

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SRINAGAR SONMARG TUNNELWAY LIMITED

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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



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

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we enclosed in the annexure a statement on the matters specified in paragraph 3 and 4 of the said Order to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. There are no observations or comments on the financial transactions or matters which have any adverse effect on the functioning of the company.
 - f. On the basis of the written representations received from the directors as on 31st March, 2016 taken on record, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-A".
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company has not pending litigation which would impact its financial position;
 - ii. The company did not have any long-term contract including derivative contract for which there were any material foreseeable losses;

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

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



Ramesh Koul
(Partner)
(Membership No. 077804)

Place: New Delhi
Date: 28th April, 2016

Annexures to the Independent Auditor's Report of Srinagar Sonmarg Tunnelway Limited for the Year ended as on 31st March 2016

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

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

- accordance with the provision of section 197 read with Schedule V of the Companies Act 2013.
- xii. The company is not a Nidhi Company, therefore para 3(xii) of the Order is not applicable.
 - xiii. In our opinion and according to the information provided to use, the transaction entered with the related parties are in compliance with section 177 and 188 of the Act and are disclosed in the financial statements as required by the applicable accounting standards.
 - xiv. The company has not made any preferential allotment of shares or debentures during the year.
 - xv. According to the information provided to us, the company has not entered into any non-cash transaction with directors or the persons connected with him covered under section 192 of the Companies Act 2013. Therefore, paragraph 3(xv) of the Order is not applicable to the company.
 - xvi. According to the information provided to us, the company is not required to be registered under section 451A of the Reserve Bank of India Act, 1934. Therefore, paragraph 3(xvi) of the Order is not applicable to the company.

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




Ramesh Koul

(Partner)

(Membership No. 077804)

Place: New Delhi
Date: 28th April, 2016

Annexure-A

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

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Srinagar Sonmarg Tunnelway Limited (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For Gianender & Associates
Chartered Accountants

(Firm's Registration No. 004661N)



Ramesh Koul

Ramesh Koul
(Partner)

Membership No. 077804)

Place: New Delhi
Date: 28th April, 2016


Srinagar Sonmarg Tunnelway Limited
CIN No : U45400MH2013PLC241828
Balance Sheet as at March 31, 2016

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Particulars	Note	As at		As At	
		March 31, 2016		March 31, 2015	
I EQUITY AND LIABILITIES					
1 SHAREHOLDERS' FUNDS					
(a) Share capital	2	115,838,230		115,838,230	
(b) Reserves and surplus	3	(6,934,721)	108,903,509	(5,742,345)	110,095,885
2 NON-CURRENT LIABILITIES					
(a) Long-term borrowings	4	951,750,000		-	
(b) Other long term liabilities	5	2,817,609,304	3,769,359,304	2,330,138,198	2,330,138,198
3 CURRENT LIABILITIES					
(a) Short-term borrowings	6	535,000,000		505,000,000	
(b) Other Current Liabilities	7	1,880,971	536,880,971	179,129	505,179,129
TOTAL			4,415,143,784		2,945,413,212
II ASSETS					
1 NON CURRENT ASSETS					
(a) Fixed assets	8				
Capital work-in-progress			3,515,598,699		2,917,516,233
(b) Long-term loans and advances (net)	9		775,750,000		-
2 CURRENT ASSETS					
(a) Cash and bank equivalents	10	9,391,584		27,896,979	
(b) Short-term loans and advances	11	114,403,501	123,795,085		27,896,979
TOTAL			4,415,143,784		2,945,413,212

Note 1 to 15 forms part of the financial statements.

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


Ramesh Koul
Partner
Membership Number : 077804



Place: New Delhi
Date: April 28, 2016

For and on behalf of the Board


Director


Managing Director

Chief Financial Officer

Place: Mumbai
Date: April 28, 2016


Srinagar Sonmarg Tunnelway Limited
CIN No : U45400MH2013PLC241828
Statement of Profit and Loss for the year ended March 31, 2016

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Particulars		Note	Year ended March 31, 2016	Year ended March 31, 2015
I	Revenue from operations		-	-
II	Other income		-	-
III	Total revenue (I + II)		-	-
IV	Expenses			
	Operating expenses		-	-
	Finance costs		-	-
	Depreciation and amortization expense		-	-
	Administrative and general expenses	12	1,192,376	5,573,388
	Total expenses (IV)		1,192,376	5,573,388
V	Profit / (Loss) before taxation (III-IV)		(1,192,376)	(5,573,388)
VI	Tax expense:			
	(1) Current tax		-	-
	(2) Tax relating to earlier period		-	-
	(3) Deferred tax		-	-
	(4) MAT credit entitlement		-	-
	Total tax expenses (VI)		-	-
VII	Profit/(Loss) for the year (V-VI)		(1,192,376)	(5,573,388)
	Earnings per equity share (Face value per share ₹10/-)			
	(1) Basic	13	(0.10)	(1.22)
	(2) Diluted		(0.10)	(1.22)

Note 1 to 15 forms part of the financial statements.

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


Ramesh Koul
Partner
Membership Number : 077804



Place: New Delhi
Date: April 28, 2016

For and on behalf of the Board


Director


Managing Director


Chief Financial Officer

Place: Mumbai
Date: April 28, 2016

Srinagar Sonmarg Tunnelway Limited
CIN No : U45400MH2013PLC241828
Cash Flow Statement for the year ended March 31, 2016

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Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Cash Flow from Operating Activities		
Profit/(Loss) Before Tax	(1,192,376)	(5,573,388)
Operating profit before Working Capital Changes		
(Decrease) / Increase in other assets & loans and advances (current and non current)	(775,750,000)	-
Increase in liabilities (current and non current)	489,172,948	853,981,135
Cash Generated from Operations	(287,769,428)	848,407,747
Direct Taxes paid (Net)	-	-
Net Cash generated from Operating Activities (A)	(287,769,428)	848,407,747
Cash Generated from Investing Activities		
Payment for Intangible Assets	(598,082,466)	(1,288,564,287)
Net Cash used in Investing Activities (B)	(712,485,967)	(1,288,564,287)
Cash flow from Financing Activities		
(Decrease)/ Increase in share capital	-	115,338,230
Proceeds from Short term borrowings	30,000,000	352,500,000
Proceeds from Subordinte Debt	951,750,000	-
Net Cash generated from Financing Activities (C)	981,750,000	467,838,230
Net Decrease in Cash and Cash Equivalents (A+B+C)	(18,505,395)	27,681,690
Cash and Cash Equivalent at the beginning of the year	27,896,979	215,289
Cash and Cash Equivalent at the end of the year	9,391,584	27,896,979
Net Decrease in Cash and Cash Equivalents	(18,505,395)	27,681,690
	₹	₹
Components of Cash and Cash Equivalents		
Cash on Hand	2,419	372
Balances with Banks in current accounts	9,389,165	27,896,607
	9,391,584	27,896,979
Unpaid Dividend Accounts	-	-
Bank balances held as margin money or else security against borrowings	-	-
Cash and Cash Equivalents as per Balance Sheet	9,391,584	27,896,979

Note 1 to 15 forms part of the financial statements.

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



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



For and on behalf of the Board


Director


Managing Director


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

Note No. 1 - Significant Accounting Policies

I Background

The Company was incorporated under the Companies Act 1956 on April 02, 2013. Srinagar Sonmarg tunnelway Limited ("SSTL") a Special Purpose Vehicle ("SPV") promoted by IL&FS Transportation Networks Limited (ITNL), has been awarded the project involving development and operation involving 2-laning tunnel of the Srinagar Sonmarg Ghumri Road of NH-1, under a design, build, finance, operate & transfer ("DBFOT") (Annuity) basis (the "Project") was issued Letter of Award No. 24552/DGBR/BCN/A-Morh/160/E8 on March 12, 2013 and the concession period of the Project is 20 years from the appointed date.

II Basis of Accounting

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

III Use of estimates

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

IV Revenue Recognition

The Concession Agreement envisages Revenue in the form of Annuity of a fixed sum on pre-determined dates (not more than twice a year). The Annuity payment will start accruing to the Company, six months after the Commercial Operation Date ("COD"). As the Project is still under construction stage, no revenue has been recognised

V 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.

Claims against company are recognised as and when accepted.

VI 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 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



VII 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.

VIII 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.

IX 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.

X 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.

XI 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.

XII 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.

XIII 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.

XIV 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.

XV Current/Non-Current Assets and Liabilities

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

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

All other assets are classified as Non-current

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

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

All other liabilities are classified as Non-current



Srinagar Sonmarg Tunnelway Limited

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

Note 2: Share capital

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	₹	No. of Shares	₹
Authorised				
Equity Shares of Rupees 10/- each	50,000,000	500,000,000	50,000,000	500,000,000
Issued				
Equity Shares of Rupees 10/- each	11,583,823	115,838,230	11,583,823	115,838,230
Subscribed and Paid up				
Equity Shares of Rupees 10/- each fully paid (refer foot note no. i, ii, and iii)	11,583,823	115,838,230	11,583,823	115,838,230
Total	11,583,823	115,838,230	11,583,823	115,838,230

Foot Notes:

i. Of the above 5,676,073 shares are held by IL&FS Transportation Networks Limited (As at March 31, 2015 : 5,676,073 shares) & 59,07,750 shares are held by SOMA Enterprises Limited (As at March 31, 2015 : 5,907,750 shares)

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

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	₹	No. of Shares	₹
Shares outstanding at the beginning of the year / period	11,583,823	115,838,230	50,000	500,000
Shares issued during the year / period	-	-	11,533,823	115,338,230
Shares bought back during the year / period	-	-	-	-
Shares outstanding at the end of the year / period	11,583,823	115,838,230	11,583,823	115,838,230

iii. Shareholding more than 5% shares

Name of Shareholder	As at March 31, 2016		As at March 31, 2015	
	No. of Shares held	% of total holding	No. of Shares held	% of total holding
SOMA Enterprises Limited (the Holding Company)	5,907,750	51%	5,907,750	51%
IL&FS Transportation Networks Limited (and its nominees)	5,676,073	49%	5,676,073	49%
Total	11,583,823	100%	11,583,823	100%

iv. Equity Shares:

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

Note 3: Reserves and surplus

Particulars	As at March 31, 2016		As at March 31, 2015	
Profit / (Loss) Surplus				
Opening balance	(5,742,345)		(168,957)	
(+) Profit for the year	(1,192,376)	(6,934,721)	(5,573,388)	(5,742,345)
Total		(6,934,721)		(5,742,345)



Srinagar Sonmarg Tunnelway Limited
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	
Term Loans				
Unsecured				
From related party		951,750,000		-
Total		951,750,000		-

Note 5: Other long term liabilities

₹

Particulars	As at March 31, 2016		As at March 31, 2015	
(a) Other long term liabilities				
Related Parties		2,666,904,566		2,277,324,320
(b) Interest accrued but not due on borrowings				
To related parties		150,704,738		52,813,878
Total		2,817,609,304		2,330,138,198

Note 6: Short Term Borrowings

₹

Particulars	As at March 31, 2016		As at March 31, 2015	
Term Loans				
Unsecured				
From related party		535,000,000		505,000,000
Total		535,000,000		505,000,000

Note 7: Other current liabilities

₹

Particulars	As at March 31, 2016		As at March 31, 2015	
(a) Statutory dues	1,616,972			
(b) Provision for Expenses	263,999	1,880,971	179,129	179,129
Total		1,880,971		179,129



Srinagar Sonmarg Tunnelway 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	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	Balance as at March 31, 2015
a) Tangible assets	NIL		NIL		NIL			NIL		NIL	
Total	-	-	NIL	-	NIL	-	-	NIL	-	NIL	-
b) Intangible assets	NIL				NIL			NIL		NIL	
Grand total	-	-	NIL	-	NIL	-	-	NIL	-	NIL	-
c) Capital work-in-progress	2,917,516,233		598,082,466		3,515,598,699			-		3,515,598,699	2,917,516,233
Previous Year	1,628,951,946	-	1,288,564,287	-	2,917,516,233	-	-	-	-	2,917,516,233	1,628,951,946



Srinagar Sonmarg Tunnelway Limited
Notes forming part of the Financial Statements for the year ended March 31, 2016

Note 9: Long-term loans and advances

₹

Particulars	As at March 31, 2016		As at March 31, 2015	
Loans and advances to related parties				
Unsecured, considered good				
Mobilisation & pre-construction advance		775,750,000	-	-
Total		775,750,000		-

Note10 : Cash and cash equivalents

₹

Particulars	As at March 31, 2016		As at March 31, 2015	
Cash and cash equivalents				
Cash on hand	2,419		372	
Balances with Banks in current accounts	9,389,165		27,896,607	
Balances with Banks in deposit accounts	-	9,391,584	-	27,896,979
Total		9,391,584		27,896,979

Note 11: Short-term loans and advances

₹

Particulars	As at March 31, 2016		As at March 31, 2015	
Other loans and advances				
Unsecured, considered good				
Prepaid expenses		114,403,501		-
Total		114,403,501		-



Srinagar Sonmarg Tunnelway Limited
Notes forming part of the Financial Statements for the year ended March 31, 2016

Note 12: Administrative and general expenses

₹

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Legal and consultation fees	199,275	139,333
Rates and taxes	76,360	6,306
Directors' fees	341,202	-
Auditor's Remuneration (Refer Foot Note 1)	558,250	466,294
Registration Expenses	-	4,958,000
Professional Tax	2,500	2,500
Travelling Expenses	-	955
Miscellaneous Expenses (Refer Foot Note 2)	14,789	-
Total	1,192,376	5,573,388

Foot Note 1 : Amount Paid / Payable to Auditors

Name of Auditors	Description	As at March 31, 2016	As at March 31, 2015
Gianender & Associates	Statutory Audit fees	114,500	112,360
Gianender & Associates	Other Fees	424,452	342,698
Gianender & Associates	OPE Expenses	19,298	11,236
Total		558,250	466,294

Foot Note 2 : Breakup of Miscellaneous Expenses

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Reimbursement of expenses	14,139	-
Postage & Telegram expenses	650	-
Total	14,789	-



Srinagar Sonmarg Tunnelway Limited
Notes forming part of the Financial Statements for the year ended March 31, 2016

Note 13: Earnings per equity share

Particulars	Unit	Year ended March 31, 2016	Year ended March 31, 2015
Profit / (Loss) after tax	₹	(1,192,376)	(5,573,388)
Weighted number of Equity Shares outstanding	Numbers	11,583,823	421,918
Nominal Value of equity shares	₹	10	10
Basic Earnings per share	₹	(0.10)	(13.21)
Equity shares used to compute diluted earnings per share	Numbers	11,583,823	421,918
Diluted Earnings per share	₹	(0.10)	(13.21)

Note 14 : Related Party Statement

a) Name of related parties and description of relationship

Nature of Relationship	Name of Entity	Acronym used
Associate	IL&FS Transportation Networks Limited	ITNL
Holding Entity	SOMA Enterprises Limited	SOMA
Managing Director	Mr. Suresh C. Mittal	-
Chief Finance Officer	Mr. Ashish More	-

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

Account head	Name of Entity	Year ended March 31, 2016	Year ended March 31, 2015
Balances:			
Share Capital	SOMA	59,077,500	59,077,500
Share Capital	ITNL	56,760,730	56,760,730
Term Loan	ITNL	535,000,000	505,000,000
Interest on Short Term Loan	ITNL	115,673,588	52,813,878
Subordinate Debt	ITNL	951,750,000	-
Interest on Subordinate Debt	ITNL	35,031,150	-
Mobilisation Advance Paid	ITNL	775,750,000	-
Trade payables	ITNL	2,666,904,566	2,277,324,320
Performance Guarantee (Refer Foot Note : 2)	ITNL	1,340,200,000	1,340,200,000
Transactions:			
Share Capital	SOMA	-	59,077,500
Share Capital	ITNL	-	56,760,730
Short Term Loan	ITNL	30,000,000	505,000,000
Subordinate Debt	ITNL	951,750,000	-
Project Development Fees	ITNL	342,000,000	2,277,324,320
Interest on Subordinate Debt	ITNL	38,923,500	-
Interest on Short Term Loan	ITNL	69,844,133	49,090,146

Footnote :

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

Note 15: Previous period / year

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

In terms of our report attached.

For Gianender & Associates

Chartered Accountants
 Firm Registration no. 004661N


 Ramesh Koul
Partner
 Membership Number : 77804



Place: New Delhi
 Date:

For and on behalf of the Board


 Director


 Director

Chief Financial Officer

Place: Mumbai
 Date: April 28, 2016