

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KHED SINNAR EXPRESSWAY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Khed Sinnar 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 period then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Report on Other Legal and Regulatory Requirements

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



- ii. The company did not have any long-term contract including derivative contract for which there were any material foreseeable losses;
- iii. There were no amounts which were required by the company to be transferred to the Investor Education and Protection Fund.

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



Ramesh Koul
(Partner)
(Membership No. 077804)

Place: New Delhi
Date: 27th April, 2016

Annexures to the Independent Auditor's Report of Khed Sinnar Expressway Limited for the Year ended as on 31st March 2016

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

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

- xi. In our opinion, the managerial remuneration paid or provided by the company are in accordance with the provision of section 197 read with Schedule V of the Companies Act 2013.
- xii. The company is not a Nidhi Company, therefore para 3(xii) of the Order is not applicable.
- xiii. In our opinion and according to the information provided to use, the transaction entered with the related parties are in compliance with section 177 and 188 of the Act and are disclosed in the financial statements as required by the applicable accounting standards.
- xiv. The company has not made any preferential allotment of shares or debentures during the year.
- xv. According to the information provided to us, the company has not entered into any non-cash transaction with directors or the persons connected with him covered under section 192 of the Companies Act 2013. Therefore, paragraph 3(xv) of the Order is not applicable to the company.
- xvi. According to the information provided to us, the company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934. Therefore, paragraph 3(xvi) of the Order is not applicable to the company.

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



Ramesh Koul
(Partner)

(Membership No. 077804)

Place: New Delhi
Date: 27th April, 2016

Annexure-A

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

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

We have audited the internal financial controls over financial reporting of Khed Sinnar 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

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

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

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



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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

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



A handwritten signature in blue ink, appearing to read "Ramesh Koul".

Ramesh Koul
(Partner)

(Membership No. 077804)

Place: New Delhi
Date: 27th April, 2016

KHED SINNAR EXPRESSWAY LIMITED
CIN U45209MH2013PLC242133

Balance Sheet as at March 31, 2016

	Particulars	Note	As at	
			March 31, 2016	March 31, 2015
I	EQUITY AND LIABILITIES			
1	SHAREHOLDERS' FUNDS			
	(a) Share Capital	2	2,94,19,00,000	1,50,00,00,000
	(b) Reserves and Surplus	3	(3,27,78,621)	(1,61,26,785)
			2,90,91,21,379	1,48,38,73,215
2	NON-CURRENT LIABILITIES			
	(a) Long Term Borrowings	4	3,85,41,00,000	1,38,25,00,000
	(b) Other Long Term Liabilities	5	52,35,71,540	28,64,94,675
			4,37,76,71,540	1,66,89,94,675
3	CURRENT LIABILITIES			
	Other Current Liabilities	6		
			7,62,99,14,717	5,40,80,57,298
	TOTAL		14,91,67,07,636	8,56,09,25,188
II	ASSETS			
1	NON CURRENT ASSETS			
	(a) Fixed assets			
	(i) Tangible assets (net)		34,832	-
	(ii) Intangible Assets Under Development	7	14,73,37,88,179	8,36,01,55,687
	(b) Long Term Loans and Advances	8	3,08,80,793	3,16,63,229
			14,76,47,03,804	8,39,18,18,916
2	CURRENT ASSETS			
	(a) Other Current Assets	10	13,33,13,387	14,14,14,507
	(b) Cash and Bank balances	11	1,34,93,459	1,68,03,483
	(c) Short Term Loans and Advances	9	51,96,986	1,08,88,282
			15,20,03,832	16,91,06,272
	TOTAL		14,91,67,07,636	8,56,09,25,188

Note 1 to 20 forms part of the financial statements.

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


Ramesh Koul
Partner
Membership Number : 077804



For and on behalf of the Board


Director


Chief Financial Officer


Director


Manager

Date: April 27, 2016
Place: Delhi

Date: April 27, 2016
Place: Mumbai

KHED SINNAR EXPRESSWAY LIMITED
CIN U45209MH2013PLC242133

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

Particulars	Note	Year ended March 31, 2016	Year ended March 31, 2015
I Revenue from operations		-	-
II Other income		-	-
III Total revenue (I + II)		-	-
IV Expenses			
Operating expenses		-	-
Finance costs		-	-
Administrative and General Expenses	12	1,66,51,836	77,41,319
Depreciation and amortization expense		-	-
Total Expenses		1,66,51,836	77,41,319
V Profit / (Loss) before taxation (III - IV)		(1,66,51,836)	(77,41,319)
VI Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
Total tax expenses (VI)		-	-
VII Profit / (Loss) for the year (V - VI)		(1,66,51,836)	(77,41,319)
Earnings per equity share (Face value per share ₹10/-):	13		
(1) Basic		(0.07)	(0.52)
(2) Diluted		(0.07)	(0.52)

Note 1 to 20 forms part of the financial statements.

In terms of our report attached.

For Gianender & Associates

Chartered Accountants

Firm Registration no. 004661N


Ramesh Koul

Partner

Membership Number : 077804

Date: April 27, 2016

Place: Delhi



For and on behalf of the Board



Director



Director



Chief Financial Officer



Manager

Date: April 27, 2016

Place: Mumbai

KHED SINNAR EXPRESSWAY LIMITED
CIN U45209MH2013PLC242133

Cash Flow Statement for the year ended March 31, 2016

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Cash Flow from Operating Activities		
Profit Before Taxes, Minority Interest and Share of Associates	(1,66,51,836)	(77,41,319)
Adjustments for :- Depreciation and amortization expense		
Operating profit before Working Capital Changes	(1,66,51,836)	(77,41,319)
Adjustments changes in working capital: (Increase) / Decrease in Other Current, Other Non-Current Assets & Trade Receivables Increase / (Decrease) in Other Current, Other Non-Current Liabilities & Trade Payables		
Cash Generated from Operations	(1,66,51,836)	(77,41,319)
Direct Taxes paid (Net)	(21,31,131)	-
Net Cash generated from Operating Activities (A)	(1,87,82,967)	(77,41,319)
Cash flow from Investing Activities		
Payment for Fixed Assets	(6,08,76,91,076)	(4,39,91,61,612)
Increase / (Decrease) in Other Current, Other Non-Current Liabilities & Trade Payables	2,29,81,33,443	2,04,35,92,127
Decrease / (Increase) in other assets & loans and advances (current and non current)	1,67,05,983	-
Acquisition of Fixed Asset	(46,471)	-
Net Cash used in Investing Activities (B)	(3,77,28,98,121)	(2,35,55,69,485)
Cash flow from Financing Activities		
Proceeds from Issue of Shares	1,44,19,00,000	98,50,00,000
Proceeds from borrowings from related party	1,22,16,00,000	1,38,25,00,000
Proceeds from Long Term Borrowings	1,25,00,00,000	-
Interest and Finance costs paid	(12,51,28,936)	-
Net Cash generated from Financing Activities (C)	3,78,83,71,064	2,36,75,00,000
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(33,10,024)	41,89,196
Cash and Cash Equivalent at the beginning of the year	1,68,03,483	1,26,14,287
(+)(-) Impact of foreign currency translation	-	-
(+)(-) Impact of acquisition / sale of subsidiaries / Jointly controlled entities	-	-
Cash and Cash Equivalent at the end of the year	1,34,93,459	1,68,03,483
Net Increase / (Decrease) in Cash and Cash Equivalents	(33,10,024)	41,89,196

Components of Cash and Cash Equivalents		
Cash on hand	223	2,211
Balances with Banks in current accounts	1,34,93,236	1,68,01,272
Balances with Banks in deposit accounts	-	-
	1,34,93,459	1,68,03,483
Unpaid Dividend Accounts	-	-
Bank balances held as margin money or as security against borrowings	-	-
Cash and Cash Equivalents as per Balance Sheet	1,34,93,459	1,68,03,483

Note 1 to 20 forms part of the financial statements.

In terms of our report attached.

For Gianender & Associates

Chartered Accountants

Firm Registration no. 004661N

Ramesh Koul

Partner

Membership Number : 077804

Date: April 27, 2016

Place: Delhi



For and on behalf of the Board

[Signature]
Director

[Signature]
Director

[Signature]
Chief Financial Officer

[Signature]
Manager

Date: April 27, 2016

Place: Mumbai

KHED SINNAR EXPRESSWAY LIMITED

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

Note No. 1 - Significant Accounting Policies

I Background

Khed Sinnar Expressway Limited ("KSEL") a Special Purpose Vehicle ("SPV") promoted by IL&FS Transportation Networks Limited (ITNL), has been awarded the project involving development and operation involving 4-laning of the Khed-Sinnar section of NH-50, under a design, build, finance, operate & transfer ("DBFOT") basis (the "Project") was signed on May 09, 2013 and the concession period of the Project is 20 years from the appointed date.

II Basis of Accounting

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

III Use of estimates

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

IV Fixed Assets and Depreciation

i) Tangible fixed assets and depreciation

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

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

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

Depreciation on tangible fixed assets is computed as under:

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

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

(ii) Following assets are depreciated over a useful life which is shorter than the life prescribed under Schedule II of the Companies Act 2013 based on the Management's estimate

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

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

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

(vi) Cars purchased by the company for employees, are depreciated over a period of five years and Other than for employees as per the Companies Act 2013.

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

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

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

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

ii) Intangible Asset under Development:

The construction cost includes borrowing cost, administrative and general overhead expenses specifically attributed to the construction project are part of the cost of the project and debited to capital work in progress up to the date when the asset is ready for its intended use, which is when the complete length of the project as specified in the Concession Agreement is complete and on receipt of final completion certificate from the authority as specified in the Concession Agreement and not on component basis certifications received. Discounted Revenue collected on receipt of the component based certification received as an intermediate mechanism provided in the Concession Agreement is reduced from the cost of the Intangible asset as the construction work is still in progress and the entire asset is not ready for its intended purpose.

V Impairment of Assets

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



KHED SINNAR EXPRESSWAY LIMITED

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

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:-

- Negotiations have reached to an advanced stage such that it is probable that authority will accept the claim; and/or
- The amount that is probable will be accepted by the authority and can be measured reliably.
- Claims against the company are recognised as and when accepted.



KHED SINNAR 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	29,41,90,000	2,94,19,00,000	15,00,00,000	1,50,00,00,000
Issued				
Equity Shares of Rupees 10/- each	29,41,90,000	2,94,19,00,000	15,00,00,000	1,50,00,00,000
Subscribed and Paid up				
Equity Shares of Rupees 10/- each fully paid (refer foot note no. i, ii, and iii)	29,41,90,000	2,94,19,00,000	15,00,00,000	1,50,00,00,000
Total	29,41,90,000	2,94,19,00,000	15,00,00,000	1,50,00,00,000

Foot Notes:

i. Of the above 29,41,90,000 shares are held by the holding Company and its Nominees (As at March 31, 2015 : 15,00,00,000 Shares)

ii. Terms and Rights of Issue of Equity Shares:

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

iii. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year.

Particulars	As at March 31, 2016		As at March 31, 2015	
	Equity Shares		Equity Shares	
	No. of Shares	₹	No. of Shares	₹
Shares outstanding at the beginning of the year	15,00,00,000	1,50,00,00,000	-	-
Shares issued / converted during the year	14,41,90,000	1,44,19,00,000	15,00,00,000	1,50,00,00,000
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	29,41,90,000	2,94,19,00,000	15,00,00,000	1,50,00,00,000

iv. Shareholding more than 5% shares

Name of Shareholder	As at March 31, 2016		As at March 31, 2015	
	No. of Shares held	% of total holding	No. of Shares held	% of total holding
IL&FS Transportation Networks Limited (the Holding Company and its nominees)	29,41,90,000	100%	15,00,00,000	100%
Total	29,41,90,000	100%	15,00,00,000	100%

Note 3: Reserves and surplus

Particulars	As at March 31, 2016		As at March 31, 2015	
Profit / (Loss) Surplus				
Opening balance	(1,61,26,785)		(83,85,466)	
(+) Profit / (Loss) for the current year	(1,66,51,836)	(3,27,78,621)	(77,41,319)	(1,61,26,785)
Total		(3,27,78,621)		(1,61,26,785)



KHED SINNAR EXPRESSWAY LIMITED**Notes forming part of the Financial Statements for the year ended March 31, 2016****Note 4: Long Term Borrowings**

Particulars	As at March 31, 2016		As at March 31, 2015	
(a) Term Loans				
(i) Secured				
From Banks	75,00,00,000		-	
From Financial Institutions	50,00,00,000	1,25,00,00,000	-	
(i) Unsecured				
From Banks				
From Related Parties	2,60,41,00,000	2,60,41,00,000	1,38,25,00,000	1,38,25,00,000
Total		3,85,41,00,000		1,38,25,00,000

Footnotes:**1. Secured by hypothecation of:**

(i) All movable, tangible and intangible assets other than the Project Assets;

(ii) All the monies lying in Escrow Account into which all the investments in the Project and all Project revenues, Receivables, Cash and insurance proceeds in Project accounts, Debt Service Reserve Account and any other bank accounts relating to/connected with the Project and all rights, title, interest, benefits, claims and demands whatsoever of the Borrower in, to, under and in respect thereof and all monies including all cash flows and receivables and all proceeds arising from / in connection with the Project and all insurance proceeds payable into the said accounts, which have been/are deposited / credited / lying therein, all investments, assets, instruments and securities which represent amounts in the said accounts, both present and future, provided such charge over the Escrow Account shall only be to the extent permissible as per the water fall of priorities specified in the Concession Agreement and Escrow Agreement.

(iii) All contractual rights, assignment rights, applicable permits, title, interest, benefits, claims and demands whatsoever of the Borrowers in, to, under and or in respect of all the Project Agreements including agreements, contracts, indemnities, guarantees, and all other documents/writings in respect of the Project and all licences, security, permits, approvals and consents in respect of the Project which are now executed or hereafter to be executed and delivered by the Borrower, including, without limitation, the right to compel performance thereunder, and to be substituted for the Borrower therein, and to commence and conduct either in the name of the Borrower or in its own name or otherwise any proceedings against any Person in respect of any breach of, the Project

Agreements, including without limitation, rights to recover payments and/or collect any receivables pertaining thereto, and the right to claim the benefits of all rights, entitlements, claims and powers of the Borrower thereunder and enforce the same, including any claims of the Borrower under or in any proceedings against any person(s) in connection therewith; and together with the right to further assign any of the Project Agreements and/or any rights thereunder provided such assignment is limited to and to arise to the extent provided under Substitution Agreement.

(iv) All rights under project guarantees obtained pursuant to construction, development contract or operations contract if any relating to the project provided such assignment shall be limited to and to arise to the extent provided under the Substitution Agreement

(v) Debt Service Reserve Account and other Sub account required to be created by the Borrower under any project Agreement or contract provided such assignment / charge shall be guided by the provision of the Escrow Agreement and limited only to the extent of water fall of priorities permissible as provided in the Escrow Agreement .

2. Repayment Schedule

Year	Banks	Financial Institution	Sub Debt
2018	75,00,000	50,00,000	-
2019	1,87,50,000	1,25,00,000	-
2020	2,62,50,000	1,75,00,000	-
2021	3,00,00,000	2,00,00,000	-
2022	3,75,00,000	2,50,00,000	-
2023	4,50,00,000	3,00,00,000	-
2024	4,87,50,000	3,25,00,000	-
2025	5,62,50,000	3,75,00,000	-
2026	6,37,50,000	4,25,00,000	-
2027	7,12,50,000	4,75,00,000	-
2028	7,87,50,000	5,25,00,000	52,08,20,000
2029	8,62,50,000	5,75,00,000	1,04,16,40,000
2030	18,00,00,000	12,00,00,000	1,04,16,40,000
Total	75,00,00,000	50,00,00,000	2,60,41,00,000

3. Interest is charged at 11.75% p.a.

KHED SINNAR 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	
Others				
(i) Security Deposits				
Related Parties			6,00,000	
Others			-	6,00,000
(ii) Retention Money Payable				
Related Parties	49,95,86,988		25,33,57,327	
Others	56,60,310	50,52,47,298	1,77,48,349	27,11,05,676
(iii) Performance Security				
Related Parties	1,79,49,492		1,42,31,378	
Others	3,74,750	1,83,24,242	5,57,621	1,47,88,999
Total		52,35,71,540		28,64,94,675

Note 6: Other Current Liabilities

Particulars	As at March 31, 2016		As at March 31, 2015	
(a) Interest accrued but not due on borrowings				
Related Parties	22,53,72,020		6,45,71,179	
Others		22,53,72,020	-	6,45,71,179
(b) Statutory Dues		63,12,555		30,84,048
(c) Other Current Liabilities				
Related Parties	7,39,47,56,171		5,33,98,75,757	
Others	34,73,971	7,39,82,30,142	5,26,314	5,34,04,02,071
Total		7,62,99,14,717		5,40,80,57,298



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

Note 7: Fixed assets

Particulars	Gross block (at cost)		Depreciation and Amortisation			Net block		
	Balance as at April 1, 2015	Additions	Deletions	Balance as at April 1, 2015	Charge for the year	Deletions	Balance as at March 31, 2016	Balance as at March 31, 2015
a) Tangible assets								
Data processing equipments		46,471			11,639		34,832	
Total		46,471			11,639		34,832	
b) Intangible assets								
Total								
c) Capital work-in-progress								
Total								
d) Intangible assets under Development	8,36,01,55,687	6,37,36,32,492					14,73,37,88,179	8,36,01,55,687
Total	8,36,01,55,687	6,37,36,32,492					14,73,37,88,179	8,36,01,55,687
Grand Total	8,36,01,55,687	6,37,36,78,963			11,639		14,73,38,23,011	8,36,01,55,687
Previous Year		4,01,39,94,896					4,01,39,94,896	

Foot Note:

- i Depreciation on assets used during the construction period ₹ 11,639/- (March 31, 2015 Rs Nil) has been included in "Intangible Assets under Development". Therefore, the charge to the statement of profit and loss is lower by this amount.



KHED SINNAR EXPRESSWAY LIMITED**Notes forming part of the Financial Statements for the year ended March 31, 2016****Note 8: Long Term Loans and Advances**

Particulars	As at March 31, 2016		As at March 31, 2015	
Other loans and advances				
Unsecured, considered good				
- Inter-corporate deposits	1,000		1,000	
- Advance payment of taxes (net of provision)	1,21,46,460		1,00,15,329	
- Prepaid Expenses	-		49,77,838	
- Others (TDS on Works Contract)	1,87,33,333	3,08,80,793	1,66,69,062	3,16,63,229
Total		3,08,80,793		3,16,63,229

Note 9: Short Term Loans and Advances

Particulars	As at March 31, 2016		As at March 31, 2015	
Other loans and advances				
Unsecured, considered good				
- Prepaid expenses	51,36,712		1,08,88,282	
- Other current assets	60,274	51,96,986	-	1,08,88,282
Total		51,96,986		1,08,88,282

Note 10: Other Current Assets

Particulars	As at March 31, 2016		As at March 31, 2015	
Other Receivables				
Unsecured, considered good				
- Others		13,33,13,387		14,14,14,507
Total		13,33,13,387		14,14,14,507

Note 11: Cash and Cash Equivalents

Particulars	As at March 31, 2016		As at March 31, 2015	
Cash and Cash Equivalents				
Cash in Hand	223		2,211	
Balances with Banks in current accounts	1,34,93,236	1,34,93,459	1,68,01,272	1,68,03,483
Total		1,34,93,459		1,68,03,483



KHED SINNAR EXPRESSWAY LIMITED**Notes forming part of the Financial Statements for the year ended March 31, 2016****Note 12: Administrative and General Expenses**

₹

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
Legal and Consultation Fees	9,46,568		4,04,276	
Travelling and Conveyance	-		30,461	
Rates and Taxes	1,43,42,458		39,60,878	
Bank Commission	114		411	
Registration Expenses	-		23,76,750	
Communication expenses	380		-	
Directors' Fees	3,98,138		1,79,776	
Auditors remuneration (Refer Note 15D)	9,60,400		7,88,767	
Office Expenses	3,778	1,66,51,836	-	77,41,319
Total		1,66,51,836		77,41,319

Note 13: Earnings per equity share

₹

Particulars	Unit	Year ended	Year ended
		March 31, 2016	March 31, 2015
Profit / (loss) after tax, minority interest and share of associates	₹	(1,66,51,836)	(77,41,319)
Premium on preference shares	₹	-	-
Tax on premium on preference shares	₹	-	-
Profit available for Equity Shareholders	₹	(1,66,51,836)	(77,41,319)
Weighted number of Equity Shares outstanding	Numbers	22,30,07,760	1,49,35,479
Nominal Value of equity shares	₹	10	10
Basic Earnings per share	₹	(0.07)	(0.52)
Equity shares used to compute diluted earnings per share	Numbers	22,30,07,760	1,49,35,479
Diluted Earnings per share	₹	(0.07)	(0.52)



KHED SINNAR EXPRESSWAY LIMITED

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

Note 14: Related Party Statement

a Name of related parties and description of relationship

Nature of Relationship	Name of Entity	Acronym used
Ultimate Holding Company	Infrastructure Leasing & Financial Services Ltd	IL&FS
Holding Company	IL&FS Transportation Network Limited	ITNL
Fellow Subsidiaries	IL&FS Financial Services Limited	IFIN
Fellow Subsidiaries	IL&FS Trust Company Limited	ITCL
Fellow Subsidiaries	ISSL CPG BPO Pvt Ltd	ISSL
Key Management Personnel and Directors	Mr S P Singh (Manager)	
	Mr Sanjay Latte (CFO)	

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

Account head	Name of Entity	As at March 31, 2016	As at March 31, 2015
Balances:			
Equity share capital	ITNL	2,94,19,00,000	1,50,00,00,000
Sundry Creditors	ITNL	7,39,25,10,494	5,33,97,83,873
Retention Money Payable	ITNL	49,95,86,988	25,33,57,327
Performance Security Payable	ITNL	1,79,49,492	1,42,31,378
Sub Debt	ITNL	2,60,41,00,000	1,38,25,00,000
Interest Accure but not due	ITNL	22,53,72,020	6,45,71,179
Sundry Debtors	IL&FS	60,274	-
Sundry Creditors	IFIN	22,45,677	91,884
Deposit	ITCL	1,000	1,000
Account head	Name of Entity	Year ended March 31, 2016	Year ended March 31, 2015
Transactions:			
Conversion of Sub Debt into Equity	ITNL	1,44,19,00,000	98,50,00,000
Project Development Fees	ITNL	-	45,00,00,000
Deputation cost	ITNL	6,47,899	6,36,683
Construction Cost	ITNL	5,92,93,62,100	3,78,44,00,311
Utility Shifting	ITNL	7,54,62,363	31,90,08,482
Retention Money Payable	ITNL	24,62,29,661	17,62,64,292
Performance Security Payable	ITNL	37,18,114	1,42,31,378
Interest on Sub Debt	ITNL	18,13,54,436	7,17,45,755
Sub Debt Borrowed	ITNL	2,66,35,00,000	1,38,25,00,000
Short Term Loan Taken	IL&FS	1,10,00,00,000	-
Short Term Loan Repaid	IL&FS	1,10,00,00,000	-
Interest on Loan	IL&FS	10,45,75,343	-
Finance Cost	IFIN	2,71,160	1,34,143
Travelling Expense	IFIN	29,33,139	-
Security Trustee Fees	ITCL	2,84,317	3,97,108
Deposit	ITCL	-	1,000
Legal & Consultation Fees	ISSL	17,175	17,454
Rates & Taxes	ISSL	600	-
Director Sitting Fees	Ajay Menon (Director)	-	20,000
Director Sitting Fees	Hari Bhavsar (Director)	-	15,000
Director Sitting Fees	Harish Mathur (Director)	-	15,000
Director Sitting Fees	Kazim Raza Khan (Director)	30,000	40,000
Director Sitting Fees	Krishna D. Ghag (Director)	90,000	30,000
Director Sitting Fees	M B Bajulge (Director)	-	40,000
Director Sitting Fees	Rupak Ghosh (Director)	90,000	-
Director Sitting Fees	Sumathy Iyer (Director)	40,000	-
Director Sitting Fees	K T Chaubal (Director)	90,000	-
Director Sitting Fees	Dilip Bhatia (Director)	10,000	-



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

Note 15: Contingent Liabilities, Capital Commitment and Other Information

A) Contingent liabilities : NIL

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

Sr No	Name of Party	Description	As at March 31, 2016	As at March 31, 2015
1	IL&FS Transportation Networks Limited	Estimated amount of contracts remaining on capital account and not provided for	4,35,89,31,398	10,28,82,93,498

C) Financial commitments pending to be executed :

Sr No	Name of Party	Description	As at March 31, 2016	As at March 31, 2015
1	IL&FS Trust Company Limited	Security Trusteeship Fees	-	32,50,000
2	IDBI Trusteeship Services Limited	Security Trusteeship Fees	42,50,000	-

D) Disclose the amount paid/payable to Auditors :

Sr No	Name of Auditor	Description	As at March 31, 2016	As at March 31, 2015
1	Gianender & Associates	Audit Fees	2,29,000	2,24,720
		Other Services	7,12,102	5,41,575
		Out of Pocket Expenses	19,298	22,472
		Total	9,60,400	7,88,767

Note 16: Directors' Remuneration

The Directors have been paid sitting fees for the Board and Committee meetings attended by them. Further, no remuneration has been paid by the Company to the Manager appointed under section 197 of the Companies Act, 2013.

Note 17: Segment Reporting

The Company is a Special purpose vehicle and is engaged in the business of Construction and maintenance of checkposts and thus operates in a single business and geographical segment. As a result, disclosures required under AS - 17 on "Segment Reporting" have not been given.

Note 18: Deferred Tax

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

Note 19: Borrowing Cost

Borrowing costs incurred in respect of borrowings made towards construction of the Project assets are treated as a part of Intangible Assets under Development for subsequent capitalization as on commencement of commercial operations of the road. Borrowing costs incurred subsequent to the capitalisation date are charged to the Statement of Profit and Loss. In accordance of Accounting Standard - 16 "Borrowing Costs", income earned on investment (short term) of funds intermittently surplus but inextricably linked with the project is set off against related borrowing cost.

Note 20: 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 Gianender & Associates
 Chartered Accountants
 Firm Registration no. 004661N

Ramesh Koul
 Partner
 Membership Number : 077804

Date: April 27, 2016
 Place: Delhi



For and on behalf of the Board

Director
Director
Chief Financial Officer
Manager

Date: April 27, 2016
 Place: Mumbai