Basis. ITNL has formed a company named Sikar Bikaner Highway Limited (SBHL) to Construct, Operate and Maintain the Project for a period of 25 years commencing from the Appointed date. The agreement of concession was entered between MoRTH through PWD and the Company on June 29, 2012. MoRTH will provide grant of Rs. 247.32 crores by way of equity support for meeting the total project cost.

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

All Assets and Liabilities have been classified as current or non-current as per the operating cycle criteria set out in Schedule III to the Companies Act 2013 . Based on the nature of activities the company has ascertained its operating cycle as Twelve months.

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.

Losses arising from the retirement of, and gain or loss arising from disposal of Fixed assets are recognised in the Statement of Profit & Loss.

Depreciation on tangible fixed assets is computed as under:

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

(i) Assets purchased on or after April 1, 2014 are depreciated on Straight Line Method, over the useful life of assets as prescribed under Schedule II of the Companies Act 2013 other than assets specified in para (ii) below

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

(a) Data Processing Equipment – Server and Networking equipment are depreciated over a period of 4 years

(b) Mobile Phones and Ipad / Tablets are fully depreciated in the year of purchase

(c) Specialised office equipment's are depreciated on Straight Line Method over a period of three years

(d) Cars purchased by the company for employees, are depreciated over a period of five years

(e) Assets provided to employees are depreciated over a period of three years

(f) Leasehold improvement costs are capitalised and amortised over the period of lease agreement

(g) All categories of assets costing less than Rs. 5,000 each are fully depreciated in the year of purchase.

(h) The residual value of all the assets is retained at Rs. 1/- each

SIKAR BIKANER HIGHWAY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2016

ii) 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 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.

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

Borrowing costs includes Interest, other cost incurred in connection with borrowings. 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 on 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 for Taxes on Income

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

X Provisions, Contingent Liabilities and Assets

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

XI Cash Flow Statements

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

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

SIKAR BIKANER HIGHWAY LIMITED

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

XII Earnings per Share

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

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

XIII Government Grants

(a) Government grants are recognised only when it is reasonably certain that the Company will comply with the attached conditions and the ultimate collection is not in doubt.

(b) Grants received as compensation for expenses or losses are taken to the Profit and Loss Account and is accounted in the period to which it relates. Grants in the nature of promoter's contribution are treated as Capital Reserve.

XIV 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.

SIKAR BIKANER HIGHWAY 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	₹
Authorised				
Equity Shares of Rupees 10/- each	124,050,000	1,240,500,000	124,050,000	1,240,500,000
Issued				
Equity Shares of Rupees 10/- each	124,050,000	1,240,500,000	124,050,000	1,240,500,000
Subscribed and Paid up				
Equity Shares of Rupees 10/- each fully paid (refer foot note no. i, ii, and iii)	124,050,000	1,240,500,000	124,050,000	1,240,500,000
Total	124,050,000	1,240,500,000	124,050,000	1,240,500,000

Foot Notes:

i. 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	124,050,000	1,240,500,000	124,050,000	1,240,500,000
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	124,050,000	1,240,500,000	124,050,000	1,240,500,000

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	124,050,000	100.00%	124,050,000	100.00%
Total	124,050,000	100.00%	124,050,000	100.00%

iii Terms / Rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10/- each. Each holder of equity share is entitled to one vote per share

Note 3: Reserves and surplus

Particulars	As at March 31, 2016		As at March 31, 2015	
(a) Capital Reserve				
Opening balance	1,663,968,960		717,228,000	
(+) Created during the year	547,999,290		946,740,960	
(-) Written back in current period	-	2,211,968,250	-	1,663,968,960
(b) Profit / (Loss) Surplus				
Opening balance	(14,543,053)		(12,505,714)	
(+) Profit / (loss) for the current year	(2,681,467)	(17,224,520)	(2,037,339)	(14,543,053)
Total		2,194,743,730		1,649,425,907

Foot note:

Capital Reserve:

Grant from Ministry of Road transport & Highways (Equity Support) : The company in accordance with clause 25.1 and 25.2 of the Concession Agreement signed with Government of Rajasthan, Public Works Department is entitled to grant of Rs. 2,473,200,000 during the construction period towards Equity Support. Out of the aforesaid amount, Rs. 2,211,968,250/- is accounted by the company as at March 31, 2016 (PY Rs. 1,663,968,960/-) .

SIKAR BIKANER HIGHWAY LIMITED

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

Note 4 (A): Long-term borrowings

Particulars	As at March 31, 2016		As at March 31, 2015	
Term Loans				
(i) Secured				
From banks		3,563,190,000		2,691,200,000
(ii) Unsecured				
From Related party		1,300,000,000		650,000,000
Total		4,863,190,000		3,341,200,000

Note 4 (B) : Current Maturities of Long-term debt

Particulars	As at March 31, 2016		As at March 31, 2015	
Term Loans				
Secured				
From banks		14,310,000		-
Total		14,310,000		-

Foot Notes:

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

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

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

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

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

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

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

ii.) Repayment Schedule:

Total loans commitment is Rs. 530.00 Crores (Term Loan - Secured from Banks Rs. 400.00 Crores & Term Loan - Unsecured Rs 130.00 Crore from Promoter)

Senior Debt disbursed by Banks till March 31, 2016 is Rs. 357.75 Crores. (Previous year ended March 31, 2015 is Rs. 269.12 Crores) and Subordinate Debt disbursed from Promoter till March 31, 2016 is Rs. 130.00 Crores (Previous year ended March 31, 2015 is Rs. 65.00 Crores).

The Borrower shall repay the Secured & Unsecured Term Loans as per the schedule below:

Financial Year Ending	No of Quarters (Senior Debt)	Total Repayment of Term Loan - Secured (Rs. Crores)	No of Quarters (Subordinate Debt)	Total Repayment of Subordinate Debt (Rs. Crores)
2017	4	1.43	0	-
2018	4	8.94	0	-
2019	4	16.10	0	-
2020	4	21.47	0	-
2021	4	23.25	0	-
2022	4	30.41	0	-
2023	4	39.35	0	-
2024	4	53.66	0	-
2025	4	64.40	0	-
2026	4	64.40	0	-
2027	2	34.34	3	39.00
2028	0	-	4	52.00
2029	0	-	3	39.00
TOTAL	42	357.75	10	130

iii) Interest rates

Particulars	Debt Amount (Rs. Crores)	Rate of Interest
Secured Debt from Banks	357.75	11.24%
Sub Debt from Promoter	130.00	13.20%

SIKAR BIKANER HIGHWAY LIMITED

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

Note 5 : Other long term liabilities

₹

Particulars	As at March 31, 2016		As at March 31, 2015	
(i) Retention Money Payable Related Parties		350,655,734		250,271,276
(ii) Interest accrued but not due on borrowings Related Parties		208,919,057		79,301,532
Total		559,574,791		329,572,808

Note 6 : Short-term borrowings

₹

Particulars	As at March 31, 2016		As at March 31, 2015	
Loans repayable on demand Unsecured From Related party		381,400,000		-
Total		381,400,000		-

Note 7 : Other current liabilities

₹

Particulars	As at March 31, 2016		As at March 31, 2015	
(i) Retention Money Payable Others		1,205,771		1,158,364
(ii) Statutory Dues		1,881,058		7,183,917
(iii) Interest accrued and due on borrowings Related parties		9,928,352		-
(iv) Sundry Creditors for Fixed Asset Related parties	348,853,160	354,239,410	467,826,351	474,726,351
Others	5,386,250		6,900,000	
(v) Sundry Creditors others		1,441,244		686,208
Total		368,695,835		483,754,840

SIKAR BIKANER HIGHWAY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2016

Note 8 : Fixed assets

Particulars	Gross block				Accumulated depreciation				Net block		
	Balance as at April 1, 2015	Adjustments / Reclassifications	Additions	Deletions	Balance as at March 31, 2016	Balance as at April 1, 2015	Adjustments / Reclassifications	Charge for the year	Deletions	Balance as at March 31, 2016	Balance as at March 31, 2015
a) Tangible assets											
Data processing equipments	-	-	102,400	-	102,400	-	-	19,864	-	19,864	-
Total	-	-	102,400	-	102,400	-	-	19,864	-	19,864	-
b) Intangible assets under Development	6,573,003,263	-	2,640,574,551	-	9,213,577,815	-	-	-	-	9,213,577,815	6,573,003,263
Previous Year	4,107,617,674		2,465,385,589		6,573,003,263					6,573,003,263	4,107,617,674

SIKAR BIKANER HIGHWAY LIMITED

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

Note 9 : Long-term loans and advances (Unsecured considered good)

Particulars	As at March 31, 2016		As at March 31, 2015	
(a) Mobilisation Advance				
To related parties (net)		45,420,614		263,718,528
(b) Security Deposits		24,200		22,000
(c) Other loans and advances				
- Advance payment of taxes (net of provision)	4,048,576		3,857,364	
- Advance against Capital Assets	5,340,880	9,389,456	126,250	3,983,614
Total		54,834,270		267,724,142

Note 10 : Cash and cash equivalents Break-up

Particulars	As at March 31, 2016		As at March 31, 2015	
Cash and cash equivalents				
Cash on hand	1,579,046		4,500	
Balances with Banks in current accounts (Refer Foot note)	13,193,297		142,109,152	
Fixed Deposits less than 12 months (Under lien with bank for term loan)	40,000,000	54,772,343	-	142,113,652
Total		54,772,343		142,113,652

Foot Note:

Balance of Rs. 11,047,708/- (As at March 31, 2015 is Rs. 13,34,98,223/-) is in an Escrow A/c. in accordance with the Concession Agreement dated 29th, June 2012

Note 11 : Short-term loans and advances

Particulars	As at March 31, 2016		As at March 31, 2015	
Other loans and advances				
- Prepaid expenses		156,050		1,795,641
Total		156,050		1,795,641

Note 12 : Other current assets (Unsecured considered good)

Particulars	As at March 31, 2016		As at March 31, 2015	
(a) Interest accrued	669,699		-	
(b) Grant receivable	286,126,950		59,480,460	
(c) Other receivable	12,194,693	298,991,342	336,397	59,816,857
Total		298,991,342		59,816,857

SIKAR BIKANER HIGHWAY LIMITED

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

Note 13 : Other income

₹

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
Other non-operating income				
Excess provisions written back	-		112,360	
Interest on Income Tax refund	70,032	70,032	-	112,360
		70,032		112,360

Note 14 : Administrative and general expenses

₹

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
Legal and consultation fees	1,510,234		1,126,515	
Travelling and conveyance	46,820		220,756	
Rates and taxes	56,510		15,524	
Bank commission	180,319		138,595	
Directors' Sitting fees	398,138		224,832	
Auditors' Remuneration (Refer footnote)	530,916		415,732	
Miscellaneous expenses	8,698	2,731,635	7,745	2,149,699
		2,731,635		2,149,699

Footnote:**Breakup of Auditors Remuneration as below:**

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
Statutory Audit Fees		314,875		280,900
Certification charges		216,041		134,832
		530,916		415,732

SIKAR BIKANER HIGHWAY LIMITED

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

Note 15 : Contingent liabilities, capital commitments and other information**A) Contingent liabilities :- NIL****B) Financial commitments pending to be executed :- NIL****C) Estimated amount of contracts remaining to be executed on capital and other account :**

Particulars			As at March 31, 2016	As at March 31, 2015
Sr. No.	Name of party	Description		
1	IL & FS Transportation Networks Ltd. - towards precommencement activities	Estimated amount of contracts remaining on capital account and not provided for. (net of advances paid of Rs. 45,420,614/- ; As at March 31, 2015 Rs. 263,718,528/-)	359,764,650	2,149,155,882
2	IL & FS Transportation Networks Ltd. -towards precommencement activities	Estimated amount of contracts to be executed from schedule project completion date, on Operation & Maintenance (Base price Rs. 147,300,000/- for base year 2016, escalated @ 5% p.a. upto the end of concession period) and not provided for	5,212,541,052	-

Note 16 : Earnings per equity share

Particulars	Unit	Year ended March 31, 2016	Year ended March 31, 2015
Profit available for Equity Shareholders	₹	(2,681,467)	(2,037,339)
Weighted number of Equity Shares outstanding	Numbers	124,050,000	124,050,000
Nominal Value of equity shares	₹	10	10
Basic Earnings per share	₹	(0.02)	(0.02)
Equity shares used to compute diluted earnings per share	Numbers	124,050,000	124,050,000
Diluted Earnings per share	₹	(0.02)	(0.02)

SIKAR BIKANER HIGHWAY LIMITED

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

Note 17 : Related Party Statement**a Name of related parties and description of relationship**

Name of Entity	Nature of Relationship	Acronym used
IL&FS Transportation Networks Limited	Holding Company	ITNL
IL&FS Trust Company Limited	Fellow Subsidiary	ITCL
IL&FS Financial Services Limited	Fellow Subsidiary	IFIN
Rajnish Saxena	Managing Director	-
Vicky Masani	Chief Financial Officer	-

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

Account head	Name of Entity	As At March 31, 2016	As At March 31, 2015
Balances:			
Share Capital	ITNL	1,240,500,000	1,240,500,000
Other Current Liabilities	ITNL	348,853,160	467,826,351
Interest Accrued on Subordinate Debt (net)	ITNL	208,919,057	79,301,532
Interest Accrued on Short Term Loan (net)	ITNL	9,928,352	-
Subordinate Debt Taken	ITNL	1,300,000,000	650,000,000
Short Term Loan Taken	ITNL	381,400,000	-
Retention Money	ITNL	350,655,734	250,271,276
Mobilisation Advance	ITNL	45,420,614	263,718,528

Account head	Name of Entity	As At March 31, 2016	As At March 31, 2015
Transactions:			
Project Development Fees	ITNL	-	250,000,000
Construction Cost	ITNL	2,007,689,145	1,838,815,232
Deputation Cost	ITNL	764,728	716,652
Operation & maintenance Cost	ITNL	49,100,000	-
Mobilisation Advance Paid	ITNL	14,550,000	-
Mobilisation Advance Adjusted	ITNL	232,847,914	200,975,910
Subordinate Debt	ITNL	650,000,000	370,000,000
Short Term Loan Taken	ITNL	381,400,000	-
Interest on Sub-Debt	ITNL	144,019,472	76,555,453
Interest on Short Term Loan	ITNL	11,031,502	-
Nomination Deposit	ITNL	300,000	-
Security Trusteeship Fees	ITCL	142,159	140,450
Director Fees	Rajnish Saxena	40,000	20,000

SIKAR BIKANER HIGHWAY LIMITED

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

Note 18: Segment Information

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

Note 19: Deffered Tax

In accordance with the Accounting Standard on "Accounting for Taxes on Income" (AS-22), deferred tax assets and liability should be recognised for all timing differences in accordance with the said standard. However considering the present financial position and requirement of the said Accounting Standard-22 regarding virtual certainty, the carried forward losses is not recognised as an asset. However, the same will be re-assessed at subsequent Balance Sheet date and will be accounted for in the year of virtual certainty in accordance with the aforesaid Accounting Standard.

Note 20: Previous Year Figures

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

For D. R. Mohnot & Co.

Chartered Accountants
Firm Registration Number: 001388C



D. R. Mohnot
Partner
Membership Number: 070579
Place: Mumbai
Date : April 26th 2016

For and on behalf of the Board


Director


Director


Chief Financial Officer


Managing Director