

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF JORABAT SHILLONG EXPRESSWAY LIMITED**

Report on the Financial Statements

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

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on these Standalone Financial statements based on our audit.

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

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

4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial



statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order 2016 ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure - "A" a statement on the matters specified in paragraphs 3 and 4 of the order.
8. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the Internal Financial Controls over financial reporting of the company and the operating effectiveness of such controls, we give our separate report in "Annexure - B".



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

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


CA Narendra Khandal
Partner
M No. 065025



Mumbai, May 6, 2016

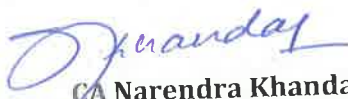
**Annexure - A to the Independent Auditors Report
Referred to in para 7 of our report of even date, to the members of JorabatShillong
Expressway Limited for the year ended March 31, 2016**

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



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

For MKPS & Associates
Chartered Accountants
FRN 302014E


CA Narendra Khandal
Partner
M No. 065025

Mumbai, May 6, 2016



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

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

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

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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


CA Narendra Khandal
Partner
M No. 065025



Mumbai, May 6, 2016

JORABAT SHILLONG EXPRESSWAY LIMITED
CIN No : U45203MH2010PLC204456
Balance Sheet As at March 31, 2016

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Particulars		Note	As At March 31, 2016		As At March 31, 2015	
I	EQUITY AND LIABILITIES					
1	SHAREHOLDERS' FUNDS					
	(a) Share capital	2	840,000,000		840,000,000	
	(b) Reserves and surplus	3	(78,621,492)	761,378,508	(12,543,848)	827,456,152
2	NON-CURRENT LIABILITIES					
	(a) Long-term borrowings	4 (A)	6,985,600,000		7,398,107,410	
	(b) Other long term liabilities	5	392,891,065	7,378,491,065	392,891,065	7,790,998,475
3	CURRENT LIABILITIES					
	(a) Current maturities of long-term debt	4 (B)	414,400,000		-	
	(b) Short-term borrowings	6	2,595,000,000		1,207,200,000	
	(c) Other current liabilities	7	1,740,377,096	4,749,777,096	1,691,376,475	2,898,576,475
	TOTAL			12,889,646,669		11,517,031,102
II	ASSETS					
1	NON CURRENT ASSETS					
	(a) Fixed assets	8				
	(i) Tangible assets (net)		9,562,987,373		11,386,624,379	
	(ii) Capital work-in-progress		-		-	
	(b) Long-term loans and advances (net)	9	83,535,374	9,646,522,747	82,189,374	11,468,813,753
2	CURRENT ASSETS					
	(a) Cash and cash equivalents	10	14,255,261		26,366,979	
	(b) Short-term loans and advances	11	7,708,441		21,850,370	48,217,349
	(c) Other current assets	12	3,221,160,220	3,243,123,922	-	
	TOTAL			12,889,646,669		11,517,031,102

Notes 1 to 25 forms part of the financial statements.

In terms of our report attached.
For MKPS & Associates
Chartered Accountants
Firm Registration No- 302014E


Narendra Khandal
Partner
M No. 065025




Place: Mumbai
Date: May 06, 2016

For and on behalf of the Board


Director


Manager


Chief Finance Officer
Place: Mumbai
Date: May 06, 2016


Company Secretary

JORABAT SHILLONG EXPRESSWAY LIMITED

CIN No : U45203MH2010PLC204456

Statement of Profit and Loss for the year ended ended March 31, 2016

Particulars		Note	Year ended March 31, 2016	Year ended March 31, 2015
I	Revenue from operations	14	254,980,220	-
II	Other income	15	-	14,607
III	Total revenue (I + II)		254,980,220	14,607
IV	Expenses			
	Operating expenses	16	19,009,271	-
	Employee benefit expenses	17	168,387	-
	Finance costs	18	199,230,813	-
	Administrative and general expenses	19	4,870,416	2,268,523
	Depreciation and amortization expense		97,778,977	
	Total expenses (IV)		321,057,864	2,268,523
V	Profit before exceptional and extraordinary items and tax (III-IV)		(66,077,644)	(2,253,916)
VI	Add / (Less) : Exceptional items		-	-
VII	Profit before extraordinary items and tax (V-VI)		(66,077,644)	(2,253,916)
VIII	Add / (Less) : Extraordinary items		-	-
IX	Profit/(Loss) before taxation (VII-VIII)		(66,077,644)	(2,253,916)
X	Tax expense:			
	(1) Current tax		-	-
	(2) Tax relating to earlier period		-	-
	(3) Deferred tax		-	-
	(4) MAT credit entitlement		-	-
	Total tax expenses (X)			
XI	Profit for the period (IX-X)		(66,077,644)	(2,253,916)
	Earnings per equity share (Face value per share Rupees 10/-)	19		
	(1) Basic		(0.79)	(0.03)
	(2) Diluted		(0.79)	(0.03)

Notes 1 to 25 forms part of the financial statements.

In terms of our report attached.
For MKPS & Associates
 Chartered Accountants
 Firm Registration No- 302014E


 Narendra Khandal
Partner
 M No. 065025




Place: Mumbai
 Date: May 06, 2016

For and on behalf of the Board


Director


Manager


Chief Finance Officer
 Place: Mumbai
 Date: May 06, 2016


Company Secretary

JORABAT SHILLONG EXPRESSWAY LIMITED
CIN No : U45203MH2010PLC204456
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 Before Taxes, Minority Interest and Share of Associates	(66,077,644)	(2,253,916)
Adjustments for :-		
Interest and finance expense	199,230,813	-
Depreciation	97,778,977	-
	230,932,146	(2,253,916)
Operating profit before Working Capital Changes		
Adjustments / changes in working capital:		
Decrease / (Increase) in Other Current assets, other non-current assets & Trade receivables	(3,207,018,291)	6,157,954
(Decrease) / Increase in Other current liabilities, other non-current liability & Trade payables	380,827	3,759,454
	(2,975,705,318)	7,663,491
Cash Generated from Operating Activities		
Payment of Taxes	(1,346,000)	-
	(2,977,051,318)	7,663,491
Net Cash generated / (used) in Operating activity (A)		
Cash flow from Investing Activities		
Expenditure towards creation of financial assets	1,725,858,029	(3,829,102,458)
Decrease / (Increase) in Other Current assets, other non-current assets & Trade receivables related to Financial Assets	-	227,845,680
(Decrease) / Increase in Other current liabilities, other non-current liability & Trade payables related to Financial Assets	96,989,070	1,255,532,360
	1,822,847,099	(2,345,724,418)
Net Cash (used in) / generated from Investing Activities (B)		
Cash flow from Financing Activities		
Issue of Equity Share Capital	-	60,000,000
Proceeds from Long Term Borrowings	1,892,590	1,083,607,410
Proceeds from Short Term Borrowings	1,387,800,000	1,207,200,000
Interest and finance expense	(247,600,089)	-
	1,142,092,501	2,350,807,410
Net Cash from Financing Activities (C)		
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	(12,111,718)	12,746,484
Cash and Cash Equivalent at the beginning of the year	26,366,979	13,620,495
Cash and Cash Equivalent at the end of the period	14,255,261	26,366,979
	(12,111,718)	12,746,484
Net Increase / (Decrease) in Cash & Cash Equivalents		
		₹
Components of Cash & Cash Equivalent		
Cash on Hand	625	1,497
Cheques on Hand	-	-
Balances with Banks in current accounts	14,254,636	26,365,482
Balances with Banks in deposit accounts	-	-
	14,255,261	26,366,979
Unpaid Dividend Accounts	-	-
Bank balances held as margin money or as security against borrowings	-	-
Cash & Bank Balances	14,255,261	26,366,979

Notes 1 to 25 forms part of the financial statements.

In terms of our report attached.
For MKPS & Associates
Chartered Accountants
Firm Registration No- 302014E

Operanda
Narendra Khandal
Partner
M No. 065025
Place: Mumbai
Date:



For and on behalf of the Board

[Signature]
Director

[Signature]
Manager

[Signature]
Chief Finance Officer
Place: Mumbai
Date: May 06, 2016

[Signature]
Company Secretary

JORABAT SHILLONG EXPRESSWAY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2016

Note No. 1 - Significant Accounting Policies

I Background

The Jorabat Shillong Project ("JSP") is a concession arrangement granted by the "NHAI" for a period of 20 years including construction period of three years from appointed date to Jorabat Shillong Expressway Limited ("JSEL"). Besides construction, JSEL's obligations include routine maintenance and period maintenance of the flexible pavement and the rigid pavement at predefined intervals. In consideration JSEL is entitled to a defined annuity. At the end of the concession period JSEL is required to be handed over in a stipulated condition to the grantor. The concession arrangement does not provide for renewal options.

II Basis of Accounting

The financial statement is prepared in accordance with the Generally Accepted Accounting Principles in India, Accounting Standards as per section 133 of the Companies Act 2013 read with Rule 7 of Companies (Accounts) Rules 2014

III Use of estimates

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

IV Fixed Assets and Depreciation

i) Tangible fixed assets and depreciation

Tangible fixed assets acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any.

The acquisition cost includes the purchase price (excluding refundable taxes) and expenses, such as delivery and handling costs, installation, legal services and consultancy services, directly attributable to bringing the asset to the site and in working condition for its intended use.

Where the construction or development of any asset requiring a substantial period of time to set up for its intended use is funded by borrowings, the corresponding borrowing costs are capitalised up to the date when the asset is ready for its intended use.

Depreciation on tangible fixed assets is computed as under:

As per notification dated, March 26, 2014 issued by the Ministry of Corporate Affairs, Schedule II of the Companies Act 2013 comes into effect from April 1, 2014 which prescribes the useful life of depreciable assets. The Company has adopted the useful life prescribed under the Schedule II of the Companies Act 2013. 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
- (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

V Impairment of Assets

The carrying values of assets of the Company's cash-generating units are reviewed for impairment annually or more often if there is an indication of decline in value. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognised, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate discount factor.



VI Borrowing Cost

In respect of an intangible asset, borrowing costs attributable to the construction of the roads are capitalised up to the date of receipt of the final completion certificate of the asset / facility received from the authority for its intended use of construction asset / facility as specified in the Concession Agreement. All borrowing costs subsequent to receipt of the final completion certificate construction of the asset / facility as specified in Concession Agreement are charged to the Statement of Profit and Loss in the period in which such costs are incurred.

VII Employee Costs

Employee Costs include Short term employee benefits such as Salaries, Incentives etc., as defined in AS -15 on Employee Benefits. The same are recognised as an expense in the period in which the service is rendered by the concerned employee to the company. Company does not have any Defined Benefit or Defined Contribution plans.

VIII Preliminary Expenditure

Preliminary Expenses incurred on incorporation of the Company are charged to the Statement of Profit & Loss in the period during which these expenses are incurred.

IX Accounting 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.

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 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

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.



JORABAT SHILLONG EXPRESSWAY LIMITED

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

Note 2 : Share capital

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number	₹	Number	₹
Authorised				
Equity Shares of Rupees 10/- each	85,000,000	850,000,000	85,000,000	850,000,000
Issued				
Equity Shares of Rupees 10/- each	84,000,000	840,000,000	84,000,000	840,000,000
Subscribed and Paid up				
Equity Shares of Rupees 10/- each fully paid (Refer foot note no. i, ii, and iii)	84,000,000	840,000,000	84,000,000	840,000,000
Total	84,000,000	840,000,000	84,000,000	840,000,000

Footnotes:

i. Of above 42,000,000 shares are held by the IL&FS Transportation Networks Limited and 42,000,000 shares are held by the Ramky Infrastructure Limited. (As at March 31, 2015: shares held by IL&FS Transportation Networks Limited are 42,000,000 shares & shares held by Ramky Infrastructure Limited are 42,000,000 shares)

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

Particulars	As at March 31, 2016		As at March 31, 2015	
	Equity Shares		Equity Shares	
	No. of Shares	₹	No. of Shares	₹
Shares outstanding at the beginning of the period / year	84,000,000	840,000,000	78,000,000	780,000,000
Shares issued during the year	-	-	6,000,000	60,000,000
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	84,000,000	840,000,000	84,000,000	840,000,000

iii. Shareholding more than 5%

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	42,000,000	50.00%	42,000,000	50.00%
Ramky Infrastructure Limited	42,000,000	50.00%	42,000,000	50.00%
Total	84,000,000	100.00%	84,000,000	100.00%

iii. Terms / Rights attached to Equity Shares:

The company has only one class of equity share, each shareholder is entitled to one vote per share.

Note 3 : Reserves and surplus

Particulars	As at March 31, 2016		As at March 31, 2015	
Surplus/Deficit in Statement of Profit and Loss				
Opening balance	(12,543,848)		(10,289,932)	
(+) Profit /(-) Loss for the current year	(66,077,644)	(78,621,492)	(2,253,916)	(12,543,848)
Total		(78,621,492)		(12,543,848)



JORABAT SHILLONG EXPRESSWAY 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 Secured From banks		6,985,600,000		7,398,107,410
Total		6,985,600,000		7,398,107,410

Foot Notes:

a) 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, in favour of Security Trustee by:

(i) First charge on all the accounts of the Borrower, including the Escrow Account, subject however to the condition that such charge on the accounts shall arise only after proceeds of such accounts if any have been received into the Escrow Account designated for the Project and thereafter shall only be to the extent of the waterfall of priorities for payments/withdrawal of payments as provided in the Escrow Agreement and not beyond that;

(ii) Assignment of all the rights, interest and obligations of the Borrower to or in favour of Senior Lenders under Project Agreements, to the extent covered by and in accordance with the Substitution Agreement, all as amended, varied or supplemented from time to time; and

(iii) Assignment of all rights of the Borrower under any guarantees that may be provided by any counter-party under any contract / agreement / document relating to the Project to the extent permissible under the Concession Agreement.

The Senior Lenders shall to the extent permitted under the Concession Agreement, share the security on a pari-passu basis amongst themselves. Senior Lenders shall cede a second charge in favour of the Subordinate Lenders, to the extent permitted under the Concession Agreement entered with NHAI.

b) Repayment Schedule:

No. of Instalment post expiry of Principal Moratorium Period from COD i.e. 6 month from the date of COD	Installment Amount Rs. In Crores	As at March 31, 2016	As at March 31, 2015
		Rupees	Rupees
1 to 8	82.88	828,800,000	828,588,030
9 to 12	50.32	503,200,000	503,071,304
13 to 16	54.76	547,600,000	547,459,948
17 to 20	59.20	592,000,000	591,848,593
21 to 44	381.84	3,818,400,000	3,817,423,424
Total	629.00	6,290,000,000	6,288,391,299
At the end of 44th Quarter	111.00	1,110,000,000	1,109,716,112
Total	740.00	7,400,000,000	7,398,107,410

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		414,400,000		-
Total		414,400,000		-



JORABAT SHILLONG EXPRESSWAY 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	
Trade Payables				
To related parties	392,891,065		392,891,065	
To Others		392,891,065		392,891,065
Total		392,891,065		392,891,065

Note 6: Short-term borrowings

₹

Particulars	As at March 31, 2016		As at March 31, 2015	
Short term loans				
Unsecured				
From Related party	2,595,000,000	2,595,000,000	1,207,200,000	1,207,200,000
Total		2,595,000,000		1,207,200,000

Note 7 : Other current liabilities

₹

Particulars	As at March 31, 2016		As at March 31, 2015	
(a) Interest accrued but not due on borrowings		1,492,520		49,861,796
From related parties				
(b) Statutory Dues		6,075,412		5,694,585
(c) Other current liabilities				
From related parties for capital expenses	1,725,941,534		1,632,325,114	
From others	6,867,630	1,732,809,164	3,494,980	1,635,820,094
Total		1,740,377,096		1,691,376,475



JORABAT SHILLONG EXPRESSWAY 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	Additions	Deletion/Adjustments	Balance as at March 31, 2016	Balance as at April 1, 2015	Charge for the period	On disposals	Balance as at March 31, 2016	Balance as at April 1, 2015
a) Tangible assets									
Roads & Bridges	-	12,626,946,350	2,966,180,000	9,660,766,350	-	97,778,977	-	9,562,987,373	-
Total	-	12,626,946,350	2,966,180,000	9,660,766,350	-	97,778,977	-	9,562,987,373	-
b) Intangible assets									
Total	-	-	-	-	-	-	-	-	-
c) Capital work-in-progress	11,386,624,379	1,240,321,971	12,626,946,350	-	-	-	-	-	11,386,624,379
d) Intangible assets under Development	-	-	-	-	-	-	-	-	-
Grand total	11,386,624,379	1,240,321,971	12,626,946,350	11,386,624,379	-	-	-	11,386,624,379	11,386,624,379
Previous year	7,557,521,921	3,829,102,458	-	11,386,624,379	-	-	-	11,386,624,379	7,557,521,921

Foot Note:

As per the concession agreement, the Scheduled Completion Date of Four Lining was January 11, 2014 and that for Milestone III was April 11, 2013. However, due to various factors beyond control of the company, the progress was not as per the schedule. Company has during the year achieved provisional completion certificate and project is declared fit for operation w.e.f January 28, 2016. As per the terms of Concession Agreement, company is now eligible for receipt of annuity post six months from provisional completion.

As per the Concession Agreement the concession period was for a period of 20 years from the appointed date i.e. 12th January 2011 during which period the company would be eligible for a maximum of 34 annuities commencing from COD. There has been delay in achieving the COD for reasons attributable to the authority and hence the company is of the view that it is eligible for all 34 annuities. Further, the company has also preferred claims with NHAL. Considering these facts, the carrying amount of its assets is not less than its recoverable value.



JORABAT SHILLONG EXPRESSWAY 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	
(a) Capital Advances				
Unsecured, considered good To related parties		79,789,133		79,789,133
(b) Security Deposits				
Unsecured, considered good		1,000		1,000
(c) Other loans and advances				
Unsecured, considered good				
- Advance payment of taxes (net of provision)	3,745,241		2,399,241	
- Other loans and advances	-	3,745,241	-	2,399,241
Total		83,535,374		82,189,374

Note 10: Cash and cash equivalents

Particulars	As at March 31, 2016		As at March 31, 2015	
Cash and cash equivalents				
Cash on hand	625		1,497	
Balances with Banks in current accounts	14,254,636	14,255,261	26,365,482	26,366,979
Balances with Banks in deposit accounts	-		-	
Total		14,255,261		26,366,979

Note 11 : Short-term loans and advances

Particulars	As at March 31, 2016		As at March 31, 2015	
Other loans and advances				
- Prepaid expenses	908,441		12,258,427	
- Other loans and advances	6,800,000	7,708,441	9,591,943	21,850,370
Total		7,708,441		21,850,370

Note 12: Other current assets

Particulars	As at March 31, 2016		As at March 31, 2015	
Annuity receivable from NHAI	254,980,220		-	
Claim Receivable from Authority	2,966,180,000	3,221,160,220	-	-
Total		3,221,160,220		-



JORABAT SHILLONG EXPRESSWAY LIMITED
Notes forming part of the Financial Statements for the Year ended March 31, 2016
Note 13: Contingent liabilities and capital commitments

₹

A) Commitments/Contracts pending to be executed

Particulars			As At March 31, 2016	As At March 31, 2015
Sr No	Name of party	Description		
1	IL&FS Transportation Networks Limited	Estimated amount of contracts to be executed from schedule project completion date, on Operation & Maintenance (Base price Rs. 68,800,000/- for base year 2011, escalated @ 5% p.a. upto the end of concession period) and not provided for	2,471,229,827	2,356,258,234
2	IL&FS Transportation Networks Limited	Estimated amount of contracts to be executed on capital account and not provided for (net of capital advances of Rs. 7,97,89,133 /- [Previous year ended March 31, 2014 Rs. 30,76,34,813/-])	816,213,552	816,213,552



JORABAT SHILLONG EXPRESSWAY LIMITED

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

Note 14: Revenue from operations

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
Income from services				
Annuity Income		254,980,220		-
Total		254,980,220		-

Note 15: Other income

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
Other non-operating income				
Excess provisions written back		-		14,607
Total		-		14,607

Note 16: Operating expenses

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
Fees for technical services / design and drawings	4,374,575		-	
Operation and maintenance expenses	14,634,696		-	
		19,009,271		-
Total		19,009,271		-

Note 17: Employee benefit expenses

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
Salaries, Wages and allowances		168,387		
Total		168,387		-

Note 18: Finance costs

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
Interest expenses				
Interest on loans for fixed period	199,230,813		-	
Other interest	-	199,230,813	-	
Total		199,230,813		-



JORABAT SHILLONG EXPRESSWAY LIMITED
Notes forming part of the Financial Statements for the Year ended March 31, 2016

Note 19: Administrative and general expenses

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
Legal and consultation fees	1,207,823		993,366	
Travelling and conveyance	250,742		391,267	
Rates and taxes	127,869		11,668	
Bank commission	13,774		14,358	
Registration expenses	-		60,000	
Insurance	1,747,629		-	
Directors' fees	398,038		117,978	
Auditors Remuneration (refer Note i)	1,033,442		608,429	
Miscellaneous expenses (refer Note ii)	91,100	4,870,416	71,457	2,268,523
Total		4,870,416		2,268,523

(i) Breakup of Auditors remuneration as below:

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
Statutory Audit Fees	286,250		224,720	
Certification charges	30,534		24,157	
Other expenses	716,658	1,033,442	359,552	608,429
Total		1,033,442		608,429

(ii) Breakup of Miscellaneous expenses as below:

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
Service tax & cess thereon	-		9,270	
Misc. Expenses (P&L)	-		1,000	
Postage Telegram Expenses	550		-	
Reimbursement Refreshment	10,550		2,268	
Invitee Fees	80,000	91,100	60,000	78,100
Total		91,100		78,100

Note 20: Earnings per equity share

Particulars	Unit	Year ended March	Year ended
		31, 2016	March 31, 2015
Profit / (loss) after tax and minority interest	₹	(66,077,644)	(2,253,916.40)
Premium on preference shares	₹	-	-
Tax on premium on preference shares	₹	-	-
Profit available for Equity Shareholders	₹	(66,077,644)	(2,253,916.40)
Nominal Value of equity shares	₹	10	10.00
Basic Earnings per share	₹	(0.79)	(0.03)
Equity shares used to compute diluted earnings per share	Numbers	84,000,000	82,169,864.00
Diluted Earnings per share	₹	(0.79)	(0.03)



JORABAT SHILLONG EXPRESSWAY LIMITED
Notes forming part of the Financial Statements for the Year ended March 31, 2016
Note 21: Related Party Statement

a Name of the related parties and description of relationship:

Nature of Relationship	Name of Entity	Acronym used
Ultimate Holding Company	Nil	
Holding Company	Nil	
Fellow Subsidiaries	Nil	
Enterprises having Significant Influence over the Company	IL&FS Transportation Networks Limited	ITNL
Enterprises having Significant Influence over the Company	Ramky Infrastructure Limited	RIL
Fellow Subsidiary	IL&FS Trust Company Limited	ITCL
Fellow Subsidiary	Rapid Metrorail Gurgaon Limited	RMGL
Manager	Mr. Aalok Anandmani	-
Chief Financial Officer	Mr. Makarand Sahasrabudde	-

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

Account head	Name of Entity	As at March 31,	
		2016	2015
		Amount in rupees	Amount in rupees
Balances:			
Creditors payable	ITNL	1,725,941,534	1,619,476,328
Mobilisation advance	ITNL	79,789,133	79,789,133
Share Capital	ITNL	420,000,000	420,000,000
Retention Money payable	ITNL	392,891,065	392,891,065
Interest Payable on STL	ITNL	32,794	49,861,796
Short Term Loan	ITNL	595,000,000	1,207,200,000
Short Term Loan	IL&FS	150,000,000	-
Short Term Loan	RMGL	1,850,000,000	-
Interest Payable on STL	RMGL	1,459,726	-
Security Deposit	ITCL	1,000	1,000
Share Capital	RIL	420,000,000	420,000,000
Advance towards Utility Shifting Work	RIL	6,800,000	6,800,000
Other Creditors Payable	RIL	-	12,848,786

	Name of Entity	Year ended March	
		31, 2016	31, 2015
		Amount in rupees	Amount in rupees
Transactions:			
Road Development cost charge	ITNL	-	2,740,602,163
Project Management Fees	ITNL	93,333,338	139,999,995
Deputation Cost	ITNL	274,768	636,683
Legal & Consultation Fees	ITNL	-	252,495
Operation & Maintenance Cost	ITNL	164,634,696	-
Equity Share Capital	ITNL	-	30,000,000
Retention Money payable	ITNL	-	137,030,110
Short Term Loan taken	ITNL	2,970,000,000	1,207,200,000
Short Term Loan Repaid	ITNL	3,582,200,000	-
Interest accrued on STL	ITNL	163,725,713	55,401,996
Interest Paid on STL	ITNL	197,182,140	-
Mobilisation Advance adjusted	ITNL	-	227,845,680
Short Term Loan taken	IL&FS	3,600,000,000	-
Short Term Loan Repaid	IL&FS	3,450,000,000	-
Interest accrued & paid on STL	IL&FS	94,860,673	-
Short Term Loan taken	RMGL	1,850,000,000	-
Interest accrued on STL	RMGL	1,621,918	-
Equity Share Capital	RIL	-	30,000,000
Director Fees	Mukund Sapre	-	40,000
Director Fees	Narayanan Doraiswamy	30,000	40,000
Director Fees	Vijay Kini	90,000	10,000
Director Fees	Goutam Mukherjee	90,000	-
Director Fees	SC Mittal	-	30,000
Director Fees	Harish mathur	-	20,000
Director Fees	K Ramchand	-	10,000
Director Fees	Subhash Chandra Sachdev	10,000	-
Director Fees	Mila Chakravarty	90,000	-
Director Fees	IW Vijayakumar Isaac	10,000	-
Director Fees	M Bajulqe	30,000	25,000



JORABAT SHILLONG EXPRESSWAY LIMITED

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

Note 22: 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 23: Provision for Taxation

In absence of book / tax profits or losses and consequent impact of the timing differences on the same, provision for deferred taxes and current Income Tax has not been made.

Note 24 : Claims

During the year, Company has filed claims of ₹ 803.23 crs with NHAI in accordance with the provisions of the Concession Agreement signed with NHAI. The process of appointment of arbitrator is going on. Based on the confirmation from Independent legal and technical experts on the tenability and probability of acceptance of such claims, company has reduced ₹. 296.62 crs from capital cost of the project.

Note 25: Previous period / year

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

In terms of our report attached.

For MKPS & Associates

Chartered Accountants

Firm Registration No- 302014E

Narendra Khandal

Narendra Khandal

Partner

M No. 065025

Place: Mumbai

Date: May 06, 2016



For and on behalf of the Board

[Signature]

Director

[Signature]

Manager

[Signature]

Chief Finance Officer

Place: Mumbai

Date: May 06, 2016

[Signature]

Company Secretary