

M K P S & ASSOCIATES

CHARTERED ACCOUNTANTS

12, Radhanath Mallick Lane
P.O. : Bow Bazar
Kolkata - 700 012 (W.B.)
Tel. No. : +91 33-22571664
E-mail : parida2004@rediffmail.com
Website : www.mkps.in

INDEPENDENT AUDITORS' REPORT

To the Members of, SOLAPUR TOLLWAYS PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Solapur Tollways Private Limited** ('the company'), which comprises Balance Sheet as at 31st March 2017, the Statement of Profit and Loss account and cash flow statement for the year then ended, and a Summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act as applicable. This responsibility also includes maintenance of adequate accounting records in accordance with the provision 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 provision 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 there under and the Order under section 143(11) of the Act.

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 procedure 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 assessment, 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

1. 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 2017, and its Loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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 purpose of our audit.
 - b) In our opinion, proper books of account as required by law relating to preparation of the financial statements 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 maintained for the purpose of preparation of these financial statements.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, as applicable.
 - e) In our opinion there are no observations or comments on the financial transactions, which may have an adverse effect on the functioning of the Company.
 - f) On the basis of the written representations received from the directors as on 31st March 2017 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2017 from being appointed as a directors in terms of section 164(2) of the Act.
 - g) With respect to the adequacy of the Internal Financial Controls over the financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure-A'. our report express an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.
 - h) With respect to the other matters to be included in the Independent 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. As informed to us the Company does not have any pending litigations which would impact its financial position;



- ii. The Company has made provision in its financial statements, as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts including derivative contracts;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the company and as produced to us by the Management- Refer Note No 29.

3. As required by the Companies (Auditor's Report) Order, 2016 (the Order) issued by the Central Government in terms of Section 143 (11) of the Act, we enclosed in the **Annexure-B** a statement on matters specified in paragraph 3 & 4 of the order.

Kolkata-700012

Dated: 21st April, 2017



FOR MKPS & ASSOCIATES

Chartered Accountants

FRN.302014E

A handwritten signature in black ink, appearing to read "Sanjaya Kumar Parida".

CA Sanjaya Kumar Parida

Partner, M.No: 504222

ANNEXURE- 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 5(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of 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 **Solapur Tollways Private Limited** ('the Company') as of 31st March 2017 in conjunction with our audit of the financial statements of the Company for the year ended and as 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 controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). 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, to the best of our information and according to the explanations given to us, 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 31st March, 2017, 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.

Kolkata-700012

Dated: 21st April, 2017



FOR M K P S & ASSOCIATES

Chartered Accountants

FRN.302014E

A handwritten signature in black ink, appearing to read "Sanjaya Kumar Parida".

CA Sanjaya Kumar Parida

Partner, M.No: 504222

Annexure "B" to the Independent Auditors' Report

(Referred to in paragraph 6 under the heading 'Report on Other Legal & Regulatory Requirement' section of our report of even date to the financial statements of the Company for the year ended 31st March 2017).

Reports on Companies (Auditor's Report) Order, 2016 (the Order) issued by Central Government in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of SOLAPUR TOLLWAYS PRIVATE LIMITED ('the Company')

1. In respect of the Company's Fixed Assets :
 - a. The company have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The fixed assets were physically verified during the year by management in accordance with the regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals.
According to information and explanations given to us, no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us and the records examined by us and based on examination of the conveyance deed provided to us, we report that title deeds, comprising all the immovable properties of land and building which are freehold, are held in the name of company as at the Balance Sheet date.
2. In our opinion and according to the information and explanations given to us , the company has subcontracted the entire work of construction to sub- contractor(s) and therefore does not carry any inventory. Therefore, the provisions of Paragraph 3(ii) of the order is not applicable.
3. 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 Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
5. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
6. In our opinion and according to the information and explanations given to us , the maintenance of Cost Records specified by the Central Government under sub-section (1) of Section 148 of the Act are not applicable to this company pursuant to sub clause (b)(ii) of Companies (Cost Records and Audit) Rules,2014.
7. According to information and explanations given to us, in respect to statutory dues :
 - a. The company has generally been regular in depositing undisputed dues including Income Tax , Sales Tax, Service Tax, Value Added Tax, duty of Customs , duty of Excise, cess and other material statutory dues applicable to with the appropriate authorities.
 - b. There were no undisputed amounts payable in respect to Income Tax , Sales Tax, Service Tax, Value Added Tax, duty of Customs , duty of Excise, Cess and other material statutory dues in arrears as at 31st March 2017 for a period of more than six months from the date they become payable.




- 8 In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to Financial Institution or Banks or Debenture holders.
- 9 Based upon the audit procedures performed and According to the information and explanations given by the management, the company has issued 176420000 warrants @ Rs 10 each (out of which 165920000 warrants have been issued by way of conversion of loan and balance 10500000 warrants have been issued against cash) during the period under audit by way of private placement basis and the requirement of section 42 of companies Act 2013 have been complied with and the amount raised against above issue have been utilised for the purposes for which the funds were raised.
- 10 Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11 Based upon the audit procedures performed and the information and explanations given by the management, we report that no managerial remuneration has been paid or provided by the company for the period cover under audit. Accordingly the provisions of clause 3 (xi) of the Order are not applicable to the Company and hence not commented upon.
- 12 In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- 13 In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14 Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15 Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16 In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon

Kolkata-700012

Dated: 21st April,2017



FOR M K P S & ASSOCIATES
Chartered Accountants
FRN.302014E


CA Sanjaya Kumar Parida
Partner, M.No: 504222

SOLAPUR TOLLWAYS PRIVATE LIMITED
CIN U45400WB2012PTC174135
Balance Sheet as at March 31, 2017

	Particulars	Note No.	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
I.	EQUITY AND LIABILITIES			
A	Shareholders' Funds			
	(a) Share Capital	2	5,000,000	5,000,000
	(b) Reserves and Surplus	3	(17,515,286)	(16,409,982)
	(c) Warrants	4	1,764,200,000	
B	Non - Current Liabilities			
	(a) Long -Term Borrowings	5	2,960,130,130	3,702,600,000
	(b) Other long-term liabilities	6	123,877,385	73,135,561
	(c) Long -Term Provisions	7	900,623	841,621
C	Current Liabilities			
	(a) Short Term Borrowings	8	23,850,000	25,000,000
	(b) Other Current Liabilities	9	137,063,185	120,978,239
	(c) Short -Term Provisions	10	4,700	780
	Total		4,997,510,737	3,911,146,219
II.	ASSETS			
A	Non Current Assets			
	(a) Property Plant & Equipment			
	Gross Block	11	1,889,701	1,708,096
	Less: Accumulated Depreciation		793,191	573,123
	Net Block		1,096,510	1,134,973
	(b) Intangible Assets under development	12	4,410,965,800	3,092,882,556
	(a) Long Term Loans and Advances	13	458,181,890	629,821,675
			4,870,244,200	3,723,839,204
B	Current Assets			
	(a) Cash and Bank Balances	14	102,309,514	180,378,352
	(b) Short Term Loans and Advances	15	22,929,743	6,928,663
	(c) Other Current Assets	16	2,027,280	
			127,266,537	187,307,015
	Total		4,997,510,737	3,911,146,219

Significant Accounting Policies and Notes to the Financial

1 to 29

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For M K P S & Associates
Chartered Accountants
Firm's Registration No. 302014E

CA. Sanjay Kumar Parida
Partner
Membership No. - 504222

Place : Kolkata

Date : 21/04/2017



For and on behalf of the Board of Directors

Rajesh Sirohia
Director

Arunava Sengupta
Director



SOLAPUR TOLLWAYS PRIVATE LIMITED
CIN U45400WB2012PTC174135
Statement of Profit & Loss for the year ended 31st March 17

Particulars		Note No.	Year ended March 31, 2017 Rs.	Year ended March 31, 2016 Rs.
I.	Revenue from Operations		-	-
II.	Other Income	17	91,744	-
III.	Total Revenue		91,744	-
IV.	Expenses:			
	Other Expenses	18	874,882	735,340
	Total Expenses		874,882	735,340
V.	Profit/(Loss) before Exceptional and Extraordinary Items and Tax		(783,138)	(735,340)
VI.	Exceptional Items		-	-
VII.	Profit before Extraordinary Items and Tax		(783,138)	(735,340)
VIII.	Extraordinary Items		-	-
IX.	Profit/(Loss) before Tax		(783,138)	(735,340)
X.	Tax Expense earlier year		322,166	-
XI.	Profit/(Loss) for the period		(1,105,304)	(735,340)
	Earning per Equity Share (Face Value of Rs. 10)			
	Basic EPS	27	(2.21)	(1.47)
	Diluted EPS		(2.21)	(1.47)

Significant Accounting Policies and Notes to the Financial Statements

1 to 29

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For M K P S & Associates
Chartered Accountants
Firm's Registration No. 302014E

CA. Sanjay Kumar Parida
Partner
Membership No. 504222



For and on behalf of the Board of Directors

Rajesh Sirohia
Director

Arunava Sengupta
Director

Place : Kolkata

Date : 21/04/2017



SOLAPUR TOLLWAYS PRIVATE LIMITED
CIN U45400WB2012PTC174135
Cash Flow Statement for the year ended 31st March 17

Particulars	Year ended March 31, 2017 Rs.	Year ended March 31, 2016 Rs.
A. Cash Flow from Operating Activities		
Net Profit Before Tax and Extraordinary Items	(783,138)	(735,340)
Add / (Less) : Adjustments		
Interest Income	-	-
Finance Charges	-	-
Operating Profit Before Working Capital Changes	(783,138)	(735,340)
Adjustment for :		
(Increase) / Decrease in Long-Term Loans and Advances	(1,139,456)	(2,113,203)
(Increase) / Decrease in Short Term Loans and Advances	(16,001,080)	(258,865,491)
Increase / (Decrease) in Long Term Provision	59,002	536,673
Increase / (Decrease) in Short Term Provision	3,920	-
Increase / (Decrease) in Other Long Term liabilities	50,741,824	-
Increase / (Decrease) in Other Current Liabilities	11,934,000	(346,619,660)
(Increase) / Decrease in Other Current Assets	(2,027,281)	1,755,522
Cash generated from Operations	42,787,791	(606,041,499)
Income Taxes refund / (paid) during the year	909,280	-
Net Cash Flow from / (used in) Operating Activities	43,697,071	(606,041,499)
B. Cash Flow from / (used in) Investing Activities		
Fixed Deposit with bank		45,359,345
Interest Income Received	1,553,596	3,860,633
Capital Advances	171,547,795	334,475,124
Purchase of Fixed Assets	(181,605)	(708,894)
Costs of Intangible Assets under developments	(1,095,845,499)	(1,458,419,432)
Net Cash Flow from / (used in) Investing Activities	(922,925,713)	(1,075,433,224)
C. Cash Flow from / (used in) Financing Activities		
Proceeds from/ (Repayment) of Short Term Borrowings	(1,150,000)	(15,000,000)
Proceeds from Long Term Borrowings	920,881,076	1,840,200,000
Interest & Financing Charges paid	(223,571,272)	-
Proceeds from issue of warrants	105,000,000	-
Net Cash Flow from / (used in) Financing Activities	801,159,804	1,825,200,000
Net Increase / (decrease) in Cash and Cash Equivalents	(78,068,838)	143,725,277
Cash and Cash Equivalent at the beginning of the year	180,378,352	36,653,076
Cash and Cash Equivalent at the end of the year	102,309,514	180,378,352
Notes:		
Cash And Cash Equivalent includes		
Cash on hand	49,942	62,986
Balances with Banks - in current accounts	21,350,690	78,735,197
Balance in liquid Fund	80,908,882	101,580,169
	102,309,514	180,378,352

The Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard 3 "Cash Flow Statement" as notified by Companies (Accounting Standards) Rules, 2006.

Cash and Cash Equivalents at the year end are available for use in the ordinary course of business.

Figures in the brackets represents cash outflow.

As per our report of even date

As per our report of even date
For M K P S & Associates
Chartered Accountants
Firm's Registration No. 302014E

CA. Sanjay Kumar Farida
Partner
Membership No. 504222

Place : Kolkata

Date : 21/04/2017



For and on behalf of the Board of Directors

Rajesh Sirohla
Director

Arunava Sengupta
Director



SOLAPUR TOLLWAYS PRIVATE LIMITED
Notes to the financial statements for the year ended 31st March 17

1 Nature of Operations

The Company has been awarded the work to Design, Build, Finance, Operate and Transfer (DBFOT) the four laning of Solapur (KM 249+000) to Maharashtra /Karnataka Border (KM348+800) Section of NH 9 (Design Length - 100.06 KM) in the state of Maharashtra and to charge and collect toll fees and to retain and appropriate receivables as per the concession agreement dated February 29, 2012 from the NHAI. The concession agreement is for a period of 25 years from appointed date. The project is currently under construction stage.

2 Significant Accounting Policies

2.01 Basis of Preparation

a) The financial statements are prepared in accordance with the historical cost convention and the accrual basis of accounting. The accounting policies applied by the Company are consistent with those applied in the previous year except as otherwise stated elsewhere.

b) These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). These Financial Statements have been prepared to comply in all material respects with the Accounting Standards ('AS') specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India and relevant applicable provisions of the Companies Act, 1956, and Companies Act, 2013 to the extent applicable.

c) The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities including Contingent Liabilities as of the date of the financial statements and the reported income and expenses for the reporting year. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

d) As per the Schedule III of Companies Act, 2013, "an operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents". For the company, there is generally no clearly identifiable normal operating cycle and hence the normal operating cycle for the company is assumed to have duration of 12 months.

2.02 Property Plant & Equipment

Property Plant & Equipment are stated at cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation on Property Plant & Equipment is provided on Straight Line Method ('SLM'), which reflects the management's estimate of the useful lives of each class of Property Plant & Equipment. The useful life of each class of Property Plant & Equipment is similar to useful life prescribed in Part C of Schedule II to Companies Act 2013:

The details of estimated useful life for each class of Property Plant & Equipment are as under:

Property Plant & Equipment	Estimated Useful Life
Furniture & Fixtures	10 years
Plant & Machinery	8 years
Computers	3 years
Office Equipment	5 years
Intangible Assets (Software)	3 years

Assets costing up to Rs. 5,000/- are depreciated fully in the year of purchase.

The residual value of all assets for depreciation purpose is considered as Rs. 1/-

Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

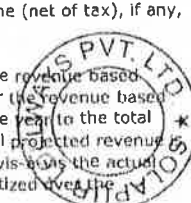
The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.03 Intangible Assets under Development

Intangible Assets under development includes direct and indirect expenditure incurred for the Highway Project and costs incidental and related thereto.

All Project related expenditure for acquisition of Toll collection rights viz., civil works, machinery under erection, construction and erection materials, pre-operative expenditure, expenditure indirectly related to the project and incidental to setting up project facilities, borrowing cost incurred prior to the date of commercial operation, and trial run expenditure are shown under Intangible Assets under development. These expenses are net of recoveries, claims and income (net of tax), if any, from surplus funds arising out of project specific borrowings.

Toll collection rights in respect of road projects are amortized over the period of concession using the revenue based amortization method in the manner prescribed under Schedule II to the companies Act, 2013. Under the revenue based method, amortization is provided based on the proportion of actual revenue earned till the end of the year to the total projected revenue from the intangible asset expected to be earned over the concession period. Total projected revenue reviewed at the end of each financial year and is adjusted to reflect the changes in earlier estimate vis-à-vis the actual revenue earned till the end of the year so that the whole of the cost of the intangible assets is amortized over the concession period.



Handwritten signatures and initials.

2.04 Employee Benefits

(i) Short Term Employee Benefits

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences etc. and the expected cost of bonus, ex-gratia are recognized in the period in which the employee renders the related service.

(ii) Post-Employment Benefits

a) Defined Contribution Plans: The Company's obligation to employee's provident fund is a defined contribution plan. The contribution paid/payable is recognized in the period in which the employee renders the related service.

b) Defined Benefit Plans: The Company's obligation towards gratuity is a defined benefit plan

The present value of the obligation under such Defined Benefit Plans is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains and losses are recognized in the Statement of Profit and loss.

(iii) Long Term Employee Benefits

The obligation for long term employee benefits such as long term compensated absences is recognized in the same manner as in the case of defined benefit plans as mentioned in (ii) (b) above.

2.05 Investments

Investments which are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current investments.

Current investments are carried in the financial statements at lower of cost or fair value determined on an individual investment basis. Non-current investments are carried at cost and provision for diminution in value is made to recognise a decline other than temporary in the value of investment.

2.06 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consists of interest and other cost that an entity incurs in connection with the borrowing of funds.

2.07 Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and revenue can be reliably measured. Interest income on fixed deposits is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

2.08 Earnings Per Share (EPS)

Basic Earnings Per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating Diluted Earnings Per Share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.09 Accounting for Taxes on Income

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961, and based on expected outcome of assessments / appeals.

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

2.10 Impairment of Assets

The carrying amount of assets is reviewed at each Balance Sheet date to determine if there is any indication of impairment, based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount.

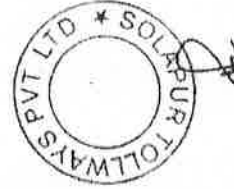
2.11 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent assets are neither recognised nor disclosed in the financial statements.



SOLAPUR TOLLWAYS PRIVATE LIMITED
Notes to the financial statements for the year ended 31st March 17

II	Property Plant & Equipment									
	Particulars	Gross Block			Depreciation			Net Block		
		As on April 1, 2016	Additions/ (Disposal) during the period	As on March 31, 2017	As on April 1, 2016	For the year	As on March 31, 2017	As on March 31, 2017	As on March 31, 2016	
	Land	212,850	-	212,850	-	-	-	212,850	212,850	
	Computer Hardware	306,710	-	306,710	162,200	79,210	241,410	65,300	144,510	
	Plant & Machinery	1,800	-	1,800	1,800	-	1,800	-	-	
	Furniture & Fixtures	731,641	102,389	834,030	243,705	60,070	303,775	530,255	487,936	
	Office Equipments	365,595	79,216	444,811	158,233	71,838	230,071	214,740	207,362	
	Electrical Installations	89,500	-	89,500	7,185	8,950	16,135	73,365	82,315	
	Total	1,708,096	181,605	1,889,701	573,123	220,068	793,191	1,096,510	1,134,973	
	Previous year	999,202	708,894	1,708,096	276,979	296,144	573,123	1,134,973	-	

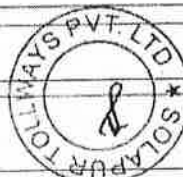


GP

~~GP~~

SOLAPUR TOLLWAYS PRIVATE LIMITED
Notes to the financial statements for the year ended 31st March 17

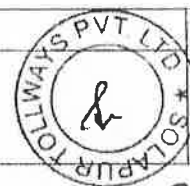
Note No.	Particulars	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.	
7	Long-term Provisions			
	Provision for Gratuity	636,406	454,180	
	Provision for Leave	264,217	387,441	
	Total	900,623	841,621	
8	Short Term Borrowings			
	Inter Corporate Deposit (Refer Note No : 21) Terms: The principal is repayable on expiry of 365 days from the date of renewal of ICD. Interest is payable on maturity @ 10% Simple Interest per annum.	23,850,000	25,000,000	
	Total	23,850,000	25,000,000	
9	Other Current Liabilities			
	Current Maturities of Long-Term Debt	4,150,946		
	Interest Accrued and Due		1,483,152	
	Interest Accrued but not Due	5,206,576		
	Employee Related Liabilities	2,090,124	2,035,932	
	Statutory Dues	9,457,959	15,562,321	
	Creditors for Capital Expenses	94,568,648	61,255,259	
	Liability for Expenses	1,819,290	8,167,989	
	Retention Money Payable	13,536,266	10,443,425	
	Received from NHAI for Utility shifting		22,030,161	
	Bank Draft	6,233,376		
	Total	137,063,185	128,978,239	
10	Short Term Provisions			
	Provision for Gratuity	845	780	
	Provision for Leave	3,855		
	Total	4,700	780	
12	Intangible Assets under developments	As at March 31, 2017 Rs.	For the period	As at March 31, 2016 Rs.
	Capital Work In Progress	3,874,651,407	1,016,611,328	2,858,040,079
	Expenditure During Construction year			
	Salary & Allowances	48,901,419	24,025,614	24,875,805
	Finance Charges	358,999,931	223,571,272	135,428,659
	Interest on ICD	6,113,849	4,137,136	1,976,713
	Professional Fees	180,692,748	54,885,182	125,807,566
	Depreciation	793,191	220,068	573,123
	Statutory Audit Fees	84,279		84,279
	Rent	2,366,871	1,140,332	1,226,539
	Rates & Taxes	1,088,278	44,412	1,043,866
	Bank Charges	10,237,131	37,552	10,199,579
	Travelling & Conveyance Expenses	3,076,145	869,731	2,206,414
	Car Hire Charges	4,018,087	1,696,016	2,322,071
	Communication expenses	349,937	139,177	210,760
	Insurance costs	670,732		670,732
	Printing & Stationery	304,607	108,012	196,595
	Postage & Courier charges	15,377	68	15,309
	Electricity Expenses	202,635	82,800	119,835
	Vehicle Running & Maintenance Expenses	2,035,957	844,750	1,191,207
	Office Maintenance Expenses	1,963,784	255,521	1,708,263
	Repair & Maintenance Road	5,327,669	15,300	5,312,369
	Miscellaneous Expenses	4,268,995	840,932	3,428,063
	Sub total	4,506,163,020	1,329,525,204	3,176,637,817
	Less: Interest Income	54,956,639	1,553,596	53,403,043
	Other Income	40,240,581	9,888,363	30,352,218
	Total	4,491,446,962	1,339,860,971	3,153,587,092
	The company has not commenced the business operations during the year hence all the expenses other than Capital Work in Progress, incurred in relation to project are transferred to Expenditure During Construction.			
13	Long Term Loans & advances			
	Unsecured, considered good			
	Capital Advances	445,771,616	617,319,411	
	Advance Tax (Net of Provision for Tax-Nil)	6,723,892	7,955,338	
	WCT Receivable	5,388,582	4,259,126	
	Security Deposit	297,800	287,800	
	Total	458,181,890	629,821,675	
14	Cash and Bank Balances			
	Cash and Cash Equivalents			
	Cash on hand	49,942	62,986	
	Balances with Banks - in Current Accounts	21,350,690	78,735,197	
	Other Bank Balances			
	Fixed Deposits with Banks (held as security deposit with Bank against issue of bank guarantee)	80,908,882	101,580,169	
	Balance in Liquid Mutual Fund			
	Total	102,309,514	180,378,352	
15	Short Term Loans & Advances			
	Other Advances	22,929,743	6,928,663	
	Total	22,929,743	6,928,663	
16	Other Current Assets			
	Receivable from NHAI	2,027,280		
	Total	2,027,280		



G

SOLAPUR TOLLWAYS PRIVATE LIMITED
Notes to the financial statements for the year ended 31st March 17

Note No.	Particulars	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
17	Other Income Interest on Income Tax Refund Total	 91,744 91,744	
18	Other Expenses Rates & Taxes Professional Fees Audit Fees Office Maintenance Expenses General Expenses Total	 161,000 713,882 874,882	 115,000 1,230 619,110 735,340
19	Contingent Liability Reimbursement to NHAI for IE remuneration prior to appointed date i.e 3rd June 2014.	As at 31st March 2017 3,149,552	As at 31st March 2016 3,149,552
20	Commitments Estimated amount of contracts remaining to be executed on capital account [Net of Capital Advances Rs. 445,771,616 (P.Y. :Rs. 365,382,583)].	3,494,452,823	4,591,453,184
21	Related Party Disclosures		
	a) Names of Related Parties Investors having significant influence/ Holding Company Bharat Road Network Limited - Holding company Orissa Steel Expressway Pvt Ltd. - (Fellow Subsidiary wef 12th Nov 16)		
	c) Details of Related Party transactions and year end outstanding		
		Transaction for the year ended	
		Amount (Rs.) March 17	Amount (Rs.) March 16
	Nature of Transaction	Name of the Related Party	
	Transaction during the year		
	Issue of Share Warrants	Bharat Road Network Limited - Holding company	105,000,000
	Project Management Consultancy Fees (incl Service Tax)	Bharat Road Network Limited - Holding company	34,500,000
	Professional Services	Bharat Road Network Limited - Holding company	-
	Interest accrued on TCD (post 12 Nov 16 till 31st march 17)	Orissa Steel Expressway Pvt Ltd. (Fellow Subsidiary)	914,795
		As on 31st Mar 17	As on 31st Mar 16
	Outstanding Balance		
	Interest on intercorporate deposit payable	Orissa Steel Expressway Pvt Ltd. (Fellow Subsidiary)	5,206,576
	Inter Corporate Deposit payable	Orissa Steel Expressway Pvt Ltd. (Fellow Subsidiary)	23,850,000
	Warrants	Bharat Road Network Limited	105,000,000
	Liabilities for Capital Expenses	Bharat Road Network Limited	49,844,000
	Liabilities for Professional Fees	Bharat Road Network Limited	11,411,259
SOLAPUR TOLLWAYS PRIVATE LIMITED Notes to the financial statements for the year ended 31st March 17			
22	The Company has a defined benefit Plan for Gratuity and Compensated absences. The following tables summarize the components of net benefit expense recognized in the account and the funded status and amounts recognized in the Balance sheet for the respective plans as per actuarial valuation as on March 31, 2017.		
		Gratuity (Unfunded)	
		As at 31st March 2017 Rs.	As at 31st March 2016 Rs.
	Particulars		
	a) Changes In Present value of Obligations		
	i) Present value of the obligation at the beginning of the period	4,54,960	88,290
	ii) Interest cost	34,122	7,060
	iii) Current service cost	2,81,997	56,810
	iv) Benefits paid (if any)		
	v) Actuarial (gain)/loss	(1,33,828)	302,800
	vi) Present value of the obligation at the end of the period	6,37,251	454,960
	b) The amount to be recognized in the Balance Sheet		
	i) Present value of the obligation at the end of the period	6,37,251	454,960
	ii) Fair value of plan assets at end of period		
	iii) Net liability/(asset) recognized in Balance Sheet and related analysis	6,37,251	454,960
	iv) Funded Status	(6,37,251)	(454,960)
	v) Best estimate for contribution during next Period	346,801	
	c) Expense recognized in the statement of Profit and Loss		
	i) Interest cost	34,122	7,060
	ii) Current service cost	2,81,997	56,810
	iii) Expected return on plan asset		
	iv) Net actuarial (gain)/loss recognized in the period	(1,33,828)	302,800
	v) Expenses to be recognized in the statement of profit and loss accounts	1,83,291	366,670
	Actuarial Assumptions: The present value of the obligation under such Defined benefit plan is determined based on actuarial valuation using the projected Unit Credit Method, using the discount rates based on the market yields on Government securities as at the Balance Sheet date, having maturity years approximating to the terms of related obligations along with assumptions given below.		
	Assumptions	As at 31st March 2017	As at 31st March 2016
	Discount Rate	7.50%	7.80%
	Salary escalation rate	10%	10%
	Scheme status	Unfunded	Unfunded
	Normal retirement age	58 years	60 years
	Vesting Period	5 years	5 years
	Salary used for the calculation is last basic salary and DA (if any) for Gratuity.		



GR

SOLAPUR TOLLWAYS PRIVATE LIMITED
Notes to the financial statements for the year ended 31st March 17

Note No.	Particulars	As at March 31, 2017	As at March 31, 2016
23	Auditors' Remuneration* As Auditor (excl service tax) Certification fees Total	115,000 25,000 140,000	75,000 25,000 100,000
	* Auditors' Remuneration excludes Service Taxes.		
24	Dues to Micro, Small and Medium Enterprises The Company has not received any memorandum from 'Suppliers' (as required to be filed by the 'Suppliers' with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31st March 17 as micro, small or medium enterprises. Consequently, the interest paid/ payable by the company to such Suppliers, during the year is Rs. Nil (Previous year - Nil).		
25	Segment Information The Company is engaged in infrastructure business and is a Special Purpose Entity formed for the specific purpose detailed in note No.1 and thus operates in a single business segment. Also it operates in a single geographic segment. In the absence of separate reportable business or geographic segments the disclosures required under the Accounting Standard (AS) 17 - "Segment Reporting" have not been made.		
26	Deferred Tax Deferred tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years in accordance with Accounting Standard 22, "Taxes on Income" notified under Section 211(3C) of the Companies Act 1956. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. The carry forward of Unabsorbed Depreciation & Business Loss resulted into Net Deferred Tax Assets. Considering the concept of prudence deferred tax assets is not recognized by the company during the current financial year as well as previous financial years.		
Note No.	Particulars	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
27	Earnings Per Share (a) Profit after tax attributable to Equity Shareholders Weighted average number of Equity Shares (in No.) Nominal Value of Equity per share Basic Earnings per share (b) the weighted average number of equity shares outstanding during the period is increased by the weighted average number of additional equity shares which would have been outstanding assuming the conversion of all dilutive potential equity shares. Diluted Earnings per share (Refer Note below) (Note: Potential equity shares are anti dilutive as their conversion to equity shares would decrease loss per share from continuing ordinary activities. Hence the effects of anti dilutive potential equity shares are ignored in calculating diluted earnings per share.)	(1,105,304) 500,000 10 (2.21) 500,000 (2.21)	(735,340) 500,000 10 (1.47) 500,000 (1.47)
28	There is no income and expenditure in foreign currency during the year (Previous year - Nil).		
29	The details of specified bank notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016 has been provided in table below.		
		Specified Bank Notes (SBN)	Other Denomination notes
		Total	
	Closing Cash in Hand as on 08 11 2016	259,148	259,148
	Add: Permitted Receipts	379,000	379,000
	Less: Permitted Payments	571,552	571,552
	Less: Amount Deposited in banks	-	-
	Closing Cash in Hand as on 30 12 2016	66,596	66,596
30	The previous year figures has been reclassified / rearranged where ever necessary to conform to current year classification.		

As per our report of even date

For M K P S & Associates
Chartered Accountants
Firm's Registration No. 302014E.

CA. Saniav Kumar Parida
Partner
Membership No. 504222

Place : Kolkata
Date : 21/04/2017



(Signature)

Rajesh Sirohia
Director

For and on behalf of the Board of Directors

(Signature)
Anurag Sengupta
Director

